

# How a delay in software updation proved costly for SBI's customers

L N Revathy Coimbatore | Updated on June 13, 2019 Published on June 13, 2019



SBI has not given effect to some provisions in the Finance Bill 2019 related to deduction of tax at source

While technology is expected to make life easy, a delay in software updation for incorporating the latest changes can cost a bomb for the needy, besides complicating the process.

## Deduction of tax at source

State Bank of India (SBI), it appears, has not given effect to some provisions in the Finance Bill 2019 related to deduction of tax at source.

Taking note of the discrepancy on the issue of deduction of tax at source, the Coimbatore Consumer Cause (CCC) has, in a communication to the Chairman of SBI, pointed out that many people, particularly pensioners, were forced to file their tax returns to claim the refund. And in the process, they had to shell out as much as ₹1,000 as service charges to tax practitioners/auditors. “A number of

pensioners do not file their I-T returns, as the total income is well below the taxable limit. The levy of tax is a loss to such individuals and this is totally unacceptable,” argued K Kathirmathiyon, Secretary, CCC, before adding that “there was enough time for the bank to update its software to effect the provisions of the Finance Bill 2019. Yet, nothing has been done to bring the latest provisions into force.”

It was specifically stipulated that the Bill would come into force from April 1. For fiscal 2019-20, the standard deduction for salaried class was increased from ₹40,000 to ₹50,000, and the Income-Tax limit for pensioners to ₹5 lakh. A cross-section of SBI pensioners said that the tax was being deducted for income above ₹3 lakh.

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