



**Office of the Principal Controller of Defence Accounts (Pension), Draupadi
Ghat, Allahabad-211014**

Circular No.188

No. AT/Tech/228-VIII
Dated: 06.02.2017

To,

1. The Chief Accountant, RBI Deptt. of Govt. Bank Accounts, Central office C-7, Second Floor, Bandre- Kurla Complex, P B No. 8143, Bandre East Mumbai-400051
2. The Director of Treasuries of all state
3. The Manger CPPC of Public Sector Banks including IDBI
4. The CDA (PD) Meerut.....
5. The CDA-Chennai.....
6. The Nodal Officers (ICICI/ AXIS/HDFC Bank)....
7. The Pay & Accounts Officers.....
8. Military and Air Attache, Indian Embassy Kathmandu, Nepal.
9. The DPDO.....
10. The Post Master.....

Sub: Exemption of Pension/ Family Pension received with Gallantary Award.

This office is receiving representations from various agencies stating that PDAs are deducting the Income Tax on pension/family pension of the Defence Pensioners/Family Pensioners who have been granted with Gallantry Awards

2. The issue has been examined and it is found that Chapter-III of Income Tax Act-1961, which provides, vide section 10 (18) inserted by the Finance Act-1999 w.e. f. 01.04.2000 that incomes which do not form part of total income for the purpose of Income Tax includes the following -

- (i) pension received by an individual who has been in the service of the Central Government or State Government and has been awarded "Param Vir Chakra" or "Maha Vir Chakra" or "Vir Chakra" or such other gallantry

award as the Central Government may, by notification in the Official Gazette, specify in this behalf:

- (ii) family pension received by any member of the family of an individual referred to in sub-clause (i).

3. In view of the above all Pension Disbursing Authorities are advised to allow the benefit of exemption of Income Tax to the pensioners/family pensioners mentioned at 2(i) & (ii) above.

-sd/-

(Dhananjay Singh)
Jt.CDA (P)

Copy to:-

1. The CGDA, Ulan Batar Road, Palam Delhi Cantt-110010.
2. The Pr.CDA (Navy), Cooperage Road Mumbai.
3. The Jt.CDA (AF), New Delhi
4. PA to CDA (AT) / CDA (Gts) /CDA (DPTI) in Main Office.
5. PA to all Addl. CDA / Jt.CDA, in Main Office.
6. All GOs, in Main Office.
7. Officer-in-Charge, G-I/ M (Tech), G-I/C (Tech) and. Gts /Tech Section (Local).
8. Officer-in-Charge in all section (Local).
9. Officer-in-Charge EDP Centre (Local). For inclusion and uploading at Website of this office.

(R.K. Sharma)
Sr. Accounts Officer (P)