

**GOVERNMENT OF WEST BENGAL  
FINANCE DEPARTMENT  
AUDIT BRANCH**

No:14225-F

Calcutta, the 24<sup>th</sup> November, 1983.

**MEMORANDUM**

Subject: Commutation of pension on absorption in Govt. Undertaking-  
Exemption from Income Tax.

The undersigned is directed by order of the Governor to state that the Central Board of Direct Taxes, Govt. of India have issued orders in letter No.174/79-80-II(A-I) dt.17.11.80 exempting the entire commutation of pension from Income Tax of the Central govt. employees absorbed in Govt. autonomous bodies on or after 16.6.67. Since the issue of the above instruction by the Govt. of India, the question of extension of the said benefit to the State Govt. employees has been under consideration of the State Govt.

2. After careful consideration of the matter, the Governor has been pleased to decide that in the case of the State Govt. employees absorbed in Govt. Undertakings, the commutation of full amount of pro-rata pension shall be exempted from Income Tax.

“Note” below rule 189A(X)(b) of the West Bengal Services (Death-cum-Retirement Benefit) Rules, 1971 shall be deemed to have been deleted. Formal amendment of the rules will be made in due course.

Sd/- S.K.Chakrabarti,  
Deputy Secretary to the  
Govt. of West Bengal.

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Note: For rule 189A- see page 234.