No. **CPAO/IT&Tech/Gallantry Award/26/2020-21/**o6          Dated- **12.05.2021**

## Office Memorandum

All the Authorized Banks involved in disbursement of pension are to draw their attention towards provisions of **Section-10, clause 18 (i) of Income Tax** as notified vide Ministry of Finance, Department of Revenue, CBDT Notification dated 24th November, 2000. This notification provides for **exemption of application of Income Tax for the pension received by an individual who has been in the service of the Central Government or State Government and has been awarded Gallantry Award** as may be specifically notified by the Central Government from time to time. Family pension received by any member of the family of such individuals is also exempt. The referred clause also clearly indicates that no deduction of income tax should be made in the case of recipients of such awards.

2.      Despite these clear provisions of the Act, it has come to notice of this office that the above provision of Income Tax is not being complied with in its letter and spirit by the certain pension disbursing banks.

3.      All the pension disbursing banks are, therefore, required to ensure that the Income Tax at source is **not** to be deducted from pension in respect of **Gallantry Awardee** as per the provision of Section 10 clause 18(i) of the IT Act, CBDT Notification dated 24th November, 2000. The provision of Income Tax is to be followed scrupulously without fail by all pension Disbursing Banks.

This issues with the approval of the **Controller General of Accounts.**

**(Rokhum Lalremruata)**
**(Chief Controller of Pensions)**

To,

1. All CGMs/ GMs (Govt. Business) of Authorized Banks/ Pension Disbursing Banks(as per list)

Copy for information to,

1. Joint CGA(ARPR), O/o CGA