



UCO BANK

CRN
317/98-99

Head Office, Accounts Department,
Martin Burn Building,
1, R.N. Mukherjee Road,
Calcutta — 700 001.

CIRCULAR NO. CHO/PMG/26/98

Dated : 29/12/1998.

TO ALL BRANCHES AND OFFICES
IN INDIAN UNION

Sub: Exemption limit on Leave Encashment on
Retirement under section 10(10AA)(ii).

Please refer to the para 3.3 of our Circular No. CHO/PMG/24/98 dated 2/12/1998 whereby it was advised that maximum limit of exemption available on account of Leave encashment on retirement shall be Rs.1,35,360/- w.e.f 1.7.1995.

Now, we would like to advise that in terms of Notification No.10749 [F No.200/23/98-IT(A-1)] dated 27.11.1998 the above maximum limit has been raised to Rs.2,40,000/- after 1st July, 1997.

We reproduce below the full text of the above notification :

"In exercise of the powers conferred by sub-clause (ii) of 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 on superannuation or otherwise, hereby specifies Rs.2,40,000/-, (Rupees Two lakhs and Forty thousand only) as the limit in relation to employees mentioned in that sub-clause who retire, whether on superannuation or otherwise after the 1st day of July, 1997."

In view of the above amendment made, maximum exemption limit u/s.10(10AA)(ii) would be Rs.2,40,000/- in relation to employees who retire, whether on superannuation or otherwise after 1st July, 1997. Branches and Offices are advised to act accordingly.


GENERAL MANAGER (ACCOUNTS)