

22.3.2018

To

All the Zonal General Secretaries &

Secretary, Standing Committee (GI)

Dear Comrades,

**Interpretation of sec 24(b) of Income-tax Act**

You are aware that since February, 2017 AIIEA has been taking up with Central Office for proper interpretation of Sec 24(b) of Income tax Act. The Central Office F&A department, in a clarification earlier, stated that for “Extension” of House which is self-occupied would be treated as “Repairs” and as such the deduction of interest portion allowed u/s 24(b) was limited to Rs. 30,000 only. We raised our objection and argued that extension of house means “Construction” and therefore the limit should be Rs.2 lakhs u/s 24(b) and not Rs.30,000/-. There was continuous correspondence and follow-up with the LIC management for the past one year. The management was reluctant to agree with our interpretation.

After vigorous follow-up with Central Office, the F&A department of CO took it up with another consultant on the issue and finally issued revised interpretation today i.e., 22.3.2018 through e-mails to all Zonal Offices. This revised clarification concurs with our interpretation that ‘Extension’ means ‘Construction’. The argument/ interpretation of AIIEA has been finally accepted by the Central Office.

All the Units may, therefore, contact their respective E&OS departments/F&A departments for implementation of the instructions.

With greetings,

Comradely yours,



p.General Secretary.