

F No 200/S1/99-TTA-1
GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES
New Delhi, the 6th May, 2000

To
Shri Sudhakar Shukla,
Director (Pens)
Govt of India,
Ministry of Defence
Department of Defence
New Delhi.

Subject: Maintenance of status quo regarding exemption of the total disability pension admissible to the Armed Forces Personnel from IT-reg.

Sir,

I am directed to refer to your D.O letter No 1001/99/D(Pen-C) dated December 21, 1999 seeking clarifications regarding exemption from IT of the entire disability pension admissible to the Armed Forces personnel

The matter has been re-examined. The entire disability pension i.e. disability element and service element will be exempted from Income-tax. This letter will supersede all earlier clarifications issued on this subject.

Yours faithfully,

Sd/-

(SAMAR BHADRA)

UNDER SECRETARY TO THE GOVT OF INDIA

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3.2 The provisions of para 3.1 above shall apply to Armed Forces personnel who were in service as on 1.1.86 or joined/join service thereafter. In cases where an individual applies for commutation after one year of invalidment/discharge, commutation of War Injury Pension as per para 3.1 above shall be allowed on receipt of duly approved commutation medical board proceedings. Existing provisions/procedure shall apply for commutation medical boards.

4. In cases with the concurrence of Ministry of Defence (Finance) vide their U.O. No.592/Dir(Fin/P) dated 28.2.2000.

Yours faithfully,

Sd/-

(N.N. Mathur)

Under Secretary to the Government of India