ALL INDIA UCO BANK EMPLOYEES FEDERATION

(AFFILIATED TO AIBEA) REG. NO. 3489/CNI

10, BTM SARANI, 2nd Floor, KOLKATA - 700001

REGD OFFICE : CHENNAI(UCO Bank, 328, Thambu Chetty Street, Chennai-600001)

Email ID : AIUCBEF.IN@GMAIL.COM/ STAFFUNIONWB@GMAIL.COM

Mob No. 9830018941/7003608652

Ref No. AIUCBEF/ MD & CEO /135/23- 26 **Dated 18/11/2025**

The Managing Director & CEO
UCO BANK
10,B.T.M Sarani
Kolkata 700001

Dear Sir,

Sub: Absorption of tax on perquisites

We would like to invite your kind attention to earlier communications of United Forum of UCO Bank Workforce (UFUBW) with you wherein we have mentioned that according to our information few banks are in the process of considering the methods of absorbing the TDS liability on perquisite value upon the interest free and concessional interest-bearing loans made available to the employees.

Vide our letters dated 27.03.2025, 17.02.2025, 22.02.2025 and 19.03.2025 of UFUBW we did inform you that Canara Bank, Punjab National Bank, Union Bank of India and State Bank of India issued circulars announcing their decisions regarding absorption of the tax liability in the interest of better HR initiative and to ameliorate the hardships of their employees.

Now, we understand that in the financial year 2024-25, most of the Public Sector Banks reportedly absorbed the TDS liability on perquisite value on the interest free and concessional interest-bearing loans made available to the employees.

Such employee-friendly gesture taken by many of the Public Sector Banks of India has not only brought sigh of relief to their employees but at the same time will go a long way in instilling more and more trust and conviction within employees towards our beloved Bank.

In this context we also like to apprise you that the captioned issue was raised by the United Forum of Bank Unions (UFBU) during the conciliation meetings held recently between representatives of DFS, IBA and all Bank Managements with UFBU under the auspices of the Chief Labour Commissioner. During the course of aforementioned meeting the matter was categorically clarified by DFS by informing that levying Income Tax on Perquisites is within the norms of Income Tax Act and Banks may take their own decision in respect to absorbing the Tax Burden. Banks, are, therefore, free to absorb TDS liability on perquisite value on the interest free and concessional interest-bearing loans made available to the employees.

In our earlier discussions with the top management on 4th February 2025, it was appreciated that Bank was sympathetic to the cause. But till date our employees are waiting in the expectation of any positive result.

In view of the above, we, urge upon you to kindly revisit the matter and issue and consider our request for absorption of TDS on perquisite value of concessional/free of interest loans for employees of our bank.

We look forward to your kind consideration in this regard.

Thanking you,

Yours sincerely,

Partha Chanda
General Secretary