

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

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No PA4/201(3)/2003 AD

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Dated 24th Feb 03

ACCOUNTS CIRCULAR NO 7 / 2003

Sub INCOME TAX - Recovery of Income Tax on Terminal Encashment - Revised
Guidelines - Reg

Ref (1) Circular No PA6/201(1)/96 AD Dt 26th Aug 96
(2) Circular No PA6/201(1)/99 AD Dt 22nd Jul 99

Further to the instructions on this subject it is informed that the ceiling limit for exemption on terminal leave encashment drawn at the time of cessation of service of an employee has been enhanced from Rs 240000 to Rs 300000 vide Notification No 123/2002 dt 31 5 2002 (F No 200/23/98 IT (A I) as follows

In exercise of the powers conferred by sub clause (10AA) of section 10 of the Income Tax Act 1961 (43 of 1961) the Central Government having regard to the maximum amount receivable by its employees as cash equivalent of leave salary in respect of the period of earned leave at their credit at the time of their retirement whether superannuation or otherwise hereby specified the amount of Rs 300000 (Rupees three lakhs only) as the limit in relation to employee mentioned in that sub clause who retire whether on superannuation or otherwise after the 1st day of April 1998

All the Unit Officers are requested to note the above and act accordingly

Sd/ (K Nageswara Rao)
DY CHIEF ACCOUNTS OFFICER (S P & A)

To
All the Dy CAOs / AOs / Pos / DMs / EEs