

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED  
VIDYUT SOUDHA :: GUNADALA

Memo.No.JS(P)/DS(E)/AS(Reg)/PO.Reg/04/2018,

Dated.31.07.2018

Sub:- Estt-APGENCO-Income Tax Act-Applicability of TDS on retirement benefits-Instructions-Issued

- Ref:- 01). D.O. No. PAG(Audit)/ES-II(Power)/TDS/PDP-4/ TDS/ 2017-18/53,  
Dtd: 02.11.2017.  
02). Memo.No.JS(Per)/DS(Estt)/AS(Reg)/PO-Reg/F.No.15/2017-3,  
Date:21.12.2017.  
03). Lr.No.MD/JS(Per)/DS(E)/AS(Reg)/04/2018, Dated 16.05.2018,  
04). Minutes of 160<sup>th</sup> Board Meeting held on 06.07.2018 at A.P.Secretariat,  
Velagapudi, Vijayawada.

:- O :-

In the reference 2<sup>nd</sup> cited, orders were issued to all the pay disbursing officers to deduct the TDS on retirement benefits as per the provisions of the Income tax Act, 1961

02). In the reference 3<sup>rd</sup> cited, a letter was addressed to the Principal Secretary to Government, Energy Department, A.P. Secretariat, Velgapudi Guntur District, requesting to kindly address the Central Board of Direct Taxes seeking exemption from deduction of Income Tax on the retirement benefits of the employees of erstwhile APSE Board (absorbed in APGENCO in terms of A.P. Electricity Reforms Act, 1998) in view of the clause 4(f) of the Tripartite Agreement entered with various Unions / Associations on 25.04.1998. Necessary clarification is yet to be received from the above department.

03). As the matter stands thus, various unions/Associations have requested that APTRANSCO & APDISCOMs have not issued orders for deduction of Income tax on retirements benefits and hence requested to adopt uniform policy in all power utilities with regard to deduction of Income Tax on retirement benefits. Therefore the issue was placed before the 160<sup>th</sup> Board Meeting held on 06.07.2018. The Board has decided to release the amounts after taking an undertaking from the concerned that they have no objection for collecting the amount from the pension, if the income tax department raises the demand amount.

04). After careful consideration, all the pay disbursing officers are hereby instructed to release the retirement/terminal benefits after receipt of an undertaking from the concerned that they he/she has no objection for collecting the amount from the pension/family pension, if the Income tax department raises the demand amount of TDS on the aforesaid benefits. The prescribed proformae are enclosed herewith for ready reference.

- Encl:- a). Undertaking (To be given by the Pensioner)  
b). Undertaking (To be given by the Family Pensioner)

V. USHA  
JOINT SECRETARY (PER)

To

All the Pay Disbursing Officers/APGENCO  
All the Chief Engineers/Superintending Engineers/APGENCO  
The FA & CCA (A&T)/APGENCO/VS.

Contd...02

Copy to :-

PS to Managing Director/APGENCO  
SAO to Director (Finance & Commercial)/APGENCO  
ADE(T) to Director (HR&IR)/APGENCO  
ADE(T) to Director (Thermal)/APGENCO  
ADE(T) to Director (Hydel)/APGENCO  
PO to Chief General Manager (ADM,IS&ERP)/APGENCO  
PA to Joint Secretary (Per)/APGENCO  
Pay Officer||Accounts Officer(CPR)/APGENCO  
Divisional Engineer/MPP/APGENCO  
S.F/Spare

//FORWARDED :: BY ORDER//

  
~~PERSONNEL OFFICER~~

UNDERTAKING  
(To be given by the Pensioner)

I, ..... S/o  
W/o, /D/o .....  
working as ..... in the O/o  
.....and retired/retiring on .....  
on attaining the age of superannuation, do hereby request to release my pensionary benefits  
without deducting the TDS on said benefits. If the Income Tax Department insists the TDS  
on retiral benefits, I do hereby declare that I have no objection for recover the said TDS  
amount from my pension/family pension as per the provisions of the Income Tax Act, read  
with Memo.No.JS(P)/DS(E)/AS(Reg)/PO.Reg/F.No.15/2017-3, Dated 21.12.2017 and  
Memo. No.JS(P)/DS(E)/AS(Reg)/ PO.Reg/04/ 2018, Dated.31.07.2018

SIGNATURE

**UNDERTAKING**  
(To be given by the Family Pensioner)

I,.....

S/o, W/o, H/o.....

expired on .....while working as .....

in the O/o..... do hereby request

to release the terminal benefits entitled by me consequent to demise of my husband/wife,

without deducting the TDS on terminal benefits. If the Income Tax Department insists the

TDS on retiral benefits, I do hereby declare that I have no objection for recover the said

TDS amount from my family pension as per the provisions of the Income Tax Act, read

with Memo.No.JS(P)/DS(E)/ AS(Reg)/PO.Reg/F.No.15/2017-3, Dated 21.12.2017 and

Memo.No.JS(P)/DS(E)/ AS(Reg)/PO.Reg/04/ 2018, Dated.31.07.2018

SIGNATURE