

APS RTC

O/o the VC & MD Accounts Wing  
Mushirabad Hyderabad  
Dated 06 Apr 96

No PA6/201(l)/96 AD

The Executive Directors of all Zones,  
All Regional Managers  
A P S R T C

Sub INCOME TAX - Deduction of Income Tax on Gratuity Reg

We append below an extract of Notification No 9959 dated 01 02 96 relating to Gratuity published in Volume 85 - [1996] 85 Taxman (ST) for information and necessary action

**NOTIFICATION / SECTION 10(10)(111) OF INCOME TAX ACT**

SECTION 10(10)(111) of the Income-tax Act 1961 - Exemption - Gratuity - Exemption limit of Rs 1 00 000 raised to Rs 2 50,000

**NOTIFICATION NO 9959 [F NO 200/107/95 IT(A I) I, DATED 01 02 1996**

In exercise of the powers conferred by sub-clause (111) of clause (10) of section 10 of the Income-tax Act 1961 (43 of 1961) the Central Government having, regard to the maximum amount of any Gratuity payable to its employees, hereby specifies two lakhs and fifty thousand rupees as the limit for all the three purposes mentioned in that sub clause in relation to the employees referred to therein who retire or become incapacitated prior to such retirement or die on or after 01 04 95 or whose employment is terminated on or after the said date

Sd/- (K V Subba Rao)  
CHIEF ACCOUNTS OFFICER