



**KERALA STATE ELECTRICITY BOARD Ltd.**

**Corporate Office (HRM),**

**Vydyuthi Bhavanam, Pattom P.O Thiruvananthapuram -4**

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No. HRM/IT/TELS/2015-16

dated: 30/05/15.

To

All ARU Heads.

Sub :- Tax deduction from terminal earned leave surrender on the strength of undertaking from the employees – Orders issued.

- Ref :-
1. Interim order of the Honorable High Court of Kerala, dated : 16/01/2015 and 20/01/2015 in WP © No. 34829/2014.
  2. Representation submitted by various associations of employees and officers of Kerala State Electricity Board Ltd.
  3. Note No. HRM/IT/TELS/2015-16, dated 30/05/2015 of the Chief Engineer (HRM)

Representations were received from various associations of employees and officers of Kerala State Electricity Board Ltd, seeking interim direction regarding the deduction of Income Tax from the Terminal Benefits such as Terminal Earned Leave Surrender of retired employees. KSEB Ltd. has moved the CBDT for a guideline in the matter. The matter is under the consideration of the Central Board of Direct Taxes, New Delhi and the Honourable High Court of Kerala.

Many retired employees have requested to release their Terminal Earned Leave Surrender amount, after holding the tax portion by the Board, in line with interim orders of the Honourable High Court of Kerala in WP ( C ) No. 34829 of 2014, filed by Smt. Annamma John, former Director( Gen-C )

Considering the various aspects of the issue, the Board has decided to give the following options to the employees/pensioners for an early disbursement of the terminal benefits, till a final decision in this regard is received from the Central Board of Direct taxes and the Honourable High Court of Kerala. All retired employees concerned

may be requested to exercise either one of the options given below. Those who are retiring in the ensuing months may be requested to exercise the option in writing within two weeks from date of their retirement.

**Option I**

- I am willing to receive the terminal earned leave surrender amount excluding the income tax portion which may be retained by the Board till such time the tax authorities take a decision and to bear all the future liabilities if any including interest and penalty in this regard in addition to the tax amount .

**Option II**

- I am willing to receive the terminal earned leave surrender amount only after the final decision is arrived at from the income tax authorities and to bear all the future liabilities if any including interest and penalty in this regard in addition to the tax amount .

Chief Engineer (HRM)