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JeevanBima Marg, Nariman Point, Mumbai - 400 021

Department: Taxation Cell/F&A

Circular No: EDT/ZDB/22

Date:-03.09.2024

TO ALL THE OFFICES OF THE CORPORATION

Re: Income-tax provisions related to TDS from Salaries for the Financial Year ending on 31st March, 2025.

- Reference is invited to Circular No.EDA/ZDB/13 dated 04.05.2023 wherein the rates of deduction of Income-tax from the payment of Income under the head "Salaries" under section 192 of the Income-tax Act, 1961, during the Financial Year 2023-24, were intimated. This circular contains the rates of deduction of income-tax from the payment of income chargeable under the head "Salaries" during the Financial Year 2024-25 and explains certain related provisions of the Income-tax Act, 1961. The PAN of the LIC of India is AAACL0582H.

2. Income Tax Rates under Alternative (New) Tax Regime [Section 115BAC (1A)]:

As per section 115BAC (1A), total income of a person being an individual or Hindu undivided family or association of person (other than co-operative society) or body of individuals, or an artificial juridical person, other than a person (who has exercised an option to opt old tax regime u/s 115BAC (6)) shall be computed at the tax rate as given below:-

Sl No.	Total Income	Tax Rate
1.	Up to Rs. 3,00,000	Nil
2.	Up to Rs. 3,00,001 to Rs. 7,00,000	5%
3.	Up to Rs. 7,00,001 to Rs. 10,00,000	10%
4.	Up to Rs. 10,00,001 to Rs. 12,00,000	15%
5.	Up to Rs. 12,00,001 to Rs. 15,00,000	20%
6.	Above Rs. 15,00,000	30%

3. Income Tax Rates under Regular (Old) Tax Regime:

According to the First Schedule, Part III, Paragraph- A of Finance Act, 2024 income-tax is required to be deducted under section 192 of the Income-tax Act, 1961, from income chargeable under the head "Salaries" for the Financial Year 2024-25 (i.e. Assessment Year 2025-26) at the following rates:

(I) In the case of every individual, other than the individuals referred to in item II, and III below

	Rates of Income-tax
1. Where the total income does not exceed Rs.2,50,000/-	Nil
2. Where the total income exceeds Rs.2,50,000/- but does not exceed Rs.5,00,000/-	5 per cent of the amount by which the total income exceeds Rs.2,50,000/-
3. Where the total income exceeds Rs.5,00,000/- but does not exceed Rs.10,00,000/-	Rs.12,500/- plus 20 per cent of the amount by which the total income exceeds Rs.5,00,000/-
4. Where the total income exceeds Rs.10,00,000/-	Rs.1,12,500/- plus 30 per cent of the amount by which the total income exceeds Rs.10,00,000/-

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(II) In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years at any time during the Previous Year

	<u>Rates of Income-tax</u>
1. Where the total income does not exceed Rs.3,00,000/-	Nil
2. Where the total income exceeds Rs.3,00,000/- but does not exceed Rs.5,00,000/-	5 per cent of the amount by which the total income exceeds Rs.3,00,000/-
3. Where the total income exceeds Rs.5,00,000/- but does not exceed Rs.10,00,000/-	Rs.10,000/- plus 20 per cent of the amount by which the total income exceeds Rs.5,00,000/-
4. Where the total income exceeds Rs.10,00,000/-	Rs.1,10,000/- plus 30 per cent of the amount by which the total income exceeds Rs.10,00,000/-

(III) In the case of every individual, being a resident in India, who is of the age of eighty years or more at any time during the Previous Year

	<u>Rates of Income-tax</u>
1. Where the total income does not exceed Rs.5,00,000/-	Nil
2. Where the total income exceeds Rs.5,00,000/- but does not exceed Rs.10,00,000/-	20 per cent of the amount by which the total income exceeds Rs.5,00,000/-
3. Where the total income exceeds Rs.10,00,000/-	Rs.1,00,000/- plus 30 per cent of the amount by which the total income exceeds Rs.10,00,000/-

Provisions & Declaration to opt for the Regular (Old) tax rate:

- Alternative (New) tax regime will be the default tax regime for the financial year 2024-25.
- Salaried employees and pensioners would be eligible to switch between alternative (new) tax regime and regular (old) tax regime as per their convenience provided that they don't have business income.
- An employee intending to exercise the regular (old) tax rate option has to intimate his employer by submitting a declaration at the beginning of every financial year. On receipt of such declaration tax shall be calculated for the purpose of deduction of tax from salary under regular (old)tax regime.
- Where an employee has not submitted such declaration, his tax liability shall be calculated under new tax regime.
- The above intimation to the employer is only for the purpose of TDS and cannot be modified during the year.

The Exemptions/ Deductions not available in Alternative (new) Tax Regime are as follows:

- Basic Exemption of Meal Coupon provided to employees under Rule 3 (7) (iii)
- Leave Travel Concession [Section 10(5)].

- iii. House Rent Allowance [Section 10(13A)].
- iv. Special allowance(s) under Section 10(14) except:
 - a) Travelling allowance, transportation allowance and conveyance allowance for official purpose.
 - b) Exemption up to Rs. 3,200/- p.m. pertaining to Transport allowance granted to an employee, who is blind or deaf or orthopedically handicapped with disability of lower extremities [Section 10 (14) read with rule 2BB(2) (11)]
- v. Exemption up to Rs. 1500/- from clubbing of income of a minor [Section 10(32)].
- vi. Entertainment allowance [Section 16 (ii)] and Profession Tax [Section 16 (iii)]
- vii. Deduction for interest up to Rs. 200,000/- from income from house property in case of self occupied properties [Section 24(b)].
- viii. Set off of any loss under the head income from house property with any other head.
- ix. All deductions under chapter VI-A other than deduction under section 80CCD (2) in respect of employers contribution to the NPS account up to 14% of employees salary (basic +dearness allowance).

A) Surcharge on income-tax:

The amount of Income tax computed in accordance with the above provisions shall be increased by a surcharge at the rate of:

Surcharge under Old Tax Regime:

- 1. 10% where total income exceeds Rs.50 Lakh but does not exceed Rs. 1 Crore
- 2. 15% where total income exceeds Rs.1 Crore but does not exceed Rs. 2 Crore
- 3. 25% where total income exceeds Rs.2 Crore but does not exceed Rs. 5 Crore
- 4. 37% where total income exceeds Rs.5 Crore

Surcharge under New Tax Regime:

- 1. 10% where total income exceeds Rs. 50 Lakh but does not exceed Rs. 1 Crore
- 2. 15% where total income exceeds Rs. 1 Crore but does not exceed Rs. 2 Crore
- 3. 25% where total income exceeds Rs. 2 Crore

B) Health and Education Cess:

A surcharge called as 'Health and education cess (HEC) on income-tax shall be levied at the rate of four percent on the amount of Income Tax including surcharge as computed above.

C) Marginal Relief in case of Surcharge:

In the case of persons mentioned above having total income chargeable to tax exceeding Rs.50lakh, Rs.1 Crore, Rs.2 Crore and Rs.5 Crore, a marginal relief is provided as given below:

If the total income exceeds:

- (i) fifty lakh rupees but does not exceed one crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax on a total income of fifty lakh rupees by more than the amount of income that exceeds fifty lakh rupees;

(ii) one crore rupees but does not exceed two crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

(iii) two crore rupees but does not exceed five crore rupees (wording as to 'but does not exceed five crore rupees' is to be ignored for new tax regime), the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income-tax and surcharge on a total income of two crore rupees by more than the amount of income that exceeds two crore rupees;

(iv) five crore rupees, the total amount payable as income-tax and surcharge thereon shall not exceed the total amount payable as income tax and surcharge on a total income of five crore rupees by more than the amount of income that exceeds five crore rupees:

4. Section 192 of the Income-tax Act, 1961 : Broad scheme of tax deduction at source from "Salaries" etc. :

4.1. Method of tax Calculation:

Every person who is responsible for paying any income chargeable under the head "salaries" shall deduct income-tax on the estimated income of the assessee under the head "salaries" for the financial year 2024-25. The income-tax is required to be calculated on the basis of the rates given above and shall be deducted on average basis at the time of each payment i.e. from salary of every month.

4.2. Payment of Tax on Perquisites by Employer:

An option has been given to the employer to pay the tax on non-monetary perquisites given to an employee. The employer may, at its option, make payment of the tax on such perquisites himself without making any TDS from the salary of the employee. However, the employer will have to pay the tax at the time when such tax was otherwise deductible i.e. at the time of payment of income chargeable under the head "salaries" to the employee.

It has been decided by the Competent Authority that the Corporation will bear the tax liability on the following perquisites:

- a) Residential accommodation
- b) Conveyance Scheme VI car
- c) Cost of newspaper
- d) Value of Gift worth Rs.5000 and above
- e) Meal coupon
- f) Preventive Health check-up
- g) Electricity Charges
- h) Household help
- i) Drivers Charges
- j) Club membership
- k) Furnishing of residence
- l) Leave Travel Concession availed by the employees who has opted for New Tax Regime (provided all conditions of the Circular Ref. CO/OS/Perquisite on LTC/2024-25/1 dated 12.04.2024, are met).

The tax so paid by the employer shall be deemed to be TDS from the salary of the employee.

Computation of average Income-tax:

For the purpose of making the payment of tax mentioned above, tax is to be determined at the average of income tax computed on the basis of rates in force for the financial year, on the income chargeable under the head "salaries", including the value of perquisites for which tax has been paid by the employer himself.

Illustration:

The income chargeable under the head "salaries" of an employee below sixty years of age for the year inclusive of all perquisites is Rs. 6,00,000/-; out of which, Rs. 50,000/- is on account of non-monetary perquisites and the employer opts to pay the tax on such perquisites as per the provisions discussed above.

STEPS:

Income Chargeable under the head "Salaries" inclusive of all perquisites	Rs. 6,00,000/-
Tax on Total Salary (including Cess)	Rs. 33,800/-
Average Rate of Tax $[(33,800/6,00,000) \times 100]$	5.63%
Tax payable on Rs.50,000/= (5.63% of 50,000)	Rs. 2815/-
Amount required to be deposited each month (Rs. 2815/12)	Rs. 235/-

4.3. Salary from more than one employer –

Sub-section (2) of section 192 deals with situations where an individual is working under more than one employer or has changed employment from one employer to another. It provides for deduction of tax at source by such employer (as the taxpayer may choose) from the aggregate salary of the employee who is or has been in receipt of salary from more than one employer. The employee is required to furnish in Form No 12B [Rule 26A(1)] (Annexure I) to the present/chosen employer, details of the income under the head "Salaries" due or received from the former/other employer or employers and also tax deducted at source there from. Concerned office is required to deduct tax at source on the aggregate amount of salary (including salary received from the former or other employer).

4.4. Relief when salary paid in arrear or advance–

As per section 89 where an assessee is in receipt of a sum in the nature of salary, being paid in arrears or in advance or is in receipt, in any one financial year, of salary for more than twelve months or a payment which under the provisions of clause (3) of section 17 is a profit in lieu of salary, or is in receipt of a sum in the nature of family pension as defined in the Explanation to clause (iia) of section 57, being paid in arrears, due to which his total income is assessed at a rate higher than that at which it would otherwise have been assessed, the Assessing Officer shall, on an application made to him in Form No. 10E, (Annexure-II) grant such relief.

Under sub-section (2A) of section 192 where the employee is entitled to the relief under section 89, he may furnish to the person responsible for making the payment, such particulars in Form No. 10E duly verified by him, and thereupon the person responsible as aforesaid shall compute the relief on the basis of such particulars and take the same into account in making the deduction.

The relief shall be granted in the following cases:-

(a) Where any portion of the assessee's salary is received in arrears or in advance or, any portion of family pension is received by an assessee in arrears. (For calculation, please refer Annexure-I of Form No. 10E)

(b) Where the payment is in the nature of gratuity in respect of past services of the assessee extending over a period of not less than five years. (For calculation, please refer Annexure-II & Annexure-IIA of Form No. 10E)

(c) Where the payment is in the nature of compensation received by the assessee from his employer or former employer at or in connection with the termination of his employment after continuous service for not less than three years and where the unexpired portion of his term of employment is also not less than three years. (For calculation, please refer Annexure-III of Form No. 10E)

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(d) Where the payment is in commutation of pension. (For calculation, please refer Annexure-IV of Form No. 10E) and

4.5. Declaration of other income (Other than salary income) for TDS Purpose (Section 192 sub-section 2B):

Sub-section (2B) of section 192 enables a taxpayer to furnish particulars of:

- (a) income under any head other than "Salaries".
- (b) any tax deducted or collected at source
- (c) the loss, if any, under the head "Income from house property"

The particulars as above may be furnished in a simple statement in format as per **Annexure-III** which is to be properly verified by the taxpayer.

However, TDS u/s 192 cannot be lesser than tax on salary income (which is otherwise deductible without including non-salary (i.e. personal income) declared by the employee and tax deducted/collected by others). In other words, TDS under section 192 is higher of the following two options-

Option 1 (computation without including other incomes)-Tax on (salary income minus house property loss declared by the employee) minus any TDS/TCS reported by other persons.

Option 2 (computation after including other declared incomes)- Tax on (salary income minus house property loss declared by the employee plus any personal income declared by the employee) minus TDS/TCS reported by the employee.

Only house property loss (declared by an employee along with documentary evidence) will be considered under either of the two options (if the employee pays tax under regular tax regime). No other loss can be declared for the purpose of tax deduction under section 192.

While taking into account the loss from "House Property", the person responsible for making payment shall ensure that the assessee files the declaration referred to above and encloses therewith a computation of such loss from "House Property" along with following details (separately for each property).

- (a) Gross annual rent/value
- (b) Municipal Taxes paid, if any
- (c) Deduction claimed for interest paid, if any
- (d) Other deductions claimed
- (e) Address of the property
- (f) Amount of loan, if any; and
- (g) Name and address of the lender (loan provider)

Also, certificate from the lender regarding the amount of interest payable by the assessee has been made compulsory to allow such deduction.

Computation of Income of property which is self –occupied for residential purposes or could not actually be self-occupied owing to employment [Section 23(2),(3), (4)]

The annual value of two of such houses shall be nil [Section 23(2) (a) & (b)]:Where the property consists of a house or part of a house which:

- (a) is owned and is in the occupation of the employee for his own residence or
- (b) if it is not actually occupied by the employee in view of his place of the employment being at other place, his residence in that other place should not be in a building belonging to him



The annual value of two such houses/part of houses shall be taken to be nil and no deduction except the interest on borrowing is allowed. An employee has an option to declare two of such houses as self-occupied under the above provisions.

Section 24(b) of the Act allows deduction towards interest on borrowed capital from income of house property as under:-

S. No.	Purpose of borrowing capital	Date of borrowing capital	Maximum Deduction allowable
1.	Repair or renewal or reconstruction of the house	Anytime	Rs.30,000/-
2.	Acquisition or construction of the house	Before 01.04.1999	Rs.30,000/-
3.	Acquisition or construction of the house	On or after 01.04.1999	Rs.2,00,000/-
Aggregate of deduction under SI No. 1, 2 and 3 of the above table shall not exceed Rs.2,00,000/-			

In case of Serial No. 3 above

- The house so acquired or constructed should be completed within 5 years from the end of the FY in which the capital was borrowed. Hence, it is necessary for the person responsible for making payment to have the completion certificate of the house property, against which deduction is claimed, either from the builder or through self-declaration from the employee
- Further, where the property has been acquired or constructed with borrowed capital, the interest, if any, payable on such capital borrowed for the period prior to the previous year in which the property has been acquired or constructed, as reduced by any part thereof allowed as deduction under any other provision of this Act, shall be deducted under this clause in equal installments for the said previous year and for each of the four immediately succeeding previous years.
- The employee has to furnish before the person responsible for making payment a certificate from the person to whom any interest is payable on the borrowed capital specifying the amount of interest payable. In case a new loan is taken to repay the earlier loan, then the certificate should also show the comprehensive picture of Principal and Interest of the loan so repaid.

It may be noted that loss under the head "income from house property" can be set off only up to Rs. 2 lakh with the income under any other head of income. Therefore, loss under the head "income from house property" in excess of Rs. 2 lakh is to be ignored for calculating amount of tax deduction.

Where an employee is residing in rented premises at his place of service and he has actually paid rent then HRA exemption u/s 10(13A) will be admissible. In such case, both deduction of Interest on Housing Loan & HRA exemption will be admissible.

Special provision for arrear of rent and unrealised rent received subsequently (Section 25A)

The amount of arrear of rent received from a tenant or the unrealised rent realised subsequently from a tenant shall be deemed to be income from house property in respect of financial year in which such rent is received or realised and shall be included under income from house property, whether the assessee is the owner of the property or not in that financial year.

A sum equal to 30% of the arrears of rent or the unrealized rent referred to in (v) above shall be allowed as deductions.

4.6. Sub-section (2C) of section 192 lays down that a person responsible for paying any income chargeable under the head "Salaries" shall furnish to the person to whom such payment is made a statement giving correct and complete particulars of perquisites or profits in lieu of salary provided to him and the value thereof in Form No. 12BA. Form No.16 along with Form No. 12BA, as issued by the employer, are required to be produced on demand before the Assessing Officer in terms of section 139C of the Income-tax Act.

4.7. Sub-section (2D) of section 192 lays down that a person responsible for making payment of any income chargeable under the head "Salaries" shall for the purposes of estimating income or computing tax deductible, obtain from the employee evidence or proof or particulars of prescribed claims (including claim for set-off of loss) under provisions of the Income-tax Act. Failure of employee to provide necessary proofs/ particulars will result in tax being recovered from his/ her salary in the subsequent months.

4.8 Rule.26C. Furnishing of evidence of claims by employee for deduction of tax under section 192

(1) The assessee shall furnish to the person responsible for making payment under sub-section (1) of section 192, evidence or the particulars of the claims referred to in sub-rule (2), in Form No.12BB (**Annexure IV**) for the purpose of estimating his income or computing the tax deduction at source.

(2) The assessee shall furnish evidence or the particulars specified in column (3), of the Table below, of the claim specified in the corresponding entry in column(2) of the said Table:—

TABLE

Sl. No.	Nature of claims	Evidence or particulars
(1)	(2)	(3)
1.	House Rent Allowance.	Name, address and permanent account number of the landlord/landlords where the aggregate rent paid during the previous year exceeds rupees one lakh.
2.	Leave travel concession or assistance.	Evidence of expenditure.
3.	Deduction of interest under the head "Income from house property".	Name, address and permanent account number of the lender.
4.	Deduction under Chapter VI-A.	Evidence of investment or expenditure.

4.9 Adjustment for excess or shortfall of deduction:

The provisions of sub-section (3) of section 192 allow the deductor to make adjustments for any excess or shortfall in the deduction of tax already made during the financial year, in subsequent deductions for that employee within that financial year itself.

5. Payment of accumulated PF balance due to an employee (Section 192A)

5.1 The withdrawal of accumulated balance by an employee from the Recognized Provident Fund is exempt from tax. However such withdrawal shall be taxable owing to the provisions of Rule 8 of Part A of Fourth Schedule i.e. if employee makes withdrawal before completing continuous service of 5 years ; other than the cases of –

i. Termination due to ill health, or by the contraction or discontinuation of employer's business or other cause, beyond the control of the employee; or

- ii. Transfer of accumulated balance to employee's account in any recognized provident fund maintained by new employer.
 - iii. If the entire balance standing to the credit of the employee is transferred to his account under a national pension scheme referred to in section 80CCD.
- 5.2 Where the accumulated balance due to an employee participating in a Recognized Provident Fund is taxable, as mentioned above, income-tax thereon shall be deducted at the rate of 10 per cent at the time of payment.
- 5.3 No deduction shall be made under section 192A where the aggregate amount of such payment to the employee is less than Rs.50,000/-
- 5.4 No deduction shall be made in case the employee furnishes, to the person responsible for such payment, a declaration in Form 15G or Form 15H.
- 5.5 The person responsible for making payment shall not accept the declaration in Form 15G or Form 15H where the amount credited or paid during the year in which such income is included exceeds the maximum amount which is not chargeable to tax

Explanation-Where the accumulated balance due and becoming payable to an employee participating in a recognized provident fund maintained by the his employer includes any amount transferred from his individual account in any other recognized provided fund or funds maintained by his former employer or employers, then, in computing the period of continuous service for the purposes of the period or periods for which such employee rendered continuous service under his former employer or employers aforesaid shall be included.

6. TDS on payment of accumulated balance under Approved Superannuation Fund: (Rule 6 of Part B of the Fourth Schedule):

Where any contribution made by an employer, including interest on such contributions, if any, in an approved Superannuation Fund is paid to the employee, tax on the amount so paid shall be deducted by the trustees of the Fund [other than under circumstances specified in section 10 (13)], at the average rate of tax at which the employee was liable to be taxed during the preceding three years or during the period, if that period is less than three years, when he was member of the fund.

The deductor shall remain liable to deduct tax on any sum paid on account of returned contributions (including interest, if any) even if a fund or part of a fund ceases to be an approved Superannuation fund.

As per Section 10 (13) any payment from an approved superannuation fund made—

- (i) on the death of a beneficiary; or
- (ii) to an employee in lieu of or in commutation of an annuity on his retirement at or after a specified age or on his becoming incapacitated prior to such retirement; or
- (iii) by way of refund of contributions on the death of a beneficiary ; or
- (iv) by way of refund of contributions to an employee on his leaving the service in connection with which the fund is established otherwise than by retirement at or after a specified age or on his becoming incapacitated prior to such retirement, to the extent to which such payment does not exceed the contributions made prior to the commencement of this Act and any interest thereon;[or]
- (v) by way of transfer to the account of the employee under a pension scheme referred to in section 80CCD and notified by the Central Government; are exempt from tax.



7. Salary Paid in Foreign Currency – Rule 26:

For the purpose of deduction of tax on salary payable in foreign currency to an assessee outside India or by a Unit located in an IFSC to an assessee in India, the value in rupee of such salary shall be calculated at the "Telegraphic transfer buying rate" of such currency as applicable on the date on which tax is required to be deducted at source. "Telegraphic transfer buying rate" means the rate of exchange adopted by State Bank of India for buying of such currency through a telegraphic transfer.

8. Persons responsible for deducting tax and their duties:

8.1 Under clause (i) of section 204 of the Act the "Persons responsible for paying" for the purpose of section 192 means the employer himself or if the employer is a company, the company itself including the principal officer thereof.

8.2 The tax determined on fair estimation of income should be deducted from the salary under section 192 of the Act.

8.3 ***Deduction of tax at lower rate*** - Section 197 enables the taxpayer to make an application in Form No. 13 to his Assessing Officer, and, if the Assessing Officer is satisfied that the total income of the taxpayer justifies the deduction of income-tax at any lower rate or no deduction of income-tax, he may issue an appropriate certificate to that effect which should be taken into account by the person responsible for making payment while deducting tax at source. In the absence of such a certificate furnished by the employee, the employer should deduct income-tax on the salary payable at the normal rates. In this connection, kindly refer our circular ref: EDA/ZDB/ 1056 dated 24.07.2019.

8.4 Deposit of Tax Deducted from Salary/Pension:

According to the provisions of section 200 read with Rule 30, any person deducting any sum in accordance with the provisions of section 192 shall pay to the credit of the Central Government as under:

Sl. No.	Description	Time up to which tax to be deposited
1.	Tax deductible in March	30 th April of next financial year
2.	Tax deductible in any other month	7 th day of next month
3.	Tax on perquisites to be deposited by the employer	7 th day of next month

8.5 Interest, Penalty and Prosecution for failure to deduct or deposit Tax:

- i. If a person fails to deduct tax at source, or, after deducting, fails to pay whole or any part of the tax to the credit of the Central Government within the prescribed time, he shall be liable to action in accordance with the provisions of section 201. Sub-section (1A) of Section 201 lays down that such person shall be liable to pay simple interest.
 - a) **Tax not deducted:-at one per cent for every month or part of the month** on the amount of such tax from the date on which such tax was deductible to the date on which tax is deducted; and
 - b) **Failure to deposit TDS in Government Account: - at one and one-half per cent for every month or part of a month** on the amount of such tax from the date on which such tax was deducted to the date on which such tax is actually paid.
- ii. Section 271C lays down that if any person fails to deduct tax at source, he shall be liable to pay, by way of penalty, a sum equal to the amount of tax not deducted by him.
- iii. Section 276B lays down that if a person fails to pay to the credit of the Central Government within the prescribed time the tax deducted at source by him, he shall be

punishable with rigorous imprisonment for a term which shall be between 3 months and 7 years and with fine.

However, above provision will not be applicable if payment has been made to the credit of Central government on or before the time prescribed for filling of the statement for such payment under section 200 (3).

8.6 Quarterly Statements of TDS - Sec. 200(3):

The person deducting the tax (employer in case of salary income), is required to prepare and submit Quarterly Statements of TDS in Form No. 24Q duly verified, to the Director General of Income-tax (Systems) or the person authorized by the Director General of Income-tax (Systems) [M/s. National Securities Depository Ltd. (NSDL)].

As per the Rule 31A, dates for filing Quarterly Statements of TDS under section 192 in Form No. 24Q are as follows:

Sl. No.	Return for the Quarter ending	Due Date of filing Form No. 24Q
1.	30 th June	31 st July of the financial year
2.	30 th September	31 st October of the financial year
3.	31 st December	31 st January of the financial year
4.	31 st March	31 st May of the financial year immediately following the financial year in which deduction is made

The quarterly statements are to be filed by such deductors in electronic format with the e-TDS Intermediary at any of the Tax Information Network (TIN) Facilitation Centers, particulars of which are available at www.incometaxindia.gov.in and at <http://tin.nsdl.com>.

It is to be noted that as per the amendment introduced by the Finance Act (2) 2024, no correction statement related to TDS can be delivered after the expiry of 6 years from the end of financial year in which the original TDS statement was required to filed.

At the time of preparing statements of tax deducted, the deductor is required to mandatorily:

- quote his tax deduction and collection account number (TAN) in the statement;
- quote his Permanent Account Number (PAN) in the statement;
- quote the Permanent Account Number (PAN) of all deductees;
- Furnish particulars of the tax paid to the Central Government including challan identification number.
- furnish particulars of amounts paid or credited on which tax was not deducted in view of the issue of certificate of no deduction of tax u/s 197 (Deduction at lower rate) by the Assessing Officer of the payee.
- Mention lower/No/ higher deduction codes in the return, in case of lower/no deduction, certificate no. to be mentioned.

Fee for default in furnishing statements (Section 234E):

If a person fails to deliver or caused to be delivered a statement within the time prescribed in section 200(3) in respect of tax deducted at source on or after 01.07.2012 he shall be liable to pay, by way of fee a sum of Rs.200 for every day during which the failure continues. However, the amount of such fee shall not exceed the amount of tax deductible at source. This fee is mandatory in nature and to be paid before furnishing of such statement.

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Penalty for failure in furnishing statements (Section 271H):

If a person fails to deliver or caused to be delivered a statement within the time prescribed in section 200(3) or furnishes incorrect information in section 200(3) in respect of tax deducted at source, he shall be liable to pay, by way of penalty a sum which shall not be less than Rs.10,000/- but which may extend to Rs.1,00,000/-. However, the penalty shall not be levied if the person proves that after paying TDS with the fee and interest, if any, to the credit of Central Government, he had delivered such statement before the expiry of one month from the time prescribed for delivering the statement.

8.7 Furnishing of certificate for tax deducted at source:

According to the provisions of Section 203, every person responsible for deducting tax at source is required to furnish a certificate to the payee to the effect that tax has been paid to the Central Government and specify therein the amount so paid, the rate at which the tax has been paid and such other particulars as prescribed. As per Rule 31, if the deduction or payment of tax is under section 192, this certificate is to be issued in Form 16 annually, **by 15th June** of the financial year immediately following the financial year in which the income was paid and tax deducted. It is, however, clarified that there is no obligation to issue the TDS certificate in case tax at source is not deductible/deducted by virtue of claims of exemptions and deductions. As per section 192(2C), the responsibility of providing correct and complete particulars of perquisites or profits in lieu of salary given to an employee, is placed on the person responsible for paying such income, i.e., the person responsible for deducting tax at source. The form and manner of such particulars are prescribed in Rule 26A (Form 12BA and Form 16) of the Income-tax Rules, 1962.

Information relating to the nature and value of perquisites is to be provided by the employer in Form No. 12BA in case of salary above Rs.1,50,000/-. In other cases, the information would have to be provided by the employer in Form 16 itself. In either case, Form 16 with Form 12BA or Form 16 by itself will have to be furnished within time limit as stated above.

The obligation cast on the employer under section 192(2C) for furnishing a statement showing the value of perquisites provided to the employee is a serious responsibility of the employer, which is expected to be discharged in accordance with law and rules of valuation framed there under. Any false information, fabricated documentation or suppression of requisite information will entail penal consequences provided under the law.

Part A and Part B of Form No. 16 shall be issued only by downloading it from the TRACES Portal. Before issuing Part A and Part B to the deductee, deductor shall authenticate the correctness of contents of these parts. Authentication can be verified either by using manual signature or by using digital signature.

Form No. 16 shall specify:-

- (a) valid permanent account number (PAN) of the deductee;
- (b) valid tax deduction and collection account number (TAN) of the deductor;
- (c) Challan identification number or numbers (CIN*) in case of payment through bank;
*(*Challan identification number (CIN) means the number comprising the Basic Statistical Returns (BSR) Code of the Bank branch where the tax has been deposited, the date on which the tax has been deposited and challan serial number given by the bank.)*
- (d) Receipt numbers of all the relevant quarterly statements of tax deducted at source.

It may be noted that under the new TDS procedure, the accuracy and availability of TAN, PAN and receipt number of TDS statement filed by the deductor will be unique identifier for granting online credit for TDS. Hence due care should be taken in filling

these particulars. Due care should also be taken in indicating correct CIN in TDS certificate.

[Note: TRACES (TDS Reconciliation Analysis and Correction Enabling System) is a web-based application of the Income-tax Department that provides an interface to all stakeholders associated with TDS administration. It enables viewing of challan status; downloading of NSDL Conso File, Justification Report and Form 16/16A as well as viewing of annual tax credit statements (Form 26AS). Each deductor is required to register in the TRACES portal. Form No. 16/16A issued to deductees should mandatorily be generated and downloaded from the TRACES portal]

Penalty for failure to issue certificate [Section 272A(2)(g) and Section 272A(2)(i)]:

If the person responsible for making payment fails to issue these certificates to the person concerned, as required by section 203, he will be liable to pay, by way of penalty, under section 272A(2)(g), a sum which shall be Rs.500/- for every day during which the failure continues.

If he fails to issue statements to the person concerned, as required by section 192(2C), he will be liable to pay, by way of penalty, under section 272A(2)(i), a sum which shall be Rs.500 for every day during which the failure continues.

However, such penalty should not exceed the amount of tax deductible.

8.8 Mandatory Quoting of TAN and PAN:

According to the provisions of section 203A of the Income-tax Act, it is obligatory for all persons responsible for deducting tax at source to obtain and quote the Tax Deduction Account No.(TAN) in the challans, TDS certificates, returns, etc.

If a person fails to comply with the provisions of section 203A, he will be liable to pay, by way of penalty, a sum of Rs.10,000/- (section 272BB).

While making the payment of tax deducted at source to the credit of the Central Government, it may be ensured that the correct amount of Income-tax is recorded in the relevant challan. It may also be ensured that the right type of challan is used. The relevant challan for making payment of tax deducted at source from salaries is Challan No.281. It is a common single copy challan for depositing Tax Deducted at Source from the assessee/employee.

Similarly, as per section 139A(5B), it is obligatory for persons deducting tax at source to quote PAN of the persons from whose income, tax has been deducted in the statement furnished under section 203 and all returns prepared and delivered as per the provisions of Section 206 of the Income-tax Act, 1961.

If a person fails to comply with the provisions of section 139A, he will be liable to pay, by way of penalty, a sum of Rs. 10,000/- (section 272B).

9 "Estimation of income under the head "Salaries"

9.1 Income Chargeable under the head "Salaries"

(1) The following income shall be chargeable to income-tax under the head "Salaries":-

- (a) any salary due from an employer or a former employer to an assessee in the previous year, whether paid or not;
- (b) any salary paid or allowed to him in the previous year by or on behalf of an employer or a former employer though not due or before it became due to him;
- (c) any arrears of salary paid or allowed to him in the previous year by or on behalf of an employer or a former employer, if not charged to income-tax for any earlier previous year;

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(2) For the removal of doubts, it is clarified that where any salary paid in advance is included in the total income of any person for any previous year it shall not be included again in the total income of the person when the salary becomes due.

(3) "Salary" includes :-

(i) wages, fees, commissions, perquisites, profits in lieu of or in addition to salary, advance of salary, annuity or pension, gratuity, etc.

(ii) any payment received by an employee in respect of any period of leave not availed of by him.

(iii) the portion of the annual accretion to the balance at the credit of the employee participating in a recognized provident fund which is chargeable to tax under Rule 6 of Part A of the Fourth Schedule of the Act:

(a) contributions made by the employer to the account of the employee in a recognized provident fund in excess of 12% of the salary of the employee

(b) Interest credited on the balance to the credit of the employee in so far as it is allowed at a rate exceeding such rate as may be fixed by Central Government. [w.e.f. 01.09.2010 rate is fixed at 9.5% - Notification No SO 1046(E) dated 13.05.2011]

(iv) the contribution made by the Central Government or any other employer to the account of the employee under the National Pension Scheme as notified vide Notification F.N. 5/7/2003- ECB&PR dated 22.12.2003 referred to in section 80CCD.

Section 17 defines the terms "salary", "perquisite" and "profits in lieu of salary". It may be noted that, since salary includes pensions, tax at source would have to be deducted from pension also, if otherwise called for. However, no tax is required to be deducted from the commuted portion of pension to the extent exempt under section 10(10A).

Family Pension is chargeable to tax under head 'income from other sources' (Section 56) and not under the head 'salary'. Therefore, provisions of section 192 of the Act are not applicable. i.e TDS is not deductible on family pension.

Note: Any Cash as well as non-cash benefits received by the employees are taxable and TDS is deductible u/s 192 of Income tax act, 1961.

9.2 Perquisites:

"Perquisite" may be monetary or non monetary. It includes:

- (i) the value of rent free accommodation provided, value of concession in rent in respect of accommodation provided,
- (ii) any benefit or amenity granted or provided free of cost or at concessional rate, in specified cases,
- (iii) amount of any contribution to recognized provident fund/scheme referred to in Section 80CCD(1) and in an approved superannuation fund by the employer in respect of the assessee (to the extent it exceeds Rs. 7,50,000/-, under Section 17(2) (vii)) and
- (iv) the value of any other fringe benefit or amenity as may be prescribed in Rule 3 of the Income-tax Rules, 1962.

Valuation of Perquisites:

I. Residential Accommodation provided by the employer [Rule 3(1)]:-

"Accommodation" includes a house, flat, farm house (or part thereof), hotel accommodation, motel, service apartment, guest house, a caravan, mobile home, ship etc.



A. Valuation of the perquisite of rent free unfurnished accommodation;

For salaried taxpayers other than Central Government and the State Government employees, the valuation of perquisite in respect of residential accommodation would be at prescribed rates, as discussed below:

(i) Where the accommodation provided to the employee is owned by the employer:

Sl. No.	Cities having population (as per the 2011 census)	Perquisite
1.	Exceeding 40 lakh	10% of salary
2.	Exceeding 15 lakh but does not exceed 40 lakh	7.5% of salary
3.	For other places	5% of salary

(ii) Where the accommodation provided to the employee is taken on lease/ rent by the employer:

The perquisite value will be 10% of the salary or the actual amount of lease rental paid or payable by the employer, whichever is lower, as reduced by any amount of rent, if any, actually paid by the employee.

B. Valuation of the perquisite of furnished accommodation, the value of perquisite as determined in para A above shall be increased by-

- 10% of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air-conditioning, plant or equipment or other similar appliances or gadgets), or
- If such furniture is hired from a third party, by an amount of the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year.

C. Where on account of transfer of employee from one place to another, the employee is provided with accommodation at the new place of posting while retaining the accommodation at the other place, the value of perquisite shall be determined with reference to only one such accommodation which has the lower value with reference to A and B above for a period not exceeding 90 days and thereafter the value of perquisite shall be charged for both such accommodations in accordance with the A and B above.

D. Where the accommodation is owned (or taken on lease or rent) by the employer and the same accommodation is continued to be provided to the same employee for more than one previous year, the amount calculated as above shall not exceed the amount so calculated for the first previous year, as multiplied by the amount which is a ratio of the Cost Inflation Index for the previous year for which the amount is calculated and the Cost Inflation Index for the previous year in which the accommodation was initially provided to the employee.

Explanation- For the purpose of above-

- "Cost Inflation Index" means the index notified by the Central government in Official Gazette under clause (v) of explanation to section 48 of Income Tax Act, 1961.
- "First previous year" means the previous year 2023-24, or the previous year in which the accommodation was provided to the employee, whichever is later.
- "Accommodation" includes a house, flat, farm house (or part thereof), hotel accommodation, motel, service apartment, guest house, a caravan, mobile home, ship etc.
- Meaning of 'Salary' for the purpose of calculation of perquisite in respect of Residential Accommodation:
 - Basic Salary;
 - Dearness Allowance, if it enters into the computation of superannuation or retirement benefits of the employee concerned;
 - Bonus;

- d) Commission;
- e) Fees;
- f) All other taxable allowances (excluding the portion not taxable); and
- g) Any monetary payment which is chargeable to tax (by whatever name called).

Further, Salary should be calculated on 'accrual' basis. Advance salary shall not be taken into consideration for this purpose. Salary from all employers shall be taken into consideration in respect of the period during which an accommodation is provided.

II Perquisite on Motor car provided by the Employer [Rule 3(2)]:

(1.) If an employer provides motor car facility to his employee, the value of such perquisite shall be:

a) Where car is used exclusively for official purpose:

Nil, if the motor car is used by the employee wholly and exclusively in the performance of his official duties. However following compliances are necessary:

- i. The employer has maintained complete details of the journey undertaken for official purposes;
- ii. The employer gives a certificate that the expenditure was incurred wholly for official duties.

b) Where car is exclusively used for private purpose:

Actual expenditure incurred by the employer on the running and maintenance of motor car including remuneration to chauffeur as increased by the amount representing normal wear and tear of the motor car and as reduced by any amount charged from the employee for such use.

c) Where car is used partly for official and partly for private purpose:

Rs. 1800/- (plus Rs. 900/-, if chauffeur is also provided) per month (in case the motor car is used partly in performance of duties and partly for private or personal purposes of the employee or any member of his household if the expenses on maintenance and running of motor car are met or reimbursed by the employer). However, the value of perquisite will be Rs. 2400/-(plus Rs. 900/-, if chauffeur is also provided) per month if the cubic capacity of engine of the motor car exceeds 1.6 litres.

d) Where car is used partly for official and partly for private purpose but running and maintenance expenses related to private use is met by employee:

Rs. 600/- (plus Rs. 900/-, if chauffeur is also provided) per month (In case the motor car is used partly in performance of duties and partly for private or personal purposes of the employee or any member of his household if the expenses on maintenance and running of motor car for such private or personal use are fully met by the employee). However, the value of perquisite will be Rs. 900/- (plus Rs. 900/-, if chauffeur is also provided) per month if the cubic capacity of engine of the motor car exceeds 1.6 litres.

III Personal attendants etc. [Rule 3(3)]:

The value of free service of all personal attendants including a sweeper, gardener and a watchman is to be taken at actual cost to the employer.

IV Gas, electricity & water for household consumption [Rule 3(4)]:

The value of perquisite in the nature of gas, electricity and water shall be the amount paid by the employer..

V Interest free or concessional loans [Rule 3(7)(i)]:

The value of perquisite arising from Interest free or concessional loans/advances would be the excess of interest payable at prescribed interest rate over interest, if any, actually paid by the employee or any member of his household. The prescribed interest rate would now be the rate charged per annum by the State Bank of India as on the 1st day of the relevant financial year in respect of loans of same type and for the same purpose advanced by it to the general public. Perquisite value would be calculated on the basis



of the maximum outstanding monthly balance method. For valuing perquisites under this rule, any other method of calculation and adjustment otherwise adopted by the employer shall not be relevant.

However, No value would be charged:

- where the amount of original loan (or loans) /advances does not exceed in the aggregate Rs.20,000/- For further clarification in the matter kindly refer to the Circular Ref: EDA/ZDB/908 dated 14.07.2008 and clarification dated 05.10.2016
- if a loan is made available for medical treatment in respect of Diseases specified in Rule 3A (the exemption is, however, not applicable to so much of the loan as has been reimbursed to the employee under any medical insurance scheme).

VI Housing Loan provided by LIC HFL:

Consequent upon transfer of existing housing loan portfolio to LIC HFL, the taxability of concessional Housing Loan interest is as follows :-

- (i) Additional interest/subsidy cost borne by the employer (the Corporation) over and above the amount recovered from the salary of the employee would be taxable in the hands of employees as perquisite by virtue of section 17(2)(iv) of the Income –tax Act, 1961.
- (ii) Interest portion paid by the employee and interest portion paid by the Corporation on his behalf which is to be included in his income together will be allowed as deduction u/s 24(b) of the Income-tax Act, 1961, subject to certificate from lender i.e. LIC HFL.

VII Gift, voucher or token (Rule 3(7) (iv)):

Gift, or voucher or token in lieu of which such gift received by the employee (or by the member of his household) on ceremonial occasion or otherwise from the employer is perquisite. The value of perquisite in such case shall be determined as the sum equal to the aggregate amount of such gift.

Provided that where the value of such gift, voucher or token as the case may be, is below Rs. 5,000 in the aggregate during the previous year, the value of perquisite shall be taken as "nil".

Further, gift made in cash or convertible into money (like gift cheques) are taxable irrespective of the amount.

VIII Reimbursement towards News Paper:

The aggregate amount reimbursed is value of perquisite.

IX Meal Coupon (Rule 3(7) (iii))

Value of taxable perquisite is calculated as under:

Expenditure incurred by the employer on the value of food / non-alcoholic beverages Including paid vouchers which are not transferable and usable only at eating joints	XXX
Less: Fixed value of a sum of Rs. 50/- per meal	XXX
Less: Amount recovered from the employee	XXX
Balance amount is the taxable as perquisites on the value of food Provided to the employees	XXX

Note: Exemption is given in following situations:

1. Tea / snacks provided in working hours.
2. Food & non-alcoholic beverages provided in working hours in remote area or in an offshore installation.

For detail circular Ref: EDA/ZDB/941 dated 04.02.2011 may be referred.

X Membership fees and Annual Fees [Rule 3(7)(v)]:

Any membership fees and annual fees incurred by the employee which is paid for or reimbursed by the employer is taxable on the following basis:

Amount of expenditure incurred by the employer	XXX
Less: Amount, if any, recovered from the employee	XXX
Amount taxable as perquisite	XXX

However if the amount is incurred wholly and exclusively for official purposes it will be exempt if the following conditions are fulfilled:

- i) Complete details of such expense, including date and nature of expenditure, is maintained by the employer.
- ii) Employer gives a certificate that the same was incurred wholly and exclusively for official purpose.

XI Club Expenditure [Rule 3(7)(vi)]:

Any annual or periodical fee for Club facility and any expenditure in a club by the employee (or any member of his household), which is paid or reimbursed by the employer is taxable on the following basis:

Amount of expenditure incurred by the employer	XXX
Less: Amount, if any, recovered from the employee	XXX
Amount taxable as perquisite	XXX

However, if the amount is incurred wholly and exclusively for official purposes it will be exempt if the following conditions are fulfilled

- i) Complete details of such expense, including date and nature of expenditure and its business expediency is maintained by the employer.
- ii) Employer gives a certificate that the same was incurred wholly and exclusively for official purpose.

Note:

- 1) Health club, sport facilities etc. provided uniformly to all classes of employee by the employer at the employer's premises and expenditure incurred on them are exempt.

XII Use of assets [Rule 3(7)(vii)]:

Perquisite value is to be charged at the rate of 10% of the original cost of the asset as reduced by any charges recovered from the employee for such use. However, the use of Computers and Laptops would not give rise to any perquisite.

XIII Transfer of assets [Rule 3(7)(viii)]:

Where employer transfers a movable asset to its employee, which has already been put to use, the original cost shall be reduced by a sum of 10% of such original cost for every completed year of use of the asset. Owing to a higher degree of obsolescence, in case of computers and electronic gadgets, however, the value of perquisite shall be worked out by reducing 50% of the actual cost by the reducing balance method for each completed year of use. Electronic gadgets in this case mean, data storage and handling devices like computer, digital diaries and printers. They do not include household appliance (i.e. white goods) like washing machines, microwave ovens, mixers, hot plates, ovens etc.

Similarly, in case of cars, the value of perquisite shall be worked out by reducing 20% of its actual cost by the reducing balance method for each completed year of use

XIV Preventive health check up, Household help, and Furnishing of residence:

Amount reimbursed shall be value of monetary perquisite.

XV Employer's contribution towards Approved superannuation fund, NPS and Recognised Provident Fund [Sec 17 (2) (vii)]

The amount or the aggregate of amounts of any contribution made to the account of the assessee by the employer—

- (a) in a recognised provident fund;
- (b) in the scheme referred to in sub-section (1) of section 80CCD; and
- (c) in an approved superannuation fund,

to the extent it exceeds Rs. 7,50,000/- in a previous year;

XVI Annual accretion by way of Interest/Dividend on Employer's contribution exceeding Rs.7,50,000/-[Sec 17(2) (viiia)]

The annual accretion by way of interest, dividend or any other amount of similar nature during the previous year to the balance at the credit of the fund or scheme referred to in (xv) to the extent it relates to the contribution referred to in the said sub-clause which is included in total income under the said sub-clause in any previous year computed in such manner as may be prescribed.

Income not included in the head "Salaries" (Exemptions):

Any income falling within any of the following clauses shall not be included in computing the income from salaries for the purpose of deduction tax under section 192 of the Act:-

A. Tax Free Perquisites:

In the following cases, the perquisite is not chargeable to tax:

- (a) Recreational facilities.
- (b) Training of employees.
- (c) Use of health club, sports and similar facilities provided uniformly to all employees
- (d) Expenses on telephone, including a mobile phone, actually incurred on behalf of the employee by the employer.
- (e) Employer's contribution to superannuation funds of the employee, provided such contribution does not exceed Rs.7,50,000/- per year.
- (f) Premium paid by employer on an accident policy taken by it in respect of employee
- (g) Scholarship given by employer to child of employee.
- (h) Tea or snacks provided during working hours.
- (i) Meal Coupon upto Rs.50/- per meal; for details refer our circular Ref: EDA/ZDB/941 dated 04.02.2011
- (j) Value of benefit resulting from provision of Interest free/ concessional loans
 - where the amount of original loan(or loans) /advances does not exceed in the aggregate Rs.20,000/- For further clarification in the matter kindly refer to the Circular Ref: EDA/ZDB/908 dated 14.07.2008 and clarification dated 05.10.2016
 - if a loan is made available for medical treatment in respect of Diseases specified in Rule 3A (the exemption is, however, not applicable to so much of the loan as has been reimbursed to the employee under any medical insurance scheme).
- (k) Use of laptops and computers belonging to/ hired by employer.
- (l) Tax paid by employer on non-monetary perquisites of employee.
- (m) Leave Travel Concession; if the employee has opted for tax deduction as per the old tax regime.
- (n) **Provisions pertaining to Leave Travel Concession: (Section 10 (5))**

The value of any travel concession or assistance received by or due to the employee from his employer or former employer for himself and his family, in connection with his proceeding:

- i. on leave to any place in India or;
- ii. after retirement from service, or after termination of service to any place in India,

is exempt under clause (5) of section 10, Subject to the conditions prescribed in Rule 2B of the Income-tax Rules, 1962.

As per provisions of Rule 2B the exemption shall be available to an individual in respect of two journeys performed in a block of four calendar years commencing from the calendar year 1986 (**current block Income-tax 01.01.2022 to 31.12.2025**). Where such travel concession or assistance is not availed of by the individual during any such block of four calendar years, an amount in respect of the value of the travel concession or assistance, if any, first availed of by the individual during first calendar year of the immediately succeeding block of four calendar years shall be eligible for exemption.

Restricted Concession for children

In respect of journeys performed after 01.10.1998:

- the exemption will be admissible to all surviving children born before 01.10.1998
- in addition, the exemption will be admissible to only two surviving children born on or after 01.10.1998. In reckoning this limit of two children born out of multiple birth after the first child will be treated as the only child.

For the purpose of this clause, "family" in relation to an individual means-

1. the spouse and children of the individual; and
2. the parents, brothers and sisters of the individual or any of them, wholly or mainly dependent on the individual.

It may be noted that the amount of exemption under this clause shall, in no case, exceed the amount of expenses actually incurred for the purpose of such travel.

B. Exempt Allowances:

- (1) House Rent Allowance: Under Section 10(13A) of the Income-tax Act, 1961, any special allowance, specifically granted to an assessee, by his employer to meet expenditure actually incurred on payment of rent in respect of residential accommodation occupied by the assessee is exempt from income-tax to the extent as may be prescribed, having regard to the area or place in which such accommodation is situated and other relevant considerations. According to Rule 2A of the Income-tax Rules, 1962, the quantum of exemption allowable on account of grant of special allowance to meet expenditure on payment of rent shall be the least of the following:

- (a) the actual amount of such allowance received by an employee in respect of the relevant period; or
- (b) the actual expenditure incurred in payment of rent in excess of 1/10th of the salary due for the relevant period; or
- (c) where such accommodation is situated in Bombay, Calcutta, Delhi or Madras; 50 per cent of the salary due to the employee for the relevant period; or
- (d) where such accommodation is situated in any other place; 40 per cent of the salary due to the employee for the relevant period,

For this purpose, "Salary" means only basic salary paid to the employees.

It has to be noted that only the expenditure actually incurred on payment of rent in respect of residential accommodation occupied by the assessee subject to the limits laid down in Rule 2A, qualifies for exemption from income-tax. Thus, house rent allowance granted to an employee who is residing in a house/flat owned by him is not exempt from income-tax. The disbursing authorities should satisfy themselves in this regard by insisting on production of evidence of actual payment of rent before excluding the house rent allowance or any portion thereof from the total income of the employee.

Though, incurring actual expenditure on payment of rent is a prerequisite for claiming deduction under section 10(13A), it has been decided as an administrative measure that salaried employees drawing house rent allowance upto Rs.3,000/- per month will be exempted from production of rent receipt. It may, however, be noted that this concession is only for the purpose of tax deduction at source, and, in the regular assessment of the employee, the Assessing Officer will be free to make such enquiry as he deems fit for the purpose of satisfying himself that the employee has incurred actual expenditure on payment of rent.

If annual rent paid by the employee exceeds Rs.1,00,000/- per annum, it is mandatory for the employee to report PAN of the landlord to the employer. In case the landlord does not have a PAN, a declaration to this effect from the landlord along with the name and address of the landlord should be filed by the employee (as provided in Form 12BB).

(2) Various Allowances paid (Exempt as per Section 10(14) of the Income tax Act, 1961 read with Rule 2BB of the Income tax Rules)

- a) Uniform Allowance: [Section 10(14)(i)] Any allowance granted to meet the expenditure incurred on the purchase or maintenance of uniform for wear during the performance of duties of an office is exempt from income tax.
- b) Income tax exemptions to Hill Allowance, Special Area Allowance, North East State Education Allowance and Transportation Allowance shall be granted as per **Annexure-V**.

C. Retirement Benefits:

(1) Death-cum-retirement gratuity or any other gratuity is exempt from tax as below:

- (i) As per Section 10(10) (ii) any gratuity received under the Payment of Gratuity Act, 1972 (39 of 1972), to the extent it does not exceed an amount calculated in accordance with the provisions of sub-sections (2) and (3) of section 4 of that Act ; *[As per sub-section 3 of section 4 of the Payment of Gratuity Act, 1972, the gratuity payment ceiling is Rs.20,00,000/- (Twenty lakh rupees)].*
- (ii) As per Section 10(10) (iii) any other gratuity received by an employee on his retirement or on his becoming incapacitated prior to such retirement or on termination of his employment, or any gratuity received by his widow, children or dependants on his death, to the extent it does not, in either case, exceed one-half month's salary for each year of completed service, calculated on the basis of the average salary for the ten months immediately preceding the month in which any such event occurs, subject to such limit as the Central Government may, by notification in the Official Gazette, specify in this behalf having regard to the limit applicable in this behalf to the employees of that Government :

[Central Govt. has notified the limit as Rs. 20,00,000/- by Notification no SO 1213(E) dated 08.09.2019].

Provided that where any gratuities referred to in this clause are received by an employee from more than one employer in the same previous year, the aggregate amount exempt from income-tax under this clause shall not exceed the limit so specified:

Provided further that where any such gratuity or gratuities was or were received in any one or more earlier previous years also and the whole or any part of the amount of such gratuity or gratuities was not included in the total income of the assessee of such previous year or years, the amount exempt from income-tax under this clause shall not exceed the limit so specified as reduced by the amount

or, as the case may be, the aggregate amount not included in the total income of any such previous year or years.

[Explanation —In the case of a monthly rated employee, the fifteen days' wages shall be calculated by dividing the monthly rate of wages last drawn by him by twenty-six and multiplying the quotient by fifteen.]

- (2) Any payment in **commutation of pension** is exempt under sub-clause (ii) of clause (10A) of section 10 to the extent it does not exceed :

- (a) *in a case where the employee receives any gratuity, the commuted value of one-third of the pension which he is normally entitled to receive, and*
(b) *in any other case, the commuted value of one-half of such pension,*

- (3) Any payment received by an employee as cash equivalent of the **leave salary** in respect of the period of earned leave at his credit at the time of his retirement, whether on superannuation or otherwise, is exempt under sub-clause (ii) of clause (10AA) of section 10 to the extent of the minimum of the following four amounts:

- (a) Leave encashment actually received
(b) 10 months' average salary.
(c) Cash equivalent (calculated on the basis of average salary) of unavailed leave calculated on the basis of maximum 30 days leave for every year of actual service rendered
(d) Amount specified by the Government of India Notification No.31/2023, dated 24.05.2023, i.e. Rs.25,00,000/-.

Average Salary is calculated on the basis of the average salary drawn by the employee during the period of 10 months immediately preceding the retirement/ superannuation.

- (4) Any payment from a Provident Fund to which the Provident Funds Act, 1925 (19 of 1925), applies or from any other provident fund set up by the Central Government and notified by it in this behalf in the Official Gazette is exempt u/s 10(11).

Provided that this exemption shall not apply to the interest income accrued during the previous year in the provident fund account of the employee to the extent it relates to the amount or the aggregate of amounts of contribution made by such person (i.e. employee) exceeding Rs. 2,50,000/- (Rs. 5,00,000/- , if contribution by such person is in a fund in which there is no contribution by the employer of such person) in a previous year in that fund on or after 01.04.2021 and computed as per rule 9D.

As per rule 9D, for the purpose of calculation of taxable interest as mentioned above, separate accounts within the provident fund account shall be maintained during the previous year for taxable contribution and non-taxable contribution made by employee.

Explanation-For the purposes of this rule-

- (a) Non-taxable contribution account shall be the aggregate of the following, namely:-

- (i) closing balance in the account as on 31.03.2021.
(ii) Any contribution made by the person in the account during the previous year 2021-22 and subsequent previous years, which is not included in the taxable contribution account; and
(iii) Interest accrued on sub-clause (i) and sub-clause (ii), as reduced by the withdrawal, if any from such account;

- (b) Taxable contribution account shall be aggregate of the following namely:-

- (i) contribution made by the person in a previous year in the account during the previous year 2021-22 and subsequent previous years, which is in excess of the threshold limit; and
- (ii) Interest accrued on sub-clause(i), as reduced by the withdrawal, if any, from such account.

10 Deduction from Salaries u/s 16 of Income Tax Act - Tax on Employment:

As per section 16 (iii) of the Income-tax Act, 1961 the tax on employments (Professional Tax) within the meaning of clause (2) of Article 276 of the Constitution of India, leviable by or under any law, shall be allowed as a deduction in computing the income under the head "Salaries".

11 Standard Deduction to Salaried employees:

Clauses (ia) of section 16 provide standard deduction in computing income chargeable under the head salary as below:-

1. Under new Tax Regime, Rs. 75,000/- or the amount of salary, whichever is lower
2. Under Old Tax Regime Rs. 50,000/- or the amount of salary, whichever is lower.

12 Deductions under Chapter VI-A of the Act:

In computing the taxable income of the employee, the following deductions under Chapter VI-A of the Income-tax Act, 1961 are to be allowed from his gross total income:

12.1 Deduction under Section 80C:

As per section 80C, an employee will be entitled to deductions for the whole of amounts paid or deposited in the current financial year in the following schemes, subject to a maximum limit of Rs. 1,50,000/- as provided in Sec 80CCE:

- (i) Payment of insurance premium to effect or to keep in force insurance on the life of the individual, the spouse or any child of the individual.
- (ii) Any payment made to effect or to keep in force a contract for a deferred annuity, not being an annuity plan as is referred to in item (xii) herein below on the life of the individual, the spouse or any child of the individual, provided that such contract does not contain a provision for the exercise by the insured of an option to receive a cash payment in lieu of the payment of the annuity;
- (iii) Any sum deducted from the salary payable by, or, on behalf of the Government to any individual, being a sum deducted in accordance with the conditions of his service for the purpose of securing to him a deferred annuity or making provision for his spouse or children, in so far as the sum deducted does not exceed 1/5th of the salary;
- (iv) Any contribution made by an individual to any Provident Fund to which the Provident Fund Act, 1925 applies;
- (v) Any contribution made by an individual to any provident fund set up by the Central Government, and notified by it in this behalf in the Official Gazette, where such contribution is to an account standing in the name of an individual, or spouse or children; [The Central Government has since notified Public Provident Fund vide Notification S.O. No. 1559(E), dated 03.11.2005.]
- (vi) Any contribution made by an employee to a Recognized Provident Fund;
- (vii) Any contribution made by an employee to an approved superannuation fund. It may be noted that contribution to any Fund shall not include any sums in repayment of loan or advance;
- (viii) Any subscription, to any such security of the Central Government or any such deposit scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf in the name of an individual or any girl child of that individual or any girl child for whom such person is the legal guardian, if the scheme so specifies;

[The Central Government has since notified Sukanya Samriddhi Account Scheme vide Notification No. 9/2015[F.NO.178/3/2015-ITA-I]/SO 210(E), dated 21.01.2015]

- (ix) Any subscription to any such saving certificates as defined under section 2(c) of the Government Saving Certificate Act, 1959 as the Government may, by notification in the Official Gazette, specify in this behalf.
[The Central Government has since notified National Saving Certificate (VIIIth Issue) vide Notification S.O. No. 1560(E), dated 03.11.2005 and National Saving Certificate (IXth Issue) vide Notification G.S.R. 848 (E), dated 29.11.2011, publishing the National Savings Certificates (IX-Issue) Rules, 2011 G.S.R. 868(E), dated 07.12.2011, specifying the National Savings Certificates IX Issue as the class of Savings Certificates F No 1-13/2011-NS-II r/w amendment Notification No. GSR 319(E), dated 25.04.2012]
- (x) Any sum paid as contribution in the case of an individual, for himself, spouse or any child, for participation in the Unit Linked Insurance Plan, 1971 of the Unit Trust of India;
- (xi) Any sum paid as contribution in the case of an individual, for himself, spouse or any child for participation in any unit-linked insurance plan of the LIC Mutual Fund referred to in clause (23D) of section 10 and as notified by the Central Government.
[The Central Government has since notified Unit Linked Insurance Plan (formerly known as Dhan raksha, 1989) of LIC Mutual Fund vide Notification S.O. No. 1561(E), dated 03.11.2005]
- (xii) Any subscription made to effect or keep in force a contract for such annuity plan of the Life Insurance Corporation of India or any other insurer as the Central Government may, by notification in the Official Gazette, specify;
[The Central Government has since notified New Jeevan Dhara, New Jeevan Dhara-I, New Jeevan Akshay, New Jeevan Akshay-I and New Jeevan Akshay-II vide Notification S.O. No. 1562(E), dated 03.11.2005, Jeevan Akshay-III vide Notification S.O. No. 847(E), dated 01.06.2006, Jeevan Akshay - VI vide Notification No. 34/2010 [F. NO. 178/46/2008-ITA-1], dated 19.05.2010 and Jeevan Akshay-VII vide Notification S.O. 5056 (E) dated 06.12.2021]
- (xiii) Any subscription made to any units of any Mutual Fund, referred to in clause (23D) of section 10, or from the Administrator or the specified company referred to in Unit Trust of India (Transfer of Undertaking & Repeal) Act, 2002 under any plan formulated in accordance with any scheme as the Central Government, may, by notification in the Official Gazette, specify in this behalf;
[The Central Government has since notified the Equity Linked Saving Scheme, 2005 for this purpose vide Notification S.O. No. 1563(E), dated 03.11.2005]
- The investments made after 01.04.2006 in plans formulated in accordance with Equity Linked Saving Scheme, 1992 or Equity Linked Saving Scheme, 1998 shall also qualify for deduction under section 80C.
- (xiv) Any contribution made by an individual to any pension fund set up by any Mutual Fund referred to in clause (23D) of section 10, or, by the Administrator or the specified company referred to in Unit Trust of India (Transfer of Undertaking & Repeal) Act, 2002, as the Central Government may, by notification in the Official Gazette, specify in this behalf;
[The Central Government has since notified UTI-Retirement Benefit Pension Fund vide Notification S.O. No. 1564(E), dated 03.11.2005]
- (xv) Any subscription made to any such deposit scheme of, or, any contribution made to any such pension fund setup by, the National Housing Bank, as the Central Government may, by notification in the Official Gazette, specify in this behalf;
[The Central Government has specified the National Housing Bank (Tax Saving) Term Deposit Scheme, 2008 vide Notification No. SO 21(E) dated 05.01.2009.]

- (xvi) Any subscription made to any such deposit scheme, as the Central Government may, by notification in the Official Gazette, specify for the purpose of being floated by (a) public sector companies engaged in providing long-term finance for construction or purchase of houses in India for residential purposes, or, (b) any authority constituted in India by, or, under any law, enacted either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development or improvement of cities, towns and villages, or for both.

[The Central Government has since notified the Public Deposit Scheme of HUDCO *vide* Notification S.O. No. 37(E), dated 11.01.2007, for the purposes of section 80C(2)(xvi)(a)].

- (xvii) Tuition fees, whether at the time of admission or thereafter, paid to any university, college, school or other educational institution situated in India, for the purpose of full-time education of any two children of the employee.

Full-time education includes any educational course offered by any university, college, school or other educational institution to a student who is enrolled full-time for the said course. It is also clarified that full-time education includes play-school activities, pre-nursery and nursery classes.

Further, the amount allowable as tuition fees shall include any payment of fee to any university, college, school or other educational institution in India except the amount representing payment in the nature of development fees or donation or capitation fees or payment of similar nature.

- (xviii) Any sums paid by an assessee for the purpose of purchase or construction of a residential house property, the income from which is chargeable to tax under the head "Income from house property" (or which would, if it has not been used for assessee's own residence, have been chargeable to tax under that head) where such payments are made towards or by way of any installment or part payment of the amount due under any self-financing or other scheme of any Development Authority, Housing Board etc.

The deduction will also be allowable in respect of repayment of loans borrowed by an assessee from the Government, or any bank or Life Insurance Corporation, or National Housing Bank, or certain other categories of institutions engaged in the business of providing long term finance for construction or purchase of houses in India. Any repayment of loan borrowed from the employer will also be covered, if the employer happens to be a public company, or a public sector company, or a university established by law, or a college affiliated to such university, or a local authority, or a cooperative society, or an authority, or a board, or a corporation, or any other body established under a Central or State Act.

The stamp duty, registration fee and other expenses incurred for the purpose of transfer shall also be covered. Payment towards the cost of house property, however, will not include, admission fee or cost of share or initial deposit or the cost of any addition or alteration to, or, renovation or repair of the house property which is carried out after the issue of the completion certificate by competent authority, or after the occupation of the house by the assessee or after it has been let out. Payments towards any expenditure in respect of which the deduction is allowable under the provisions of section 24 of the Income-tax Act will also not be included in payments towards the cost of purchase or construction of a house property.

Where the house property in respect of which deduction has been allowed under these provisions is transferred by the taxpayer at any time before the expiry of five years from the end of the financial year in which possession of such property is obtained by him or he receives back, by way of refund or otherwise, any sum specified in section 80C(2)(xviii), no deduction under these provisions shall be allowed in respect of such sums paid in such previous year in which the transfer is made and the aggregate amount of deductions of income so allowed in the earlier years shall be added to the total income of the assessee of such previous year and shall be liable to tax accordingly.

- (xix) Subscription to equity shares or debentures forming part of any eligible issue of capital made by a public company, which is approved by the Board or by any public finance institution.
- (xx) Subscription to any units of any mutual fund referred to in clause (23D) of section 10 and approved by the Board, if the amount of subscription to such units is subscribed only in eligible issue of capital of any company.
- (xxi) Investment as a term deposit for a fixed period of not less than five years with a scheduled bank, which is in accordance with a scheme framed and notified by the Central Government, in the Official Gazette for these purposes.
[The Central Government has since notified the Bank Term Deposit Scheme, 2006 for this purpose *vide* Notification S.O. No. 1220(E), dated 28.07.2006]
- (xxii) Subscription to such bonds issued by the National Bank for Agriculture and Rural Development, as the Central Government may, by such notification in the Official Gazette, specify in this behalf.
[The Central Government has since notified NABARD Rural Bonds of National Bank for Agriculture and Rural Development *vide* Notification No. SO 2227(E), dated 31.12.2007]
- (xxiii) Any investment in an account under the Senior Citizens Savings Scheme Rules, 2004.
- (xxiv) Any investment as five year time deposit in an account under the Post Office Time Deposit Rules, 1981.

Section 80C(3) & 80C(3A) states that in case of an insurance Policy, other than contract for a deferred annuity the amount of any premium or other payment made is restricted to:

Policy issued on or after 1 st April 2003 but before 1 st April 2012	20% of the actual capital sum assured
Policy issued on or after 1 st April 2012	10% of the actual capital sum assured
Policy issued on or after 1 st April 2013 - In cases of persons with disability or person with severe disability as per Sec 80 U or suffering from disease or ailment as specified in Sec 80DDB	15% of the actual capital sum assured

Actual capital sum assured in relation to a life insurance policy means the minimum amount assured under the policy on happening of the insured event at any time during the term of the policy, not taking into account –

- i. the value of any premium agreed to be returned, or
- ii. any benefit by way of bonus or otherwise over and above the sum actually assured

which may be received under the policy by any person.

Accrued Interest on NSC.

It may be clarified here that section 80C (ix) covers "subscription to NSC certificates". The accrued interest on NSCs should be added to the income of the employee and is deemed to be re-invested in NSCs (except interest of the 6th Year) and is entitled for deduction under Section 80C. Kindly note that, the accrued interest on NSC is to be calculated and added to the income of the employee only if the concerned employee declares the same for the purpose of deduction under section 80C.

Minimum holding period in some cases (section 80C (5) and (6A)): In respect of investment/deposit/contribution eligible for deduction under section 80C, in some cases the law provides as minimum period of holding. Such cases are given below:



Nature of Investment	Item Sl.No.	Minimum Period of Holding
Unit Linked Insurance plan (ULIP)	(x)	5 Years
Life Insurance premium	(i)	2 Years
Cost of purchase/Construction of residential house property including repayment of loan	(xviii)	5 Years
Deposit under Senior Citizen Saving Scheme	(xxiii)	5 Years
Time deposit in Post Office	(xxiv)	5 Years

12.2 Contribution to Certain Pension Funds (Section 80CCC):

1. Where an assessee being an individual has in the previous year paid or deposited any amount out of his income chargeable to tax to effect or keep in force a contract for any annuity plan of the Life Insurance Corporation of India or any other insurer for receiving pension from the fund referred to in clause (23AAB) of section 10, he shall, in accordance with, and subject to the provisions of this section, be allowed a deduction in the computation of his total income, of the whole of the amount paid or deposited (excluding interest or bonus accrued or credited to the assessee's account, if any) as does not exceed the amount of Rs.1,50,000/-(one lakhfifty thousand rupees) in the previous year.
2. Where any amount standing to the credit of the assessee in a fund, referred to in sub-section (1) in respect of which a deduction has been allowed under sub-section (1), together with the interest or bonus accrued or credited to the assessee's account, if any, is received by the assessee or his nominee—

- (a) on account of the surrender of the annuity plan whether in whole or in part, in any previous year, or
- (b) as pension received from the annuity plan,

an amount equal to the whole of the amount referred to in clause (a) or clause (b) shall be deemed to be the income of the assessee or his nominee, as the case may be, in that previous year in which such withdrawal is made or, as the case may be, pension is received, and shall accordingly be chargeable to tax as income of that previous year.

12.3 Contribution to National Pension Scheme System (Section 80CCD)

- (1) An employee shall be allowed a deduction for any amount paid or deposited in his account under a notified pension scheme [National Pension System – (NPS)] up to 10% of his salary in the previous year.
- (1B) an employee shall be allowed a deduction, whether or not any deduction is allowed in sub-section (1), of the whole of the amount **paid or deposited** in the previous year in his account under a pension scheme notified (NPS), which shall not exceed Rs. 50,000/- (fifty thousand rupees). No deduction shall be allowed under any other provisions of the Act in respect of amount for which a deduction has been claimed under sub-section (1).
- (2) the contribution made by the Central Government or the State Government or any other employer, towards pension scheme notified for section 80CCD, shall be allowed as deduction to the extent that it does not exceed 10% (14% in case of new tax regime) of employee's salary.
- (3) Where any amount is standing to the credit of the employee in the pension scheme referred to in sub-section (1) or sub-section (1B) and deduction has been allowed as stated above, and the employee or his nominee receives this amount together with the amount accrued thereon, on account of –

- (a) Closure or opting out of the pension scheme or

- (b) Pension received from the annuity plan purchased and taken on such closure or opting out

then the amount so received during the financial year shall be deemed to be income of the assessee or his nominee and accordingly will be charged to tax.

As per Section 10(13)(v) any payment from an approved superannuation fund by way of transfer to the account of the employee under NPS referred to in section 80CCD and notified by the Central Government shall be exempt from tax.

Note :

- a. Atal Pension Yojna (APY) is notified by Central Govt under section 80CCD by notification no. 7/2016 dated 19.02.2016 for this section
- b. Investments in NPS Tier II account do not have any tax benefits.

- (4) Where any amount paid or deposited by the assessee has been taken into account for the purposes of this section, no deduction with reference to such amount shall be allowed under section 80C.

As per section 80CCE, the aggregate amount of deduction under section 80C, section 80CCC, and section 80CCD(1) shall not, in any case exceed Rs.1,50,000/- (one lakh fifty thousand rupees).

The contribution made by the Central Government or any other employer to a pension scheme under section 80CCD(2) and by the assessee to a pension scheme under section 80CCD(1B) shall be excluded from the limit of Rs.1,50,000/- provided under section 80CCE to the assessee

12.4 Deduction in respect of health insurance premia paid, etc. (Section 80D)

As per section 80D of Income-tax Act, 1961:

- (1) in computing the total income of an assessee, being an individual, there shall be deducted such sum, as specified in sub-section (2), payment of which is made by any mode, as specified in sub-section (2B), in the previous year out of his income chargeable to tax.
- (2) Where the assessee is an individual, the sum referred to in sub-section (1) shall be the aggregate of the following, namely:-
 - (a) the whole of the amount paid to effect or to keep in force an insurance on the health of the assessee or his family or any contribution made to the Central Government Health Scheme or any payment made on account of preventive health check up of the assessee or his family as does not exceed in the aggregate Rs.25,000/- (twenty-five thousand rupees)
 - (b) the whole of the amount paid to effect or to keep in force an insurance on the health of the parent or parents of the assessee or any payment made on account of preventive health check- up of the parent of the assessee, whether dependent or not, does not exceed in the aggregate Rs.25,000/- (twenty-five thousand rupees).
 - (c) the whole amount paid on account of medical expenditure incurred on the health of the assessee or any member of his family as does not exceed in the aggregate Rs.50,000/- (fifty thousand rupees); and
 - (d) the whole of the amount paid on account of medical expenditure incurred on the health of any parent of the assessee, as does not exceed in the aggregate Rs.50,000/- (fifty thousand rupees)

Provided that the amount referred to in clause (c) or clause (d) is paid in respect of a senior citizen and no amount has been paid to effect or keep in force insurance on the health of such person:

Provided further that the aggregate of the sum specified under clause (a) and clause (c) or the aggregate of the sum specified under clause (b) and clause (d) shall not exceed Rs.50,000/- (fifty thousand rupees)

(2A) Where the amounts referred to in clauses (a) and (b) of sub-section (2) are paid on account of preventive health check-up, the deduction for such amounts shall be allowed to the extent it does not exceed in the aggregate Rs.5,000/- (five thousand rupees).

(2B) For the purposes of deduction under sub-section (1) payment shall be made by –
(i) any mode, including cash, in respect of any sum paid on account of preventive health check-up
(ii) any mode other than cash in all other cases not falling under clause (i).

(4) Where the sum specified in clause (a) or clause (b) of sub-section (2) is paid to effect or keep in force an insurance on the health of any person specified therein, and who is a senior citizen the deduction available will be up to Rs.50,000/- (fifty thousand rupees).

“family” means the spouse and dependent children of the employee.

“senior citizen” means an individual resident in India who is of the age of sixty years or more at any time during the previous year.

The insurance referred above shall be in accordance with the scheme framed by-

- (a) The General Insurance Corporation of India as approved by the Central Government in this behalf or;
- (b) Any other insurer and approved by the Insurance Regulatory and Development Authority.

It may be clarified here that section 80D also covers “payment of premium exclusively towards critical illness rider”.

(4A) Where the amount specified in clause (a) or clause (b) of sub-section (2) is paid in lump sum in the previous year to effect or to keep in force an insurance on the health of any person specified therein for more than a year, then, subject to the provisions of this section, there shall be allowed for each of the relevant previous year, a deduction equal to the appropriate fraction of the amount.

Explanation.—For the purposes of this sub-section,—

- (i) “appropriate fraction” means the fraction, the numerator of which is one and the denominator of which is the total number of relevant previous years;
- (ii) “relevant previous year” means the previous year beginning with the previous year in which such amount is paid and the subsequent previous year or years during which the insurance shall have effect or be in force.

12.5 Deduction in respect of maintenance including medical treatment of a dependant who is a person with disability (Section 80DD)

Where an assessee, has during the previous year,

1. has incurred any expenditure for the medical treatment (including nursing), training and rehabilitation of a dependent with disability; or
2. paid or deposited any amount under a scheme framed in this behalf by the Life Insurance Corporation or any other insurer or the Administrator or the specified company subject to the conditions specified in this regard and approved by the Board in this behalf for the maintenance of a dependent with disability,

the assessee shall in accordance with and subject to the provisions of this section be allowed a deduction of a sum of Rs.75,000/- (seventy-five thousand rupees) in respect of the previous year.



However, where such dependant is a person with severe disability, an amount **Rs.1,25,000/- (one lakh twenty-five thousand rupees)** shall be allowed as deduction subject to the specified conditions

The assessee claiming a deduction under this section shall furnish a copy of the certificate issued by the medical authority in the prescribed form and manner (in case where the person with disability or severe disability is suffering from autism, cerebral palsy or multiple disability—in format as per Form No. 10-IA(**Annexure-VI**) or in any other case – in format as per **Annexure-VII**), along with the return of income under section 139 in respect of assessment year for which the deduction is claimed.

12.6 Deductions in respect of a person with disability (Section 80U):

Under section 80U, in computing the total income of an individual, being a resident, who, at any time during the previous year, is certified by the medical authority to be a person with disability, there shall be allowed a deduction of a sum of Rs.75,000/- (seventy-five thousand rupees). However, where such individual is a person with severe disability, a higher deduction of Rs.1,25,000/- (one lakhtwenty-five thousand rupees) shall be allowable.

Person responsible for making payment should note that section 80DD deduction is in case of the dependent of the employee whereas section 80U deduction is in case of the employee himself. However under both the sections the employee shall furnish to the Person responsible for making payment the following:

1. A copy of the certificate issued by the medical authority as defined in Rule 11A(1) in the prescribed form as per Rule 11A(2). The Person responsible for making payment has to allow deduction only after seeing that the Certificate furnished is from the Medical Authority defined in this rule and the same is in the form as mentioned therein.
2. Further in cases where the condition of disability is temporary and requires reassessment of its extent after a period stipulated in the aforesaid certificate, no deduction under this section shall be allowed for any subsequent period unless a new certificate is obtained from the medical authority as in 1 above and furnished before the Person responsible for making payment.
3. For the purposes of section 80DD and 80 U some of the terms defined are as under:-
 - (a) "Administrator" means the Administrator as referred to in clause (a) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);
 - (b) "dependant" means-
 - (i) in the case of an individual, the spouse, children, parents, brothers and sisters of the individual or any of them;
 - (c) "Disability"- As per section 2 Clause (i) of "Person with Disabilities (Equal Opportunities, Protection of Right and Full Participation) , Act 1995" "Disability" means- (i) Blindness; (ii) Low vision; (iii) Leprosy-cured; (iv) Hearing impairment; (v) Loco motor disability; (vi) Mental retardation; (vii) Mental illness and includes "autism", "cerebral palsy" and "multiple disability" referred to in clauses (a), (c) and (h) of section 2 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999);
 - (d) "Person with Disability" – A person as referred to in clause (t) of section 2 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (1 of 1996) or clause (j) of section 2 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999);
As per section 2 Clause (t) of "Person with Disabilities (Equal Opportunities, Protection of Right and Full Participation) , Act 1995" "Person with disability" means a person suffering from not less than forty per cent of any disability as certified by a medical authority;
 - (e) "medical authority" means the medical authority as referred to in clause (p) of section 2 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (1 of 1996) or such other medical authority as may, by notification, be specified by the Central Government for certifying "autism", "cerebral

palsy", "multiple disabilities", "person with disability" and "severe disability" referred to in clauses (a), (c), (h), (j) and (o) of section 2 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999);

(f) "person with severe disability" means –

- (i) a person with eighty per cent or more of one or more disabilities, as referred to in sub-section (4) of section 56 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (1 of 1996); or
- (ii) a person with severe disability referred to in clause (o) of section 2 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 (44 of 1999);

(g) "specified company" means a company as referred to in clause (h) of section 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002).

12.7 Deduction in respect of medical treatment, etc. (Section 80DDB):

Section 80DDB allows a deduction in case of employee, who is resident in India, during the previous year, and has actually paid any amount for the medical treatment of such disease or ailment as may be specified in the rules (Rule 11DD) for himself or a dependant.

The deduction allowed is equal to the amount actually paid or Rs.40,000/-(forty thousand rupees) whichever is less.

Further, the amount paid should also be reduced by the amount received if any under insurance from an insurer or reimbursed by an employer.

In case assessee or the dependent is a senior citizen (an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year) the amount of deduction allowed is Rs.1,00,000/-(one lakh rupees).

For availing this deduction the employee is required to obtain a prescription for such medical treatment from a neurologist, an oncologist, a urologist, a hematologist, an immunologist or such other specialist, as prescribed in Rule 11DD.

For the purpose of this section in the case of an employee "dependant" means, the spouse, children, parents, brothers and sisters of the individual or any of them, dependant wholly or mainly on the employee for his support and maintenance.

12.8 Deduction in respect of interest on loan taken for higher education (Section 80E):

Section 80E allows deduction in respect of repayment of interest on loan taken from **any financial institution or any approved charitable institution** for higher education for the purpose of pursuing higher education of assesses or for the purpose of higher education of his spouse or his children or the student for whom he is the legal guardian.

The deduction shall be allowed in computing the total income for the Financial Year in which the employee starts repaying the interest on the loan taken and immediately succeeding seven Financial Years or until the Financial Year the interest is paid in full by the taxpayer, whichever is earlier.

For the purpose of this section –

- (a) "approved charitable institution" means an institution established for charitable purposes and approved by the prescribed authority section 10(23C), or an institution referred to in section 80G(2)(a);
- (b) "financial institution" means a banking company to which the Banking Regulation Act, 1949 (10 of 1949) applies (including any bank or banking institution referred to in section 51 of that Act); or any other financial institution which the Central Government may, by notification in the Official Gazette, specify in this behalf.

Central Govt. has notified Housing Development Finance Corporation Ltd (notification no. SO 657(E) dated 21.06.2002 and Credila Financial Services (P) Ltd, Mumbai (notification no. SO 2564 (E) dated 13.10.2010)

- (c) "higher education" means any course of study pursued after passing the Senior Secondary Examination or its equivalent from any school, board or university recognized by the Central Government or State Government or local authority or by any other authority authorized by the Central Government or State Government or local authority to do so;

12.9 Deduction in respect of interest on loan taken for residential house property (Section 80EE):

An individual shall be allowed a deduction under section 80EE for Rs. 50,000/- on account of interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential property subject to satisfaction of the following conditions:

1. The loan has been sanctioned by the financial institution during the period beginning of 1.04.2016 to 31.03.2017.
2. The amount of loan sanctioned for acquisition of residential house property does not exceeds Rs.35,00,000/-.
3. The value of residential house property does not exceeds Rs.50,00,000/-.
4. The assessee does not own any residential house property on the date of sanction of loan.
5. Where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provisions of this act for the same or any other assessment year.

12.10 Deduction in respect of interest on loan taken for certain house property (Section 80EEA)

An individual shall be allowed a deduction under section 80EEA for Rs. 150,000/- on account of interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential house property subject to satisfaction of the following conditions:

1. The loan has been sanctioned by the financial institution during the period beginning of 1.04.2019 to 31.03.2022.
2. The stamp duty value of residential house property does not exceed Rs. 45,00,000/-.
3. The assessee does not own any residential house property on the date of sanction of loan.
4. Where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provisions of this act for the same or any other assessment year.

12.11 Deduction in respect of interest on loan taken for electric vehicles (Section 80EEB)

An individual shall be allowed a deduction under section 80EEB for Rs. 150,000/- on account of interest payable on loan taken by him from any financial institution for the purpose of purchase of an electric vehicle subject to satisfaction of the following conditions.

1. The loan has been sanctioned by the financial institution during the period beginning on 1.04.2019 and ending on 31.03.2023.
2. Where a deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provisions of this Act for the same or any other assessment year.

12.12 Deductions in respect of donations to certain funds, charitable institutions, etc. (Section 80G):

Section 80G provides for deductions on account of donation made to various funds, charitable organizations etc. In cases where employees make donations to the Prime Minister's National Relief Fund, the Chief Minister's Relief Fund or the Lieutenant Governor's Relief Fund through their respective employers, it is not possible for such funds to issue separate certificate to every such employee in respect of donations made to such funds as contributions made to these funds are in the form of a consolidated cheque. An employee who makes donations towards these funds is eligible to claim deduction under section 80G. It is, hereby, clarified that the claim in respect of such donations as indicated above will be admissible under section 80G on the basis of the certificate issued by the Drawing and Disbursing Officer (DDO)/Employer in this behalf- CBDT Circular No. 2/2005, dated 12.01.2005.

No deduction under this section is allowable where amount of donation exceeds Rs.2,000/- unless the amount is paid by any mode, other than cash. (Section 80G (5D))

Donation made to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund(PM CARES FUND) shall also be eligible for deduction under Section 80G. Donation made through employer shall be deductible on the basis of Form No. 16 or the Certificate issued by the employer.

12.13 Deductions in respect of rents paid (Section 80GG):

Section 80GG allows the employee to a deduction in respect of house rent paid by him for his own residence. He will be entitled to a deduction in respect of house rent paid by him in excess of 10% of his total income, subject to a ceiling of 25% thereof or Rs.5,000/- per month, whichever is less. The total income for working out these percentages will be computed before making any deduction under section 80GG. Such deduction is permissible subject to the following conditions:

- (a) the employee has not been in receipt of any House Rent Allowance specifically granted to him which qualifies for exemption under section 10(13A) of the Act;
- (b) the employee files the declaration in Form No. 10BA. (**Annexure VIII**)
- (c) The employee does not own:
 - (i) any residential accommodation himself or by his spouse or minor child or where such employee is a member of a Hindu Undivided Family, by such family, at the place where he ordinarily resides or performs duties of his office or carries on his business or profession; or
 - (ii) at any other place, any residential accommodation being accommodation in the occupation of the employee, the value of which is to be determined under section 23(2)(a) or section 23(4) (a) as the case may be

12.14 Deduction in respect of interest on deposits in savings account (Section 80TTA):

Where gross total income of an assessee includes any income by way of interest on deposits (not being time deposits) in a savings account, a deduction shall be allowed as specified hereunder:

- (i) in a case where the amount of such income does not exceed in aggregate Rs.10,000/- (ten thousand rupees), the whole of such amount; and
- (ii) in any other case, Rs.10,000/- (ten thousand rupees).

Provided such savings account is maintained in a

- (a) banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act);
- (b) co-operative society engaged in carrying on the business of banking (including a cooperative land mortgage bank or a co-operative land development bank); or
- (c) Post Office as defined in clause (k) of section 2 of the Indian Post Office Act, 1898 (6 of 1898), limited to Rs. 3500/- in a single account and Rs.7000/- in a joint account only.

On

“time deposits” means the deposits repayable on expiry of fixed periods. A Senior citizen who can avail deduction u/s 80TTB shall not be eligible for the deduction under this section.

12.15 Deduction in respect of interest on deposits in case of senior citizens (Section 80TTB):

Section 80TTB allows deduction to a senior citizen from his gross total income in respect of income by way of interest on deposits with –

- (a) banking company to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act);
- (b) co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank); or
- (c) a Post Office as defined in clause (k) of section 2 of the Indian Post Office Act, 1898.

The amount of deduction in respect of above interest on deposit is as under:-

- (i) in a case where the amount of such income does not exceed in the aggregate fifty thousand rupees, the whole of such amount; and
- (ii) in any other case, fifty thousand rupees.

However, no deduction is allowed under section 80TTB to any partner of the firm or any member of the association or any individual of the body if said interest is derived from any deposit held by, or on behalf of, a firm, an association of persons or a body of individuals.

For this purpose, senior citizen means an individual resident in India who is of the age of sixty years or more at any time during the relevant previous year.

13. Rebate of income-tax in case of certain individuals (Section 87A)

An assessee, being an individual resident in India, whose total taxable income does not exceed Rs.5,00,000/- (five lakh rupee) shall be entitled to a deduction, from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to hundred per cent of such income-tax or an amount of Rs. 12500/- (twelve thousand five hundred only) whichever is less.

Provided that where the total income of the assessee is chargeable to tax under 115BAC(1A) (New Tax Regime) and the total income-

- (a) Does not exceed Rs.7,00,000, the assessee shall be entitled to a deduction, from the amount of income-tax (as computed before allowing for the deduction under this chapter) on his total income with which he is chargeable for any assessment year, of an amount hundred per cent of such income-tax or an amount of Rs. 25,000 (Twenty five thousand) whichever is less.
- (b) Exceeds Rs.7,00,000 and the income-tax payable on such total income exceeds the amount by which the total income is in excess of Rs.7,00,000/-, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds Rs. 7,00,000/-.

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Person responsible for making payment to satisfy themselves of the genuineness of claim.

Person responsible for making payment should satisfy themselves about the actual deposits/subscriptions/ payments made by the employees, by calling for such particulars/information as they deem necessary before allowing the aforesaid deductions. In case the person responsible for making payment is not satisfied about the genuineness of the employee's claim regarding any deposit/subscription/payment made by the employee, he should not allow the same, and the employee would be free to claim the deduction on such amount by filing his return of income and furnishing the necessary proof etc., therewith, to the satisfaction of the Assessing Officer.

These instructions are not exhaustive and are issued only with a view to helping our offices to understand the various provisions relating to the deduction of tax from salaries.

All our offices are advised to refer the Income Tax Act, 1961 as amended by Finance Act, 2024 (available in www.incometaxindia.gov.in) to take careful note of the statutory provisions regarding proper and equitable deduction of tax at source, remitting the tax in time and issue TDS certificate in time and ensure strict compliance thereof, so as to avoid penal proceedings. It shall be the responsibility of the Head of the concerned department/Head of the office and the concerned personnel of the department to ensure that the provisions of Income-tax Act are fully complied with.

Failure to comply with Income-tax provisions in this regard will be viewed seriously and the Officer-in-Charge shall fix responsibility for such lapses. If any clarification is required, the same may be referred through proper channel to the Central Office, with full details. In the alternative local Income Tax Officer or Public Relation Officer of Income Tax Office may be approached in the matter.

Please note and comply with the above instructions carefully and bring the same to the notice of all the concerned departments under your control.


Chief Financial Officer

FORM NO. 12B

[See rule 26A]

Form for furnishing details of income under section 192(2) for the year ending 31st March,

Name and address of the employee _____

Permanent Account Number or Aadhaar Number _____

Residential status _____

S. No	Name and address of employer(s)	TAN of the employer(s) as allotted by the ITO	Permanent Account Number or Aadhaar Number of the employer(s)	Period of employment	Particulars of salary as defined in section 17, paid or due to be paid to the employee during the year			Total of columns 6, 7, and 8	Amount deducted in respect of life insurance premium, provident fund contribution, etc., to which sec. 80C, † applies (Give details)	Total amount of tax deducted during the year (enclose certificate issued under section 203)	Remarks
					Total amount of salary excluding amounts required to be shown in columns 7 and 8	Total amount of house rent allowance, conveyance allowance and other allowances to the extent chargeable to tax [See section 10(13A) read with rule 24 and section 10(14)]	Value of perquisites and amount of accretion to employee's provident fund account (give details in the Annexure)				
1	2	3	4	5	6	7	8	9	10	11	12

† With effect from 1-4-1991, section 80C has been replaced by section 88.

Signature of the employee

Verification

I, _____, do hereby declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the _____ day of _____
Place _____

Signature of the employee

ANNEXURE

[See column 8 of Form No. 12B]

Particulars of value of perquisites and amount of accretion to employee's provident fund account

Name and address of the employee

Permanent Account Number or Aadhaar Number

Period : Year ending 31st March.

Value of rent-free accommodation or value of any concession in rent for the accommodation provided by the employer (give basis of computation) [See rules 3(a) and 3(b)]

Name of the employee	TAN/Permanent Account Number or Aadhaar Number of the employer	Where accommodation is furnished						
		Where accommodation is unfurnished	Value as if accommodation is unfurnished	Cost of furniture (including television sets, radio sets, refrigerators, other household appliances and air-conditioning plant or equipment) OR hire charges, if hired from a third party	Perquisite value of furniture (10% of column 5) OR actual hire charges payable	Total of columns 4 and 6	Rent, if any, paid by the employee	Value of perquisite (column 3 minus column 8 or column 7 minus column 8 as may be applicable)
1	2	3	4	5	6	7	8	9

ANNEXURE (Contd.)

Name of the employee	Whether any conveyance has been provided by the employer free or at a concessional rate or where the employee is allowed the use of one or more motor cars owned or hired by the employer, estimated value of perquisite (give details) [See rule 3(c)]	Remuneration paid by employer for domestic and/or personal services provided to the employee (give details) [See rule 3(g)]	Value of free or concessional passages on home leave and other travelling to the extent chargeable to tax (give details) [See rule 2B read with section 10(3)(iv)]	Estimated value of any other benefit or amenity provided by the employer, free of cost or at concessional rate not included in the preceding column (give details), e.g., supply of gas, electricity or water for household consumption, free educational facilities, transport for family, etc. [See rules 3(d), 3(e) and 3(f)]	Employer's contribution to recognised provident fund in excess of 10% of the employee's salary [See Schedule IV - Part A]	Interest credited to the assessee's account in recognised provident fund in excess of the rate fixed by the Central Government [See Schedule IV - Part A]	Total of columns 9 to 15 Form No. 12B
1	10	11	12	13	14	15	16

[illegible]

Signature of the employee

FORM NO. 10E

[See rule 21AA]

Form for furnishing particulars of income under section 192(2A) for the year ending 31st March, _____ for claiming relief under section 89(1) by a Government servant or an employee in a company, co-operative society, local authority, university, institution, association or body

1. Name and address of the employee
2. Permanent Account Number or Aadhaar Number
3. Residential status

Particulars of income referred to in rule 21A of the Income tax Rules, 1962, during the previous year relevant to assessment year

1. (a) Salary received in arrears or in advance in accordance Rs. with the provisions of sub-rule (2) of rule 21A
- (b) Payment in the nature of gratuity in respect of past services, extending over a period of not less than 5 years in accordance with the provisions of sub-rule (3) of rule 21A
- (c) Payment in the nature of compensation from the employer or former employer at or in connection with termination of employment after continuous service of not less than 3 years or where the unexpired portion of term of employment is also not less than 3 years in accordance with the provisions of sub-rule (4) of rule 21A
- (d) Payment in commutation of pension in accordance with the provisions of sub-rule (5) of rule 21A
2. Detailed particulars of payments referred to above may be given in Annexure I, II, IIA, III or IV, as the case may be

Signature of the employee

Verification

I, _____, do hereby declare that what is stated above is true to the best of my knowledge and belief.
Verified today, the _____ day of _____

Place
Date

Signature of the employee

ANNEXURE I

[See item 2 of Form No. 10E]

ARREARS OR ADVANCE SALARY

1. Total income (excluding salary received in arrears or advance)
2. Salary received in arrears or advance
3. Total income (as increased by salary received in arrears or advance)[Add item 1 and item 2]
4. Tax on total income (as per item 3)
5. Tax on total income (as per item 1)
6. Tax on salary received in arrears or advance [Difference of

item 4 and item 5]

7. Tax computed in accordance with Table "A" [Brought from column 7 of Table "A"]
8. Relief under section 89(1) [Indicate the difference between the amounts mentioned against items 6 and 7]

TABLE "A"
[See item 7 of Annexure I]

Previous year(s)	Total income of the relevant previous year (Rs.)	Salary received in arrears or advance relating to the relevant previous year as mentioned in column(1) (Rs.)	Total income (as increased by salary received in arrears or advance) of the relevant previous year mentioned in column(1) [Add columns (2) and (3)] (Rs.)	Tax on total income [as per column(2)] (Rs.)	Tax on total income [as per column(4)] (Rs.)	Difference in tax [Amount under column (6) minus amount under column (5)] (Rs.)
1	2	3	4	5	6	7

Note : In this Table, details of salary received in arrears or advance relating to different previous years may be furnished.

ANNEXURE II
[See item 2 of Form No. 10E]

GRATUITY

Past services extending over a period of 5 years or more but less than 15 years

1. Gratuity received
2. Total income (including gratuity)
3. Tax on total income mentioned against item 2
4. Average rate of tax applicable on total income [Divide amount mentioned against item 3 by amount mentioned against item 2]
5. Tax payable on gratuity by applying the average rate of tax [Multiply average rate of tax mentioned against item 4 with amount of gratuity mentioned against item 1]
6. Total income of two previous years immediately preceding the previous year in which gratuity is received
 - (i)
 - (ii)
7. Add one-half of the gratuity mentioned against item 1 in the total income of each of the two preceding previous years mentioned against item 6
 - (i)
 - (ii)
8. Tax on total income of each of the preceding previous years mentioned against item 7
 - (i)
 - (ii)

9. Average rate of tax on the total income of each of the two preceding previous years as increased by $\frac{1}{2}$ of gratuity calculated for that year as mentioned against item 7
[Divide the amounts mentioned against items 8(i) and 8(ii) by the amount mentioned against items 7(i) and 7(ii) respectively]
 - (i)
 - (ii)
10. Average of average rates of tax mentioned against item 9 [Add the averages of tax mentioned against items 9(i) and (ii) and divide it by 2]
11. Tax payable on gratuity by applying the average of average rates of tax [Multiply the average against item 10 by the amount of gratuity mentioned against item 1]
12. Relief under section 89(1) [Indicate the difference between the amounts mentioned against items 11 and 5]

ANNEXURE IIA

[See item 2 of Form No. 10E]

GRATUITY

Past services extending over a period of 15 years and more

1. Gratuity received
2. Total income (including gratuity)
3. Tax on total income mentioned against item 2
4. Average rate of tax applicable on total income [Divide amount mentioned against item 3 by amount mentioned against item 2]
5. Tax payable on gratuity by applying the average rate of tax [Multiply average rate of tax mentioned against item 4 with amount of gratuity mentioned against item 1]
6. Total income of three previous years immediately preceding the previous year in which gratuity is received
 - (i)
 - (ii)
 - (iii)
7. Add one-third of the gratuity mentioned against item 1 in the total income of each of the three preceding previous years mentioned against item 6
 - (i)
 - (ii)
 - (iii)
8. Tax on total income of each of the preceding previous years mentioned against item 7
 - (i)
 - (ii)
 - (iii)
9. Average rate of tax on the total income of each of the three preceding previous years as increased by one-third of gratuity calculated for that year as mentioned against item 7 [Divide the amounts mentioned against items 8(i), 8(ii) and 8(iii) by the amount mentioned against items 7(i), 7(ii) and 7(iii) respectively]
 - (i)

- (ii)
- (iii)
- 10. Average of average rates of tax mentioned against item 9 [Add the averages of tax mentioned against items 9(i) to (iii) and divide it by 3]
- 11. Tax payable on gratuity by applying the average of average rates of tax [Multiply the average against item 10 by the amount of gratuity mentioned against item 1]
- 12. Relief under section 89(1) [Indicate the difference between the amounts mentioned against items 11 and 5]

ANNEXURE III COMPENSATION ON TERMINATION OF EMPLOYMENT

Condition : After continuous service of three years and where unexpired portion of term of employment is also not less than three years

- 1. Compensation received
- 2. Total income (including compensation)
- 3. Tax on total income mentioned against item 2
- 4. Average rate of tax applicable on total income [Divide amount mentioned against item 3 by amount mentioned against item 2]
- 5. Tax payable on compensation by applying the average rate of tax [Multiply average rate of tax mentioned against item 4 with amount of compensation mentioned against item 1]
- 6. Total income of three previous years immediately preceding the previous year in which compensation is received
 - (i)
 - (ii)
 - (iii)
- 7. Add one-third of the compensation mentioned against item 1 in the total income of each of the three preceding previous years mentioned against item 6
 - (i)
 - (ii)
 - (iii)
- 8. Tax on total income of each of the preceding previous years mentioned against item 7
 - (i)
 - (ii)
 - (iii)
- 9. Average rate of tax on the total income of each of the three preceding previous years as increased by one-third of compensation calculated for that year as mentioned against item 7 [Divide the amount mentioned against items 8(i), 8(ii) and 8(iii) by the amount mentioned against items 7(i), 7(ii) and 7(iii) respectively]
 - (i)
 - (ii)
 - (iii)
- 10. Average of average rates of tax mentioned against item 9 [Divide by three, the total of averages of tax mentioned against items 9(i) to

- (iii)]
11. Tax payable on compensation by applying the average of average rates of tax [Multiply the average against item 10 by the amount of compensation mentioned against item 1]
 12. Relief under section 89(1) [Indicate the difference between the amounts mentioned against items 11 and 5]

ANNEXURE IV COMMUTATION OF PENSION

1. Amount in commutation of pension received
2. Total income (including amount in commutation of pension)
3. Tax on total income mentioned against item 2
4. Average rate of tax applicable on total income
[Divide amount mentioned against item 3 by amount mentioned against item 2]
5. Tax payable on amount in commutation of pension by applying the average rate of tax
[Multiply average rate of tax mentioned against item 4 with amount in commutation of pension mentioned against item 1]
6. Total income of each of the three previous years immediately preceding the previous year in which amount in commutation of pension is received
 - (i)
 - (ii)
 - (iii)
7. Add one-third of the amount in commutation of pension mentioned against item 1 in the total income of each of the three preceding previous years mentioned against item 6
 - (i)
 - (ii)
 - (iii)
8. Tax on total income of each of the preceding previous years mentioned against item 7
 - (i)
 - (ii)
 - (iii)
9. Average rate of tax on the total income of each of the three preceding previous years as increased by one-third of the amount in commutation of pension calculated for that year as mentioned against item 7
[Divide the amount mentioned against items 8(i), 8(ii) and 8(iii) by the amount mentioned against items 7(i), 7(ii) and 7(iii), respectively]
 - (i)
 - (ii)
 - (iii)
10. Average of average rates of tax mentioned against item 9
[Divide by three, the total of averages of tax mentioned against items 9(i) to (iii)]

11. Tax payable on amount in commutation of pension by applying the average of average rates of tax
[Multiply the average against item 10 by the amount in commutation of pension mentioned against item 1]
12. Relief under section 89(1)
[Indicate the difference between the amounts mentioned against items 11 and 5]

Annexure III

**Form for sending particulars of Income u/s 192(2B)
for the year ending 31-03-20____**

1. Name and Address of the Employee :
2. Permanent Account Number :
3. Residential Status :
4. Particulars of Income under any head of income other than 'salaries' (not being a loss under the head 'income from house property') received in the financial year:
 - i. Income from house property : Rs.
(in case of loss enclose computation thereof)
 - ii. Profits and gains of business or profession : Rs.
 - iii. Capital gains : Rs.
 - iv. Income from other sources:-
 - a) Dividends : Rs.
 - b) Interest : Rs.
 - c) Other incomes (Please specify) : Rs.
 - Total from { (a) to (c) } : Rs.
5. Aggregate of sub-items (i) to (iv) of item 4 : Rs.
6. Tax Deducted at source (enclose certificates issued under section 203)
7. Tax Collected at Source (enclose certificates issued under section 206)

Place :

Date :

Signature of the employee

Verification

I _____ do hereby declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the _____ day of _____ 20____

Place :

Date :

Signature of the employee

COMPUTATION OF INCOME FROM LET OUT / SELF OCCUPIED PROPERTY

1	Annual Value - Amount for which the property might reseasonably be let out or Annual Municipal valuation or Actual Rent Received, whichever is highest	Rs.
2	Less Municipal Taxes	Rs.
3	Net Annual Value (1-2)	Rs.
4	Deduction:	
	Repairs and Collection charges (30 % of 3)	Rs.
	Insurance	Rs.
	Interest on Borrowed capital	Rs.
	Annual charges, if any	Rs.
	Ground Rent	Rs.
	land Revenue	Rs.
	Vacancies (period for which the house was vacant)	
	Irrecoverable rent, if any	Rs.
	Total	Rs.
5	Net chargeable income from house property (3 - 4)	Rs.

()

Signature of the Employee

FORM NO. 12BB

[See rule 26C]

Statement showing particulars of claims by an employee for deduction of tax under section 192

1. Name and address of the employee:
2. [Permanent Account Number or Aadhaar Number] of the employee:
3. Financial year:

DETAILS OF CLAIMS AND EVIDENCE THEREOF			
Sl. No.	Nature of claim	Amount (Rs.)	Evidence/particulars
(1)	(2)	(3)	(4)
1.	House Rent Allowance: (i) Rent paid to the landlord (ii) Name of the landlord (iii) Address of the landlord (iv) [Permanent Account Number or Aadhaar Number] of the landlord Note : [Permanent Account Number or Aadhaar Number] shall be furnished if the aggregate rent paid during the previous year exceeds one lakh rupees		
2.	Leave travel concessions or assistance		
3.	Deduction of interest on borrowing: (i) Interest payable/paid to the lender (ii) Name of the lender (iii) Address of the lender (iv) [Permanent Account Number or Aadhaar Number] of the lender (a) Financial Institutions (if available) (b) Employer (if available) (c) Others		
4.	Deduction under Chapter VI-A (A) Sections 80C, 80CCC and 80CCD (i) Section 80C (a) (b) (c) (d) (e) (f) (g)		

	(ii) Section 80CCC		
	(iii) Section 80CCD		
	(B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A		
	(i) section.....		
	(ii) section.....		
	(iii) section.....		
	(iv) section.....		
	(v) section.....		

Verification

I, son/daughter of do hereby certify that the information given above is complete and correct.

Place

Date

Designation

.....

(Signature of the employee)

Full Name:

TABLE

<i>Sl. No.</i>	<i>Name of allowance</i>	<i>Place at which allowance is exempt</i>	<i>Extent to which allowance is exempt</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
1.	Any Special Compensatory Allowance in the nature of [Special Compensatory (Hilly Areas) Allowance] or High Altitude Allowance or Uncongenial Climate Allowance or Snow Bound Area Allowance or Avalanche Allowance	<p>I. (a) Manipur Mollan/RH-2365.</p> <p>(b) Arunachal Pradesh</p> <p>(i) Kameng;</p> <p>(ii) North Eastern Arunachal Pradesh where heights are 9,000 ft. and above;</p> <p>(iii) Areas east or west of Siang and Subansiri sectors</p> <p>(c) Sikkim</p> <p>(i) Area North-NE-East of line Chhaten LR 0105, Launchung LR 1902, pt. 4326 LW 1790, pt. 4349 LW 1479, pt. 3601 LW 1471 to mile 13 LW 1367 to Berluk LW 2253.</p> <p>(ii) All other areas at 9,000 ft. and above.</p> <p>(d) Uttar Pradesh</p> <p>Areas of Harsil, Mana and Malari Sub-divisions and other areas of heights at 9,000 ft. and above.</p> <p>(e) Himachal Pradesh</p> <p>(i) All areas at 9,000 ft. and above ahead of line joining Puhka-jakunzomla towards the bower.</p> <p>(ii) Area ahead of line joining Karchham and Shigrila towards the bower.</p> <p>(iii) All areas in Kalpa, Spiti, Lahul and Tisa.</p> <p>(f) Jammu and Kashmir</p> <p>(i) All areas from NR 396950 to NR 350850, NR 370790, NR 311776 North of Shaikhra Village, North of Pindi Village to NR 240800.</p> <p>(ii) Areas of Doda, Sank and other posts located in areas at a height of 9,000 ft. and above.</p> <p>(iii) North of line Kud-Dudu and Bastgarh, Bilwar, Batote and Patnitop.</p> <p>(iv) All areas ahead of Zojila served by Road Srinagar-Zojila-Leh in Leh District.</p>	[Rs. 800] per month

		<p>(v) Gulmarg - All areas forward of line joining Anita Linyan 3309 - Kaunrali - 2407.</p> <p>(vi) Uri South - All areas forward of Kaunrali - Kandi 1810 Kustam 1505 - Sebasantra 1006 Changez 0507 - Jak 19904 Keekar 9704 Jamun 9607 Neeta 9508.</p> <p>(vii) BAAZ Kaiyan Bowl - All areas forward of Dulurja 9712-BAAZ 0317 - Shamsher 0416 including New Shamsher 0615 - Zorawar 1017 - Malaugan Base 1027 - Radha 0836 to Nastachun Pass 9847.</p> <p>(viii) Tangdhar - All areas west of Nastachun Pass Tangdhar Bowl and on Shamshabari Range and forward of it.</p> <p>(ix) Karan and Machhal sub-sectors - All areas along the line Pharkiangali 0869 to Z Gali 4376 and forward of Shamshabari Range.</p> <p>(x) Panzgam, Trehgam and Drugmul.</p> <p>II. Siachen area of Jammu and Kashmir</p> <p>III. All places located at a height of 1,000 metres or more above the sea level, other than places specified at (I) and (II) above.</p>	
[2.	Any Special Compensatory Allowance in the nature of Border Area Allowance, Remote Locality Allowance or Difficult Area Allowance or Disturbed Area Allowance	<p>I. (a) Little Andaman, Nicobar and Narcondum Islands;</p> <p>(b) North and Middle Andamans;</p> <p>(c) Throughout Lakshadweep and Minicoy Islands;</p> <p>(d) All places on or north of the following demarcation line:</p> <p>Point 14600 (2881) to Sala MS 2686-Matau MS 6777 - Sakong MT 1379-Bamong-Khonawa MO 2803 - Nyapin MO 7525 - River Khru to its junction with the river Kamla MP - 2226 - Taliha - Yapuik MK 7410 - Gshong MK 9749 - Yinki Yong NF 4324-Damoroh MF 6208 - Ahinkolin NF 8811 - Kronli MG 2407 - Hanli NM 4096 -Gurongon NM 4592-Loon NM 7579 - Mayuliang NM 0169-Chawah NM 9943 - Kamphu NM 1125 - Point 6490 (NM 1493) Vijayanagar NSA 486;</p>	<p>[Rs. 7,000] per month</p> <p>[Rs. 300] per month</p> <p>Rs. 1,300 per month</p>

(e) Following areas in Himachal Pradesh :

(i) Pangi Tehsil of Chamba District;

(ii) Following Pancha-yats and villages of Bharmour Tehsil of Chamba District :

(A) Panchayat :

Badgaun, Bajol, Deol Kugti Nayagam and Tundah.

(B) Villages :

Ghatu of Gram Panchayat Jagat Kanarsi of Gram Panchayat, Cauhata.

(iii) Lahaul and Spiti District;

(iv) Kinnaur district:

(A) Asrang, Chitkul and Hango Kuno Charang Panchayats;

(B) 15/20 Area comprising the Gram Panchayats of Chhota Khamba, Nathpa and Rupi;

(C) Pooh Sub-Division excluding the Panchayat Areas specified above.

(v) 15/20 Area of Rampur Tehsil comprising of Panchayats of Koot, Labana-Sadana, Sarpara and Chandi Branda of Shimla District.

(vi) 15/20 Area of Nirmand Tehsil, comprising the Gram Panchayats of Kharga, Kushwar and Sarga of Kullu District.

(f) Chimgtuipui District of Mizoram and areas beyond 25 km. from Lunglei town in Lunglei District of Mizoram.

(g) Following areas in Jammu and Kashmir:

(i) Niabat Bani, Lohi, Malhar and Macchodi of Kathua District;

(ii) Dudu Basantgarh Lander Bhamag Illaqa, Thakrakote and Nagote of Udhampur District;

(iii) All areas in Tehsil Mahore except those specified at III(f)(i) below in Udhampur District;

(iv) Illaqa of Padder and Niabat Nowgaon in Kishtwar Tehsil of Doda District;

(v) Leh District;

(vi) Entire Gurez - Niabat, Tangdhar Sub-Division and Keran Illaqa of Baramulla

	District.	
	(h) Following areas of Uttar Pradesh :—	
	(i) Chamoli District;	
	(ii) Pithoragarh District;	
	(iii) Uttarkashi District.	
	(i) Throughout Sikkim State.	
	II. Installations in the Continental Shelf of India and the Exclusive Economic Zone of India.	Rs. 1,100 per month
	III. (a) Throughout Arunachal Pradesh other than areas covered by those specified at I(d) above.	Rs. 1,050 per month
	(b) Throughout Nagaland State.	
	(c) South Andaman (including Port Blair).	
	(d) Throughout Lunglei District (excluding areas beyond 25 km. from Lunglei town) of Mizoram.	
	(e) Dharmanagar, Kailasahar, Amarpur and Khowai in Tripura.	
	(f) Following areas in Jammu and Kashmir :	
	(i) Areas up to Goel from Kamban side and areas upto Arnas from Keasi side in Tehsil Mahore of Udhampur District;	
	(ii) Matchill in Baramulla District.	
	(g) Following areas in Himachal Pradesh :	
	(i) Bharmour Tehsil, excluding Panchayats and villages covered by those specified at I(e)(ii) above of Chamba District;	
	(ii) Chhota Bhangal and Bara Bhangal area of Kangra District;	
	(iii) Kinnaur District other than areas specified at I(e)(iv);	
	(iv) Dodra - Kavar Tehsil, Gram Panchayats of Darkali in Rampur, Kashapath Tehsil and Munish, Ghorl Chaibis of Pargana Sarahan of Shimla District.	
	IV. (a) Throughout Aizawal District of Mizoram;	Rs. 750 per month
	(b) Throughout Tripura except areas those specified at III(e);	
	(c) Throughout Manipur;	

(d) Following areas of Himachal Pradesh :

(i) Jhandru Panchayat in Bhatiyat Tehsil, Churah Tehsil, Dalhousie Town (including Banikhet proper) of Chamba District;

(ii) Cuter Seraj (excluding Village of Jakat-Khana and Burow in Nirmand Tehsil of Kullu District);

(iii) Following areas of Mandi District :

(A) Chhuhar Valley (Joginder-nagar Tehsil);

(B) Bagra, Chhatri, Chhotdhar, Garagushain, Gattoo, Gharyas, Janjehli, Jaryar, Johar Kalhani Kalwan, Kholanal, Loth, Silibagi, Somachan, Thachdhar, Tachi and Thana Panchayats of Thunag Tehsil;

(C) Binga, Kamlah, Saklana, Tanyar and Tarakholah, Panchayats of Dharampur Block;

(D) Balidhar, Bagra, Gopalpur, Khajol, Mahog, Mehudi, Manj, Pekhi, Sainj, Sarahan and Teban, Panchayats of Karsog Tehsil;

(E) Bohi, Batwara, Dhanyara, Paura-Kothi, Seri and Shoja, Panchayats of Sundernagar Tehsil.

(iv) Following areas and offices of Kangra District :

(A) Dharamshala town and Women's ITI; Dari, Mechanical Workshop, Ramnagar; Child Welfare and Town Country Planning Offices, Sakoh; CRSF Office at lower Sakoh; Kangra Milk Supply Scheme, Shamnagar; Tea Factory, Dari; Forest Corporation Office, Sham-nagar; Tea Factory, Dari; Settlement Office, Shamnagar and Binwa Project, Shamnagar. Offices located outside the Municipal limit of Dharamshala town but included in Dharamshala town for purposes of eligibility to special Compensatory (Remote Locality) Allowance;

(B) Palampur town, including HPKVV Campus at Palampur and H.P. Krishi Vishvavidyalaya Campus; Cattle Development Office/ Jersey Farm, Banuri; Sericulture Office/Indo-German Agriculture Workshop/HPPWD Division,

	<p>Bundla; Electrical Sub-Division, Lohna; D.P.O. Corporation, Bundla and Electrical HPSEE Division, Ghuggar offices located outside the Municipal limits of Palampur town but included in Palampur town for the purpose of above allowance;</p> <p>(v) Chopal Tehsil; Ghoris, Panjgaon, Patsnu, Naubis and Teen Koti of Pargana Sarahan; Deothi Gram Panchayat of Taklesh Area; Pargana Barabis; Kasba Rampur and Ghoris Nog of Pargana Rampur of Rampur Tehsil of Shimla District and Shimla Town and its suburbs (Dhalli, Jatog, Kasumpti, Mashobra, Taradevi and Tutu);</p> <p>(vi) Panchayats of Bani, Bakhali (Pachhad Tehsil), Bharog Bheneri (Paonata Tehsil), Birla (Nahan Tehsil), Dibber (Pachhad Tehsil) of Thanan Kasoga (Nahan Tehsil) in Sirmour District and Transgiri Tract of Sirmour District;</p> <p>(vii) Mangal Panchayat of Solan District;</p> <p>(e) Following areas in Jammu and Kashmir :</p> <p>(i) Areas in Poonch and Rajouri Districts excluding the towns of Poonch and Rajouri and Sunderbani and other Urban areas in the two districts;</p> <p>(f) Following areas in Jammu and Kashmir :</p> <p>Areas not included in I(g), III(f) and IV(e) above, but which are within a distance of 8 km. from the line of actual control or at places which may be declared as qualifying for Border Allowance from time to time by the State Government for their own staff.</p> <p>V. Jog Falls in Shimoga District in Karnataka.</p> <p>VI. (a) Throughout the State of Himachal Pradesh other than areas covered by those specified in I(e), III(g) and IV(d)</p> <p>(b) Throughout the State of Assam and Meghalaya</p>	
3.	<p>[Special Compensatory (Tribal Areas/Schedule Areas/Agency Areas) Allowance]</p> <p>(a) Madhya Pradesh</p> <p>(b) Tamil Nadu</p>	<p>Rs. 300 per month.</p> <p>Rs. 200 per month.]</p> <p>[Rs. 200] per month.</p>

		(c) Uttar Pradesh (d) Karnataka (e) Tripura (f) Assam (g) West Bengal (h) Bihar (i) Orissa	
4.	Any allowance granted to an employee working in any transport system to meet his personal expenditure during his duty performed in the course of running of such transport from one place to another place, provided that such employee is not in receipt of daily allowance	Whole of India	70 per cent of such allowance up to a maximum of [Rs. 10,000] per month.
5.	Children Education Allowance	Whole of India	[Rs. 100] per month per child up to a maximum of two children.
6.	Any allowance granted to an employee to meet the hostel expenditure on his child	Whole of India	[Rs. 300] per month per child up to a maximum of two children.
7.	Compensatory Field Area Allowance	(a) Following areas in Arunachal Pradesh :— (i) Tirap and Changlang Districts; (ii) All areas North of line joining point 4448 in LZ 4179-Nukme Dong MS 3272-Sepila MT 2969-Palin MO 9213-Daporijo NR 5841-Along NL 1273-Hunli NM 3196-Tidding Tuwi MT 6369-Hayuliang NN 0170-Tawaken MT 8136-Champai Bun NM 8814, all inclusive. (b) Throughout Manipur and Nagaland. (c) Following areas in Sikkim :— All areas North and North East of line joining Phalut LV 4750-Gezing LV 7059-Mangkha LV 6160-Penlang La LW 0666-Rangli LW 1448-BP 1 in LW 2453 on Indo-Bhutan Border, all inclusive. (d) Following areas in Himachal Pradesh : All areas East of line joining Umasila NV 3951-Udaipur NY 8663-Manikaran SB	[Rs. 2,600] per month.

		<p>2300-Pir Parbati Pass TA 1459-Taranda TA 2335-Barasua Pass TA 8801, all inclusive.</p> <p>(e) Following areas in Uttar Pradesh :—</p> <p>All areas North and North-East of line joining Barasua Pass Gangnani TG 1362-Govind Ghat TG 0937-Tapovan TH 1822-Musiari TN 8982-Relagad TO 2466, all inclusive.</p> <p>(f) Following areas in Jammu and Kashmir :—</p> <p>(i) Areas North and East of line joining Zojila MU 3036-Baralachala NE 6672 along the Great Himalayan Range, all inclusive;</p> <p>(ii) All areas West of line joining point 1556 in NR 5470-Gulmarg MT 3105-Naushara MY 3105-Ringapat MT 2133-Handwara MT 2043-Laingyal MT 2339-Point 8405 in NG 4565-North of line joining point 8403-Bunakut MT 5453-Razan NN 2239-Zojila, all inclusive;</p> <p>(iii) All areas West of line joining tip of Chicken Neck RD 7073-Canal junction RD 6364-Mawa Brahmana RD 6183-Chauki RD 6393-Road junction RD 6499-Baramgala MY 3854-Point 1556 in NR 5470, all inclusive.</p>	
8.	Compensatory Modified Field Area Allowance	<p>(a) Following areas in Punjab and Rajasthan :—</p> <p>Areas West of line joining Jessai, Barmer, Jaisalmer, Pokharan, Udasar, Mahajan Ranges, Suratgarh, Lalgah, Jattan, Abohar, Govindgarh, Fazilka, Jandiala Guru, Moga, Dholewal, Deas, Bir Sarangwal, Hussainiwala, Dera Baba Nanak, Laisain pulge upto the international border, all inclusive.</p> <p>(b) Following area in Haryana :—</p> <p>Satrod (Hissar).</p> <p>(c) Following areas in Himachal Pradesh :—</p> <p>Areas North of line joining Narkhanda, Keylong upto Field Area line/High Altitude line.</p> <p>(d) Following areas in Arunachal Pradesh and Assam :—</p>	[Rs. 1,000] per month

		<p>(i) Cachar and North Cachar Districts of Assam including Silchar;</p> <p>(ii) All areas of Arunachal Pradesh and Assam North of river Brahmaputra except Tejpur - Misamari and Field Areas.</p> <p>(e) Throughout Mizoram and Tripura.</p> <p>(f) Following areas in Sikkim and West Bengal :—</p> <p>Areas Northwards of line joining Sevoke LV 9112-Burdong LV 985-Sherwani LV 9453 -Bagrakot LW 0113-Damdim LW 1109-New Mal-Hasimara-QB 7894 Ganga Ram Tea Estate QA 1377 upto the High Altitude line/field area line/inter-national border, all inclusive.</p> <p>(g) Following areas in Uttar Pradesh :—</p> <p>Areas North of line joining Uttarkashi, Karan Prayag, Gauchar, Joshimath, Chamoli, Rudra Prayag, Askote, Charamgad, Dharchula, Kausani and Narendra Nagar upto international border, all inclusive.</p> <p>(h) Following areas in Jammu and Kashmir :—</p> <p>(i) Areas West of line joining Pattan, Baramulla, Kupwara, Drugmulla, Panges, Mankes, Buniyar, Pantha Chowk, Khanabal, Anantnag, Khundru and Khru upto the existing High altitude line, all inclusive;</p> <p>(ii) Areas West of line joining - BP-19, Brahmanadi-Bari, Jindra, Dhansal, Katra, Sanjhi Chatt, Batote, Patnitop, Ramban and Banihal upto the existing High altitude line, all inclusive.</p>	
9.	special allowance in the nature of counter-insurgency allowance granted to the members of armed forces operating in areas away from their permanent locations [***]	Whole of India	[Rs. 3,900] per month.
10.	¹ [***]	² [***]	³ [***]
[11.	Transport allowance granted to an employee, who is blind [or deaf and dumb] or orthopaedically handicapped with disability of lower extremities, to meet his expenditure for the purpose of	Whole of India	[Rs. 3200 per month]]

	commuting between the place of his residence and the place of his duty		
[12.]	Underground Allowance granted to an employee who is working in uncongenial, unnatural climate in underground [***] mines	Whole of India	Rs. 800 per month.]
[13.]	Any special allowance in the nature of high altitude (uncongenial climate) allowance granted to the member of the armed forces operating in high altitude areas	(a) For altitude of 9,000 to 15,000 feet (b) For altitude above 15,000 feet	Rs. 1,060 per month. Rs. 1,600 per month.
14.	Any special allowance granted to the members of the armed forces in the nature of special compensatory highly active field area allowance	Whole of India	Rs. 4,200 per month.]
[15.]	Any special allowance granted to the member of the armed forces in the nature of Island (duty) allowance	Andaman & Nicobar and Lakshadweep Group of Islands	Rs. 3,250 per month:]

Provided that any assessee claiming exemption in respect of the allowances mentioned at serial numbers 7 and 8 shall not be entitled to the exemption in respect of the allowance referred to at serial number 2:

Provided further that any assessee claiming exemption in respect of the allowance mentioned at serial number 9 shall not be entitled to the exemption in respect of disturbed area allowance referred to at serial number 2.]

⁴[3) Notwithstanding anything contained in sub-rules (1) and (2), an employee, being an assessee,—

(i) who has exercised option under sub-section (5) of section 115BAC; or

(ii) whose income is chargeable to tax under sub-section (1A) of section 115BAC,

shall be entitled to exemption only in respect of the allowances mentioned in sub-clauses (a) to (c) of sub-rule (1) and at serial no. 11 of the Table below sub-rule (2) to the extent and subject to the conditions, if any, specified therein.

FORM NO. 10-IA

[See sub-rule (2) of rule 11A]

Certificate of the medical authority for certifying 'person with disability', 'severe disability', 'autism', 'cerebral palsy' and 'multiple disability' for purposes of section 80DD and section 80U

Certificate No. _____

Date : _____

This is to certify that Shri/Smt./Ms. _____ son/daughter of Shri _____, age _____ years _____ male/female* residing at _____, Registration No. _____ is a person with disability/severe disability* suffering from autism/cerebral palsy/multiple disability*.

2. This condition is progressive/non-progressive/likely to improve/not likely to improve*.

3. Reassessment is recommended/not recommended after a period of _____ months/years*.

Sd/-

(Neurologist/Pediatric Neurologist/Civil Surgeon/
Chief Medical Officer*)

Name : _____

Address of Institution/Government hospital : _____

Qualification/designation of specialist : _____

SEAL _____

Signature/Thumb impression* of the patient _____

Note : *Strike out whichever is not applicable.

STANDARD FORMAT OF THE CERTIFICATE

Certificate No. _____
Date _____

CERTIFICATE FOR THE PERSONS WITH DISABILITIES

This _____ is _____ to _____ certify _____ that
Shri/Smt/Kum _____
Son/wife/daughter of Shri _____
Age _____ old male/female, Registration No. _____ is a case of
_____ He/She is
physically disabled/visual disabled/speech & hearing disabled and has _____ % (_____
per cent) permanent (physical impairment/visual impairment/speech & hearing impairment) in
relation to his/her _____

Note:-

1. This condition is progressive/non-progressive/likely to improve/not likely to improve.*
2. Re-assessment is not recommended/is recommended after a period of _____ months/years.*

*Strike out which is not applicable.

Sd/- Sd/- Sd/-
(DOCTOR) (DOCTOR) (DOCTOR)
Seal Seal Seal

Signature/Thumb impression
Of the patient.

Countersigned by the
Medical Superintendent/CMO/Head of
Hospital (with seal)

Recent Attested Photograph Showing the disability affixed Here."

FORM NO. 10BA

[See rule 11B]

Declaration to be filed by the assessee claiming deduction under section 80GG

I/We _____ (Name of the assessee with Permanent Account Number or Aadhaar Number) do hereby certify that during the previous year _____ I/we had occupied the premise _____ (full address of the premise) for the purpose of my/our own residence for a period of _____ months and have paid Rs. _____ in cash/through crossed cheque, bank draft towards payment of rent to Shri/Ms/M/s _____ (Name and complete address of the landlord).

It is further certified that no other residential accommodation is owned by

- (a) me/my spouse/my minor child/our family (in case the assessee is HUF), at _____ where I/we ordinarily reside/perform duties of office or employment or carry on business or profession, or
- (b) me/us at any other place, being accommodation in my occupation, the value of which is to be determined u/s 23(2)(a)(i) or u/s 23(2)(b).

FORM NO. 10-IA

[See sub-rule (2) of rule 11A]

Certificate of the medical authority for certifying 'person with disability', 'severe disability', 'autism', 'cerebral palsy' and 'multiple disability' for purposes of section 80DD and section 80U

Certificate No. _____

Date : _____

This is to certify that Shri/Smt./Ms. _____ son/daughter of Shri _____, age _____ years _____ male/female* residing at _____, Registration No. _____ is a person with disability/severe disability* suffering from autism/cerebral palsy/multiple disability*.

2. This condition is progressive/non-progressive/likely to improve/not likely to improve*.
3. Reassessment is recommended/not recommended after a period of _____ months/years*.

Sd/-

(Neurologist/Pediatric Neurologist/Civil Surgeon/
Chief Medical Officer*)

Name :

Address of Institution/Government hospital :

Qualification/designation of specialist :

SEAL

Signature/Thumb impression* of the patient

Note : *Strike out whichever is not applicable.

STANDARD FORMAT OF THE CERTIFICATE

Certificate No. _____

Date _____

CERTIFICATE FOR THE PERSONS WITH DISABILITIES

This _____ is _____ to _____ certify _____ that
Shri/Smt/Kum _____
Son/wife/daughter of Shri _____
Age _____ old male/female, Registration No. _____ is a case of
_____ He/She is
physically disabled/visual disabled/speech & hearing disabled and has _____ % (_____
per cent) permanent (physical impairment/visual impairment/speech & hearing impairment) in
relation to his/her _____

Note:-

1. This condition is progressive/non-progressive/likely to improve/not likely to improve.*
2. Re-assessment is not recommended/is recommended after a period of _____
_____ months/years.*

*Strike out which is not applicable.

Sd/- Sd/- Sd/-
(DOCTOR) (DOCTOR) (DOCTOR)
Seal Seal Seal

Signature/Thumb impression
Of the patient.

Countersigned by the
Medical Superintendent/CMO/Head of
Hospital (with seal)

Recent Attested Photograph Showing the disability affixed Here."

FORM NO. 10BA

[See rule 11B]

Declaration to be filed by the assessee claiming deduction under section 80GG

I/We _____ (Name of the assessee with Permanent Account Number or Aadhaar Number) do hereby certify that during the previous year _____ I/we had occupied the premise _____ (full address of the premise) for the purpose of my/our own residence for a period of _____ months and have paid Rs. _____ in cash/through crossed cheque, bank draft towards payment of rent to Shri/Ms/M/s _____ (Name and complete address of the landlord).

It is further certified that no other residential accommodation is owned by

- (a) me/my spouse/my minor child/our family (in case the assessee is HUF), at _____ where I/we ordinarily reside/perform duties of office or employment or carry on business or profession, or
- (b) me/us at any other place, being accommodation in my occupation, the value of which is to be determined u/s 23(2)(a)(i) or u/s 23(2)(b).

