



Swamy's

INCOME TAX ON SALARIES

2019 - 2020



muthuswamy
brinda
sanjeev

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ON
SALARIES

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**MUTHUSWAMY
BRINDA
SANJEEV**

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1

Income Tax on Salaries

INTRODUCTION

There are at present two Acts governing the levy of Income Tax in India, viz.,—

- (1) The Income Tax Act, 1961, which came into force with effect from 1-4-1962; and
- (2) The Finance Act passed each year by the Parliament.

The Finance Bill is usually introduced by the Finance Minister on the first working day of February each year, proposing the rates of taxes for the ensuing financial year. It is also used for the purpose of effecting amendments to the main Income Tax Act. After observing the usual formalities under the Constitution, the Finance Bill when passed becomes the Finance Act.

ASSESSMENT YEAR

“Assessment Year” means the period of twelve months commencing on the 1st day of April every year. The Financial Year corresponding to the Assessment Year is indicated below—

Financial Year	Corresponding Assessment Year	Financial Year	Corresponding Assessment Year
2018-19	2019-20	2019-20	2020-21

SALIENT FEATURES OF THE FINANCE ACT, 2019

1. No change in rate of Personal Income Tax.
2. Tax slabs for individuals—

Up to ₹ 2.5 lakhs	Nil
₹ 2,50,001 to ₹ 5,00,000	5 per cent
₹ 5,00,001 to ₹ 10,00,000	20 per cent
Above ₹ 10,00,000	30 per cent
3. Surcharge.—

(a) Income exceeding ₹ 50 lakhs but not exceeding ₹ 1 crore	} — 10%
(b) Income exceeding ₹ 1 crore		— 15%

4. A deduction of ₹ 50,000 or the amount of salary, whichever is less is allowed as standard deduction in lieu of exemption of transport allowance and reimbursement of miscellaneous medical expenses under Section 16 (ia).
5. An amount of ₹ 12,500 or the amount of income tax, whichever is less is allowed as rebate to a resident individual whose total income does not exceed ₹ 5 lakhs.

Income Tax rates.—

(i) Individuals below the age of sixty years.

Up to ₹ 2,50,000	Nil
₹ 2,50,001 to ₹ 5,00,000	5 per cent
₹ 5,00,001 to ₹ 10,00,000	20 per cent
Above ₹ 10,00,000	30 per cent

(ii) Individuals at the age of sixty years or more but less than eighty years.

Up to ₹ 3,00,000	Nil
₹ 3,00,001 to ₹ 5,00,000	5 per cent
₹ 5,00,001 to ₹ 10,00,000	20 per cent
Above ₹ 10,00,000	30 per cent

(iii) Individuals at the age of eighty years or more.

Up to ₹ 5,00,000	Nil
₹ 5,00,001 to ₹ 10,00,000	20 per cent
Above ₹ 10,00,000	30 per cent

INCOME TAX ON SALARIES

Income Tax is leviable annually for each financial year commencing on the 1st day of April and ending on the 31st March following. From salaries, it is levied on an annual basis, but recovered on a monthly basis for the sake of convenience.

In the case of salaries, payment of tax is effected by deduction at source. Under Section 192 of the Income Tax Act, 1961, it is the duty of any person responsible for paying any income chargeable under the Head 'Salaries' to deduct the tax at the rate appropriate to the estimated salary of the year, after allowing the permissible deductions. If a Government servant or an employee in a Public Sector Undertaking is entitled to the relief (on account of advance of pay or arrears of pay and allowances relating to previous years, received during the year) under sub-section (1) of Section 89 of the IT Act, 1961, he may furnish to the person responsible for making the payment of salary, such particulars of relief duly verified and thereupon the person responsible for making the payment

of salary shall compute the relief on the basis of such particulars and take it into account in making the deduction of the tax. Other items of personal income of the person, such as income from property, etc., should be left out in calculating the income tax from salaries. It is the personal responsibility of the individual concerned to include such income while submitting his Income Tax returns to the Income Tax Officer concerned. [Sections 17 and 192 (2-A)

Under Section 192 (2-B) of the Income Tax Act, 1961, if an employee has, in addition to salary, any income chargeable under any other head of income (not being a loss under any such head) for the same financial year, he may send to the person responsible for making payment of the salary, the particulars of such other income and of any tax deducted thereon duly verified, and thereupon the person responsible for making payment of salary shall take such other income and the tax, if any, deducted thereon also into account for the purpose of making the deduction of the tax. This is subject to the condition that such other income when taken into account shall not have the effect of reducing the tax deductible, except where the loss under the Head "Income from House Property" has been taken into account, from the income under the Head 'Salaries' below the amount that would be so deductible if the other income and the tax deducted thereon had not been taken into account.

SALARY

Salary includes—

- (1) Pay as defined in FR 9 (21) and leave salary.
- (2) Bonus.
- (3) Dearness Allowance.
- (4) Compensatory Allowance.
- (5) House Rent Allowance (with provision for exemption).
- (6) Value of rent-free quarters.
- (7) Fees (recurring or non-recurring) retainable by the employee.
- (8) Honoraria.
- (9) Reimbursement of Tuition Fees.
- (10) Pension (but Family Pension not included under salary).
- (11) Subsistence Allowance.
- (12) Interim Relief, if any.
- (13) Overtime Allowance.
- (14) Government's or any other employer's contribution to the New Pension Scheme.

but does not include—

- (1) Retirement Gratuity / Death Gratuity.
- (2) Uniform Allowance.

- (3) Value of Leave Travel Concession.
- (4) Cash equivalent of leave salary in respect of earned leave at credit received at the time of retirement on superannuation or otherwise.

The following allowances are not taxable:—

- (1) Any allowance (by whatever name called) granted to meet the cost of travel on tour or on transfer, including any sum paid in connection with transfer, packing and transportation of personal effects.
- (2) Any allowance, whether granted on tour or for the period of journey in connection with transfer, to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty.
- (3) Composite Hill Compensatory Allowance subject to the limits prescribed.
- (4) Any Special Compensatory Allowance in the nature of border area allowance or remote area allowance or difficult area allowance or disturbed area allowance subject to prescribed limits.
- (5) Tribal Area Allowance subject to prescribed limits.
- (6) 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 subject to prescribed limits.
- (7) Children Educational Allowance subject to a maximum of ₹ 100 per month per child up to a maximum of two children.
- (8) Any allowance granted to an employee to meet the hostel expenditure on his child subject to a maximum of ₹ 300 per month per child up to a maximum of two children.
- (9) Conveyance Allowance.
- (10) Any allowance granted to meet the expenditure incurred on a helper where such helper is engaged for the performance of the duties of an office or employment of profit.
- (11) Any allowance granted for encouraging the academic, research and other professional pursuit.
- (12) Any allowance granted to meet the expenditure incurred on the purchase or maintenance of uniform for wear during the performance of the duties of an office or employment of profit.

AUTHORS' NOTE.— The prescribed limits for which the allowances are exempt for the purpose of Clause (14) of Section 10 is given in Chapter 10.

The payments of type mentioned below are not taxable—

- (1) Any payments from a Provident Fund to which the Provident Funds Act, 1925, applies;
- (2) Any payment of retirement / death gratuity received by all categories of Central and State Government employees / their families;
- (3) Any payment of retiring gratuity received under the new Pension Code applicable to the members of the Defence Service;
- (4) Gratuity received by an employee under Section 4 (2) and (3) of Payment of Gratuity Act, 1972;
- (5) Any other gratuity received by—
 - (a) the employee on his retirement on invalidation (medical grounds);
 - (b) the family of the employee on his death;if it does not exceed half-a-month's salary for each completed year of service.

Salary for this purpose is calculated on the basis of average of the last 10 months preceding such retirement / death. The term salary includes Dearness Allowance if the terms of employment so provide but excludes all other allowances and perquisites.
- (6) Any payment representing commuted value of pension (including full commutation value received on absorption in Public Sector Undertakings) received by all categories of Central and State Government employees.
- (7) Where gratuity is received by the employee from two or more employers in the same year, the maximum amount of gratuity exempt from income tax will not exceed the limit specified by the Government.
- (8) Any compensation received by a workman under the Industrial Disputes Act, 1947, or under any other Act or Rules, order or notifications issued thereunder or under any standing orders or under any award, contract or service or otherwise at the time of his retrenchment.
- (9) Any amount received by an employee of a Public Sector Company / any other company / any statutory or local authority / Central and State Government on his voluntary retirement or termination in accordance with any scheme or schemes of voluntary retirement or voluntary separation (subject to certain conditions about the scheme) either in lumpsum or in instalments. [Section 10, IT Act
- (10) Any amount received by the nominee, on the death of the assessee under Section 80-CCD (3) (a).

Valuation of rent-free residential accommodation.— In the case of Central / State Government employees provided with rent-free residential quarters, the value of such rent-free quarters provided has to be determined in the following manner and included in the 'income' under 'salary'—

- (a) For unfurnished residential quarters, the value will be equal to the rent which would be payable by the concerned employee in accordance with the Rules framed by the Government for allotment of houses to its officers.
- (b) For furnished residential quarters, an amount calculated in accordance with (a) above plus ten per cent per annum of the original cost of the furniture (including television sets, radio sets, refrigerators, other household appliances and air-conditioning plant or equipment) or if such furniture is hired from a third party, the actual hire charges payable therefor.

In the case of semi-Government employees (i.e., employees of Reserve Bank of India, Public Sector Undertakings, etc.), the value of such rent-free unfurnished residential quarters should be taken as ten per cent of salary* of the concerned employee. In the case of furnished residential quarters provided rent-free, 10% per annum of the original cost of furniture (if the furniture is owned by the employer) or the actual hire charges payable, if the furniture is hired by the employer should be added. If, however, the assessee claims and the ITO is satisfied that the sum arrived at on the above basis exceeds the fair rental value of the accommodation, the value of the rent-free accommodation shall be limited to such fair rental value.

TAXABLE INCOME

The salary income of a person is calculated on the total salary due to him (whether paid or not) and paid or allowed to him (though not due or before it became due to him) and also any arrears of salary paid during the financial year, if not charged to income tax for any earlier year. [Section 15

If as a result of receipt of any arrears of salary, the income is assessed at a rate higher than that at which it would otherwise have been assessed, the Government servant may furnish to salary Disbursing Authority the particulars of such arrears, etc., duly verified for taking into account while computing the tax recoverable at source or may apply to the Income Tax Officer concerned for appropriate relief. [Section 89

* 'Salary' for the purpose of valuation includes basic pay, bonus, fees and all taxable allowances, but does not include: (a) dearness allowance or dearness pay unless such allowance forms a part of the salary for retirement benefits of the employee, (b) employer's contribution to provident fund account of the employee, (c) allowances which are exempt from payment of tax, and (d) any allowance in the nature of entertainment allowance to the extent such allowance is deductible under Section 16 (ii) of IT Act.

Exemption is allowed in respect of House Rent Allowance received by an employee to meet expenditure actually incurred on rent in respect of residential accommodation.

Payment from Sukanya Samriddhi Account excluded.

Income received on behalf of Swachh Bharat Kosh and Clean Ganga Fund exempted. [Section 10

From the total income so arrived at, the following deductions to the extent permissible, are allowed:—

(a) Standard deduction of ₹ 50,000 or the amount of salary, whichever is less; [Section 16 (ia)

(b) Profession tax paid.

(c) Entertainment Allowance received by a Government servant limited to one-fifth of salary or ₹ 5,000, whichever is less. [Section 16 (ii)

(d) (i) Life Insurance premia payment, limited to 10% of the sum assured;

Life Insurance premia payment of any person with disability referred in Section 80-U or suffering from disease or ailment as specified in Section 80-DDB for a policy issued on or after 1st April, 2013, limited to 15% of the actual capital sum assured.

(ii) Effect or keep in force a contract for deferred annuity;

(iii) Contribution to Provident Fund (does not include repayment of advances / loans);

(iv) Contribution to approved superannuation fund;

(v) Subscription, in the name of any person specified in sub-section (4), to any such security / deposit scheme of the Central Government;

(vi) Subscription to any such Savings Certificate as the Government may specify;

(vii) Contribution to Unit Linked Insurance Plan;

(viii) Subscription to units of any Mutual Fund;

(ix) Contribution to any Pension Fund set up by any Mutual Fund;

(x) Subscription to any such deposit scheme of National Housing Bank as may be notified by Central Government;

(xi) Subscription to any such deposit scheme of a public sector company of any authority constituted in India which is engaged in long-term financing for construction / purchase of houses for residential purposes or any authority constituted in India for purpose of planning, development, improvement of cities, etc.

(xii) Tuition fees paid limited to two children;

- (xiii) Any instalment or part-payment of the amount borrowed for construction / purchase of residential property from Government / Bank / LIC / Co-operative Bank / Housing Board / Development Authority, etc.
- (xiv) Subscription to equity shares / debentures forming part of any "eligible issue of capital".
- (xv) Fixed Deposit for a minimum period of 5 years in the State Bank of India or Public Sector Bank or Scheduled Bank or Post Office Five Year Time Deposit Scheme.
- (xvi) Senior Citizens Saving Scheme, 2004.
- (xvii) Any sum paid or deposited in the name of any girl child of the assessee or for a child to whom the assessee is a guardian, into any such security of the Central Government or deposit scheme notified by the Government will be eligible for deduction.
[Section 80-C
- (e) Contribution up to one hundred and fifty thousand rupees per annum to the new pension fund introduced by the LIC or any other insurer notified by the Central Government. [Section 80-CCC
- (f) (i) Contribution to the New Pension Scheme up to twenty per cent of gross total income. [The amount received by a nominee on the death of the assessee shall not be deemed to be the income of the nominee under sub-section (3) (a).]
- (ii) A deduction not exceeding fifty thousand rupees is allowed as deduction apart from (i) above. [Section 80-CCD (1) and (1-B)
- The aggregate amount of deductions under Sections 80-C, 80-CCC and sub-section (1) of 80-CCD should not exceed one lakh fifty thousand rupees. [80-CCE
- (g) Deduction of up to ₹ 25,000 in respect of 50% of investment made under an equity savings scheme as may be notified by the Central Government.
- With effect from 1-4-2018, no deduction shall be allowed in respect of any assessment year commencing on or after 1-4-2018 to an assessee, provided he has acquired listed equity shares / units and claimed deduction before 1-4-2017 and shall be allowed deduction till the assessment year commencing on 1-4-2019. [Section 80-CCG
- (h) (i) (a) For individuals, deduction of amount paid for an insurance on the health of assessee or family or contribution to CGHS or payment to preventive health check-up limited to ₹ 25,000.

- (b) Amount paid to effect an insurance on health of parent / parents of assessee or preventive health check-up limited to ₹ 25,000.
- (c) Amount paid for medical expenditure of assessee or member of family limited to ₹ 50,000, provided the person is a senior citizen and there is no insurance cover for the person.
- (d) Amount paid for medical expenditure of parent of assessee limited to ₹ 50,000, provided the parent is a senior citizen and there is no insurance in force for that person.

Where the amount is paid in lumpsum in the previous year for more than one year, there shall be allowed for each of the relevant previous year, a deduction equal to the appropriate fraction of the amount, fraction meaning amount paid divided by the total number of previous years.

The aggregate of the sum under (a) and (c) or (b) and (d) shall not exceed ₹ 50,000.

For the purpose of deduction, any mode other than cash payment shall be made.

- (ii) Deduction up to ₹ 5,000 for preventive health check-up has been allowed within the maximum limit .

The payment can be made in any mode including cash.

[Section 80-D

- (i) An amount of ₹ 75,000 for assessee who incur expenditure in medical treatment (including nursing), training and rehabilitation of any dependant being a person with disability and ₹ 1,25,000 in the case of severe disability. [Section 80-DD
- (j) Special deduction of actual expenditure limited to ₹ 40,000 to the patient or a dependant suffering from Cancer or AIDS involving considerable expenditure on treatment and ₹ 1,00,000 if such a dependant is a senior citizen, i.e., who is the age of 60 years or more. This will, however, be subject to deduction of any amount received through medical insurance, if any. [Section 80-DDB
- (k) If an assessee has taken any loan from any financial institution or charitable institution for purpose of his higher education or higher education of his spouse / children or for a student to whom the assessee is a legal guardian, the amount of interest paid during the year can be deducted from the taxable income till the loan including interest is cleared or for a period of eight years, whichever is earlier. [Section 80-E
- (l) Interest payable on loan taken from any financial institution for the purpose of acquisition of a residential house property up to 'fifty thousand', subject to conditions. [Section 80-EE

- (m) Any donation for charitable purposes paid by any mode other than cash for any sum exceeding two thousand rupees. [Section 80-G]
- (n) Interest earned on deposits in a Savings Account up to ₹ 10,000. [Section 80-TTA]
- (o) Interest on deposits up to ₹ 50,000 p.a. for Senior Citizens. [Section 80-TTB]
- (p) ₹ 75,000 in the case of assessee who is a person with disability, and ₹ 1,25,000 if he is a person with severe disability. [Section 80-U]

The taxable income is thus arrived at after allowing deductions to the permissible extent for Items (a) to (p). This should be rounded off to the nearest multiple of ten rupees, ignoring the fraction which is less than five rupees and increasing the fraction of five rupees or more to the next higher amount which is a multiple of ten. [Section 288-A]

On the total taxable income arrived at, the income tax is worked out on the basis of the tariff current for the year and rounded off to the nearest rupee. [Section 288-B]

Income Tax rates—

Taxable Income	Income Tax		
	Senior Citizens of 80 years and above	Senior Citizens of 60 years and above but less than 80 years	Others
₹	₹	₹	₹
Up to 2,50,000	NIL	NIL	NIL
2,50,001 to 3,00,000	NIL	NIL	5%
3,00,001 to 5,00,000	NIL	5%	5%
5,00,001 to 10,00,000	20% of income exceeding ₹ 5,00,000	₹ 10,000 + 20% of income exceeding ₹ 5,00,000	₹ 12,500 + 20% of income exceeding ₹ 5,00,000
Above ₹ 10,00,000	₹ 1,00,000 + 30% of income exceeding ₹ 10,00,000	₹ 1,10,000 + 30% of income exceeding ₹ 10,00,000	₹ 1,12,500 + 30% of income exceeding ₹ 10,00,000

Rebate of income tax.— An assessee whose total income does not exceed ₹ 5 lakhs, shall be entitled to a deduction of an amount equal to 100% of income tax or ₹ 12,500, whichever is less. [Section 87-A]

2

Whether DA is to be included as salary for purpose of exemption of HRA

AN IMPORTANT CLARIFICATION

According to Rule 2-A of Income Tax Rules, 1962 "the amount not to be included in the total income of the assessee" in respect of HRA shall be—

- (b) the amount by which the expenditure actually incurred by the assessee in payment of rent in respect of residential accommodation occupied by him exceeds one-tenth of the amount of *salary* due to the assessee in respect of the relevant period (*italics supplied*).

The 'explanation' below this Rule states that 'Salary' shall have the meaning assigned to it in Clause (h) of Rule 2 of Part-A of the Fourth Schedule.

Fourth Schedule deals with recognized Provident Funds and employers' contribution to such recognized Provident Funds. All Government servants are governed by General Provident Fund / Contributory Provident Fund / Railway Provident Fund which are covered by the Provident Funds Act, 1925.

Clause (h) of Rule 2 of Part-A of the Fourth Schedule defines that "Salary includes Dearness Allowance if the terms of appointment so provide but excludes all other allowances and perquisites". Hence, for purpose of recovery of subscription and contribution by employer for the recognized Provident Funds, 'salary' will include Dearness Allowance if retirement benefits, etc., are to be based on Salary *plus* DA.

Again, explanation below Rule 3 of IT Rules clearly stipulates that "salary includes the pay, allowances, bonus or commission payable monthly or otherwise but does not include the following, namely:—

- (i) Dearness Allowance or dearness pay unless it enters into the computation of superannuation or retirement benefits of the assessee concerned;"

This Rule deals with *perquisites and the value to be added in respect of rent-free accommodation*.

EXEMPTION OF HRA

The amount of House Rent Allowance, which is to be treated as 'exempt' from income tax has to be taken as the least of the following amounts:—

- (i) Actual HRA received, or

(ii) Rent paid in excess of 10% of salary, or

(iii) 50% of salary if the employee is in Chennai / Mumbai / Kolkata / Delhi and 40% of salary if the employee is in any other place.

(2) House Rent Allowance received by an employee living in his own house or in a house for which he does not pay any rent, is not exempt from income tax in any circumstances. In such cases, the whole amount of HRA received should be included in the total income.

(3) For purposes of deduction of tax, the payment of rent by the employees drawing more than ₹ 3,000 as HRA should be verified through rent receipts, though no rent receipt is required for drawal of HRA.

Illustration 1.— A Government servant stationed in Delhi and drawing Pay ₹ 55,800 p.m. in Level 5 and HRA ₹ 13,392 p.m. is residing in a house paying a monthly rent of ₹ 12,000. Calculate the amount of HRA which can be exempted from Income Tax. Rate of HRA is 24%.

Ans.	₹
(a) HRA received @ ₹ 13,392 p.m. ...	1,60,704 p.a.
(b) Rent paid in excess of 10% of salary, (i.e., ₹ 12,000 – 5,580) × 12	77,040
(c) 50% of salary, i.e., ₹ 55,800 × $\frac{50}{100}$ × 12 ...	3,34,800

₹ 77,040, which is the least of the three amounts, will be exempt.

Illustration 2.— A Government servant drawing the pay of ₹ 69,200 p.m. in Level 9 stationed in 'X' Class city is drawing the HRA of ₹ 16,608 p.m. He is sharing accommodation allotted to another Government servant with proper permission and is bearing ₹ 320 p.m. which is half of the rent recovered in respect of that quarter. In this case, no portion of the HRA of ₹ 16,608 p.m. received by him can be exempted as the rent paid in excess of 10% of salary is Nil.

Illustration 3.— A Government servant stationed in a 'Y' Class station is drawing the pay of ₹ 49,000 in Level 6 and HRA ₹ 7,840 per mensem. He is in occupation of a house paying a monthly rent of ₹ 10,000. Calculate the amount of HRA received which is exempt from income tax.

Ans.	₹
(a) HRA received @ ₹ 7,840 × 12 ...	94,080 p.a.
(b) Rent paid in excess of 10% of salary, (i.e., 10% of ₹ 49,000), ₹ 10,000 – 4,900 = 5,100 × 12 ...	61,200
(c) 40% of salary, i.e., ₹ 49,000 × $\frac{40}{100}$ × 12 ...	2,35,200

Out of the HRA of ₹ 94,080 received, ₹ 61,200 which is the least of the three amounts, will be exempted from payment of income tax.

Method of Calculation of Income Tax

Income Tax on the salary of an individual is to be calculated in five steps

I. Calculate the total income for the year from the 1st April to 31st March. This should include all receipts during the year, viz., Salary, Allowances, Honorarium, Bonus, Arrears of Pay and Allowances, Interest on Bank Deposits, etc. Exemption should be given to the admissible limit of House Rent Allowance. Balance will be the total income.

II. Calculate the deductions admissible, i.e., Standard Deduction, Profession Tax, Entertainment Allowance and deductions under Sections 80-C, 80-CCC, etc., of the Act, viz., for maintenance of handicapped dependant, medical insurance premia, donations to charitable trusts, savings, etc.

III. I minus II is the taxable income. Calculate the income tax on this amount at the prescribed rates. Deduct a tax relief of up to ₹ 12,500 for individuals having total income up to ₹ 5 lakhs.

IV. (a) Add Surcharge of 10% if income is more than ₹ 50 lakhs but not exceeding ₹ 1 crore.

(b) Add Surcharge of 15% of income tax if income is more than ₹ 1 crore.

V. Add 4% Health and Education Cess on the I.T.

We will proceed step by step.

I. Calculation of total income.— Take the salary income from 1-4- to 31-3- including arrears. Income received under the Heads Bonus, Honorarium and all allowances except those exempted by the Central Board of Direct Taxes, viz., Conveyance Allowance, Composite Hill Compensatory Allowance, Border Area Allowance, Tribal Area Allowance, Children Educational Allowance and Hostel Subsidy up to a maximum of two children, etc. From the total so arrived at, the amount of House Rent Allowance, if any, eligible for exemption should be deducted. (For calculating the amount of HRA eligible for exemption see Lesson 2.) The amount arrived at is the Total Salary Income for the year.

II. Deductions admissible.— The following are the items to be deducted from the total income:—

1-A. Standard Deduction ₹ 50,000. [Section 16 (ia)]

1-B. *Profession Tax*.— Amount of profession tax actually paid. [Section 16

2. *Entertainment Allowance*.— Received by a Government servant up to one-fifth of his salary or ₹ 5,000, whichever is less. [Section 16

3. Contribution to PF, LIC Premia, etc., under Section 80-C (See Page 11).

Any sum paid or deposited, in the name of any girl child of the assessee or for a child to whom the assessee is a guardian, into any such security of the Central Government or deposit scheme notified by the Government.

[Section 80-C

4. *Pension Fund*.— Payment subject to a maximum of one hundred and fifty thousand rupees, to keep in force any annuity plan of the LIC or any other insurer for receiving pension from the fund [vide Clause (23-AAB) of Section 10] should be deducted from the taxable income.

[Section 80-CCC

5. *New Pension Scheme*.— Amount deposited in the New Pension Scheme introduced from 1-1-2004 subject to a maximum of ten per cent of salary plus additional ₹ 50,000 and Government's or any other employer's contribution to the New Pension Scheme subject to a maximum of ten per cent of the salary.

[Section 80-CCD

The total amount eligible for deduction under Sections 80-C, 80-CCC and Section 80-CCD (1) should not exceed one lakh fifty thousand rupees.

[Section 80-CCE

6. Deduction of up to ₹ 25,000 in respect of 50% of investment made under an equity savings scheme as may be notified by the Central Government.

[Section 80-CCG

7. *Medical Insurance, CGHS, Preventive Health Check-up*.— Any premium paid BY ANY MODE OF PAYMENT OTHER THAN CASH for medical insurance subject to a maximum of ₹ 25,000. This is applicable to insurance under any scheme sponsored by the General Insurance Corporation of India or any other insurer. In addition, any premium paid for parents up to ₹ 50,000 if parents are Senior Citizens. Any amount paid for self / family / parents in any mode including cash, for preventive health check-up, up to ₹ 5,000 is also allowed within the maximum of ₹ 50,000.

Payment for medical expenditure of a senior citizen without health insurance cover ₹ 50,000.

Any contribution made to the Central Government Health Scheme or such other scheme as may be notified by the Central Government.

The aggregate of the deduction should not be more than ₹ 50,000.

[Section 80-D

8. *Handicapped dependant*.— If any expenditure is incurred towards treatment / maintenance / rehabilitation of a handicapped dependant, an amount of ₹ 75,000 or ₹ 1,25,000, as the case may be, should be deducted from the total income.

[Section 80-DD

9. *Deduction in respect of medical treatment*.— Any expenditure incurred for the medical treatment of such diseases / ailment as may be specified in the rules made in this behalf subject to the maximum prescribed.

[Section 80-DDB

10. *Education Loan*.— If the assessee has taken any loan from any financial institution or charitable institution for purpose of his higher education or the higher education of his spouse / children or a student for which he is the legal guardian, the amount of repayment of interest made during the year, can be deducted till the loan is cleared or for eight years, whichever is earlier. [Section 80-E

11. Interest payable on loan taken from any institution for the purpose of acquisition of a residential house property, subject to conditions. [Secuon 80-EE

12. *Donations*.— Donations for charitable purposes fall under two categories, (a) those which can be taken into account by the Disbursing Officer and (b) those for which assesseees can get refund only through their annual Income Tax Return from the ITO concerned.

In respect of some donations, the entire amount can be claimed as deduction while for others only 50% of the donated amount will be taken into account.

No deduction shall be allowed in respect of any sum exceeding two thousand rupees unless such sum is paid by any mode other than cash.

Donations which can be taken into account by the Disbursing Officer.

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Jawaharlal Nehru Memorial Fund. 2. Prime Minister's Drought Relief Fund. 3. Indira Gandhi Memorial Trust. 4. Rajiv Gandhi Foundation. | } Fifty per cent of the total donation to be deducted from the taxable income. |
| <ol style="list-style-type: none"> 5. National Defence Fund. 6. Prime Minister's National Relief Fund. 7. Prime Minister's Armenia Earthquake Relief Fund. 8. Africa (Public Contributions — India) Fund. 9. National Foundation for Communal Harmony. 10. A University or any Educational Institution of National eminence as may be approved by the prescribed authority in this behalf. 11. National Blood Transfusion Council or any State Blood Transfusion Council, having its sole object to the control, supervision, regulation or encouragement in India of the services related to operation and requirements of blood banks. 12. The Army Central Welfare Fund or the Indian Naval Benevolent Fund or the Air Force Central Welfare Fund established by the Armed Forces of the Union. | } Whole amount of donation to be deducted from the taxable income. |

13. The Andhra Pradesh Chief Minister's Cyclone Relief Fund.
14. The National Illness Assistance Fund.
15. The Chief Minister's Relief Fund or the Lieutenant-Governor's Relief Fund in respect of any State or Union Territory, as the case may be.
16. The National Sports Fund.
17. The National Cultural Fund.
18. The Fund for Technology Development and Application.
19. The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities.
20. National Children's Fund.
21. Swachh Bharat Kosh.
22. Clean Ganga Fund.
23. National Fund for Control of Drug Abuse.

Whole amount of donation to be deducted from the taxable income.

[In respect of any other donations to approved Institutions / Charitable Trusts under Section 80-G, the employee has to claim refund from the ITO.]

[Section 80-G and CBDT Circular regarding deduction of tax at source.

13. *Handicapped Assessee.*— If the employee is a person with disability, an amount of ₹ 75,000 or ₹ 1,25,000, as the case may be, shall be deducted from the total income. [Section 80-U

III. Income Tax.— The difference between Step I and Step II gives the taxable income. Income tax is to be calculated on this at the following rates:—

Taxable Income	Rate of Income Tax ₹
Up to ₹ 2.5 lakhs	Nil
₹ 2,50,001 to ₹ 5,00,000	5% of income exceeding ₹ 2.5 lakhs
₹ 5,00,001 to ₹ 10,00,000	₹ 12,500 plus 20% of income exceeding ₹ 5,00,000
Above ₹ 10,00,000	₹ 1,12,500 plus 30% of income exceeding ₹ 10,00,000

Relief of up to ₹ 12,500 towards tax in respect of individuals having total income of up to ₹ 5 lakhs.

IV. Surcharge of 10% on IT if income is more than ₹ 50 lakhs but not more than ₹ 1 crore and 15% on IT if income is more than ₹ 1 crore.

V. Health and Education Cess at 4% of IT is to be levied in all cases.

Employer's Liability

(1) The employer or a person responsible for payment of salary is liable to deduct the tax at source, pay it into Government account and submit various returns.

(2) Any salary Disbursing Authority shall, at the time of payment, deduct income tax on the amount payable at the average rate of income tax computed on the basis of the rates of tax in force for the financial year in which the payment is made, on the estimated income of the assessee under this head for the financial year. The aggregate tax calculated on the estimated income divided by 12 and rounded off to the nearest rupee is required to be deducted from the monthly salary. [Section 192

(3) An employee of Government or Public Sector Undertaking may furnish the particulars of arrears/advances of salary received by him and for which he claims under Section 89 (1) of the IT Act, duly verified, to his salary Disbursing Authority and the salary Disbursing Authority is required to take into account those particulars also is making the deduction of the tax.

[Section 192 (2-A)

(4) An employee may furnish the particulars of his income from other sources (not being a loss under any such head other than the loss under the head "Income from House Property") for the same financial year and of any tax deducted thereon duly verified, to the salary Disbursing Authority and the salary Disbursing Authority shall take those particulars into account for the purpose of making deduction of tax. This is subject to the condition that such other income when taken into account shall not have the effect of reducing the tax deductible, except where the loss under the head "Income from House Property" is taken into account, from 'salary income' below the amount that would be so deductible if the other income and the tax deducted thereon had not been taken into account. [Section 192 (2-B)

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 such form and manner as may be prescribed. [Section 192 (2-C)

(5) Any person responsible for paying salaries who does not deduct tax or after deducting fails to pay the tax as required, will, without prejudice to any other consequences which he may incur, be deemed to be default personally in respect of the tax. [Section 201

(6) The tax shall be deducted from the salary bills of the employees and credited to the appropriate Head of Account which will ultimately be adjusted to the Government account by book transfers. [Section 200

(7) Under Section 206 of IT Act read with Rules 36-A and 37 of Income Tax Rules, every salary Disbursing Officer shall prepare the 'Annual return of salaries paid and tax deducted therefrom' in the prescribed form and deliver the same to the concerned Income Tax Officer by 31st May.

(8) Under Section 203 of IT Act read with Rule 31 (1) of Income Tax Rules, salary Disbursing Officer is required to furnish to the employee from whose salary the tax is deducted a certificate indicating total salary income, deductions allowed and the amount of tax deducted.

(9) Under Section 203 of IT Act read with Rule 31 of Income Tax Rules, all deductors shall issue the Part A of Form No. 16, by generating and subsequently downloading through TRACES Portal in respect of all sums deducted on or after the day of 1-4-2012 under the provisions of Section 192 of Chapter XVII-B. Part A of Form No. 16 shall have a unique TDS certificate numbers.

Part-B of Form No. 16 shall be prepared by the deductor manually and issued to the deductee after due authentication and verification along with the Part-A of the Form No. 16 stated above.

Employers / DDOs — Please Note

- (i) Obtain Tax deduction Account Number (TAN) from ITO (TDS) (Section 203-A).
- (ii) Deduct tax correctly from the salary of employees (Section 192).
- (iii) Deduct the tax at higher rate under Sections 206-AA and 139-AA, if employee fails to furnish PAN and Aadhaar Number or the Enrolment ID of Aadhaar Application Form.
- (iv) Deposit tax deducted into Government account in time (Section 200; Rule 30).
- (v) Issue certificates to employees for tax deducted by 31st May. (Section 203; Rule 31).
- (vi) File monthly certificate of TDS and statement in respect of employees leaving service (These are not required in case of Government Drawing and Disbursing Officers).
- (vii) File quarterly statements of TDS in Form 24-Q for the periods ending on 30th June, 30th September, 31st December and 31st March of each financial year duly verified by the Director-General of Income Tax (Systems) or M/s. National Securities Depository Ltd. (NSDL). These statements are required to be filed on or before 15th July, the 15th October, the 15th January in respect of first three quarters of the financial year and on or before the 15th May following the last quarter of the financial year. The requirement of filing an annual return of TDS has been done away with and the quarterly statement for the last quarter should be treated as the annual return of TDS. These statements can be furnished in paper form or electronically as per procedure laid down by the Director-General of Income Tax (Systems) along with the verification of the statement in Form 27-A.

Relief when salary paid in arrears or in advance — Section 89

1. 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, 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 (ii) 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 this behalf, grant such relief as may be prescribed.

2. Where, by reason of any portion of income from interest on securities being received in arrears, an assessee's 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 this behalf, grant such relief as may be prescribed.

If the prescribed particulars are furnished by the assessee duly verified, the Disbursing Officer himself can give this relief. [Section 192 (2-A).

Relief under Section 89 (1) read with Rule 21-A (1) (a) of Income Tax Rules, 1962, is to be computed in the following manner:—

- (a) Find out the tax on total income of the previous year in which additional salary (i.e., salary in arrears or in advance) is received.
- (b) Find out the tax on total income as reduced by additional salary of the previous year.
- (c) From the amount arrived at in (a), deduct the amount arrived at in (b).
- (d) The resultant figure of (c) is the tax on additional salary.
- (e) Ascertain the previous years to which the additional salary relates and add the respective amount of additional salary in respective preceding previous years.
- (f) Find out the tax on total income as increased by the relevant additional salary in respect of each of such previous years.

- (g) Find out the tax on the total income (without the addition of additional salary) of each of the said previous years.
- (h) From the amount so arrived at in (f), deduct the amount arrived at in (g).
- (i) The resultant figure arrived at in (h) is the aggregate tax on additional salary.
- (j) The relief under above provision is the difference of (d) and (i).

Income from House Property

Under the Income Tax Act, 1961, income from house property is taxable in the hands of the owner of the property. The term 'House Property' includes a building and its appurtenant lands, if any, let out to tenants or occupied by the owner for his own residence. The appurtenant lands may be in the form of courtyard or compound forming part of the building. Such land is to be distinguished from an open plot of land. Any rent received from a vacant plot is assessable as 'Income from other sources' and not as 'Income from house property'.

LET OUT PROPERTY

Annual Value.—Unlike other forms of income which are chargeable to tax, more or less on the basis of the actual income concept, the income from house property is computed purely on a 'notional basis'. For the purpose of income tax, such income is assessed on the basis of 'annual value' of the property. However, where any property is in the occupation of a tenant and the annual rent received or receivable by the owner is in excess of the sum for which the property might reasonably be expected to let from year to year, the actual annual rent received or receivable shall be taken as the annual value of the property. If the property is let out only for a part of the year, the annual value for this purpose will be the actual rent received or receivable.

Local taxes.—From the annual value of a house property let out to a tenant, the tax levied by a local authority, such as General Municipal tax, water and sewerage tax and education cess are deductible, if such taxes are borne by the owner himself. Such taxes are deductible only in the year of payment.

Deductions.—The following deductions are made from the net annual value (i.e., after deducting local taxes from annual value):—

(a) An amount equal to thirty per cent is to be deducted from the net annual value.

(b) *Interest on borrowed capital.*—Interest actually paid or accrued on capital is allowable as deduction if the capital is borrowed for the purpose of purchase, construction, repair, renewal or reconstruction of the house property. Interest payable by an assessee in respect of funds borrowed for the acquisition or construction of a house and pertaining to the period prior to the year in which such house has been acquired or constructed is also admissible for deduction. The total amount of such interest is deductible

in five equal annual instalments commencing from the financial year in which the house is acquired or constructed.

If any unrealized rent is realized in any subsequent year, it will be taken as income from House Property of that particular year, even if the individual is *NOT* the owner of the property during that year. [Section 25-AA

SELF-OCCUPIED HOUSE PROPERTY

Where the house property is fully utilized throughout the year by the owner for his own residence, the annual value of such house shall be taken to be nil, under Section 23 (2), if the house is not actually let out during any part of the financial year and no other benefit is derived therefrom. Interest on capital borrowed for purchase, construction, etc., of the house is deductible, subject to a maximum of ₹ 30,000 or ₹ 2 lakhs, as the case may be, under Section 24.

In cases where the property was acquired or constructed through capital borrowed on or after 1-4-1999 and acquisition / construction completed within three years from the end of the financial year in which capital was borrowed, interest on such borrowed capital is deductible up to a maximum of ₹ 2 lakhs.

Benefit under Section 80-BE to the first home buyer, who is sanctioned home loan up to ₹ 35 lakhs during the period 1-4-2016 to 31-3-2017 will be a deduction of interest of up to ₹ 50,000, subject to fulfilment of conditions. Where deduction under this section is allowed for any interest, deduction shall not be allowed in respect of such interest under any other provision of the Act.

In both the cases, Repayment of Principal is covered under Section 80-C (Savings).

COMPUTATION OF INCOME FROM LET OUT HOUSE PROPERTY

1. Annual Value — Amount for which the property might reasonably be let out or Annual Municipal valuation or Actual rent received or receivable, whichever is the highest ...	A
2. Less Municipal taxes ...	B
3. Net Annual Value (A – B) ...	<u>C</u>
4. Deductions:	
Section 23 (a) (30% of C) ...	D
5. Net chargeable income from house property (C – D) ...	<u>E</u>

If "E" is a *minus* figure, the loss can be set off against income under any other heads of the particular assessment year.

If a house property consists of many floors, it will be treated as having as many dwelling units as the number of floors it contains. Income should be computed for each dwelling unit, viz., floor.

EXAMPLE

1. From the particulars given below, calculate the taxable income from a 'house property'—

- (i) Actual monthly rent received in respect of the house ₹ 2,000.
- (ii) Municipal annual rateable value of the house of ₹ 14,000.
- (iii) Municipal taxes paid ₹ 2,500.
- (iv) Interest of ₹ 4,200 is payable on the capital borrowed for the construction of the house.

Ans.	₹
Annual value ₹ 2,000 x 12	24,000
Less: Municipal taxes paid	<u>2,500</u>
Balance	21,500
Net adjusted annual value	21,500
Less: Deduction under Section 24 (1)	...
	₹
30% of Annual value	6,450
Interest on borrowed capital	<u>4,200</u>
	<u>10,850</u>
	10,850
Net income from house property	<u>10,650</u>

NOTE.— As per Section 23 (1) of IT Act, if the actual rent received or receivable by the owner in respect of let out property is in excess of the annual value determined on the basis of municipal valuation or otherwise, the amount of rent actually received or receivable should be taken as 'annual value'. Hence, the actual rent of ₹ 2,000 p.m. is taken into account in determining the annual value.

2. From the particulars given below, calculate the income from house property of Shri X, for the purpose of income tax payable for Financial Year 2019-20.

- (i) Capital cost of the house ₹ 1,50,000.
- (ii) Paid Municipal taxes for two half-years at ₹ 800 per half-year.
- (iii) Interest payable for the amount of HBA for the year 2017-18 is ₹ 8,500; and for 2018-19 ₹ 5,400 and 2019-20 ₹ 6,000.

- (iv) House was let out by the officer on a monthly rent of ₹ 850 from April, 2019.
- (v) The annual rateable value of the house property fixed by the municipality is ₹ 12,000.

Ans.	₹
Annual value	12,000
Less: Municipal taxes paid ₹ 800 x 2	1,600
Net adjusted annual value	10,400
Less: Deduction under Section 24 (1)	₹
30% of ₹ 10,400	3,120
Interest on borrowed capital (See Note 2 below)	8,780
	<u>11,900</u>
	11,900
Net income from house property (₹ 10,400 minus 11,900)	<u>(-) 1,500</u>

This *minus* income (i.e., loss) of ₹ 1,500 can be set-off against income from any other sources for the Financial Year 2019-20.

NOTE 1.— As the Municipal rateable value, i.e., ₹ 12,000 is higher than the actual rent of ₹ 10,200, the municipal rateable value has been taken into account for the purpose of computing annual value.

NOTE 2.— The amount of interest taken as deduction under Section 24 (1) of IT Act is worked out as under—

	₹	₹
Interest payable for 2019-20	...	6,000
" 2017-18	8,500	
" 2018-19	5,400	
	<u>13,900</u>	
1/3 th of ₹ 13,900	...	2,780
	Total	<u>8,780</u>

Tax Savings Schemes at a Glance

1. National Savings Scheme Account, 1992

Interest.— 8.5% per annum from 1-4-2014.

Investment Limits.— Deposits in multiples of ₹ 100. Minimum ₹ 100 and no maximum limit. Can be opened in all HPOs and selected Sub-POs.

Salient Features.— The amount deposited in a year qualifies for rebate under Section 80-C of IT Act. The deposits may be withdrawn after 4 years from the end of the year in which account was opened.

The account can be closed on expiry of 4 years from the end of the year in which the account was opened.

2. 15-Year Public Provident Fund Account

Interest.— 8% per annum with effect from 1-1-2019 to 31-3-2019 compounded yearly.

Investment Limits.— Minimum ₹ 500. Maximum ₹ 1,50,000 in a Financial Year. Deposits can be made in lumpsum or in monthly instalments.

Salient Features.— Deposits are qualified for Income Tax rebate under Section 80-C of IT Act. Deposits completely exempted from Wealth Tax. Interest is completely tax-free. Withdrawal is permissible every year from 7th financial year. Loan facility available from the 3rd financial year. No attachment under Court decree.

3. National Savings Certificates (VIII Issue)

Interest.— 8% from 1-1-2019 to 31-3-2019 compounded annually but payable at maturity.

Investment limits.— Minimum of ₹ 100 and in multiples of ₹ 100. No maximum limit.

Salient Features.— At maturity ₹ 100 grows to ₹ 146.93 after 5 years.

A Single-Holder Type Certificate can be purchased by an adult for himself or on behalf of a minor or to a minor;

Deposits qualify for deduction under Section 80-C of IT Act. The interest accruing annually but deemed to be reinvested will also qualify for deduction.

4. Post Office Time Deposit (5 years)

From 1-1-2019 to 31-3-2019, interest as follows [Interest payable annually but calculated quarterly]:—

1 year A/c. 7.0 %

2 year A/c. 7.0 %

3 year A/c. 7.0 %

5 year A/c. 7.8 %

5. Post Office Savings Account

Interest earned is Tax free up to INR 10,000 per year from Financial Year 2012-2013.

6. Sukanya Samridhi Account Scheme

Rate of interest with effect from 1-1-2019 @ 8.5%. Payment from Sukanya Samridhi Account excluded for IT.

NOTE.— Interest rates for Small Savings are notified on quarterly basis.

Income Tax Returns

1. The filing of Income Tax Return is a legal obligation of every person whose total income during the previous year exceeds the maximum amount which is not chargeable to income tax under the provisions of IT Act, 1961.

[Section 192 (1)]

2. A person in whose case the tax deducted at source exceeds the tax payable by him should file a "return of income" to get refund of the excess tax deducted.

3. The return of income can be filed in the following ways:—

- (i) by furnishing return in a paper form.
- (ii) by furnishing return electronically under digital signature.
- (iii) by transmitting data in return electronically under electronic verification code.
- (iv) by transmitting data in the return electronically and thereafter submitting the verification in ITR-V.

4. From the Assessment Year 2015-16 onwards, any assessee filing ITR 1/2/2-A (other than individual of 80 years or more at anytime during previous year) having a refund claim in the return or having total income of more than ₹ 5 lakhs is required to furnish return of income electronically.

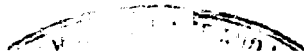
5. The Income Tax return forms need not be filed in duplicate.

6. No documents are required to be enclosed along with return.

7. The return may be delivered in person or through a messenger at the counter in the concerned Range / Circle or sent by registered post. Two acknowledgement forms attached with the 'return' should be filed in along with income tax return form. One copy of the acknowledgement form will be returned by the official at the counter duly signed, stamped, numbered and dated in support of having received the return.

8. The return of income should be filed before 31st July every year. For the Assessment Year 2020-2021 (i.e., Financial Year 2019-2020), the return of income has to be filed before 31-7-2020.

9. Any person having income chargeable under the head 'Salaries' can at his option submit his return of income to his employer (as per detailed procedure



announced by the Central Board of Direct Taxes) instead of to the Income Tax Office.

10. The return of income should be filed with the Income Tax Officer by whom the assessee was last assessed. If however the records have since been transferred to another Income Tax Officer, the return should be filed with the New Officer. In the case of those who have not been assessed so far, the return should be filed with the Income Tax Officer who has—

- (a) territorial jurisdiction over the area in which the taxpayer resides or has principal place of business or
- (b) Special jurisdiction in respect of particular assessee or classes of cases or classes of income to which the taxpayer belongs.

In the case of any doubt regarding jurisdiction, the Public Relation Officer of the Income Tax Department or nearest Income Tax Officer should be consulted.

11. Manner of filing Returns.—

- (a) Return Form can be filed with the Income Tax Department in any of the following ways:—
 - (i) by furnishing the return in a paper form;
 - (ii) by furnishing the return electronically under digital signature;
 - (iii) by transmitting the data in the return electronically under electronic verification code;
 - (iv) by transmitting the data in the return electronically and thereafter submitting the verification of the return in Return Form ITR-V;

NOTE.— Where the Return Form is furnished in the manner mentioned at (iv) above, the assessee should print out two copies of Form ITR-V.

One copy of ITR-V, duly signed by the assessee, has to be sent by post to — Post Bag No. 1, Electronic City Office, Bengaluru - 560 100, Karnataka. The other copy may be retained by the assessee for his record.

- (b) Quote your PAN clearly and correctly. Fill your name as per details entered in PAN Card.
- (c) Fill your 12 digit Aadhaar Number. If Aadhaar not allotted but applied for Aadhaar, enter Aadhaar Enrolment ID. Filling of the said field is mandatory with effect from 1-7-2017.
- (d) Furnish the correct address to get refunds.
- (e) Furnish the details of bank account along with correct MICR code to get refund through ECS.

Extracts from Income Tax Act, 1961

Section 10.— In computing the total income of a previous year of any person, the income falling within any of the following clauses shall not be included.

Clause (5).— ***In the case of an individual, the value of any travel concession or assistance received by, or due to, him—

- (a) from his employer for himself and his family, in connection with his proceeding on leave to any place in India;
- (b) from his employer or former employer for himself and his family, in connection with his proceeding to any place in India after retirement from service or after the termination of his service.

subject to such conditions as may be prescribed (including conditions as to number of journeys and the amount which shall be exempt per head) having regard to the travel concession or assistance granted to the employees of the Central Government:

Provided that the amount exempt under this clause shall in no case exceed the amount of expenses actually incurred for the purpose of such travel.

EXPLANATION.— For the purposes of this clause, 'family' in relation to an individual, means—

- (i) the spouse and children of the individual; and
- (ii) the parents, brothers and sisters of the individual or any of them, wholly or mainly dependent on the individual.

Clause (10).— (i) Any Death-cum-Retirement gratuity received under the revised Pension Rules of the Central Government or as the case may be, the Central Civil Services (Pension) Rules, 1972, or under any similar scheme applicable to the members of the civil services of the Union or holders of posts connected with defence or of civil posts under the Union (such members or holders being persons not governed by the said rules) or to the members of the All India services or to the members of the civil services of a State or holders of civil posts under a State or to the employees of a local authority or any payment of retiring gratuity received under the Pension Code or Regulations applicable to the members of the defence services.

(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.

(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:

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 as 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 this clause, and in Clause (10-AA), "Salary" shall have the meaning assigned to it in Clause (h) of Rule 2 of Part-A of the Fourth Schedule.

Clause (10-A).— (i) Any payment in commutation of pension received under the Civil Pensions (Commutation) Rules of the Central Government or under any similar scheme applicable to the members of the civil services of the Union or holders of posts connected with defence or of civil posts under the Union (such members or holders being persons not governed by the said Rules) or to the members of the All India services or to the members of the defence services or the members of the civil services of a State or a holder of civil posts under a State or to the employees of a local authority or a corporation established by a Central, State or Provincial Act.

(ii) Any payment in commutation of pension received under any scheme of any other employer, 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.

such commuted value being determined having regard to the age of the recipient, the state of his health, the rate of interest and officially recognized tables of mortality.

(iii) Any payment in commutation of pension received from a fund under Clause (23-AAB).

Clause (10-AA).— (i) Any payment received by an employee of the Central Government or a State Government as the 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:

(ii) Any payment of the nature referred to in sub-clause (i) received by an employee, other than an employee of the Central Government or a State Government, in respect of so much of the period of earned leave at his credit at the time of his retirement, whether on superannuation or otherwise as does not exceed ten months, calculated on the basis of the average salary drawn by the employee during the period of ten months immediately preceding his retirement whether on superannuation or otherwise, 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:

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

Provided further that where any such payment or payments was or were received in any one or more earlier previous years also and the whole or any part of the amount of such payment or payments was or were not included in the total income of the assessee of such previous year or years, the amount exempt from income tax under this sub-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.— For the purposes of sub-clause (ii)—

the entitlement to earned leave of an employee shall not exceed thirty days for every year of actual service rendered by him as an employee of the employer from whose service he has retired;

Clause 10-C.— Any amount received or receivable by an employee of—

- (i) a Public Sector Company; or
- (ii) any other company; or
- (iii) an authority established under a Central, State or Provincial Act; or
- (iv) a local authority; or
- (v) a Co-operative Society; or
- (vi) a University established or incorporated by or under a Central, State or Provincial Act and an institution declared to be a University under Section 3 of the University Grants Commission Act, 1956 (3 of 1956); or
- (vii) an Indian Institute of Technology within the meaning of Clause (g) of Section 3 of the Institute of Technology Act, 1961 (59 of 1961); or
- (vii-a) any State Government; or
- (vii-b) any Central Government; or

- (vii-c) an Institution, having importance throughout India or in any State or States, as the Central Government may, by notification in the Official Gazette, specify in this behalf; or
- (viii) such institute of management as the Central Government may, by notification in the Official Gazette, specify in this behalf.

on his voluntary retirement in accordance with any scheme or schemes of voluntary retirement, or termination of his service, in accordance with any scheme or schemes of voluntary retirement or in the case of a Public Sector company referred to in sub-clause (i), a scheme of voluntary separation, to the extent such amount does not exceed five lakh rupees:

Provided that the scheme of the said companies or authorities, or societies or Universities or the institutes referred to in sub-clauses (vii) and (viii), as the case may be, governing the payment of such amount are framed in accordance with such guidelines (including *inter alia* criteria of economic viability) as may be prescribed:

Provided further that where exemption has been allowed to an employee under this clause for any assessment year, no exemption thereunder shall be allowed to him in relation to any other assessment year.

Provided also that where any relief has been allowed to an assessee under Section 89 for any Assessment Year in respect of any amount received or receivable on his voluntary retirement or termination of service or voluntary separation, no exemption under this clause shall be allowed to him in relation to such, or any other, Assessment Year.

Clause (10-CC).— In the case of an employee, being an individual deriving income in the nature of a perquisite, not provided for by way of monetary payment within the meaning of Clause (2) of Section 17, the tax on such income actually paid by his employer, at the option of the employer, on behalf of such employee, notwithstanding anything contained in Section 200 of the Companies Act, 1956.

Clause (10-D).— Any sum received under a Life Insurance Policy, including the sum allocated by way of bonus on such policy, other than—

- (a) any sum received under sub-section (3) of Section 80-DD or sub-section (3) of Section 80-DDA; or
- (b) any sum received under a Keyman Insurance Policy; or
- (c) any sum received under an insurance policy issued on or after the 1st day of April, 2003 but on or before the 31st day of March, 2012 in respect of which the premium payable for any of the years during the term of the policy exceeds twenty per cent of the actual capital sum assured or:
- (d) any sum received under an insurance policy issued on or after the 1st day of April, 2012 in respect of which the premium payable for any of the years during the term of the policy exceeds ten per cent, of the actual capital sum assured;

Provided that the provisions of sub-clauses (c) and (d) shall not apply to any sum received on the death of a person:

Provided further that for the purpose of calculating the actual capital sum assured under sub-clause (c), effect shall be given to the Explanation to sub-section (3) of Section 80-C or the Explanation to sub-section (2-A) of Section 88, as the case may be.

Provided also that where the policy, issued on or after the 1st day of April, 2013, is for insurance on life of any person, who is—

- (i) a person with disability or a person with severe disability as referred to in Section 80-U; or
- (ii) suffering from disease or ailment as specified in the rules made under Section 80-DDB.

EXPLANATION 1.— For the purposes of this Clause. 'Keyman Insurance Policy' means a Life Insurance Policy taken by a person on the life of another person who is or was the employee of the first-mentioned person or is or was connected in any manner whatsoever with the business of the first-mentioned person and includes such policy which has been assigned to a person, at any time during the term of the policy, with or without any consideration.

EXPLANATION 2.— For the purposes of sub-clause (d), the expression "actual capital sum assured" shall have the meaning assigned to it in the Explanation to sub-section (3-A) of Section 80-C.

Clause (11).— 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.

Clause (11-A).— Any payment from an account, opened in accordance with the Sukanya Samridhi Account Rules, 2014 made under the Government Savings Bank Act, 1873.

Clause (12).— The accumulated balance due and becoming payable to an employee participating in a recognized provident fund, to the extent provided in Rule 8 of Part-A of the Fourth Schedule.

Provided that nothing contained in this clause shall apply in respect of any amount of accumulated balance, attributable to any contributions made on or after the 1st day of April, 2016 by an employee other than an excluded employee, exceeding forty per cent of such accumulated balance due and payable in accordance with provisions of Rule 8 of Part-A of the Fourth Schedule.

EXPLANATION.— For the purpose of this clause, the term "excluded employee" means an employee whose monthly salary does not exceed such amount, as may be prescribed;

Clause (12-A).— Any payment from the National Pension System Trust to an employee on closure of his account or on opting out of the pension scheme referred to in Section 80-CCD, to the extent it does not exceed forty per cent of

the total amount payable to him at the time of such closure or his opting out of the scheme.

Clause (12-B).— Any payment from the National Pension System Trust to an employee under the pension scheme referred to in Section 80-CCD, on partial withdrawal made out of his account in accordance with the terms and conditions, specified under the Pension Fund Regulatory and Development Authority Act, 2013 and the regulations made thereunder, to the extent it does not exceed twenty-five per cent of the amount of contributions made by him:

Clause (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

Provided that any payment *in lieu* of or in commutation of an annuity purchased out of contributions made on or after the 1st day of April, 2016, where it exceeds forty per cent of the annuity, shall be taken into account in computing the total income; 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 80-CCD and notified by the Central Government.

Clause (13-A).— Any special allowance specifically granted to an assessee by his employer to meet expenditure actually incurred on payment or rent (by whatever name called) in respect of residential accommodation occupied by the assessee to such extent as may be prescribed having regard to the area or place in which such accommodation is situate and other relevant considerations.

EXPLANATION.— For the removal of doubts, it is hereby declared that nothing contained in this clause shall apply in a case where—

- (a) the residential accommodation occupied by the assessee is owned by him; or
- (b) the assessee has not actually incurred expenditure on payment of rent (by whatever name called) in respect of the residential accommodation occupied by him.

Clause (14).— (i) Any such special allowance or benefit not being in the nature of a perquisite within the meaning of Clause (2) of Section 17, specifically granted to meet expenses wholly, necessarily and exclusively incurred in the performance of the duties of an office or employment of profit, as may be prescribed to the extent to which such expenses are actually incurred for that purpose.

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(ii) Any such allowance granted to the assessee either to meet his personal expenses at the place where the duties of his office or employment of profit are ordinarily performed by him or at the place where he ordinarily resides, or to compensate him for the increased cost of living, as may be prescribed and to the extent as may be prescribed:

Provided that nothing in sub-clause (ii) shall apply to any allowance in the nature of personal allowance granted to the assessee to remunerate or compensate him for performing duties of a special nature relating to his office or employment unless such allowance is related to the place of his posting or residence.

Clause (15).— (i) Income by way of interest, premium on redemption or other payment on such securities, bonds, annuity certificates, savings certificates, other certificates issued by the Central Government and deposits as the Central Government may, by notification in the Official Gazette, specify in this behalf, subject to such conditions and limits as may be specified in the said notification.

Clause (16).— Scholarships granted to meet the cost of education.

Clause (18).— Any income by way of—

- (i) pension received by an individual who has been in the services of the Central or State Government and has been awarded "Param Vir Chakra" or "Maha Vir Chakra" or "Vir Chakra" or such other gallantry award as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (ii) family pension received by any member of the family of an individual referred to in sub-clause (i).

EXPLANATION.— For the purposes of this clause, the expression "family" shall have the meaning assigned to it in the Explanation to Clause (5).

Clause (19).— Family pension received by the widow or children or nominated heirs, as the case may be, of a member of the Armed Forces (including paramilitary forces) of the Union, where the death of such member has occurred in the course of operational duties, in such circumstances and subject to such conditions, as may be prescribed.

Clause (23-AAB).— Any income of a fund, by whatever name called, set up by the Life Insurance Corporation of India on or after the 1st day of August, 1996, or any other insurer under a pension scheme—

- (i) to which contribution is made by any person for the purpose of receiving pension from such fund;
- (ii) which is approved by the Controller of Insurance or the Insurance Regulatory and Development Authority established under subsection (1) of Section (3) of the Insurance Regulatory and Development Authority Act, 1999, as the case may be.

EXPLANATION.— For the purposes of this clause, the expression “Controller of Insurance” shall have the meaning assigned to it in Clause (5-B) of Section 2 of the Insurance Act, 1938.

- Clause (23-C).**— Any income received by any person on behalf of—
- (iiiiaa) the Swachh Bharat Kosh, set up by the Central Government; or
 - (iiiiaaa) the Clean Ganga Fund, set up by the Central Government; with effect from 1st day of April, 2016.
 - (iiiiaaaa) the Chief Minister’s Relief Fund or the Lieutenant-Governor’s Relief Fund in respect of any State or Union Territory as referred to in sub-clause (iiihf) of Clause (a) of sub-section (2) of Section 80-G (w.r.ef. 1-4-1998);

Section 15. Salaries—

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.

EXPLANATION 1.— For the removal of doubts, it is hereby declared 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.

EXPLANATION 2.— Any salary, bonus, commission or remuneration, by whatever name called, due to, or received by, a partner of a firm from the firm shall not be regarded as “salary” for the purposes of this section.

Section 16. Deduction from salaries—

The income chargeable under the Head “Salaries” shall be computed after making the following deductions, namely:—

- (i) *Omitted.*
- (ia) a deduction of fifty thousand rupees or the amount of the salary, whichever is less;
- (ii) a deduction in respect of any allowance in the nature of an Entertainment Allowance specifically granted by an employer to the assessee who is in receipt of a salary from the Government, a sum equal to one-fifth of his salary (exclusive of any allowance), benefit or other perquisite) or five thousand rupees, whichever is less.

- (iii) a deduction of any sum paid by the assessee on account of a tax on employment within the meaning of Clause (2) of Article 276 of the Constitution leviable by or under any law.

Section 17.— For the purposes of Sections 15 and 16 and of this Section—

(1) “Salary” includes—

- (i) wages;
- (ii) any annuity or pension;
- (iii) any gratuity;
- (iv) any fees, commissions, perquisites or profits in lieu of or in addition to any salary or wages;
- (v) any advance of salary;
- (v-a) any payment received by an employee in respect of any period of leave not availed of by him;
- (vi) the annual accretion to the balance at the credit of an employee participating in a recognized Provident Fund, to the extent to which it is chargeable to tax under Rule 6 of Part-A of the Fourth Schedule; and
- (vii) the aggregate of all sums that are comprised in the transferred balance as referred to in sub-rule (2) of Rule 11 of Part-A of the Fourth Schedule of an employee participating in a recognized Provident Fund to the extent to which it is chargeable to tax under sub-rule (4) thereof.
- (viii) the contribution made by the Central Government in the previous year, to the account of an employee under a pension scheme referred to in Section 80-CCD.

(2) “Perquisite” includes—

- (i) the value of rent-free accommodation provided to the assessee by his employer;
- (ii) the value of any concession in the matter of rent respecting any accommodation provided to the assessee by his employer;

“EXPLANATION 1.— For the purposes of this sub-clause, concession in the matter of rent shall be deemed to have been provided if,—

- (a) in a case where an unfurnished accommodation is provided by any employer other than the Central Government or any State Government and—
 - (i) the accommodation is owned by the employer, the value of the accommodation determined at the specified rate in respect of the period during which the said accommodation was occupied by the assessee during the previous year exceeds the rent recoverable from, or payable by, the assessee;
 - (ii) the accommodation is taken on lease or rent by the employer, the value of the accommodation being the actual amount of lease rental paid or payable by the employer or fifteen per cent

of salary, whichever is lower, in respect of the period during which the said accommodation was occupied by the assessee during the previous year, exceeds the rent recoverable from, or payable by, the assessee”;

- (b) in a case where a furnished accommodation is provided by the Central Government or any State Government, the licence fee determined by the Central Government or any State Government in respect of the accommodation in accordance with the rules framed by such Government as increased by the value of furniture and fixtures in respect of the period during which the said accommodation was occupied by the assessee during the previous year, exceeds the aggregate of the rent recoverable from, or payable by, the assessee and any charges paid or payable for the furniture and fixtures by the assessee;
- (c) in a case where a furnished accommodation is provided by an employer other than Central Government or any State Government and—
 - (i) the accommodation is owned by the employer, the value of the accommodation determined under sub-clause (i) of Clause (a) as increased by the value of the furniture and fixtures in respect of the period during which the said accommodation was occupied by the assessee during the previous year, exceeds the rent recoverable from, or payable by, the assessee;
 - (ii) the accommodation is taken on lease or rent by the employer, the value of the accommodation determined under sub-clause (ii) of Clause (a) as increased by the value of the furniture and fixtures in respect of the period during which the said accommodation was occupied by the assessee during the previous year, exceeds the rent recoverable from, or payable by the assessee;
- (d) in a case where the accommodation is provided by the employer in a hotel (except where the assessee is provided such accommodation for a period not exceeding in aggregate fifteen days on his transfer from one place to another), the value of the accommodation determined at the rate of twenty-four per cent of salary paid or payable for the previous year or the actual charges paid or payable to such hotel, whichever is lower, for the period during which such accommodation is provided, exceeds the rent recoverable from, or payable by, the assessee.

EXPLANATION 2.— For the purposes of this sub-clause, value of furniture and fixture shall be ten per cent per annum 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, the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the assessee during the previous year;

EXPLANATION 3.— For the purposes of this sub-clause, “salary” includes the pay, allowances, bonus or commission payable monthly or otherwise or any monetary payment, by whatever name called, from one or more employers, as the case may be, but does not include the following, namely:—

- (a) Dearness Allowance or Dearness Pay unless it enters into the computation of superannuation or retirement benefits of the employee concerned;
- (b) employer’s contribution to the provident fund account of the employee;
- (c) allowances which are exempted from the payment of tax;
- (d) value of the perquisites specified in this clause;
- (e) any payment or expenditure specifically excluded under the proviso to this clause.

EXPLANATION 4.— For the purposes of this sub-clause, “specified rate” shall be—

- (i) fifteen per cent of salary in cities having population exceeding twenty-five lakhs as per 2001 census;
- (ii) ten per cent of salary in cities having population exceeding ten lakhs but not exceeding twenty-five lakhs as per 2001 census; and
- (iii) seven and one-half per cent of salary in any other place”;
- (iii) the value of any benefit or amenity granted or provided free of cost or at concessional rate in any of the following cases:—
 - (a) by a company to an employee who is a Director thereof;
 - (b) by a company to an employee being a person who has a substantial interest in the company;
 - (c) by any employer (including a company) to an employee to whom the provisions of Paragraphs (a) and (b) of this sub-clause do not apply and whose income under the Head ‘Salaries’ (whether due from, or paid or allowed by, one or more employers) exclusive of the value of all benefits or amenities not provided for by way of monetary payment, exceeds fifty thousand rupees:

EXPLANATION.— For the removal of doubts, it is hereby declared that the use of any vehicle provided by a company or an employer for journey by the assessee from his residence to his office or other place of work, or from such office or place to his residence, shall not be regarded as a benefit or amenity granted or provided to him free of cost or at concessional rate for the purposes of this sub-clause.

- (vii) the amount of any contribution to an approved superannuation fund by the employer in respect of the assessee to the extent it exceeds one lakh and fifty thousand rupees; and

- (viii) the value of any other fringe benefit or amenity (excluding the fringe benefits chargeable to tax under Chapter XII-H) as may be prescribed:

Provided that nothing in this clause shall apply to,—

- (i) the value of any medical treatment provided to an employee or any member of his family in any hospital maintained by the employer;
- (ii) any sum paid by the employer in respect of any expenditure actually incurred by the employee on his medical treatment or treatment of any member of his family—
 - (a) in any hospital maintained by the Government or any local authority or any other hospital approved by the Government for the purposes of medical treatment of its employees;
 - (b) in respect of the prescribed diseases or ailments, in any hospital approved by the Chief Commissioner having regard to the prescribed guidelines;

Provided that, in a case falling in sub-clause (b), the employee shall attach with his return of income a certificate from the hospital specifying the disease or ailment for which medical treatment was required and the receipt for the amount paid to the hospital:

- (iii) any portion of the premium paid by an employer in relation to an employee, to effect or to keep in force an insurance on the health of such employee under any scheme approved by the Central Government or the Insurance Regulatory and Development Authority established under sub-section (1) of Section 3 of the Insurance Regulatory and Development Authority Act, 1999 for the purposes of Clause (ib) of sub-section (1) of Section 36;
- (iv) any sum paid by the employer in respect of any premium paid by the employee to effect or to keep in force an insurance on his health or the health of any member of his family under any scheme approved by the Central Government or the Insurance Regulatory and Development Authority established under sub-section (1) of Section 3 of the Insurance Regulatory and Development Authority Act, 1999 for the purposes of Section 80-D;
- (v) *Omitted.*
- (vi) any expenditure incurred by the employer on—
 - (1) medical treatment of the employee, or any member of the family of such employee, outside India;
 - (2) travel and stay abroad of the employee or any member of the family of such employee for medical treatment;

- (3) travel and stay abroad of one attendant who accompanies the patient in connection with such treatment,

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subject to the condition that—

- (A) the expenditure on medical treatment and stay abroad shall be excluded from perquisite only to the extent permitted by the Reserve Bank of India; and
- (B) the expenditure on travel shall be excluded from perquisite only in the case of an employee whose gross total income, as computed before including therein the said expenditure, does not exceed two lakh rupees;
- (vii) any sum paid by the employer in respect of any expenditure actually incurred by the employee for any of the purposes specified in Clause (vi) subject to the conditions specified in or under that Clause:

Provided further that for the assessment year beginning on the 1st day of April, 2002, nothing contained in this clause shall apply to any employee whose income under the head "Salaries" (whether due from, or paid or allowed by, one or more employers) exclusive of the value of all perquisites not provided for by way of monetary payment, does not exceed one lakh fifty thousand rupees.

EXPLANATION.— For the purposes of Clause (2),—

- (i) "hospital" includes a dispensary or a clinic [or a nursing home];
- (ii) "family", in relation to an individual, shall have the same meaning as in Clause (5) of Section 10; and
- (iii) "gross total income" shall have the same meaning as in Clause (5) of Section 80-B;

(3) 'Profits in lieu of salary' includes—

- (i) the amount of any compensation due to or received by an assessee from his employer or former employer at or in connection with the termination of his employment or the modification of the terms and conditions relating thereto;
- (ii) any payment [other than any payment referred to in Clause (10), Clause (10-A), Clause (10-B), Clause (11), Clause (12), Clause (13) or Clause (13-A) of Section 10], due to or received by an assessee from an employer or a former employer or from a provident or other fund to the extent to which it does not consist of contributions by the assessee or interest on such contributions or any sum received under a Keyman Insurance Policy including the sum allocated by way of bonus on such policy.

EXPLANATION.— For the purposes of this sub-clause, the expression 'Keyman Insurance Policy' shall have the meaning assigned to it in Clause (10-D) of Section 10.

- (iii) any amount due to or received, whether in lumpsum or otherwise, by any assessee from any person—
- (A) before his joining any employment with that person; or

(B) after cessation of his employment with that person.

Section 23.— (1) For the purposes of Section 22, the annual value of any property shall be deemed to be—

- (a) the sum for which the property might reasonably be expected to let from year to year; or
- (b) where the property or any part of the property is let and the actual rent received or receivable by the owner in respect thereof is in excess of the sum referred to in Clause (a), the amount so received or receivable; or
- (c) where the property or any part of the property is let and was vacant during the whole or any part of the previous year and owing to such vacancy the actual rent received or receivable by the owner in respect thereof is less than the sum referred to in Clause (a), the amount so received or receivable:

Provided that the taxes levied by any local authority in respect of the property shall be deducted (irrespective of the previous year in which the liability to pay such taxes was incurred by the owner according to the method of accounting regularly employed by him) in determining the annual value of the property of that previous year in which such taxes are actually paid by him.

EXPLANATION.— For the purposes of Clause (b) or Clause (c) of this sub-section, the amount of actual rent received or receivable by the owner shall not include, subject to such rules as may be made in this behalf, the amount of rent which the owner cannot realise.

(2) Where the property consists of a house or part of a house which—

- (a) is in the occupation of the owner for the purposes of his own residence; or
- (b) cannot actually be occupied by the owner by reason of the fact that owing to his employment, business or profession carried on at any other place, he has to reside at that other place in a building not belonging to him,

the annual value of such house or part of the house shall be taken to be *nil*.

(3) The provisions of sub-section (2) shall not apply if—

- (a) the house or part of the house is actually let during the whole or any part of the previous year; or
- (b) any other benefit therefrom is derived by the owner.

(4) Where the property referred to in sub-section (2) consists of more than two houses—

- (a) the provisions of that sub-section shall apply only in respect of two of such houses, which the assessee may, at his option, specify in this behalf;

- (b) the annual value of the house or houses, other than the house or houses in respect of which the assessee has exercised an option under Clause (a), shall be determined under sub-section (1) as if such house or houses had been let.

(5) Where the property consisting of any building or land appurtenant thereto is held as stock-in-trade and the property or any part of the property is not let during the whole or any part of the previous year, the annual value of such property or part of the property, for the period up to two years from the end of the financial year in which the certificate of completion of construction of the property is obtained from the Competent Authority, shall be taken to be *nil*.

Section 24.— Income chargeable under the Head “Income from house property” shall be computed after making the following deductions, namely:—

- (a) a sum equal to thirty per cent of the annual value;
- (b) where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of any interest payable on such capital:

Provided that in respect of property referred to in sub-section (2) of Section 23, the amount of deduction or as the case may be, the aggregate of the amount of deduction shall not exceed thirty-thousand rupees:

Provided further that where the property referred to in the first proviso is acquired or constructed with capital borrowed on or after the 1st day of April, 1999, and such acquisition or construction is completed within five years from the end of the financial year in which capital was borrowed, the amount of deduction or as the case may be, the aggregate of the amount of deduction under this clause shall not exceed two lakhs rupees.

EXPLANATION.— 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 instalments for the said previous year and for each of the four immediately succeeding previous years:

Provided also that no deduction shall be made under the second proviso unless the assessee furnishes a certificate, from the person to whom any interest is payable on the capital borrowed, specifying the amount of interest payable by the assessee for the purpose of such acquisition or construction of the property, or, conversion of the whole or any part of the capital borrowed which remains to be repaid as a new loan.

EXPLANATION.— For the purposes of this proviso, the expression “new loan” means the whole or any part of a loan taken by the assessee subsequent to capital borrowed, for the purpose of repayment of such capital.

Provided also that the aggregate of the amounts of deduction under the first and second provisos shall not exceed two lakh rupees.

Section 36.— *** (iv-a) any sum paid by the assessee as an employer by way of contribution towards a pension scheme, as referred to in Section 80-CCD, on account of an employee to the extent it does not exceed ten per cent of the salary of the employee in the previous year.

EXPLANATION.— For the purposes of this Clause, "Salary" includes Dearness Allowance, if the terms of employment so provide, but excludes all other allowances and perquisites.

Section 71. Set-off of loss from one head against income from another.—

(1) Where in respect of any assessment year the net result of the computation under any head of income, other than "Capital Gains" is a loss and the assessee has no income under the Head "Capital Gains", he shall, subject to the provisions of this Chapter, be entitled to have the amount of such loss set-off against his income, if any, assessable for that assessment year under any other head.

(2) Where in respect of any assessment year, the net result of the computation under any head of income, other than "Capital Gains" is a loss and the assessee has income assessable under the Head "Capital Gains", such loss may, subject to the provisions of this Chapter, be set-off against his income, if any, assessable for that assessment year under any head of income including the Head "Capital Gains" (whether relating to short-term capital assets or any other capital assets).

(2-A) Notwithstanding anything contained in sub-section (1) or sub-section (2), where in respect of any assessment year the net result of the computation under the head "Profits and Gains of Business or Profession" is a loss and the assessee has income under the Head "Salaries", the assessee shall not be entitled to have such loss set-off against such income.

(3) Where in respect of any assessment year, the net result of the computation under the Head "Capital Gains" is a loss and the assessee has income assessable under any other head of income, the assessee shall not be entitled to have such loss set-off against income under the other head.

(3-A) Notwithstanding anything contained in sub-section (1) or sub-section (2), where in respect of any assessment year, the net result of the computation under the head "Income from house property" is a loss and the assessee has income assessable under any other head of income, the assessee shall not be entitled to set off such loss, to the extent the amount of the loss exceeds two lakh rupees, against income under the other head.

Section 71-B. Carry forward and set-off of loss from house property.—

Where for any assessment year the net result of computation under the Head "income from house property" is a loss to the assessee and such loss cannot be or is not wholly set-off against income from any other head of income in accordance with the provisions of Section 71, so much of the loss as has not been so set-off or where he has no income under any other head, the whole loss shall, subject to the other provisions of this Chapter, be carried forward to the following assessment year and

(i) be set-off against the income from house property assessable for that assessment year; and—

- (ii) the loss, if any, which has not been set-off wholly, the amount of loss not so set-off shall be carried forward to the following assessment year, not being more than eight assessment years immediately succeeding the assessment year for which the loss was first computed.

Section 80-B.— ***

(5) "Gross Total Income" means the total income computed in accordance with the provisions of this Act, before making any deductions under this chapter.

Section 80-C. Deduction in respect of the insurance premia, deferred annuity, contributions to Provident Fund, subscription to certain equity shares or debentures, etc.—

(1) In computing the total income of an assessee, being an individual or a Hindu Undivided Family, there shall be deducted, in accordance with and subject to the provisions of this section, the whole of the amount paid or deposited in the previous year out of his income chargeable to tax, being the aggregate of the sums referred to in sub-section (2), as does not exceed one hundred and fifty thousand rupees.

(2) The sums referred to in sub-section (1) shall be any sums paid or deposited in the previous year by the assessee—

- (i) to effect or to keep in force an insurance on the life of persons specified in sub-section (4);
- (ii) to effect or to keep in force a contract for a deferred annuity, not being an annuity plan referred to in Clause (xii), on the life of persons specified in sub-section (4):

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) by way of deduction 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 so deducted does not exceed one-fifth of the salary;
- (iv) as a contribution by an individual to any Provident Fund to which the Provident Funds Act, 1925, applies;
- (v) as a contribution 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 any person specified in sub-section (4);
- (vi) as a contribution by an employee to a recognized Provident Fund;
- (vii) as a contribution by an employee to an approved superannuation fund;
- (viii) as subscription, in the name of any person specified in sub-section (4), any such security of the Central Government or any such deposit

scheme as that Government may, by notification in the Official Gazette, specify in this behalf;

- (ix) as subscription to any such savings certificate as defined in Clause (c) of Section 2 of the Government Savings Certificates Act, 1959, as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (x) as a contribution, in the name of any person specified in sub-section (4), for participation in the Unit-linked Insurance Plan, 1971 (hereafter in this section referred to as the Unit-linked Insurance Plan) specified in Schedule II of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;
- (xi) as a contribution in the name of any person specified in sub-section (4) for participation in any such unit-linked insurance plan of the LIC Mutual Fund referred to in Clause (23-D) of Section 10, as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (xii) to effect or to keep in force a contract for such annuity plan of the Life Insurance Corporation or any other insurer as the Central Government may, by notification in the Official Gazette, specify;
- (xiii) as subscription to any units of any Mutual Fund referred to in Clause (23-D) of Section 10 or from the Administrator or the specified company under any plan formulated in accordance with such scheme as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (xiv) as a contribution by an individual to any pension fund set up by any Mutual Fund referred to in Clause (23-D) of Section 10 or by the Administrator or the specified company, as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (xv) as subscription to any such deposit scheme of, or as a contribution to any such pension fund set up by, the National Housing Bank established under Section 3 of the National Housing Bank Act, 1987 (hereinafter in this section referred to as the National Housing Bank), as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (xvi) as subscription to any such deposit scheme of—
 - (a) a public sector company which is 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, as the Central Government may, by notification in the Official Gazette, specify in this behalf;

- (xvii) as tuition fees (excluding any payment towards any development fees or donation or payment of similar nature), whether at the time of admission or thereafter,—
- (a) to any university, college, school or other educational institution situated within India;
 - (b) for the purpose of full-time education of any of the persons specified in sub-section (4);
- (xviii) for the purposes 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 had not been used for the assessee's own residence, have been chargeable to tax under that head), where such payments are made towards or by way of—
- (a) any instalment or part payment of the amount due under any self-financing or other scheme of any development authority, housing board or other authority engaged in the construction and sale of house property on ownership basis; or
 - (b) any instalment or part payment of the amount due to any company or co-operative society of which the assessee is a shareholder or member towards the cost of the house property allotted to him; or
 - (c) repayment of the amount borrowed by the assessee from—
 - (1) the Central Government or any State Government, or
 - (2) any bank, including a co-operative bank, or
 - (3) the Life Insurance Corporation, or
 - (4) the National Housing Bank, or
 - (5) any public company formed and registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes which is eligible for deduction under Clause (viii) of sub-section (1) of Section 36, or
 - (6) any company in which the public are substantially interested or any co-operative society, where such company or co-operative society is engaged in the business of financing the construction of houses, or
 - (7) the assessee's employer where such employer is an authority or a board or a corporation or any other body established or constituted under a Central or State Act, or
 - (8) the assessee's employer where such employer is 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 co-operative society; or
 - (d) stamp duty, registration fee and other expenses for the purpose of transfer of such house property to the assessee.

but shall not include any payment towards or by way of—

- (A) the admission fee, cost of share and initial deposit which a shareholder of a company or a member of a co-operative society has to pay for becoming such shareholder or member; or
 - (B) 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 in respect of the house property by the authority competent to issue such certificate or after the house property or any part thereof has either been occupied by the assessee or any other person on his behalf or been let out; or
 - (C) any expenditure in respect of which deduction is allowable under the provisions of Section 24;
- (xix) as subscription to equity shares or debentures forming part of any eligible issue of capital approved by the Board on an application made by a public company or as subscription to any eligible issue of capital by any public financial institution in the prescribed form.

EXPLANATION.— For the purposes of this clause.—

- (i) "*Eligible Issue of Capital*" means an issue made by a public company formed and registered in India or a public financial institution and the entire proceeds of the issue are utilized wholly and exclusively for the purposes of any business referred to in sub-section (4) of Section 80-1A;
 - (ii) "*Public Company*" shall have the meaning assigned to it in Section 3 of the Companies Act, 1956;
 - (iii) "*Public Financial Institution*" shall have the meaning assigned to it in Section 4-A of the Companies Act, 1956;
- (xx) as subscription to any units of any mutual fund referred to in Clause (23-D) of Section 10 and approved by the Board on an application made by such mutual fund in the prescribed form:

Provided that this clause shall apply if the amount of subscription to such units is subscribed only in the eligible issue of capital of any company.

EXPLANATION.— For the purposes of this clause, "eligible issue of capital" means an issue referred to in Clause (i) of the Explanation to Clause (xix) of sub-section (2).

- (xxi) as term deposit for a fixed period of not less than five years with a scheduled bank.

EXPLANATION.— For the purposes of this clause, "scheduled bank" means the State Bank of India constituted under the State Bank of India Act, 1955, or a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959, or a corresponding new bank constituted under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, or under Section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, or any other bank, being a bank included in the Second Schedule to the Reserve Bank of India Act, 1934.

- (xxii) as subscription to such bonds issued by the National Bank for Agriculture and Rural Development, as the Central Government may, by notification in the Official Gazette, specify in this behalf.
- (xxiii) in an account under the Senior Citizens Savings Scheme Rules, 2004;
- (xxiv) as five-year time deposit in an account under the Post Office Time Deposit Rules, 1981.

(3) The provisions of sub-section (2) shall apply only to so much of any premium or other payment made on an insurance policy other than a contract for a deferred annuity, issued on or before the 31st day of March, 2012 as is not in excess of twenty per cent of the actual capital sum assured.

EXPLANATION.— In calculating any such actual capital sum assured, no account shall be taken—

- (i) of the value of any premiums agreed to be returned, or
- (ii) of any benefit by way of bonus or otherwise over and above the sum actually assured, which is to be or may be received under the policy by any person.

(3-A) The provisions of sub-section (2) shall apply only to so much of any premium or other payment made on an insurance policy, other than a contract for a deferred annuity, issued on or after the 1st day of April, 2013 as is not in excess of fifteen per cent, of the actual capital sum assured.

Provided that where the policy, issued on or after the 1st day of April, 2013, is for insurance on life of any person, who is—

- (a) a person with disability or a person with severe disability as referred to in Section 80-U; or
- (b) suffering from disease or ailment as specified in the rules made under Section 80-DDB.

EXPLANATION.— For the purposes of this sub-section, "actual capital sum assured" in relation to a Life Insurance Policy shall mean 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 is to be or may be received under the policy by any person.

(4) The persons referred to in sub-section (2) shall be the following, namely:—

- (a) for the purposes of Clauses (i), (v), (x) and (xi) of that sub-section,—
 - (i) in the case of an individual, the individual, the wife or husband and any child of such individual, and
 - (ii) in the case of a Hindu Undivided Family, any member thereof;
- (b) for the purposes of Clause (ii) of that sub-section, in the case of an individual, the individual, the wife or husband and any child of such individual;

- (ba) for the purposes of Clause (viii) of that sub-section, in the case of an individual, the 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.
- (c) for the purposes of Clause (xvii) of that sub-section, in the case of an individual, any two children of such individual.

(5) Where, in any previous year, an assessee—

- (i) terminates his contract of insurance referred to in Clause (i) of sub-section (2), by notice to that effect or where the contract ceases to be in force by reason of failure to pay any premium, by not reviving contract of insurance,—
 - (a) in case of any single premium policy, within two years after the date of commencement of insurance; or
 - (b) in any other case, before premiums have been paid for two years; or
- (ii) terminates his participation in any unit-linked insurance plan referred to in Clause (x) or Clause (xi) of sub-section (2), by notice to that effect or where he ceases to participate by reason of failure to pay any contribution, by not reviving his participation, before contributions in respect of such participation have been paid for five years; or
- (iii) transfers the house property referred to in Clause (xviii) of sub-section (2) before the expiry of five years from the end of the financial year in which possession of such property is obtained by him, or receives back, whether by way of refund or otherwise, any sum specified in that clause.

then,—

- (a) no deduction shall be allowed to the assessee under sub-section (1) with reference to any of the sums, referred to in Clauses (i), (x), (xi) and (xviii) of sub-section (2), paid in such previous year; and
- (b) the aggregate amount of the deductions of income so allowed in respect of the previous year or years preceding such previous year, shall be deemed to be the income of the assessee of such previous year and shall be liable to tax in the assessment year relevant to such previous year.

(6) If any equity shares or debentures, with reference to the cost of which a deduction is allowed under sub-section (1), are sold or otherwise transferred by the assessee to any person at any time within a period of three years from the date of their acquisition, the aggregate amount of the deductions of income so allowed in respect of such equity shares or debentures in the previous year or years preceding the previous year in which such sale or transfer has taken place shall be deemed to be the income of the assessee of such previous year and shall be liable to tax in the assessment year relevant to such previous year.

EXPLANATION.— A person shall be treated as having acquired any shares or debentures on the date on which his name is entered in relation to those shares or debentures in the register of members or of debenture-holders, as the case may be, of the public company.

“(6-A) If any amount, including interest accrued thereon, is withdrawn by the assessee from his account referred to in Clause (xxiii) or Clause (xxiv) of sub-section (2), before the expiry of the period of five years from the date of its deposit, the amount so withdrawn shall be deemed to be the income of the assessee of the previous year in which the amount is withdrawn and shall be liable to tax in the Assessment Year relevant to such previous year:

Provided that the amount liable to tax shall not include the following amounts, namely:—

- (i) any amount of interest, relating to deposits referred to in Clause (xxiii) or Clause (xxiv) of sub-section (2), which has been included in the total income of the assessee of the previous year or years preceding such previous year: and
- (ii) any amount received by the nominee or legal heir of the assessee, on the death of such assessee, other than interest, if any, accrued thereon, which was not included in the total income of the assessee for the previous year or years preceding such previous year.”

(7) For the purposes of this Section,—

- (a) the insurance, deferred annuity, provident fund and superannuation fund referred to in Clauses (i) to (vii);
- (b) unit-linked insurance plan and annuity plan referred to in Clauses (xii) to (xiii);
- (c) pension fund and subscription to deposit scheme referred to in Clauses (xiic) to (xiva);
- (d) amount borrowed for purchase or construction of a residential house referred to in Clause (xv),

of sub-section (2) of Section 88 shall be eligible for deduction under the corresponding provisions of this section and the deduction shall be allowed in accordance with the provisions of this section.

(8) In this section,—

- (i) “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;
- (ii) “Contribution” to any fund shall not include any sums in repayment of loan;
- (iii) “Insurance” shall include—
 - (a) a policy of insurance on the life of an individual or the spouse or the child of such individual or a member of a Hindu Undivided Family securing the payment of specified sum on the stipulated date of maturity, if such person is alive on such date notwithstanding that the policy of insurance provides only for the return of premiums paid (with or without any interest thereon) in the event of such person dying before the said stipulated date;
 - (b) a policy of insurance effected by an individual or a member of a Hindu Undivided Family for the benefit of a minor with the

object of enabling the minor, after he has attained majority to secure insurance on his own life by adopting the policy and on his being alive on a date (after such adoption) specified in the policy in this behalf;

- (iv) "*Life Insurance Corporation*" means the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956;
- (v) "*Public Company*" shall have the same meaning as in Section 3 of the Companies Act, 1956;
- (vi) "*Security*" means a Government security as defined in Clause (2) of Section 2 of the Public Debt Act, 1944;
- (vii) "*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;
- (viii) "*Transfer*" shall be deemed to include also the transactions referred to in Clause (f) of Section 269-UA;

Section 80-CCA. Deduction in respect of deposits under National Savings Scheme or payment to a deferred annuity plan—

(1) ***

(2) Where any amount—

- (a) standing to the credit of the assessee under the scheme referred to in Clause (i) of sub-section (1) in respect of which a deduction has been allowed under sub-section (1) together with the interest accrued on such amount is withdrawn in whole or in part in any previous year; or
- (b) is received on account of the surrender of the policy or as annuity or bonus in accordance with the annuity plan of the Life Insurance Corporation in any previous year.

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 of that previous year in which such withdrawal is made or, as the case may be, amount is received, and shall, accordingly, be chargeable to tax as the income of that previous year.

(3) Notwithstanding anything contained in any other provision of this Act, where a partition has taken place among the members of a Hindu Undivided Family or where an association of persons has been dissolved after a deduction has been allowed under sub-section (1), the provisions of sub-section (2) shall apply as if the person in receipt of income referred to therein is the assessee.

EXPLANATION I.— For the removal of doubts, it is hereby declared that interest on the deposits made under the scheme referred to in Clause (i) of sub-section (1) shall not be chargeable to tax except in the manner and to the extent specified in sub-section (2).

EXPLANATION II.— For the purposes of this section, 'Life Insurance Corporation' shall have the same meaning as in Clause (a) of sub-section (8) of Section 80-C.

Section 80-CCB. Deduction in respect of investment made under Equity-Linked Savings Scheme—

(1) ***

(2) Where any amount invested by the assessee in the units issued under a plan formulated under the Equity-Linked Savings Scheme in respect of which a deduction has been allowed under sub-section (1) is returned to him in whole or in part either by way of repurchase of such units or on the termination of the plan, by the Fund or the Trust, as the case may be, in any previous year, it shall be deemed to be the income of the assessee of that previous year and chargeable to tax accordingly.

(3) Notwithstanding anything contained in any other provision of this Act, where a partition has taken place among the members of a Hindu Undivided Family or when an association of persons has been dissolved after a deduction has been allowed under sub-section (1), the provisions of sub-section (2) shall apply as if the person in receipt of income referred to therein is the assessee.

Section 80-CCC.— (1) Where an assessee being an individual has in the previous year paid or deposited by amount out of his income chargeable to tax to effect or to keep in force a contract for any annuity plan of Life Insurance Corporation of India or any other insurer for receiving pension from the fund referred to in Clause (23-AAB) 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 one hundred and fifty thousand rupees in the previous year.

(3) Where any amount paid or deposited by the assessee has been taken into account for purpose of this section—

- (a) a rebate with reference to such amount shall not be allowed under Section 88 for any assessment year ending before the 1st day of April, 2006;
- (b) a deduction with reference to such amount shall not be allowed under Section 80-C for any assessment year beginning on or after the 1st day of April, 2006.

Section 80-CCD. Deduction in respect of contribution to pension scheme of Central Government—

(1) Where an assessee, being an individual employed by the Central Government on or after the 1st day of January, 2004 or being an individual employed by any other employer has in the previous year paid or deposited any amount in his account under a pension scheme notified or as may be notified by the Central Government, 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 so paid or deposited as does not exceed twenty per cent. of his salary in the previous year.

(1-B) An assessee referred to in sub-section (1), shall be allowed a deduction in computation of his total income, [in addition to the deduction allowed under sub-section (1)], of the whole of the amount paid or deposited in the previous year in his account under a pension scheme notified or as may be notified by the Central Government, which shall not exceed fifty thousand rupees.

Provided that no deduction under this sub-section shall be allowed in respect of the amount on which a deduction has been claimed and allowed under sub-section (1).

(2) Where, in the case of an assessee referred to in sub-section (1), the Central Government or any other employer makes any contribution to his account referred to in that sub-section, the assessee shall be allowed a deduction in the computation of his total income, of the whole of the amount contributed by the Central Government or any other employer as does not exceed ten per cent of his salary in the previous year.

(3) Where any amount standing to the credit of the assessee in his account referred to in sub-section (1) or sub-section (1-B), in respect of which a deduction has been allowed under those sub-sections or sub-section (2), together with the amount accrued thereon, if any, is received by the assessee or his nominee, in whole or in part, in any previous year,—

- (a) on account of closure or his opting out of the pension scheme referred to in sub-section (1) or sub-section (1-B); or
- (b) as pension received from the annuity plan purchased or taken on such closure or opting out,

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 the previous year in which such amount is received, and shall accordingly be charged to tax as income of that previous year.

Provided that the amount received by the nominee, on the death of the assessee, under the circumstances referred to in Clause (a), shall not be deemed to be the income of the nominee.

(4) Where any amount paid or deposited by the assessee has been allowed as a deduction under sub-section (1) or sub-section (1-B)—

- (a) no rebate with reference to such amount shall be allowed under Section 88 for any assessment year ending before the 1st day of April, 2006;
- (b) no deduction with reference to such amount shall be allowed under Section 80-C for any assessment year beginning on or after the 1st day of April, 2006.

(5) For the purpose of this Section, the assessee shall be deemed not to have received any amount in the previous year, if such amount is used in purchasing an annuity plan in the same previous year.

EXPLANATION.— For the purposes of this section, "salary" includes Dearness Allowance, if the terms of employment so provide, but excludes all other allowances and perquisites.

Section 80-CCE. Limit on deductions under Sections 80-C, 80-CCC and sub-section (1) of Section 80-CCD—

The aggregate amount of deductions under Section 80-C, Section 80-CCC and sub-section (1) of Section 80-CCD shall not, in any case, exceed one hundred and fifty thousand rupees.

It may be noted that the contribution made by the Central Government or any other employer, towards a pension scheme notified for Section 80-CCD, shall be allowed as deduction in the computation of total income of the employee to the extent that it does not exceed ten per cent of employee's salary. With effect from 1-4-2011 (FY 2011-12), the amount of deduction so allowed shall be outside the overall limit of rupees one lakh under Section 80-CCE of the Income Tax Act, 1961. The contribution made by the Central Government or any other employee to a Pension Scheme under Section 80-CCD (2) shall be excluded from the limit provided under Section 80-CCE.

[G.I. (CBDT) Circular No. 5/2011, F. No. 275/192/2011-IT (B), dated the 16th August, 2011.]

Section 80CCG. Deduction in respect of investment made under an equity savings scheme.—

(1) Where an assessee, being a resident individual, has, in a previous year, acquired listed equity shares or listed units of an equity oriented fund in accordance with a scheme, as may be notified by the Central Government in this behalf, he shall, subject to the provisions of sub-section (3), be allowed a deduction, in the computation of his total income of the assessment year relevant to such previous year, of fifty per cent of the amount invested in such equity shares or units to the extent such deduction does not exceed twenty-five thousand rupees.

(2) The deduction under sub-section (1) shall be allowed in accordance with, and subject to, the provisions of this section for three consecutive assessment years, beginning with the assessment year relevant to the previous year in which the listed equity shares or listed units of equity oriented fund were first acquired.

(3) The deduction under sub-section (1) shall be subject to the following conditions, namely:—

- (i) the gross total income of the assessee for the relevant assessment year shall not exceed twelve lakh rupees;
- (ii) the assessee is a new retail investor as may be specified under the scheme referred to in sub-section (1);
- (iii) the investment is made in such listed equity shares or listed units of equity oriented fund as may be specified under the scheme referred to in sub-section (1);

- (iv) the investment is locked-in for a period of three years from the date of acquisition in accordance with the scheme referred to in sub-section (1); and
- (v) such other condition as may be prescribed.

(4) If the assessee, in any previous year, fails to comply with any condition specified in sub-section (3), the deduction originally allowed shall be deemed to be the income of the assessee of such previous year and shall be liable to tax for the assessment year relevant to such previous year.

EXPLANATION.— For the purposes of this section, "equity oriented fund" shall have the meaning assigned to it in the Explanation to Clause (38) of Section 10.

(5) Notwithstanding anything contained in sub-sections (1) to (4), no deduction under this section shall be allowed in respect of any assessment year commencing on or after the 1st day of April, 2018:

Provided that an assessee, who has acquired listed equity shares or listed units of an equity oriented fund in accordance with the scheme referred to in sub-section (1) and claimed deduction under this section for any assessment year commencing on or before the 1st day of April, 2017, shall be allowed deduction under this section till the assessment year commencing on the 1st day of April, 2019, if he is otherwise eligible to claim the deduction in accordance with the other provisions of this section.

Rajiv Gandhi Equity Savings Scheme.— Newly inserted Section 80-CCG provides deduction with effect from Assessment Year 2013-14 in respect of investment made under notified equity saving scheme. **Rajiv Gandhi Equity Savings Scheme, 2012** has been notified *vide* S.O. No. 2777, dated 23-11-2012 as a scheme under this section. The deduction under this section is available if following conditions are satisfied:—

- (a) The assessee is a resident individual;
- (b) His gross total income does not exceed ₹ 12 lakhs;
- (c) He has acquired listed shares in accordance with a notified scheme or listed units of an equity oriented fund as defined in Section 10(38);
- (d) The assessee is a new retail investor;
- (e) The investment is locked-in for a period of 3 years from the date of acquisition in accordance with the above scheme;
- (f) The assessee satisfies any other condition as may be prescribed.

Amount of deduction.— The amount of deduction is at 50% of amount invested in equity shares / units. However, the amount of deduction under this provision cannot exceed ₹ 25,000.

Withdrawal of deduction.— If the assessee, after claiming the aforesaid deduction, fails to satisfy the above conditions, the deduction originally allowed shall be deemed to be the income of the assessee of the year in which default is committed.

This deduction is now allowed for three consecutive assessment years beginning with the AY in which the listed equity shares or units were first acquired.

If any deduction is claimed by a taxpayer under this section in any year, he shall not be entitled to any deduction under this section for any other year.

[G.L. (CBDT) Cir. No. 8/2013. F. No. 275/192/2013-IT (B), dated the 10th October, 2013.]

Section 80-D. Deduction in respect of health insurance premia—

80-D. (1) In computing the total income of an assessee, being an individual or a Hindu Undivided Family, there shall be deducted such sum, as specified in sub-section (2) or sub-section (3), payment of which is made by any mode, as specified in sub-section (2-B), 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 such other scheme as may be notified by the Central Government in this behalf or any payment made on account of preventive health check-up of the assessee or his family as does not exceed in the aggregate twenty-five thousand rupees; and
- (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 or parents of the assessee as does not exceed in the aggregate twenty-five thousand rupees.
- (c) the whole of the 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 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 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 to keep in force an 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 fifty thousand rupees".

EXPLANATION.— For the purposes of Clause (a), "family" means the spouse and dependent children of the assessee.

(2-A) 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 five thousand rupees.

(2-B) 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);

(3) Where the assessee is a Hindu Undivided Family, the sum referred to in sub-section (1) shall be the aggregate of the following, namely:—

- (a) whole of the amount paid to effect or to keep in force an insurance on the health of any member of that Hindu Undivided Family as does not exceed in the aggregate twenty-five thousand rupees; and
- (b) the whole of the amount paid on account of medical expenditure incurred on the health of any member of the Hindu Undivided Family as does not exceed in the aggregate fifty thousand rupees:

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

Provided further that the aggregate of the sum specified under Clause (a) and Clause (b) shall not exceed fifty thousand rupees;

(4) Where the sum specified in Clause (a) or Clause (b) of sub-section (2) or Clause (a) of sub-section (3) 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 provisions of this section shall have effect as if for the words "thirty thousand rupees", the words "fifty thousand rupees" had been substituted.

(4-A) Where the amount specified in Clause (a) or Clause (b) of sub-section (2) or Clause (a) of sub-section (3) is paid in lumpsum 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.;

(5) The insurance referred to in this section shall be in accordance with a scheme made in this behalf by:—

- (a) the General Insurance Corporation of India formed under Section 9 of the General Insurance Business (Nationalization) Act, 1972 and approved by the Central Government in this behalf; or
- (b) any other insurer and approved by the Insurance Regulatory and Development Authority established under sub-section (1) of Section 3 of the Insurance Regulatory and Development Authority Act, 1999.

EXPLANATION.— For the purposes of this section.—

- (i) "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;
- (ii) *Omitted.*

80-DD. Deduction in respect of maintenance including medical treatment of a dependant who is a person with disability.—

(1) Where an assessee, being an individual or a Hindu Undivided Family, who is a resident in India, has, during the previous year—

- (a) incurred any expenditure for the medical treatment (including nursing), training and rehabilitation of a dependant, being a person with disability; or
- (b) 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 sub-section (2) and approved by the Board in this behalf for the maintenance of a dependant, being a person with disability,

the assessee shall, in accordance with and subject to the provisions of this section, be allowed a deduction of a sum of seventy-five thousand rupees from his gross total income in respect of the previous year:

Provided that where such dependant is a person with severe disability, the provisions of this sub-section shall have effect as if for the words "seventy-five thousand rupees", the words "one hundred and twenty-five thousand rupees" had been *substituted*.

(2) The deduction under Clause (b) of sub-section (1) shall be allowed only if the following conditions are fulfilled, namely:—

- (a) the scheme referred to in Clause (b) of sub-section (1) provides for payment of annuity or lumpsum amount for the benefit of a dependant, being a person with disability, in the event of the death of the individual or the member of the Hindu Undivided Family in whose name subscription to the scheme has been made;
- (b) the assessee nominates either the dependant, being a person with disability, or any other person or a trust to receive the payment on his behalf, for the benefit of the dependant, being a person with disability.

(3) If the dependant, being a person with disability, predeceases the individual or the member of the Hindu Undivided Family referred to in sub-section (2), an amount equal to the amount paid or deposited under Clause (b) of sub-section (1) shall be deemed to be the income of the assessee of the previous year in which such amount is received by the assessee and shall accordingly be chargeable to tax as the income of that previous year.

(4) 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, along with the return of income under Section 139, in respect of the assessment year for which the deduction is claimed:

Provided that where the condition of disability requires reassessment of its extent after a period stipulated in the aforesaid certificate, no deduction under this section shall be allowed for any assessment year relating to any previous year beginning after the expiry of the previous year during which the aforesaid certificate of disability had expired, unless a new certificate is obtained from the medical authority in the form and manner, as may be prescribed, and a copy thereof is furnished along with the return of income.

EXPLANATION.— For the purposes of this section:—

- (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;
- (b) "Dependant" means—
 - (i) in the case of an individual, the spouse, children, parents, brothers and sisters of the individual or any of them;
 - (ii) in the case of a Hindu Undivided Family, a member of the Hindu Undivided Family, dependent wholly or mainly on such individual or Hindu Undivided Family for his support and maintenance, and who has not claimed any deduction under Section 80-U in computing his total income for the assessment year relating to the previous year;
- (c) "disability" shall have the meaning assigned to it in Clause (i) of Section 2 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995; 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.
- (d) "Life Insurance Corporation" shall have the same meaning as in Clause (iii) of sub-section (8) of Section 88;
- (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; 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.
- (f) "person with disability" means a person as referred to in Clause (i) of Section 2 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995; 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.

- (g) "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; 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;
- (h) "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.

80-DDB. Deduction in respect of medical treatment, etc.— Where an assessee who is resident in India has, during the previous year, actually incurred any expenditure for the medical treatment of such disease or ailment as may be specified in the rules made in this behalf by the Board—

- (a) for himself or a dependant, in case the assessee is an individual; or
- (b) for any member of a Hindu Undivided Family, in case the assessee is a Hindu Undivided Family;

the assessee shall be allowed a deduction of the expenditure actually incurred or a sum of forty thousand rupees, whichever is less, in respect of that previous year in which such expenditure was incurred:

Provided that no such deduction shall be allowed unless the assessee obtains the prescription for such medical treatment from a neurologist, an oncologist, a urologist, a haematologist, an immunologist or such other specialist, as may be prescribed.

Provided further that the deduction under this section shall be reduced by the amount received, if any, under an insurance from an insurer, or reimbursed by an employer, for the medical treatment of the person referred to in Clause (a) or Clause (b):

Provided also that where the expenditure incurred is in respect of the assessee or his dependant or any member of a Hindu Undivided Family of the assessee and who is a senior citizen, the provisions of this section shall have effect as if for the words "sixty thousand rupees", the words "one hundred thousand rupees" shall be substituted.

Omitted.

EXPLANATION.— For the purposes of this section—

- (i) "dependant" means—
 - (a) in the case of an individual, the spouse, children, parents, brothers and sisters of the individual or any of them,
 - (b) in the case of a Hindu Undivided Family, a member of the Hindu Undivided Family,

dependent wholly or mainly on such individual or Hindu Undivided Family for his support and maintenance:

- (ii) *Omitted.*
- (iii) "*insurer*" shall have the meaning assigned to it in Clause (9) of Section 2 of the Insurance Act, 1938;
- (iv) "*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.
- (v) *Omitted.*

Section 80-E. Deduction in respect of interest on loan taken for higher education.—

(1) In computing the total income of an assessee, being an individual, there shall be deducted in accordance with and subject to the provisions of this section, any amount paid by him in the previous year out of his income chargeable to tax, by way of interest on loan, taken by him from any financial institution or any approved charitable institution for the purpose of pursuing his higher education or for the purpose of higher education of his relative.

(2) The deduction specified in sub-section (1) shall be allowed in computing the total income in respect of the initial assessment year and seven assessment years immediately succeeding the initial assessment year or until the interest referred to in sub-section (1) is paid by the assessee in full, whichever is earlier.

(3) For the purpose of this section,—

- (a) "*approved charitable institution*" means an institution specified in or, as the case may be, an institution established for charitable purposes and approved by the prescribed authority under Clause (23-C) of Section 10 or an institution referred to in Clause (a) of sub-section (2) of Section 80-G;
- (b) "*financial institution*" means 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); or any other financial institution which the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (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.
- (d) "*initial assessment year*" means the assessment year relevant to the previous year, in which the assessee starts paying the interest on the loan.

- (e) "*relative*", in relation to an individual, means the spouse and children of the individual or the student for whom the individual is the legal guardian.

Section 80-EE. Deduction in respect of interest on loan taken for residential house property.—

(1) In computing the total income of an assessee, being an individual, there shall be deducted, in accordance with and subject to the provisions of this section, interest payable on loan taken by him from any financial institution for the purpose of acquisition of a residential property.

(2) The deduction under sub-section (1) shall not exceed fifty thousand rupees and shall be allowed in computing the total income of the individual for the assessment year beginning on the 1st day of April, 2017 and subsequent assessment years.

(3) The deduction under sub-section (1) shall be subject to the following conditions, namely:—

- (i) the loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2016 and ending on the 31st day of March, 2017.
- (ii) the amount of loan sanctioned for acquisition of the residential house property does not exceed thirty-five lakh rupees:
- (iii) the value of residential house property does not exceed fifty lakh rupees:
- (iv) the assessee does not own any residential house property on the date of sanction of the loan.

(4) Where a deduction under this section is allowed for any interest referred to in sub-section (1), deduction shall not be allowed in respect of such interest under any other provision of this Act for the same or any other assessment year.

(5) For the purposes of this section:—

- (a) "*financial institution*" means a banking company to which the Banking Regulation Act, 1949 applies in or any bank or banking institution referred to in Section 51 of that Act or a housing finance company.
- (b) "*housing finance company*" means a public company formed or registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes.

Section 80-G. Deductions in respect of donations to certain funds, charitable institutions, etc.

(1) In computing the total income of an assessee, there shall be deducted in accordance with and subject to the provisions of this section,—

- (i) in a case where the aggregate of the sums specified in sub-section (2) includes any sum or sums of the nature specified in sub-clause (i) or in sub-clause (iii-a) or in sub-clause (iii-aa) or in sub-clause

(iii-ab) or in sub-clause (iii-b) or in sub-clause (iii-e) or in sub-clause (iii-f) or in sub-clause (iii-g) or in sub-clause (iii-ga) or in sub-clause (iii-h) or in sub-clause (iii-ha), or in sub-clause (iii-hb) or in sub-clause (iii-hc) or in sub-clause (iii-hd), or in sub-clause (iii-he), or in sub-clause (iii-hf) or in sub-clause (iii-hg) or in sub-clause (iii-hh) or in sub-clause (iii-hi) or in sub-clause (iii-hj) or in sub-clause (iihk) or in sub-clause (iihl) or in sub-clause (iihm) or in sub-clause (vii) of Clause (a) or in Clause (c) or in Clause (d) thereof, an amount equal to the whole of the sum or as the case may be, sums of such nature plus fifty per cent of the balance of such aggregate; and

(ii) in any other case, an amount equal to fifty per cent of the aggregate of the sums specified in sub-section (2).

(2) The sums referred to in sub-section (1) shall be the following, namely:—

(a) any sums paid by the assessee in the previous year as donations to—

- (i) the National Defence Fund set up by the Central Government; or
- (ii) the Jawaharlal Nehru Memorial Fund referred to in the Deed to Declaration of Trust adopted by the National Committee at its meeting held on the 17th day of August, 1964; or
- (iii) the Prime Minister's Drought Relief Fund; or
- (iii-a) the Prime Minister's National Relief Fund; or
- (iii-aa) the Prime Minister's Armenia Earthquake Relief Fund; or
- (iii-ab) the Africa (Public Contributions — India) Fund; or
- (iii-b) the National Children's Fund; or
- (iii-c) the Indira Gandhi Memorial Trust, the Deed of Declaration in respect whereof was registered at New Delhi on the 21st day of February, 1985; or
- (iii-d) the Rajiv Gandhi Foundation, the Deed of Declaration in respect whereof was registered at New Delhi on the 21st day of June, 1991; or
- (iii-e) the National Foundation for Communal Harmony; or
- (iii-f) a University or any educational institution of national eminence as may be approved by the prescribed authority in this behalf; or
- (iii-g) ***
- (iii-ga) ***
- (iii-h) any Zilla Saksharta Samiti constituted in any district under the Chairmanship of the Collector of that district for the purpose of improvement of primary education in villages and towns in such district and for literacy and post-literacy activities.

EXPLANATION.— For the purposes of this sub-clause, "town" means a town which has a population not exceeding one lakh according to the last preceding census of which the relevant figures have been published before the first day of the previous year; or

- (iii-ha) the National Blood Transfusion Council or to any State Blood Transfusion Council which has its sole object the control, supervision, regulation or encouragement in India of the services related to operation and requirements of Blood Banks.

EXPLANATION.— For the purposes of this sub-clause,—

- (a) “National Blood Transfusion Council” means a society registered under the Societies Registration Act, 1860, and has an Officer not below the rank of an Additional Secretary to the Government of India dealing with AIDS Control Project as its Chairman, by whatever name called.
- (b) “State Blood Transfusion Council” means a society registered in consultation with the National Blood Transfusion Council under the Societies Registration Act, 1860, or under any law corresponding to that Act in force in any part of India and has Secretary to the Government of that State dealing with the Department of Health, as Chairman by whatever name called; or
- (iii-hb) any fund set up by a State Government to provide medical relief to the poor; or
- (iii-hc) the Army Central Welfare Fund or the Indian Naval Benevolent Fund or the Air Force Central Welfare Fund established by the Armed Forces of the Union for the welfare of the past and present members of such forces or their dependants; or
- (iii-hd) the Andhra Pradesh Chief Minister’s Cyclone Relief Fund, 1996; or
- (iii-he) the National Illness Assistance Fund; or
- (iii-hf) the Chief Minister’s Relief Fund or the Lieutenant-Governor’s Relief Fund in respect of any State or Union Territory, as the case may be:
- Provided that such fund is—
- (a) the only Fund of its kind established in the State or the Union Territory, as the case may be;
- (b) under the overall control of the Chief Secretary or the Department of Finance of the State or the Union Territory, as the case may be;
- (c) administered in such manner as may be specified by the State Government or the Lieutenant-Governor, as the case may be;
- (iii-hg) the National Sports Fund to be set up by the Central Government; or
- (iii-hh) the National Cultural Fund set up by the Central Government; or
- (iii-hi) the Fund for Technology Development and Application set up by the Central Government; or

- (iii-hj) the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities constituted under sub-section (1) of Section 3 of the National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999; or
 - (iii-hk) the Swachh Bharat Kosh, set up by the Central Government, other than the sum spent by the assessee in pursuance of Corporate Social Responsibility under sub-section (5) of Section 135 of the Companies Act, 2013; or
 - (iii-hl) the Clean Ganga Fund, set up by the Central Government, where such assessee is a resident and such sum is other than the sum spent by the assessee in pursuance of Corporate Social Responsibility under sub-section (5) of Section 135 of the Companies Act, 2013; or
 - (iii-hm) the National Fund for Control of Drug Abuse constituted under Section 7-A of the Narcotic Drugs and Psychotropic Substances Act, 1985; or
 - (iv) any other fund or any institution to which this section applies; or
 - (v) the Government or any local authority, to be utilized for any charitable purpose other than the purpose of promoting family planning; or
 - (vi) an 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; or
 - (vi-a) any corporation referred to in Clause (26-BB) of Section 10; or
 - (vii) the Government or to any such local authority, institution or association as may be approved in this behalf by the Central Government, to be utilized for the purpose of promoting family planning:
- (b) any sums paid by the assessee in the previous year as donations for the renovation or repair of any such Temple, Mosque, Gurdwara, Church or other place as is notified by the Central Government in the Official Gazette to be of historic, archaeological or artistic importance or to be a place of public worship of renown throughout any State or States.
- (c) any sums paid by the assessee, being a company, in the previous year as donations to the Indian Olympic Association or to any other association or institution established in India, as the Central Government may, having regard to the prescribed guidelines by notification in the Official Gazette, specify in this behalf for—
- (i) the development of infrastructure for sports and games; or
 - (ii) the sponsorship of sports and games in India.

- (d) any sums paid by the assessee, during the period beginning on the 26th day of January, 2001 and ending on the 30th day of September, 2001, to any trust, institution or fund to which this section applies for providing relief to the victims of earthquake in Gujarat.

(3) Deleted.

(4) Where the aggregate of the sums referred to in sub-clauses (iv), (v), (vi), (vi-a) and (vii) of Clause (a) and in Clauses (b) and (c) of sub-section (2) exceeds ten per cent of the gross total income (as reduced by any portion thereof on which Income Tax is not payable under any provision of this Act and by any amount in respect of which the assessee is entitled to a deduction under any other provision of this Chapter), then the amount in excess of ten per cent of the gross total income shall be ignored for the purpose of computing the aggregate of the sums in respect of which deduction is to be allowed under sub-section (1).

(5) This section applies to donations to any institution or fund referred to in sub-clause (iv) of Clause (a) of sub-section (2), only if it is established in India for a charitable purpose and if it fulfils the following conditions, namely:—

- (i) where the institution or fund derives any income, such income would not be liable to inclusion in its total income under the provisions of Sections 11 and 12 or Clause (23) or Clause (23-AA) or Clause (23-C) of Section 10:

Provided that where an institution or fund derives any income, being profits and gains of business, the condition that such income would not be liable to inclusion in its total income under the provisions of Section 11 shall not apply in relation to such income, if,—

- (a) the institution or fund maintains separate books of account in respect of such business;
- (b) the donations made to the institution or fund are not used by it, directly or indirectly, for the purposes of such business; and
- (c) the institution or fund issues to a person making the donation a certificate to the effect that it maintains separate books of account, in respect of such business and that the donations received by it will not be used, directly or indirectly, for the purposes of such business;
- (ii) the instrument under which the institution or fund is constituted does not, or the rules governing the institution or fund do not, contain any provision for the transfer or application at any time of the whole or any part of the income or assets of the institution or fund for any purpose other than a charitable purpose;
- (iii) the institution or fund is not expressed to be for the benefit of any particular religious community or caste;
- (iv) the institution or fund maintains regular accounts of its receipts and expenditure;

- (v) the institution or fund is either constituted as a public charitable trust or is registered under the Societies Registration Act, 1860 (21 of 1860), or under any law corresponding to that Act, in force in any part of India or under Section 25 of the Companies Act, 1956 (1 of 1956), or is a University established by law, or is any other educational institution recognized by the Government or by a University established by law or affiliated to any University established by law, or is an institution approved by the Central Government for the purposes of Clause (23) of Section 10, or is an institution financed wholly or in part by the Government or a local authority;
- (vi) in relation to donations made after the 31st day of March, 1992, the institution or fund is for the time being approved by the Commissioner in accordance with the rules made in this behalf; and
- (vii) where any institution or fund had been approved under Clause (vi) for the previous year beginning on the 1st day of April, 2007 and ending on the 31st day of March, 2008, such institution or fund shall, for the purpose of this section and notwithstanding anything contained in the proviso to Clause (15) of Section 2, be deemed to have been—
 - (a) established for charitable purposes for the previous year beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2009; and
 - (b) approved under the said Clause (vi) for the previous year beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2009.

(5-A) Where a deduction under this section is claimed and allowed for any assessment year in respect of any sum specified in sub-section (2), the sum in respect of which deduction is so allowed shall not qualify for deduction under any other provision of this Act for the same or any other assessment year.

(5-B) Notwithstanding anything contained in Clause (ii) of sub-section (5) and Explanation 3, an institution or fund which incurs expenditure, during any previous year, which is of a religious nature for an amount not exceeding five per cent of its total income in that previous year shall be deemed to be an institution or fund to which the provisions of this section apply.

(5-C) This section applies in relation to amounts referred to in Clause (d) of sub-section (2) only if the trust or institution or fund is established in India for a charitable purpose and it fulfils the following conditions, namely:—

- (i) it is approved in terms of Clause (vi) of sub-section (5);
- (ii) it maintains separate accounts of income and expenditure for providing relief to the victims of earthquake in Gujarat;
- (iii) the donations made to the trust or institution of fund are applied for providing relief to the earthquake victims of Gujarat on or before the 31st day of March, 2004;
- (iv) the amount of donation remaining unutilized on the 31st day of March, 2004 is transferred to the Prime Minister's National Relief Fund on or before the 31st day of March, 2004;

- (v) it renders accounts of income and expenditure to such authority and in such manner as may be prescribed, on or before the 30th day of June, 2004.

EXPLANATION 1.— An institution or fund established for the benefit of Scheduled Castes, Backward Classes, Scheduled Tribes or of women and children shall not be deemed to be an institution or fund expressed to be for the benefit of a religious community or caste within the meaning of Clause (iii) of sub-section (5).

EXPLANATION 2.— For the removal of doubts, it is hereby declared that a deduction to which the assessee is entitled in respect of any donation made to an institution or fund to which sub-section (5) applies shall not be denied merely on either or both of the following grounds, namely:—

- (i) that, subsequent to the donation, any part of the income of the institution or fund has become chargeable to tax due to non-compliance with any of the provisions of Section 11, Section 12 or Section 12-A;
- (ii) that, under Clause (c) of sub-section (1) of Section 13, the exemption under Section 11 or Section 12 is denied to the institution or fund in relation to any income arising to it from any investment referred to in Clause (h) of sub-section (2) of Section 13 where the aggregate of the funds invested by it in a concern referred to in the said Clause (h) does not exceed five per cent of the capital of that concern.

EXPLANATION 3.— In this section, 'charitable purpose' does not include any purpose, the whole or substantially the whole of which is of religious nature.

EXPLANATION 4.— For the purposes of this section, an association or institution, having as its object the control, supervision, regulation or encouragement in India of such games or sports as the Central Government may, by notification in the Official Gazette, specify in this behalf, shall be deemed to be an institution established in India for a charitable purpose.

EXPLANATION 5.— For the removal of doubts, it is hereby declared that no deduction shall be allowed under this section in respect of any donation unless such donation is of a sum of money.

(5-D) No deduction shall be allowed under this section in respect of donation of any sum exceeding two thousand rupees unless such sum is paid by any mode other than cash.

80-GG. Deduction in respect of rents paid.— In computing the total income of an assessee, not being an assessee having any income falling within Clause (13-A) of Section 10, there shall be deducted any expenditure incurred by him in excess of ten per cent of his total income towards payment of rent (by whatever name called) in respect of any furnished or unfurnished accommodation occupied by him for the purposes of his own residence, to the extent to which such excess expenditure does not exceed five thousand rupees per month or twenty-five per cent of his total income for the year, whichever is less, and subject to such other conditions or limitations as may be prescribed, having regard to the area or place in which such accommodation is situated and other relevant considerations:

Provided that nothing in this section shall apply to an assessee in any case where any residential accommodation is—

- (i) owned by the assessee or by his spouse or minor child or, where such assessee is a member of a Hindu Undivided Family, at the place where he ordinarily resides or performs duties of his office or employment or carries on his business or profession; or
- (ii) owned by the assessee at any other place, being accommodation in the occupation of the assessee, the value of which is to be determined under Clause (a) of sub-section (2) or, as the case may be, Clause (a) of sub-section (4) of Section 23.

EXPLANATION.— In this section, the expressions “ten per cent of his total income” and “twenty-five per cent of his total income” shall mean ten per cent or twenty-five per cent, as the case may be, of the assessee’s total income before allowing deduction for any expenditure under this section.

80-QQB. Deduction in respect of royalty income, etc., of authors of certain books other than text books.— (1) Where, in the case of an individual resident in India, being an author, the gross total income includes any income, derived by him in the exercise of his profession, on account of any lumpsum consideration for the assignment or grant of any of his interests in the copyright of any book being a work of literary, artistic or scientific nature, or of royalty or copyright fees (whether receivable in lumpsum or otherwise) in respect of such book, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction from such income, computed in the manner specified in sub-section (2).

(2) The deduction under this section shall be equal to the whole of such income referred to in sub-section (1), or an amount of three lakh rupees, whichever is less:

Provided that where the income by way of such royalty or the copyright fee, is not a lumpsum consideration in lieu of all rights of the assessee in the book, so much of the income, before allowing expenses attributable to such income, as is in excess of fifteen per cent of the value of such books sold during the previous year shall be ignored:

Provided further that in respect of any income earned from any source outside India, so much of the income shall be taken into account for the purpose of this section as is brought into India by, or on behalf of, the assessee in convertible foreign exchange within a period of six months from the end of the previous year in which such income is earned or within such further period as the competent authority may allow in this behalf.

(3) No deduction under this section shall be allowed unless the assessee furnishes a certificate in the prescribed form and in the prescribed manner, duly verified by any person responsible for making such payment to the assessee as referred to in sub-section (1), along with the return of income, setting forth such particulars as may be prescribed.

(4) No deduction under this section shall be allowed in respect of any income earned from any source outside India, unless the assessee furnishes

a certificate, in the prescribed form from the prescribed authority, along with the return of income in the prescribed manner.

(5) Where a deduction for any previous year has been claimed and allowed in respect of any income referred to in this section, no deduction in respect of such income shall be allowed under any other provision of this Act in any assessment year.

EXPLANATION.— For the purposes of this section,—

- (a) "author" includes a joint author;
- (b) "books" shall not include brochures, commentaries, diaries, guides, journals, magazines, newspapers, pamphlets, textbooks for schools, tracts and other publications of similar nature, by whatever name called;
- (c) "competent authority" means the Reserve Bank of India or such other authority as is authorized under any law for the time being in force for regulating payments and dealings in foreign exchange;
- (d) "lumpsum" in regard to royalties or copyright fees, includes an advance payment on account of such royalties or copyright fees which is not returnable.

80-TTA.— (1) Where the gross total income of an assessee (other than the assessee referred to in Section 80-TTB), being an individual or a Hindu Undivided Family, includes any income by way of interest on deposits (not being time deposits) in a savings account with—

- (a) 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) a 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.

there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee a deduction as specified hereunder, namely:—

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

(2) Where the income referred to in this section is derived from any deposit in a savings account held by, or on behalf of, a firm, an association of persons or a body of individuals, no deduction shall be allowed under this section in respect of such income in computing the total income of any partner of the firm or any member of the association or any individual of the body.

EXPLANATION.— For the purposes of this section, "time deposits" means the deposits repayable on expiry of fixed periods.

80-TTB. Deduction in respect of interest on deposits in case of senior citizens.— (1) Where the gross total income of an assessee, being a senior citizen, includes any income by way of interest on deposits with—

- (a) 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) a 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,

there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction—

- (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.

(2) Where the income referred to in sub-section (1) is derived from any deposit held by, or on behalf of, a firm, an association of persons or a body of individuals, no deduction shall be allowed under this section in respect of such income in computing the total income of any partner of the firm or any member of the association or any individual of the body.

EXPLANATION.—For the purposes of this section, "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.

80-U. Deduction in case of a person with disability.— (1) 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 seventy-five thousand rupees:

Provided that where such individual is a person with severe disability, the provisions of this sub-section shall have effect as if for the words "seventy-five thousand rupees", the words "one hundred and twenty-five thousand rupees" had been substituted.

(2) Every individual claiming a deduction under this section shall furnish a copy of the certificate issued by the medical authority in the form and manner, as may be prescribed, along with the return of income under Section 139, in respect of the assessment year for which the deduction is claimed:

Provided that where the condition of disability requires reassessment of its extent after a period stipulated in the aforesaid certificate, no deduction under this section shall be allowed for any assessment year relating to any previous

year beginning after the expiry of the previous year during which the aforesaid certificate of disability had expired, unless a new certificate is obtained from the medical authority in the form and manner, as may be prescribed, and a copy thereof is furnished along with the return of income under Section 139.

EXPLANATION.— For the purposes of this Section,—

- (a) “*disability*” shall have the meaning assigned to it in Clause (i) of Section 2 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, and includes “autism”, “cerebral palsy” and “multiple disabilities” 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;
- (b) “*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, 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;
- (c) “*person with disability*” means a person referred to in Clause (i) of Section 2 of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 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;
- (d) “*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; 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;

Section 87. Rebate to be allowed in computing income tax

(1) In computing the amount of income tax on the total income of an assessee with which he is chargeable for any assessment year, there shall be allowed from the amount of income tax (as computed before allowing the deductions under this Chapter), in accordance with and subject to the provisions

of [Sections 87-A, 88, 88-A, 88-B, 88-C, 88-D and 88-E], the deductions specified in those sections.

(2) The aggregate amount of the deductions under Section 87-A or Section 88 or Section 88-A [or Section 88-B], [or Section 88-C], [or Section 88-D or Section 88-E] shall not, in any case, exceed the amount of income tax (as computed before allowing the deductions under this Chapter) on the total income of the assessee with which he is chargeable for any assessment year.

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

An assessee, being an individual resident in India, whose total income does not exceed five hundred thousand rupees, 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 twelve thousand and five hundred rupees, whichever is less.

Section 89. Relief when salary, etc., is paid in arrears or in advance

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 (ii-a) 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 this behalf, grant such relief as may be prescribed.

Provided that no such relief shall be granted in respect of any amount received or receivable by an assessee on his voluntary retirement or termination of his service, in accordance with any scheme or schemes of voluntary retirement or in the case of a public sector company referred to in sub-clause (i) of Clause (10-C) of Section 10, a scheme of voluntary separation, if an exemption in respect of any amount received or receivable on such voluntary retirement or termination of his service or voluntary separation has been claimed by the assessee under Clause (10-C) of Section 10 in respect of such, or any other assessment year.

Section 139. Return of Income

(1) Every person,—

- (a) being a company; or a firm; or
- (b) being a person other than a company or a firm, if his total income or the total income of any other person in respect of which he is assessable under this Act during the previous year exceeded the maximum amount which is not chargeable to income tax.

shall, on or before the due date, furnish a return of his income or the income of such other person during the previous year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed:

Provided also that every company or a firm shall furnish on or before the due date the return in respect of its income or loss in every previous year.

Provided also that every person, being an individual or a Hindu Undivided Family or an association of persons or a body of individuals, whether incorporated or not, or an artificial juridical person, if his total income or the total income of any other person in respect of which he is assessable under this Act during the previous year, without giving effect to the provisions of Clause (38) of Section 10 or Section 10-A or Section 10-B or Section 10-BA or Chapter VI-A exceeded the maximum amount which is not chargeable to income tax, shall, on or before the due date, furnish a return of his income or the income of such other person during the previous year, in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed:

EXPLANATION 1.— ***

EXPLANATION 2.— In this sub-section, "due date" means.—

(a) ***

(b) in the case of a person other than a company, referred to in the first proviso to this sub-section, the 31st day of October of the assessment year;

(c) in the case of any other assessee, the 31st day of July of the assessment year.

EXPLANATION 3.— ***

(1-A) Without prejudice to the provisions of sub-section (1), any person, being an individual who is in receipt of income chargeable under the Head "Salaries" may, at his option, furnish a return of his income for any previous year to his employer, in accordance with such scheme as may be specified by the Board in this behalf, by notification in the Official Gazette, and subject to such conditions as may be specified therein, and such employer shall furnish all returns of income received by him on or before the due date, in such form (including on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media) and manner as may be specified in that scheme, and in such case, any employee who has filed a return of his income to his employer shall be deemed to have furnished a return of income under sub-section (1), and the provisions of this Act shall apply accordingly.

(1-B) Without prejudice to the provisions of sub-section (1), any person, being a company or being a person other than a company, required to furnish a return of income under sub-section (1), may, at his option, on or before the due date, furnish a return of his income for any previous year in accordance with such scheme as may be specified by the Board in this behalf by notification in the Official Gazette and subject to such conditions as may be specified therein, in such form (including on a floppy, diskette, magnetic cartridge tape, CD-ROM or any other computer readable media) and in the manner as may be specified in that scheme, and in such case, the return of income furnished under such scheme shall be deemed to be a return furnished under sub-section (1), and the provisions of this Act shall apply accordingly.

Section 139-A. Permanent Account Number

(1-A) Notwithstanding anything contained in sub-section (1), the Central Government may, by notification in the Official Gazette, specify, any class or classes of persons by whom tax is payable under this Act or any tax or duty is payable under any other law for the time being in force including importers and exporters whether any tax is payable by them or not and such persons shall, within such time as mentioned in that notification, apply to the Assessing Officer for the allotment of a Permanent Account Number.

Section 139-AA. Aadhaar Number

(1) Every person who is eligible to obtain Aadhaar number shall, on or after the 1st day of July, 2017, quote Aadhaar number—

- (i) in the application form for allotment of permanent account number;
- (ii) in the return of income;

Provided that where the person does not possess the Aadhaar number, the Enrolment ID of Aadhaar application form issued to him at the time of enrolment shall be quoted in the application for permanent account number or, as the case may be, in the return of income furnished by him.

(2) Every person who has been allotted permanent account number as on the 1st day of July, 2017, and who is eligible to obtain Aadhaar number, shall intimate his Aadhaar number to such authority in such form and manner as may be prescribed, on or before a date to be notified by the Central Government in the Official Gazette:

Provided that in case of failure to intimate the Aadhaar number, the permanent account number allotted to the person shall be deemed to be invalid and the other provisions of this Act shall apply, as if the person had not applied for allotment of permanent account number.

(3) The provisions of this section shall not apply to such person or class or classes of persons or any State or part of any State, as may be notified by the Central Government in this behalf, in the Official Gazette.

EXPLANATION.— For the purposes of this section, the expressions—

- (i) "Aadhaar number", "Enrolment" and "resident" shall have the same meanings respectively assigned to them in Clauses (a), (m) and (v) of Section 2 of the Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016;
- (ii) "Enrolment ID" means a 28 digit Enrolment Identification Number issued to a resident at the time of enrolment.

Section 206-AA. Requirement to furnish Permanent Account Number

(1) Notwithstanding anything contained in any other provisions of this Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVII-B (hereafter referred to as deductee) shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:—

- (i) at the rate specified in the relevant provision of this Act; or
- (ii) at the rate or rates in force; or
- (iii) at the rate of twenty per cent.

(2) No declaration under sub-section (1) or sub-section (1-A) or sub-section (1-C) of Section 197-A shall be valid unless the person furnishes his Permanent Account Number in such declaration.

(3) In case any declaration becomes invalid under sub-section (2), the deductor shall deduct the tax at source in accordance with the provisions of sub-section (1).

(4) No certificate under Section 197 shall be granted unless the application made under that section contains the Permanent Account Number of the Applicant.

(5) The deductee shall furnish his Permanent Account Number to the deductor and both shall indicate the same in all the correspondence, bills, vouchers and other documents which are sent to each other.

(6) Where the Permanent Account Number provided to the deductor is invalid or does not belong to the deductee, it shall be deemed that the deductee has not furnished his Permanent Account Number to the deductor and the provisions of sub-section (1) shall apply accordingly.

Section 276-B. Failure to pay tax to the credit of Central Government

If a person fails to pay to the credit of the Central Government:—

- (a) the tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or
- (b) the tax payable by him, as required by or under—
 - (i) sub-section (2) of Section 115-O; or
 - (ii) second proviso to Section 194-B

he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine.

Section 276-BB. Failure to pay the tax collected at source

If a person fails to pay to the credit of the Central Government, the tax collected by him as required under the provisions of Section 206-C, he shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine.

Section 288-A. Rounding off of Income

The amount of total income computed in accordance with the foregoing provisions of this Act shall be rounded off to the nearest multiple of ten rupees and for this purpose any part of a rupee consisting of *paise* shall be ignored and thereafter if such amount is not a multiple of ten, then, if the last figure in that amount is five or more, the amount shall be increased to the next higher amount which is a multiple of ten and if the last figure is less than five, the amount shall be reduced to the next lower amount which is a multiple of ten; and the amount so rounded off shall be deemed to be the total income of the assessee for the purposes of this Act.

Section 288-B. Rounding off of tax, etc.

The amount of tax (including tax deductible at source or payable in advance), interest, penalty, fine or any other sum payable, and the amount of refund due, under the provisions of this Act shall be rounded off to the nearest rupee and for this purpose, where such amount contains a part of a rupee consisting of *paise*, then, if such part is fifty *paise* or more, it shall be increased to one rupee and if such part is less than fifty *paise*, it shall be ignored.

**Cash Awards — Exemption from Income Tax
O.M. No. 24/16/67-IT (AI), dated the 31st March, 1967**

Subject: *Cash Awards granted to Government servants for passing the Hindi Examinations conducted under the Ministry of Home Affairs Scheme*

It is directed to say that enquiries are being received from time to time whether the Cash Awards granted to Government servants for passing the Hindi Examinations conducted under the Ministry of Home Affairs Scheme for teaching Hindi to Central Government Servants, are to be included in their income for the purpose of calculating Income Tax. The position is that, such awards being in the nature of casual receipts, are exempted from tax under Section 10 (3) of the Income Tax Act, 1961, and are not to be included in the total income of the recipients.

[G.I., M.F. (D.R.), Notfn. No. S.O. 148 (E), dated 28-2-1991, circulated in G.I., M.F., (CBDT), O.M. No. F. 275/42/91-IT (B), dated 27-3-1991.]

Section 24: Deductions from Income from House Property

House Building Advance taken by the Central Government servants under House Building Advance Rules. Whether interest on such advance can be allowed as deduction under sub-section (1) (vi) when interest becomes due or when it is actually paid.

CBDT Circular No. 363, dated 27-6-1983.

1. I am directed to say that the Board has considered the question whether interest on House Building Advance taken by the Central Government servants under the House Building Advance Rules of the Ministry of Works and Housing can be allowed as deduction when the interest becomes due or when it is actually paid.

2. Under Rule 6 of the House Building Rules, advances granted to Central Government servants carry interest which runs from the date of advance. The following table gives the rate of interest.

3. Under Rule 8-A (a), the advance together with interest thereon is to be paid in full by monthly instalments within a period not exceeding 20 years. The recovery of the principal is made first in not more than 180 monthly instalments and then interest is recovered in not more than 60 instalments.

4. Under Section 24 (1) (vi) of the Income Tax Act, 1961, where property has been acquired or constructed with borrowed capital, a deduction in respect of amount of interest payable on such capitals is allowed in computing the income from house property. Since the word used is 'payable', deduction under Section 24 (1) (vi) would be on the basis of accrual of interest which would start running from the date of drawal of the advance. The interest that accrues is to be calculated annually in terms of Rule 6 of the House Building Advance Rules on the balances outstanding on the last day of each month.

5. The above instructions may be brought to the notice of all the Income Tax Officers working in your charge. If any appeals are pending on this point, they may be conceded in favour of the assessees.

Clarification regarding deduction in respect of contribution to pension scheme under Section 80-CCD of Income Tax Act

G.I., M.F., Cir. F. No. 275/192/2009-IT (B), dated 9-2-2010

Where the Central Government or any other employer makes any contribution to the account of employee for the pension scheme, the assessee shall also be allowed a deduction in the computation of his total income of the whole of the amount contributed by the Central Government or any other employer as does not exceed 10% of his salary in the previous year.

A number of representations have been received regarding deduction under Section 80-CCD for contribution made under pension scheme in the light of

Circular No. 1/2010, dated the 11th January, 2010 issued on the subject of Deduction of Tax at Source, etc.

It is clarified that in accordance with the provisions of Section 80-CCD, deduction in respect of contribution made by an individual in the previous year to his account under a pension scheme notified, is allowed in computation of his total income.

- (a) in the case of an employee, ten per cent of his salary in the previous year; and
- (b) in any other case, ten per cent of his gross total income in the previous year.

2. It is further clarified that where the **Central Government or any other employer** makes any contribution to the account of employee for the pension scheme, the assessee shall also be allowed a deduction in the computation of his total income of the whole of the amount contributed by the Central Government or any other employer as does not exceed 10% (*now 20%*) of his salary in the previous year.

3. Salary for the purpose of above Section (80-CCD) includes Dearness Allowance if the terms of employment so provide, but excludes all other allowances and perquisites.

4. It is further clarified that aggregate limit of deduction under this Section (80-CCD) along with Sections 80-C, 80-CCC shall not in any case exceed rupees One lakh fifty-thousand rupees.

Extracts from Income Tax Rules, 1962

2-A. Limits for the purpose of Section 10 (Clause 13-A).— The amount which is not to be included in the total income of an assessee in respect of the special allowance referred to in Clause 13-A of Section 10 shall be—

- (a) The actual amount of such allowance received by the assessee in respect of the relevant period; or
- (b) The amount by which the expenditure actually incurred by the assessee in payment of rent in respect of residential accommodation occupied by him exceeds one-tenth of the amount of salary due to the assessee in respect of the relevant period; or
- (c) An amount equal to—
 - (i) where such accommodation is situate at Mumbai, Kolkata, Delhi or Chennai, one half of the amount of salary due to the assessee in respect of the relevant period; and
 - (ii) where such accommodation is situate at any other place, two-fifths of the amount of salary due to the assessee in respect of the relevant period.
- (d) Deleted.

whichever is the least

EXPLANATION.— In this rule—

- (i) 'Salary' shall have the meaning assigned to it in Clause (h) of Rule 2 of the Part-A of the Fourth Schedule;
- (ii) 'Relevant period' means the period during which the said accommodation was occupied by the assessee during the previous year;
- (iii) Deleted.

Valuation of perquisites

3. For the purpose of computing the income chargeable under the Head "Salaries", the value of perquisites provided by the employer directly or indirectly to the assessee (hereinafter referred to as employee) or to any member of his household by reason of his employment shall be determined in accordance with the following sub-rules, namely:—

- (1) The value of residential accommodation provided by the employer during the previous year shall be determined on the basis provided in the Table below:—

TABLE - I

Sl. No.	Circumstances	Where the accommodation is unfurnished	Where the accommodation is furnished
(1)	(2)	(3)	(4)
(1)	Where the accommodation is provided by the Central Government or any State Government to the employees either holding office or post in connection with the affairs of the Union or of such State or serving with any body or undertaking under the control of such Government on deputation.	Licence fee determined by the Central Government or any State Government in respect of accommodation in accordance with the rules framed by such Government as reduced by the rent actually paid by the employee.	The value of perquisite as determined under Column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air conditioning plant or equipment) or if such furniture is hired from a third party, 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.
(2)	Where the accommodation is provided by any other employer and— (a) where the accommodation is owned by the employer, or (b) where the accommodation is taken on lease or rent by the employer.	(i) 15% of salary in cities having population exceeding 25 lakhs as per 2001 census; (ii) 10% of salary in cities having population exceeding 10 lakhs but not exceeding 25 lakhs as per 2001 census. (iii) 7.5% of salary in other areas. in respect of the period during which the said accommodation was occupied by the employee during the previous year as reduced by the rent, if any, actually paid by the employee. Actual amount of lease rental paid or payable by the employer or 15% of salary, whichever is lower as reduced by the rent, if any, actually paid by the employee.	The value of perquisite as determined under Column (3) and increased by 10% per annum 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 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. The value of perquisite as determined under Column (3) and increased by 10% per annum 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 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.

Sl. No. (1)	Circumstances (2)	Where the accommodation is unfurnished (3)	Where the accommodation is furnished (4)
(3)	Where the accommodation is provided by the employer specified in Sl. No. (1) or (2) in a hotel (except where the employee is provided such accommodation for a period not exceeding in aggregate 15 days on his transfer from one place to another).	Not applicable.	24% of salary paid or payable for the previous year or the actual charges paid or payable to such hotel, which is lower, for the period during which such accommodation is provided as reduced by the rent, if any, actually paid or payable by the employee.

Provided that nothing contained in this sub-rule would be applicable to any accommodation located in a 'remote area' provided to an employee working at a mining site or on an onshore oil exploration site, or a project execution site or an accommodation provided in an offshore site of similar nature:

Provided further that where on account of his transfer 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 the Table 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 Table.

EXPLANATION.— ***

- (v) "remote area" for purposes of proviso to this sub-rule means an area that is located at least 40 kilometers away from a town having a population not exceeding 20,000 based on latest published All-India Census.
- (vi) "Salary" includes the pay, allowances, bonus or commission payable monthly or otherwise or any monetary payment by whatever name called from one or more employees, as the case may be, but does not include the following, namely:—
- dearness allowance or dearness pay unless it enters into the computation of superannuation or retirement benefits of the employee concerned;
 - employer's contributions to the provident fund account of the employee;
 - allowances which are exempted from payment of tax;
 - the value of perquisites specified in Clause (2) of Section 17 of the Income Tax Act;
 - any payment or expenditure specifically excluded under proviso to sub-clause (iii) of Clause (2) or proviso to Clause (2) of Section 17.

2-BB. Prescribed allowances for the purposes of Clause (14) of Section 10.— (1) For the purposes of sub-clause (i) of Clause (14) of Section 10, prescribed allowances, by whatever name called, shall be the following, namely :—

- (a) any allowance granted to meet the cost of travel on tour or on transfer;
- (b) any allowance, whether, granted on tour or for the period of journey in connection with transfer, to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty;
- (c) any allowance granted to meet the expenditure incurred on conveyance in performance of duties of an office or employment of profit :
Provided that free conveyance is not provided by the employer;
- (d) any allowance granted to meet the expenditure incurred on a helper where such helper is engaged for the performance of the duties of an office or employment of profit;
- (e) any allowance granted for encouraging the academic, research and training pursuits in educational and research institutions;
- (f) any allowance granted to meet the expenditure incurred on the purchase or maintenance of uniform for wear during the performance of the duties of an office or employment of profit.

EXPLANATION.— For the purpose of Clause (a), "allowance granted to meet the cost of travel on transfer" includes any sum paid in connection with transfer, packing and transportation of personal effects on such transfer.

(2) For the purposes of sub-clause (ii) of Clause (14) of Section 10, the prescribed allowances, by whatever name called, and the extent thereof shall be the following, namely :—

TABLE

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
1.	Any Special Compensatory Allowance in the nature of [Special Compensatory (Hilly Areas) Allowance] or High Altitude Allowance or Uncongenial	I. (a) Manipur Mollan / RH-2365. (b) Arunachal Pradesh (i) Kameng; (ii) North Eastern Arunachal Pradesh where heights are 9,000 ft. and above; (iii) Areas east or west of Siang and Subansiri sectors	₹ 800 per month

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
	Climate Allowance or Snow Bound Area Allowance or Avalanche Allowance	<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 Subdivisions and other areas of heights at 9,000 ft. and above.</p> <p>(e) Himachal Pradesh</p> <p>(f) 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 Bastigarh, Bilwar, Batote and Patnitop.</p> <p>(iv) All areas ahead of Zojila served by Road Srinagar-Zojila-Leh in Leh District.</p> <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>	

1007 - Radio 0226 on Navigation
Pass 0217

(10) Through - All areas west of North-
Star Pass Through Range and on
Navigation Range and beyond
of it

(11) Lower and Middle sub-sections
All areas along the line Pass
through 0220 to 2, 2.5, 3.75 and
beyond of Navigation Range

Cap Passage, Through and
Dropout

(12) Section west of Through and Lower

(13) All places located at heights of 1000 meters
or more above the sea level other than
places specified at (1) and (2) above

(14) Little Andaman, Nicobar and Navigation
Islands

(15) North and Middle Andaman

(16) Throughout Lakshadweep and Minicoy
Islands

(17) All places on or north of the following
communication line

Pass 1000 (2001) to Radio 025 2000-
Mans 025 0777 - Subang 021 1379-
Kannay, Khasman 021 2000 - Mysore
021 7374 - Lower Line to its junction
with the over Land 021 2226 - Radio
- Mysore 021 7010 - Cochin 021 9700

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
		<p>(e) Following areas in Himachal Pradesh:-</p> <p>(i) Pangi Tehsil of Chamba District:-</p> <p>(ii) Following Panchayats and villages of Bharmour Tehsil of Chamba District:</p> <p>(A) <i>Panchayat</i> : Badgaun, Bajol, Deol Kugti Nayagam and Tundah.</p> <p>(B) <i>Villages</i> : Ghatu of Gram Panchayat Jagat Kanarsi of Gram Panchayat, Cauhata.</p> <p>(iii) Lahaul and Spiti District;</p> <p>(iv) Kinnaur District:</p> <p>(A) Asrang, Chitkul and Hango Kuno Charang Panchayats;</p> <p>(B) 15/20 Area comprising the Gram Panchayats of Chhota Khamba, Nathpa and Rup;.</p> <p>(C) Pooh Sub-Division excluding the Panchayat Areas specified above.</p> <p>(v) 15/20 Area of Rampur Tehsil comprising of Panchayats of Koot, Labana-Sadana, Sarpara and Chandi Branda of Shimla District.</p> <p>(vi) 15/20 Area of Nirmand Tehsil, comprising the Gram Panchayats of Kharga, Kushwar and Sarga of Kullu District.</p> <p>(f) Chimgtuipui District of Mizoram and areas beyond 25 km. from Lunglei town in Lunglei District of Mizoram.</p> <p>(g) Following areas in Jammu and Kashmir:-</p> <p>(i) Niabat Bani, Lohi, Malhar and Macchodi of Kathua District;</p>	

areas specified in III (1) (c) below
in Lehmapur District.

(10) Blocks of Padder and Nishan
Talagani in Lehmapur District of
Dada District.

(11) Lab District.

(12) Bansi Gaur, Nishan, Langhat
Sub-Divisions and Lasa Block of
Banswari District.

4. Following areas of Uttar Pradesh

(13) Faizabad District.

(14) Faizabad District.

(15) Ghazipur District.

(16) Throughout Mirzapur District.

5. Inclusions in the Commercial Block of
India and the Restrictive Importation Zone
of India.

III. (a) Throughout Assam and Pradesh other
than areas specified by areas specified
in I (c) above.

(b) Throughout Nagaland State.

(c) South Andaman (including Port
Blair).

(d) Throughout Langkat District
(including areas beyond 25 km. from
Langkat town) of Indonesia.

(e) Throughout Kalimantan, Ampang
and Kluang in Trogas.

(f) Inclusive areas in Indonesia and

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
		<p>(g) Following areas in Himachal Pradesh :-</p> <p>(i) Bharmour Tehsil, excluding Panchayats and villages covered by those specified at I (e) (ii) above of Chamba District;</p> <p>(ii) Chhota Bhangal and Bara Bhangal area of Kangra District;</p> <p>(iii) Kinnaur District other than areas specified at I (e) (iv);</p> <p>(iv) Dodra - Kavar Tehsil, Gram Panchayats of Darkali in Rampur, Kashapath Tehsil and Munish, Ghori Chaibis of Pargana Sarahan of Shimla District.</p>	
		<p>IV. (a) Throughout Aizawal District of Mizoram;</p> <p>(b) Throughout Tripura except areas those specified at III (e);</p> <p>(c) Throughout Manipur;</p> <p>(d) Following areas of Himachal Pradesh :-</p> <p>(i) Jhandru Panchayat in Bhatiyat Tehsil, Churah Tehsil, Dalhousie Town (including Banikhet proper) of Chamba District;</p> <p>(ii) Outer Seraj (excluding Village of Jakat-Khana and Burow in Nirmand Tehsil of Kullu District);</p> <p>(iii) Following areas of Mandi District :</p> <p>(A) Chhuhar Valley (Joginder-nagar Tehsil);</p> <p>(B) Bagra, Chhatri, Chhotdhar, Garagushain, Gato, Gharyas, Jan-jehli, Jaryar, Johar Kalhani Kalwan, Kholanal, Loth, Silibagi, Somachan, Thachdhar, Tachi and Thana Panchayats of Thunag Tehsil;</p>	₹ 750 per month

SWAMY'S — INCOME TAX ON SALARIES

(1)	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
	(2)	(3)	(4)
		<p>(C) Binga, Kamlah, Saklana, Tanyar and Tarakholah, Panchayats of Dharampur Block;</p> <p>(D) Balidhar, Bagra, Gopalpur, Khajol, Mahog, Mehudi, Manj, Pekhi, Sainj, Sarahan and Teban, Panchayats of Karsog Tehsil;</p> <p>(E) Bohi, Batwara, Dhanyara, Paura-Kothi, Seri and Shoja, Panchayats of Sundernagar Tehsil.</p> <p>(iv) Following areas and offices of Kangra District :-</p> <p>(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, Shamnagar; 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;</p> <p>(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, Bundla; Electrical Sub-Division, Lohna; D.P.O. Corporation, Bundla and Electrical HPSEE</p>	

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
		<p>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 Ghori 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 :- 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>	

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
		V. Jog Falls in Shimoga District in Karnataka.	₹ 300 per month.
		VI. (a) Throughout the State of Himachal Pradesh other than areas covered by those specified in I (e), III (g) and IV (d)	₹ 200 per month.
		(b) Throughout the State of Assam and Meghalaya	
3.	Special Compensatory (Tribal Areas / Schedule Areas / Agency Areas) Allowance	(a) Madhya Pradesh (b) Tamil Nadu (c) Uttar Pradesh (d) Karnataka (e) Tripura (f) Assam (g) West Bengal (h) Bihar (i) Orissa	₹ 200 per month.
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 ₹ 10,000 per month.
5.	Children Education Allowance	Whole of India	₹ 100 per month per child up to a maximum of two children.

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
6.	Any allowance granted to an employee to meet the hostel expenditure on his child	Whole of India	₹ 300 per month per child up to a maximum of two children.
7.	Compensatory Field Area Allowance	<p>(a) Following areas in Arunachal Pradesh:—</p> <p>(i) Tirap and Changlang Districts;</p> <p>(ii) All areas North of line joining point 4448 in LZ 4179-Nukme Dong MS 3272-Sepia 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.</p> <p>(b) Throughout Manipur and Nagaland</p> <p>(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.</p> <p>(d) Following areas in Himachal Pradesh : All areas East of line joining Umasila NV 3951- Udaipur NY 8663-Manikaran SB 2300-Pir Parbati Pass TA 1459-Taranda TA 2335-Barasua Pass TA 8801, all inclusive.</p> <p>(e) Following areas in Uttar Pradesh :— All areas North and North-East of line joining Barasua Pass Gangnani TG 1362-Govind Ghat TG 0937-Tapovan TH 1822-Musiani 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>	₹ 2,600 per month

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
8.	Compensatory Modified Field Area Allowance	<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> <p>(a) Following areas in Punjab and Rajasthan:— Areas West of line joining Jessai, Barmer, Jaisalmer, Pokharan, Udasar, Mahajan Ranges, Suratgarh, Lalgarh, Jattan, Abohar, Govindgarh, Fazilka, Jandiala Guru, Moga, Dholewal, Deas, Bir Sarangwal, Hussainiwala, Dera Baba Nanak, Laisain pulge up to the international border, all inclusive.</p> <p>(b) Following area in Haryana :— Satrod (Hissar).</p> <p>(c) Following areas in Himachal Pradesh :— Areas North of line joining Narkhanda, Keylong up to Field Area line / High Altitude line.</p> <p>(d) Following areas in Arunachal Pradesh and Assam :—</p> <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>	₹ 1,000 per month

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
		<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 up to the High Altitude line / field area line / international 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 up to 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 up to 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 up to the existing High altitude line, all inclusive.</p>	
9.	Any 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	₹ 3,900 per month
10.	Omitted.		

Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
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 commuting between the place of his residence and the place of his duty	Whole of India	₹ 3,200 per month.
12.	Underground Allowance granted to an employee who is working in uncongenial, unnatural climate in underground [***] mines	Whole of India	₹ 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	₹ 1,060 per month. ₹ 1,600 per month.

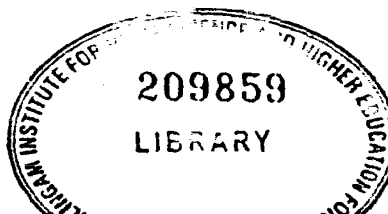
Sl. No.	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
14.	Any special allowance granted to the members of the Armed Forces in the nature of special compensatory highly active Field Area Allowance	Whole of India	₹ 4,200 per month.
15.	Any special allowance granted to the member of the Armed Forces in the nature of Island (Duty) Allowance	Andaman and Nicobar and Lakshadweep Group of Islands	₹ 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.

11-DD. Specified diseases and ailments for the purpose of deduction under Section 80-DDB.— (1) For the purposes of Section 80-DDB, the following shall be the eligible diseases or ailments :-

- (i) Neurological Diseases where the disability level has been certified to be of 40% and above,—
- (a) Dementia ;
 - (b) Dystonia Musculorum Deformans ;
 - (c) Motor Neuron Disease ;
 - (d) Ataxia ;
 - (e) Chorea ;
 - (f) Hemiballismus ;



- (g) Aphasia ;
- (h) Parkinsons Disease ;
- (ii) Malignant Cancers ;
- (iii) Full Blown Acquired Immuno-Deficiency Syndrome (AIDS) ;
- (iv) Chronic Renal failure ;
- (v) Hematological disorders :
 - (i) Hemophilia ;
 - (ii) Thalassemia.

(2) The prescription in respect of the diseases or ailments specified in sub-rule (1) shall be issued by the following specialists:—

- (a) for diseases or ailments mentioned in Clause (i) of sub-rule (1) – a Neurologist having a Doctorate of Medicine (D.M.) degree in Neurology or any equivalent degree, which is recognized by the Medical Council of India;
- (b) for diseases or ailments mentioned in Clause (ii) of sub-rule (1) – an Oncologist having a Doctorate of Medicine (D.M.) degree in Oncology or any equivalent degree which is recognized by the Medical Council of India;
- (c) for diseases or ailments mentioned in Clause (iii) of sub-rule (1) – any specialist having a post-graduate degree in General or Internal Medicine, or any equivalent degree which is recognized by the Medical Council of India;
- (d) for diseases or ailments mentioned in Clause (iv) of sub-rule (1) – a Nephrologist having a Doctorate of Medicine (D.M.) degree in Nephrology or a Urologist having a Master of Chirurgiae (M.Ch.) degree in Urology or any equivalent degree, which is recognized by the Medical Council of India;
- (e) for diseases or ailments mentioned in Clause (v) of sub-rule (1) – a specialist having a Doctorate of Medicine (D.M.) degree in Hematology or any equivalent degree, which is recognized by the Medical Council of India :

Provided that where in respect of any diseases or ailments specified in sub-rule (1), the patient is receiving the treatment in a Government hospital, the prescription may be issued by any specialist working full-time in that hospital and having a postgraduate degree in General or Internal Medicine or any equivalent degree, which is recognized by the Medical Council of India.

(3) The prescription referred to in sub-rule (2) shall contain the name and age of the patient, name of the disease or ailment along with the name,

address, registration number and the qualification of the specialist issuing the prescription:

Provided that where the patient is receiving the treatment in a Government hospital, such prescription shall also contain the name and address of the Government hospital.

FORM NO. 10 - I
(See Rule 11 - DD)

1. Name of the Patient
2. Address
3. Name and details of disease ailment ...
(Please see Rule 11-DD)
4. The date of commencement of treatment ...
5. Name, address, registration No. of the
Prescribed Authority [See Rule 11-DD (2)].

Verification

I certify that the information furnished above is true to the best of my knowledge and the patient is suffering from above-mentioned chronic and protracted disease as defined in Section 80-DDB of Income Tax Act, 1961, read with Rule 11-DD of Income Tax Rules, 1962.

Signature

(Name and Address)

11

Recoveries from Pay

EFFECTING OF RECOVERIES

AUTHORS' NOTE.— Consequent to the acceptance of the Seventh Pay Commission Report by the Government, all interest from advances, except the following, have been abolished with effect from 7-10-2016.—

- (i) Advance of T.A. on Tour / Transfer / Retirement
- (ii) Advance of LTC.
- (iii) Advance of T.A. to family of a deceased Government servant
- (iv) Advance for medical treatment.

Therefore, advance of pay on transfer is abolished with effect from 7-10-2016.

(A) Advances from Provident Fund.— Temporary advance from the GPF are recoverable in 24 instalments or less. In case where the amount of advance exceeds three months' pay under Rule 12 (2) of the GPF (CS) Rules, the sanctioning authority may permit recovery up to 36 instalments. No interest is payable on such advance.

Recovery of GPF advance should commence with the issue of pay for the month following the one in which the advance was drawn. When an advance is sanctioned under Rule 12 (2) before repayment of any previous advance is completed, the balance of any previous advance not recovered shall be added to the advance so sanctioned and the instalments for recovery shall be fixed with reference to the consolidated amount. In such a case, the recovery of the instalment of repayment of the previous advance shall continue to be made from the salary for the month in which the fresh advance is sanctioned.

While the officer is in receipt of Subsistence Allowance, recovery should not be made except with his consent. Similarly, recovery should not be made except with the subscriber's consent, while he is on leave for not less than ten days in a calendar month which either does not carry any leave salary or carries leave salary equal to or less than half pay. If the subscriber is on such leave during part of a month, the recovery of GPF advance should not be made, unless he consents to it, nor should any proportionate recovery be made for the duty period. When recovery of advance of pay is made, the recovery of GPF advance may be postponed by the authority who sanctioned the GPF advance on the written request of the subscriber.

(B) **Advance for purchase of conveyance.**— Recovery will commence with the first issue of pay and/or leave salary after the advance is drawn. The recovery will be effected even if the Government servant goes on leave of any kind with leave salary. The recoveries are to be made also from Subsistence Allowance while under suspension. (Note the difference between GPF advance and the Advance for the purchase of conveyance in the matter of commencement of recovery and recoveries during leave or suspension.)

After the principal has been completely recovered, simple interest at the rate specifically fixed for the purpose by the Government and prevailing on the date of drawal of the advance will have to be recovered.

The rate of interest prescribed for advances drawn during various years are as under—

Advance drawn during	Rate per cent for		
	Motor Car	Motor Cycle, Scooter	Cycle
1993-2000	15	11.5	9.0
2000-01	14	10.5	8.0
2001-02	13	9.5	7.0
2002-03	12.5	9	6.5
2003-04 to 2009-11	11.5	8	5.5*
2011-12 to 2015-16	11.5**	9**	

* No interest for Cycle Advance sanctioned on or after 7-10-2008 and Advance for purchase of bicycle abolished with effect from 1-1-2016.

** The interest bearing advance relating to Motor Car and Motor Cycle / Scooter / Moped stand discontinued vide G.I., M.F., O.M. No. 12 (1)/E.II (A)/2016, dated 7-10-2016.

The interest will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal was recovered.

Calculation of interest may be made by applying the following formulae:—

I. Cases where the principal has been repaid in equal number of instalments from month to month.

$$\text{Interest} = \frac{n(n+1)}{2} \times \frac{x}{12} \times \frac{r}{100}$$

Where n = No. of instalments of repayment;

x = Amount of each instalment; and

r = Rate of interest.

1. The rate of interest prescribed for advances drawn during various years are as under—
 2. The interest will be recovered in one or more instalments, each such instalment being not appreciably greater than the instalments by which the principal was recovered.
 3. Calculation of interest may be made by applying the following formulae:—
 I. Cases where the principal has been repaid in equal number of instalments from month to month.
 Interest = $\frac{n(n+1)}{2} \times \frac{x}{12} \times \frac{r}{100}$
 Where n = No. of instalments of repayment;
 x = Amount of each instalment; and
 r = Rate of interest.

II. Cases where a portion of the principal is paid in equal monthly instalments, and the balance is paid in lumpsum.

$$\text{Interest} = \frac{n}{2} (a + l) \times \frac{r}{100} \times \frac{1}{12}$$

Where n = No. of instalments of repayment including last instalment or lumpsum payment;

a = Amount of principal;

l = Last balance for which interest is due; and

r = Rate of interest.

III. Cases where recovery is not regular.

The balances outstanding on the last day of each month should be added up. Then—

$$\text{Interest} = \text{Total interest-bearing balance} \times \frac{1}{12} \times \frac{r}{100}$$

NOTE.— In the case of recoveries effected through monthly salary bills which are disbursed on the last working day of the month, the amount recovered should be taken as if recovered in the succeeding month for the purpose of determining the outstanding balance on the last day of the month.

If the balance amount is repaid in lump (on one or more occasions) in the same month, all these payments along with payment through the pay bill should be taken as one instalment for calculation of interest as per the formula, e.g.—

Advance ₹ 10,000 paid on 3-3-2016. Repaid in monthly instalments of ₹ 250 from pay for March, 2016 and lumpsums of ₹ 5,000 on 8-6-2017 and ₹ 1,250 on 17-6-2017. Rate of interest 9%. The interest in this case will be—

No. of instalments March, 2016, paid in April, 2016 to April, 2017, paid on 30-4-2017	...	...	...	14
May, 2017, paid on 31-5-2017 and lumpsums paid on 8-6- and 17-6-				1
			Total	15

Amount of lumpsum repayment (' l ' in the formula) = ₹ 6,500 (₹ 250 paid through pay bill + ₹ 5,000 + ₹ 1,250)

Interest

Formula method

$$\begin{aligned} & \frac{n}{2} (a + l) \times \frac{r}{100} \times \frac{1}{12} \\ &= \frac{15}{2} (10,000 + 6,500) \times \frac{9}{100} \times \frac{1}{12} \\ &= \frac{15 \times 16,500 \times 9 \times 1}{2 \times 100 \times 12} \\ &= ₹ 928 \end{aligned}$$

IBB Method

Month	IBB ₹	Month	IBB ₹
March, 2016 ...	10,000	December, 2016 ...	7,750
April ...	9,750	January, 2017 ...	7,500
May ...	9,500	February ...	7,250
June ...	9,250	March ...	7,000
July ...	9,000	April ...	6,750
August ...	8,750	May ...	6,500
September ...	8,500	June ...	Nil
October ...	8,250		42,750
November ...	8,000		81,000
	<u>81,000</u>		<u>1,23,750</u>

$$\text{Interest} = \frac{1,23,750 \times 9 \times 1}{100 \times 12} \times ₹ 928$$

EXAMPLES

1. Calculate the interest on the Scooter Advance granted to an officer, from the following data:—

Amount of advance ... ₹ 24,000
Date of drawal of the advance ... 27-8-2016

The officer was to repay the advance in 60 monthly instalments of ₹ 400 each.

The officer completed the negotiations for purchase and finally paid for the Scooter on 25-10-2016.

He had applied in time for the extension of time-limit for completing the negotiations and the extension was granted by the Head of the Department.

Recovery of advance was commenced from his pay bill for September, 2015, paid on 30-9-2016.

He refunded in cash ₹ 1,000 being the amount of advance in excess of the actual price of the Scooter on 26-10-2016.

The officer repaid the entire balance outstanding on 28th March, 2019.

The rate of interest is 9%.

Indicate the irregularity in the above transaction.

Ans.

		₹			₹
August,	2016	24,000	November,	2017	17,400
September,	"	24,000	December,	"	17,000
October,	"	22,600	January,	2018	16,600
November,	"	22,200	February,	"	16,200
December,	"	21,800	March,	"	15,800
January,	2017	21,400	April,	"	15,400
February,	"	21,000	May,	"	15,000
March,	"	20,600	June,	"	14,600
April,	"	20,200	July,	"	14,200
May,	"	19,800	August,	"	13,800
June,	"	19,400	September,	"	13,400
July,	"	19,000	October,	"	13,000
August,	"	18,600	November,	"	12,600
September,	"	18,200	December,	"	12,200
October,	"	17,800	January,	2019	11,800
			February,	"	11,400
			Total		5,41,000

$$\text{Interest} = 5,41,000 \times \frac{9}{100} \times \frac{1}{12} = ₹ 4,057.50$$

$$= ₹ 4,058$$

NOTES.— 1. The interest should be calculated on the balance outstanding on the last date of each month.

2. The rate of interest should be determined with reference to the date on which advance is drawn.

3. In the case of recovery of instalments through monthly salary bills, though disbursement of salary is made on the last working day of the month, the repayment shall be deemed to have been made on the first of the succeeding month. As for example, a recovery of advance made from the salary bill for September, will be taken into account only in October for the purpose of casting of Interest Bearing Balance.

Irregularity.— The first instalment was recoverable from the officer's pay for August, 2016, instead of September, 2016.

2. A Gazetted Officer of the P & T Dept. took an advance of ₹ 19,200 for the purchase of a Motor Cycle on 25-1-2016, recoverable in 48 instalments of ₹ 400 each. Calculate the interest payable by the officer and indicate the number of instalments in which the interest should be recovered as also the amount of each instalment. The rate of interest is 9 per cent per annum.

Ans.

$$\begin{aligned} \text{Interest} &= \frac{n(n+1)}{2} \times \frac{x}{12} \times \frac{r}{100} \\ &= \frac{48 \times 49}{2} \times \frac{400}{12} \times \frac{9}{100} = ₹ 3,528 \end{aligned}$$

The interest will be recovered in nine instalments, the first eight being ₹ 400 each and the last ₹ 328.

3. A Government servant drawing the pay of ₹ 10,760 p.m. was paid an advance of ₹ 20,000 on 5-4-2016, towards purchase of Motor Cycle. The prescribed rate of interest is 9% p.a.

- (a) The Government servant did not effect the purchase but refunded the whole amount of advance on 21-7-2016. Indicate the amount of interest payable by the Government servant if he had obtained sanction of the Head of the Department for extension of time-limit for the purchase.
- (b) What is the amount of interest payable by the Government servant if he had not obtained the sanction of the Head of the Department for extension of time-limit for the purchase?

Ans.

- (a) For the first two months Interest will be calculated at the prescribed rate of 9%
- For the actual period beyond two months Interest will be calculated at a rate of 11.5% p.a., i.e., $2\frac{1}{2}\%$ above the prescribed rate.

The amount of interest payable by the Government servant is therefore—

$$₹ 20,000 \times \frac{2}{12} \times \frac{9}{100} = ₹ 300.00$$

$$₹ 20,000 \times \frac{1}{12} \times \frac{11\frac{1}{2}}{100} \times \left[\frac{26}{30} + \frac{20}{31} \right] = ₹ 291.35$$

$$\text{Total interest payable (rounded)} = ₹ 591.35 \text{ or } 591$$

(b) Interest will be payable at the prescribed rate of 9% p.a. of the amount of advance for the first one month, and at 11.5% for the actual period in excess of first one month. The amount of interest payable will be—

$$₹ 20,000 \times \frac{1}{12} \times \frac{9}{100} = ₹ 150.00$$

$$₹ 20,000 \times 2 \times \frac{16}{31} \times \frac{1}{12} \times \frac{11.5}{100} = ₹ 482.26$$

$$\text{Total interest payable (rounded)} = ₹ 632$$

The amount of interest payable by the Government servant is therefore—

(C) **House Building Advance.**— The advance granted to the Government servants for construction / purchase of houses / flats are to be recovered as per the terms of the Mortgage Deed executed by the official, at the time of sanction of the advance. In the case of advance for purchase of ready-built houses / flats, the recovery should be commenced from the pay of the month following the payment of the advance; in the case of advance for construction of house, the recovery should commence from the pay of the month following the completion of construction of the house or the pay of the 18th month after the date of payment of the first instalment, whichever is earlier. If the advance is for purchase of plot and construction of house, the recovery should commence from the pay of the month following the completion of the house or from the pay of 24th month after the date on which the first instalment is paid, whichever is earlier.

For advances sanctioned on or after 25-11-1985, the interest will be charged based on the amount of advance sanctioned instead of at the slab rates, and the rate of interest will be as follows:—

If the sanctioned HBA is up to	Rate of interest p.a.					
	26-7-90 to 15-12-97	16-12-97 to 31-3-2001	1-4-2001 to 31-3-2002	1-4-2002 to 31-3-2003	1-4-2003 to 31-3-2012	From 1-4-2012
₹ 50,000	7 $\frac{1}{2}$ %	7 $\frac{1}{2}$ %	6 $\frac{1}{2}$ %	6 %	5 %	6 %
₹ 1,00,000	9 %	9 %	8 %	7 $\frac{1}{2}$ %	6 $\frac{1}{2}$ %	7 $\frac{1}{2}$ %
₹ 1,50,000	10 %	9 %	8 %	7 $\frac{1}{2}$ %	6 $\frac{1}{2}$ %	7 $\frac{1}{2}$ %
₹ 2,00,000	11 %	11 %	10 %	9 $\frac{1}{2}$ %	8 $\frac{1}{2}$ %	9 %
₹ 2,25,000	11 $\frac{1}{2}$ %	11 %	10 %	9 $\frac{1}{2}$ %	8 $\frac{1}{2}$ %	9 %
₹ 2,50,000	12 %	11 %	10 %	9 $\frac{1}{2}$ %	8 $\frac{1}{2}$ %	9 %
₹ 5,00,000	...	11 %	10 %	9 $\frac{1}{2}$ %	8 $\frac{1}{2}$ %	9 %
₹ 7,50,000	...	12 %	11 %	10 $\frac{1}{2}$ %	9 $\frac{1}{2}$ %	9 $\frac{1}{2}$ %

For example, an official obtaining a loan of ₹ 50,000 on 1-10-1990, will be charged interest at 7 $\frac{1}{2}$ % while the same official will have to pay interest at 9% if he obtains a loan of ₹ 50,500.

Interest is calculated on the balance of HBA outstanding on the last day of the month, i.e., on the IBB just like calculation of interest on advance for purchase of conveyance, etc.

The rate of interest on HBA for the financial year 2017-2018 onwards is 8.50%. This shall be reviewed every three years to be notified in consultation with Ministry of Finance.

— OM, dated 9-11-2017.

(D) **Attachment for debt and maintenance.**— The extent to which pay and allowances of a Government servant are exempt from Court attachment is as follows:—

- (1) Salary to the extent of the first one thousand rupees and two-thirds of the remainder in execution of any decree other than a decree for maintenance.

Where such salary or portion has been under attachment continuously or intermittently for a total period of twenty-four months, such portion shall be exempt from attachment until the expiry of further period of twelve months and where such an attachment has been made in execution of one and the same decree, shall, after the attachment has continued for a total period of twenty-four months, be finally exempt from attachment in execution of that decree.

- (2) One-third of the salary in execution of any decree for maintenance.
- (3) The following allowances are exempt from attachment:—
- (i) All kinds of travelling allowances.
 - (ii) All kinds of conveyance allowances.
 - (iii) All allowances granted for meeting the cost of uniforms and rations.
 - (iv) Allowances granted as compensation for higher cost of living in localities considered by Government to be expensive localities including hill stations.
 - (v) All house rent allowances.
 - (vi) All allowances granted to provide relief against increased cost of living.
 - (vii) A foreign allowance or, in the case of Heads of Diplomatic Mission, *trais de representation* assigned to officers serving in posts abroad.
 - (viii) Children's Education Allowance, whether described as such or as Children's Educational Assistance or in any other manner.
 - (ix) All amounts paid by way of reimbursement of medical expenses.
 - (x) Dearness pay, which is really a part of the Dearness Allowance and is treated as pay for certain specific purpose only.
 - (xi) Subsistence allowance paid while under suspension.

(4) The net amount attachable = $\frac{(x - y) - 1,000}{3}$

The total gross emoluments earned by the Government servant are represented by 'X', and the allowances declared to be exempt from attachment and, if the Government servant is under suspension, any subsistence grant or allowance made to him are represented by 'Y'.

[Rules 222 and 223, P & T, FHB, Vol. I, Rule 74 of R & P Rules and Rules 225 and 226 of CTR.]

- (5) If an order of attachment against Government servant is received before a previous order of attachment against the same Government servant has been fully complied with, the recoveries shall be made by the Disbursing Officer so long as the total amount recoverable with reference to the attachment order is within the maximum limits prescribed above.

- (6) If a new attachment order has the result of increasing the amount beyond the maximum limits prescribed, the Disbursing Officer shall return the attachment order to the Court concerned with a statement showing—
- (i) Particulars of the existing attachment;
 - (ii) Particulars of the amount withheld and paid into the Court concerned up to date; and
 - (iii) Amount remaining uncovered.

[Rule 223-A, P & T, FHB, Vol. I, Rule 75, R & P Rules and Rule 226-A, CTR]

- (7) The amount recoverable should be deducted at the time of actual disbursement of pay or leave salary to the Government servant and only the net amount should be paid to him. The amount recovered should be remitted without delay to the Court concerned.
- (8) In the case of an attachment order issued by a Court in India against a Government servant whose pay and allowances are to be disbursed outside the local limits to which the Code of Civil Procedure extends, the Drawing and Disbursing Officer of the concerned Ministry / Department in India will be responsible for drawing the amounts recoverable monthly in compliance with the attachment order and remitting them to the Court concerned, unless timely intimation is received by him of the death of the Government servant or of any other event necessitating the discontinuance of such payments.
- (9) In cases in which a judgment-debtor does not sign the Acquittance Roll and intentionally allows his pay to remain undisbursed in order to evade payment on account of an attachment order issued by a Court of Law, the Head of the Office may draw the pay of the judgment-debtor in satisfaction of the attachment order, subject to the prescribed restrictions, and remit the amount to the Court concerned.
- (10) The amounts drawn under Paras. 8 and 9 above shall be treated in the accounts as paid to the Government servant concerned, and the Court's order shall be noted against the item as authority for the charge. The Court's receipt shall be filed safely.

[Rule 225, P & T, FHB, Vol. I, Rule 77 of R & P Rules and Rule 228, CTR.]

NOTE.— The cost, if any, of remittance to a Court, of money realized under its attachment order shall be deducted from the amount realized and the net amount remitted to the Court.

[Rule 226, P & T, FHB, Vol. I, Rule 78 of R & P Rules and Rule 229, CTR.]

AUTHORS' NOTE.— *In the solved problems, the amount recoverable has been shown as a constant figure for the sake of convenience. In actual practice, this figure should be worked out every time when there is a change in the pay.*

EXAMPLES

AUTHORS' NOTE.— Pay in the Pay Level as per Pay Matrix of the Seventh CPC Report has been given in the Examples as "Pay".

1. An Officer was drawing pay of ₹ 66,000 in the Pay Level 7 from 1-7-2019. In addition, he is in receipt of HRA ₹ 10,560 and Transport Allowance ₹ 2,070 p.m. A Court attachment order for the first time in his service for the recovery of ₹ 5,29,700 from his salary was received in August, 2019. The attachment order is not for maintenance. Calculate the amount recoverable each month and the total amount that can be recovered.

Ans.

All the allowances, except pay, are exempt from attachment by order of the Court. Hence, the amount that can be recovered from the salary of the officer in satisfaction of the decree will be—

1-8-2019 to 30-6-2020 (Salary for August, 2019 to June, 2020).

	₹		₹
Emolument	66,000		
Deduct first ₹ 1,000	(-) 1,000		
Remainder	<u>65,000</u>		
Deduct ⅓ rd of the remainder exempted	(-) 43,333		
Amount recoverable	<u>21,667</u>	p.m. x 11	2,38,337
1-7-2020 to 30-6-2021			
Emolument	68,000		
Deduct first ₹ 1,000	(-) 1,000		
Remainder	<u>67,000</u>		
Deduct ⅓ rd of the remainder exempted	<u>44,667</u>		
Amount recoverable	<u>22,333</u>	p.m. x 12	2,67,996
July, 2021			
Emolument	70,000		
Deduct first ₹ 1,000	(-) 1,000		
Remainder	<u>69,000</u>		
Deduct ⅓ rd of the remainder exempted	<u>46,000</u>		
Amount recoverable	<u>23,000</u>	p.m. x 1	<u>23,000</u>
Total amount recoverable in respect of the decree =			<u>5,29,333</u>

Under Section 60 (1) of Code of Civil Procedure, the portion of the salary which is under attachment either continuously or intermittently for a total period

of 24 months shall be exempt from attachment until the expiry of a further period of 12 months. The same attachment order cannot be enforced again after the expiry of 12 months. Though the attachment is for ₹ 5,29,700, the total amount that can be recovered from the salary of the officer will be only ₹ 5,29,333.

2. Calculate the maximum amount recoverable on 30-9-2019 from the salary of a Government servant against whom a Court attachment order for ₹ 93,000 was received on 15-9-2019. Particulars of his pay, etc., are as follows:—

Pay ₹ 60,400 p.m. (Pay in Pay Level 7).

D.A. 15%; HRA ₹ 9,664; Transport Allowance ₹ 2,070;

A sum of ₹ 1,500 p.m. was being attached from his salary for a period of 24 months till December, 2019 in satisfaction of a decree in another case.

Ans.

Emoluments for September payable on 30-9-2019—				₹
Pay in Pay Level 7	...	...	...	60,400
DA 15%	...	...	...	9,060
HRA 16%	...	...	...	9,664
Transport Allowance	...	...	...	2,070
			Total	<u>81,194</u>
Less: amount exempt from attachment—				₹
DA	...	...	9,060	
HRA	...	...	9,664	
Transport Allowance	...	...	2,070	<u>20,794</u>
Net emoluments				<u>60,400</u>
Amount attachable	=	$\frac{(\text{₹ } 60,400 - 1,000)}{3}$		= 19,800
Less: Portion of salary under attachment continuously for 24 months				...
Balance attachable	...	...	...	<u>18,300</u>
Recovery				
₹ 18,300 x 4 (Sep. to Dec. 2019)	...	...	...	73,200
₹ 19,200 x 1 (Jan. 2019)	...	...	...	<u>19,800</u>
				<u>93,000</u>

NOTE.— The amount of ₹ 1,500 which was under attachment for a period of twenty-four months continuously shall be exempt from attachment until the expiry of a further period of twelve months reckoned from January, 2019 to December, 2019 — vide Section 60 (1) of the Code of Civil Procedure, 1908.

3. A Court attachment order for ₹ 13,000 is received in April, 2019 against an official, particulars of whose pay, deductions, etc., are furnished below. State the amount you will recover—

- (1) against the Court attachment;
- (2) against the Government dues; and
- (3) the net amount he will be paid.

Pay in Pay Level 3 ₹ 24,500 p.m. House Rent Allowance ₹ 3,920, DA (12%) ₹ 2,940. He received payment of ₹ 4,000 for the journey on transfer to the place as Travelling Allowance during the month.

He subscribes ₹ 2,000 p.m. to the GPF, refunds advance of GPF taken ₹ 4,100 per instalment; pays LI premia ₹ 250 p.m.

₹ 6,500 recovered monthly on account of negligence of duty in a case of misappropriation.

₹ 3,800 is recovered monthly on account of recovery ordered by Audit on account of overpayment.

Unadjusted Leave Travel Concession advance to be recovered ₹ 7,000.

Ans.

Except pay ₹ 24,500, all other allowances are exempt from Court attachment.

$$\text{Amount attachable} = \frac{24,500 - 1,000}{3} = ₹ 7,833.$$

This sum *must* be recovered and remitted to Court. The recoveries on account of Fund deductions and dues to Government should be made from the non-attachable portion of the Government servant's salary.

In this case, the gross claim is ₹ 31,360 and the total of the deductions given works out to ₹ 23,650. The balance is not enough to meet Court attachment, viz., ₹ 7,833. As the amount recoverable against the Court attachment cannot be reduced, some other item of deduction against the non-attachable portion to be suitably reduced. The LI premium may not be recovered and the officer may be asked to pay his premium in cash.

Otherwise, the officer, if he so desires, may request in writing to postpone the recovery of GPF advance till the recovery of advance of pay is completed. This is permissible under the GPF (CS) Rules. In that case, the apportionment will be as follows:—

- (i) ₹ 7,833 against the Court attachment.
- (ii) ₹ 2,250 against GPF and PLI.
- (iii) ₹ 17,300 against Government dues.
- (iv) ₹ 6,727 net amount to be paid to the official.

4. A Court has ordered the attachment of ₹ 17,000 from the pay of an officer who is in receipt of the following emoluments:—

	₹
Pay in Pay Level 3	26,800
Dearness Allowance	3,216
GPF deduction	1,700

(a) Calculate the amount of the first instalment which is to be remitted to the Court by money order.

Ans.	₹
Gross salary ₹ 26,800 + 3,216	30,016
<i>Allowances exempt from attachment:</i>	
Dearness Allowance	3,216
Net salary attachable = $\frac{[30,016 - 3,216] - 1,000}{3} = ₹ 8,600.$	

The first instalment required to be remitted to Court will be net amount after deducting the MO commission.

[Rules 222 and 226, P & T, FHB, Vol. I, Rule 74 of R & P Rules 225 and 226, CTR]

(b) In the above case, if the order of the Court is in execution of decree for maintenance, what is the maximum amount that should be recovered?

Ans.	₹
Gross emoluments	30,016
Deduct allowance exempt from attachment	3,216
Remainder	26,800
Less: 1/3 rd of remainder exempt from attachment	8,933
Amount that can be recovered p.m.	17,867

[Rule 222, P & T, FHB, Vol. I, Rule 74, R & P Rules and Rule 225, CTR.]

Solved Problems

AUTHORS' NOTE

- (1) Pay of the official has been taken as Pay in the Pay Level of the Pay Matrix of the Seventh Pay Commission Report.
- (2) DA rates have been assumed as—
12 % from 1-1-2019 to 30-6-2019 and
15 % from 1-7-2019 to 31-3-2020
(Expected DA from 1-7-2019 — 15% or 16%)
- (3) HRA has been worked out as 24%, 16% and 8% of Basic Pay for Class X, Y and Z cities respectively.

IMPORTANT POINTS

- (a) Rates of Income Tax—

Up to ₹ 2.5 lakhs	—	Nil
₹ 2,50,001 to ₹ 5,00,000	—	5 per cent
₹ 5,00,001 to ₹ 10,00,000	—	20 per cent
Above ₹ 10,00,000	—	30 per cent
- (b) Surcharge of 10% on income tax for income more than ₹ 50 lakhs but not more than ₹ 1 crore and 15% on income tax for income of more than ₹ 1 crore.
- (c) Tax relief of ₹ 12,500 for individual whose annual income is up to ₹ 5 lakhs.
- (d) Deduction of interest up to ₹ 1,50,000 payable on loan sanctioned up to ₹ 35 lakhs for acquiring residential property for first home buyer, subject to conditions.
- (e) Deduction for life insurance premium as regards insurance policies issued on or after 1st April, 2013 shall be allowed only up to 15% of the actual capital sum assured in respect of persons with disability or disease.
- (f) Deduction of 100% contribution made to Swachh Bharat Kosh, Clean Ganga Fund and National Fund for Control of Drug Abuse.
- (g) Deduction under Section 80-U raised to ₹ 75,000 and ₹ 1,25,000 in case of an assessee with disability and severe disability.

- (h) Deduction under Section 80-C limit enhanced from ₹ 1 lakh to ₹ 1.5 lakhs.
- (i) Standard deduction of ₹ 50,000 is allowed under Section 16 (ia) in lieu of exemption of transport allowance and reimbursement of miscellaneous medical expenses.
- (j) Deduction under Section 80-D raised from ₹ 30,000 to ₹ 50,000.
- (k) Deduction under Section 80-DDB raised from ₹ 60,000 to ₹ 1,00,000.
- (l) Any income by way of interest on deposits up to ₹ 50,000 p.a. shall be exempted from total income in respect of senior citizens under Section 80-TTB.
- (m) Existing Education Cess of 3% is replaced by Health and Education Cess of 4%.
- (n) Any income by way of interest on deposits up to ₹ 40,000 p.a. shall be exempted from total income in respect of an individual who is of the age below sixty years under Section 194-A.

These points are to be kept in mind while calculating the income tax for the salaried persons.

INCOME TAX

Income from Salary

'Income from Salary' includes Pay, Dearness Allowance, Interim Relief, Government's Contribution to the New Pension Scheme, Leave Salary, Advance of Pay, Subsistence Allowance, Bonus, House Rent Allowance to the extent not exempted, Compensatory Allowances, Fee, Honoraria, Reimbursement of Tuition Fees, Pension, Overtime Allowance, Value of rent-free residential accommodation provided, but does not include Travelling Allowance, Leave Travel Concession, Composite Hill Compensatory Allowance, Special (Remote Area) Compensatory Allowance, Disturbed Area Allowance, Tribal Area Allowance, Children Educational Allowance and Hostel Subsidy subject to the prescribed limits.

House Rent Allowance

1. No portion of HRA received will be exempt from tax—
 - (i) if the assessee lives in his own house or in a house for which no rent is paid by him.
 - (ii) if the actual rent paid by him is equal to or less than 10% of his Pay.
2. In other cases, exemption of HRA received is permissible to the extent admissible by applying the formula.

Standard deduction under Section 16 (ia) - ₹ 50,000.

Profession Tax

The amount of profession tax actually paid by the employee should be deducted from the Income.

Health Insurance

Under Section 80-D, any premia paid for a Mediciam Policy for self / spouse / children or any contribution made to Central Government Health Scheme or any payment of up to ₹ 5,000 for preventive health check-up subject to a maximum of ₹ 50,000 to be deducted from the Income. In addition, any such premia paid for the mediclaim policy of parents also to be deducted, up to ₹ 50,000, if the parent(s) are senior citizens, ₹ 25,000 in other cases and ₹ 50,000 for medical expenditure of a senior citizen without health insurance cover.

Contribution to PF, etc.

Savings under the following categories are eligible for deduction under Section 80-C. PF, PLI, L; Premia, (limited to 10% of the sum assured in respect of policies issued on or after 1st April, 2012), Contribution to CGEGIS, any amount paid as subscription to Central Government notified security (NSC VIII Issue), National Savings Scheme, Equity-Linked Savings Scheme Plan of Mutual Funds and repayment of loan taken for construction / purchase of house / flat, if the construction is completed by the end of the Financial Year.

New Pension Scheme

Contribution made to the New Pension Scheme introduced from 1-1-2004 subject to a maximum of ten per cent of his salary and additional ₹ 50,000 and Government's contribution also, subject to a maximum of fourteen per cent (from 1-4-2019) of the employee's salary, is also included under Section 80-C.

Donation to NDF, etc.

1. No deduction should be allowed from the salary income in respect of any donations for charitable purposes. The tax relief on such donations will have to be claimed by the tax payer separately at the time of the finalization of the assessment.

2. Deductions are admissible from the salary income at source by the Disbursing Officer in respect of the donations of the following Funds irrespective of the amount of donation:—

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> (a) Jawaharlal Nehru Memorial Fund. (b) Prime Minister's Drought Relief Fund. (c) Indira Gandhi Memorial Trust. (d) Rajiv Gandhi Foundation. | } | <p>Fifty per cent
of the total
donation.</p> |
|---|---|--|

- (e) National Defence Fund.
- (f) Prime Minister's National Relief Fund.
- (g) Prime Minister's Armenia Earthquake Relief Fund.
- (h) Africa (Public Contributions — India) Fund.
- (i) National Foundation for Communal Harmony.
- (j) University or Educational Institution of National eminence as may be approved.
- (k) National Blood Transfusion Council or any State Blood Transfusion Council, having its sole object to the control, supervision, regulation or encouragement in India of the services related to operation and requirements of blood banks.
- (l) The Army Central Welfare Fund or the Indian Naval Benevolent Fund or the Air Force Central Welfare Fund established by the Armed Forces of the Union.
- (m) The Andhra Pradesh Chief Minister's Cyclone Relief Fund.
- (n) The National Illness Assistance Fund.
- (o) The Chief Minister's Relief Fund or the Lieutenant-Governor's Relief Fund of a State or Union Territory, as the case may be.
- (p) The National Sports Fund.
- (q) The National Cultural Fund.
- (r) The Fund for Technology Development and Application set up by the Central Government.
- (s) The National Trust for Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities.
- (t) National Children's Fund.
- (u) Swachh Bharat Kosh
- (v) Clean Ganga Fund
- (w) National Fund for Control of Drug Abuse

Whole
amount of
donation.

Rounding off

The taxable income should be rounded off to the nearest multiple of ten rupees. The total tax should be rounded off to the nearest whole rupee.

Health and Education Cess at 4% is to be levied on the Income Tax payable and to be shown separately.

PAY BILLS**Advance from GPF**

1. Recovery to commence with the issue of pay for the month following the one in which the advance is drawn.
2. Recovery not to be made except with the official's consent in cases of suspension, or on leave for ten days or more in a calendar month on HPL or LWP.

Court Attachment

1. Recovery towards Court attachment is not permissible while the official is under suspension.
2. In all cases, the exempted allowances are NOT attachable. If the decree is for maintenance, one-third of the remainder is NOT attachable. The balance two-thirds can be recovered. In other cases, the first one thousand rupees and two-thirds of the remainder are NOT attachable. Only the balance may be recovered.
3. Attachment with reference to a particular order can be effected continuously or intermittently for a total period of twenty-four months only and such portion of pay shall be exempted until expiry of a further period of twelve months. Where an attachment has been made in execution of one and the same decree, such portion shall, after the attachment has continued for a total period of twenty-four months, be finally exempt from attachment in execution of that decree.
4. More than one attachment order can be enforced at a time so long as the limit of attachable amount is not exceeded.

AUTHORS' NOTE.— 1. In the solved problems, the amount recoverable has been shown as a constant figure for the sake of convenience. In actual practice, this figure should be worked out every time when there is a change in the pay.

2. Pay in the Pay Level has been given as "Pay".

PRACTICAL QUESTIONS

1. From the following particulars, calculate the total taxable income and the income tax payable by Shri 'X' for the salary Year 2019-20:—

	₹
Total salary income for the year	6,21,000
GPF Subscription	68,500
Profession Tax paid	2,500

Ans.

Total salary income	...	...	...	...	6,21,000
Less : Standard deduction	...	...	...	...	50,000
					<u>5,71,000</u>
Profession Tax paid	...	...	...	...	2,500
					<u>5,68,500</u>
GPF	...	...	...	...	68,500
Taxable Income	...	...	...	...	<u>5,00,000</u>
Tax	...	...	...	...	12,500
Less : Rebate under Sec. 87-A	...	...	...	...	12,500
Tax payable	...	...	...	...	<u>NIL</u>

NOTE 1.— Standard deduction of ₹ 40,000 is allowed under Section 16 (ia).

Note 2.— A deduction of ₹ 12,500 is allowed as rebate under Sec. 87-A to individuals whose taxable income is up to ₹ 5 lakhs.

2. From the following particulars, calculate the total Taxable Income and income tax payable by Shri 'K' for the Financial Year 2019-2020.

				₹
Gross total income for the year	...	...	...	7,00,020
GPF subscription per month	...	...	...	10,000
Deductions under Chapter VI-A	...	...	...	1,58,660

Ans.

Total Gross Income	...	...	...	7,00,020
Less : Standard deduction under Sec. 16 (ia)	...	...	...	50,000
				<u>6,50,020</u>
Deductions under Chapter VI-A limited to	...	...	...	1,50,000
Taxable Income	...	...	...	<u>5,00,020</u>

<i>Income Tax</i>				₹
For the first ₹ 2,50,000	...	...	=	Nil
For the next ₹ 2,50,000	@ 5%	...	=	12,500
For the balance of ₹ 20	@ 20%	...	=	4
			=	<u>12,504</u>
Health and Education Cess at 4% of IT = ₹ 500.16			=	500
Total IT plus cess payable			=	<u>13,004</u>

NOTE 1.— Standard deduction of ₹ 50,000 is allowed under Section 16 (ia).

Note 2.— As the taxable income exceeds ₹ 5 lakhs, no rebate under Sec. 87-A is applicable.

3. From the particulars given below, calculate the taxable income of Shri 'X' and income tax payable for the Financial Year 2019-20. The official has furnished PAN to his employer.

		₹	
Pay in Pay Level 5	1-3- to 30-6 } ...	52,600	p.m
	1-7- to 28-2 } ...	54,200	"
DA	1-3- to 30-6 } ...	12%	
	1-7- to 28-2 } ...	15%	
HRA	1-3- to 30-6 } ...	12,624	"
	1-7- to 28-2 } ...	13,008	"
GPF contribution	... ..	3,500	"
CGEGI Scheme contribution	... ..	30	"
PLI Premia	... ..	100	"
LI Premia	... ..	1,500	per quarter
House Building Advance repayment	... ..	3,000	p.m.
Donation to Swachh Bharat Kosh	... ..	5,000	
Deposited in five-year Post Office Time Deposit	25,000		

A demand for payment of profession tax of ₹ 1,380 was received but the amount was not paid.

The officer is in occupation of a rented house paying a monthly rent of ₹ 15,000. Headquarters Chennai.

Ans.

		₹	
<i>Income from Salary:</i>			
Pay in Pay Level 5	₹ 52,600 × 4 }		6,44,000
	₹ 54,200 × 8 }		
DA	₹ 6,312 × 4 }		90,288
	₹ 8,130 × 8 }		
HRA (see Note below)	... ..		38,560
			<u>7,72,848</u>
Sec. 16 (ia) – Standard deduction	... ..		50,000
			<u>7,22,848</u>
Sec. 80-G			
Deduct contribution to Swachh Bharat Kosh (100%)	... ..	5,000	
			<u>7,17,848</u>

₹
7,17,848

<i>Savings</i> — (Sec. 80-C)		₹	
GPF	3,500 × 12 =	42,000	
CGEGIS	30 × 12 =	360	
PLI Premia	100 × 12 =	1,200	
LI Premia	1,500 × 4 =	6,000	
HBA	3,000 × 12 =	36,000	
Five-year Post Office Time Deposit	=	25,000	
Total	=	<u>1,10,560</u>	... 1,10,560
			<u>6,07,288</u>
Taxable Income rounded off		...	6,07,290
<i>Income Tax</i>	₹		
For the first ₹ 2,50,000		Nil	
For the next ₹ 2,50,000 @ 5%		12,500	
For the remaining ₹ 1,07,290 @ 20%		<u>21,458</u>	
		<u>33,958</u>	

Health and Education Cess at 4% of IT = ₹ 1,358.32 = 1,358

Total IT *plus* cess payable = ₹ 33,958 + 1,358 = ₹ 35,316

NOTE 1.— Calculation of amount of HRA admissible for exemption:

	₹	
(i) HRA received	₹ 12,624 × 4 } ₹ 13,008 × 8 } ...	1,54,560
(ii) Rent paid in excess of 10% of salary (₹ 15,000 × 12) } minus 6,44,000 × $\frac{10}{100}$ i.e., 1,80,000 – 64,400 }		1,16,000
(iii) 50% of salary, i.e., ₹ 6,44,000 × $\frac{50}{100}$	...	3,22,000

Out of the total HRA of ₹ 1,54,560 received, ₹ 1,16,000 which is the least of the three items is admissible for exemption. Hence the balance of ₹ 38,560 is included under income.

NOTE 2.— Profession Tax actually paid only will be eligible for deduction under Section 16.

NOTE 3.— Deduction of 100% contribution made to Swachh Bharat Kosh is admissible under Section 80-G.

4. From the particulars given below, calculate the taxable income and the amount of income tax recoverable from Shri 'K', a Central Government Officer, for the Financial Year 2019-20. The Officer has furnished PAN to his employer.

- (i) Drawing Pay in Pay Level 7 ₹ 76,500 with DNI on 1-7-2019.
- (ii) Received honorarium of ₹ 1,500 for valuation of answer papers.
- (iii) Drawing DA at 12% and 15% from 1-3 and 1-7 respectively.
- (iv) In occupation of rent-free unfurnished departmental quarters, the flat rate licence fee of which is ₹ 640 p.m.
- (v) Subscribes ₹ 10,000 to GPF, ₹ 60 to CGEGI Scheme. PLI ₹ 1,700 p.m. Pays annual premia on LI Policy ₹ 15,000.
- (vi) Monthly instalments of repayment of the HBA are being recovered at ₹ 3,700 p.m.
- (vii) Medical expenditure incurred on dependent physically disabled brother (severe disability) ₹ 1,40,000.

Ans.

<i>Income from Salary:</i>		₹	₹
Pay in Pay Level 7	₹ 76,500 × 4 = 3,06,000	} ...	9,36,400
	₹ 78,800 × 8 = 6,30,400		
DA	₹ 9,180 × 4 = 36,720	} ...	1,31,280
	₹ 11,820 × 8 = 94,560		
Perquisite (rent-free quarters) ₹ 640 × 12			7,680
(See Note below)	...	...	1,500
Honorarium	...	...	<u>10,58,500</u>
Standard Deduction — Sec. 16 (ia)	...	...	<u>50,000</u>
<i>Savings — Sec. 80-C</i>		₹	10,08,500
GPF subscription ₹ 10,000 × 12	...	1,20,000	
CGEGIS ₹ 60 × 12	...	720	
PLI ₹ 1,700 × 12	...	20,400	
LI Premia	...	15,000	
Repayment of HBA ₹ 3,700 × 12	...	<u>44,400</u>	
	Total	<u>2,00,520</u>	
	Limited to	...	1,50,000
Sec. 80-DD			
Medical expenditure incurred on dependent brother with disability (severe disability) ₹ 1,40,000 but limited to			<u>1,25,000</u>
Taxable Income rounded off	...	...	<u>7,33,500</u>

Income Tax

For the first ₹ 2,50,000	Nil
For the next ₹ 2,50,000 @ 5%	₹ 12,500
For the balance ₹ 2,33,500 @ 20%	₹ 46,700
Total	₹ 59,200
Health and Education Cess at 4% of I.T.	= ₹ 2,368
Total I.T. plus cess payable	= ₹ 59,200 plus ₹ 2,368
	= <u>₹ 61,568</u>

NOTE.— 1. As per Rule 3 (a) of Income Tax Rules, 1962, in the case of Government servants, the value of rent-free unfurnished residential accommodation (*perquisite*) provided shall be an amount equal to the rent which would be payable by him but for the rent-free concession. Hence the flat rate licence fee of ₹ 640 p.m. is taken as the value of perquisite.

NOTE.— 2. The deduction claimed under Section 80-DD should be supported by a certificate issued by Medical Authority in the prescribed form.

5. From the following particulars, calculate the total taxable income and the income tax payable for the Financial Year 2019-20 by a lady Central Government Officer. The Officer has furnished PAN to her employer:—

Pay in Pay Level 6	1-3- to 30-6	} ₹ 38,700
	1-7- to 28-2		₹ 39,900
HRA		16%
DA		12% from 1-3 to 30-6
		15% from 1-7 to 28-2

From 1-3- to 27-9- resides in a rented house paying a rent of ₹ 10,000 p.m.
From 28-9- occupies Government quarters paying the prescribed flat rate of licence fee.

Subscribes to GPF at ₹ 7,000 p.m., PLI premia at ₹ 500 p.m., Life Insurance premium ₹ 11,450 per annum, Central Government Employees' Group Insurance Scheme ₹ 60 p.m. Paid premium for Health Insurance for parent ₹ 18,000.

Ans.

<i>Salary Income</i>	Rate	Amount
	₹	₹
Pay	1-3- to 30-6- ... 38,700 × 4]	1,54,800
	1-7- to 28-2- ... 39,900 × 8]	3,19,200
DA	1-3- to 30-6- @ 12% ... 4,644 × 4]	18,576
	1-7- to 28-2- @ 15% ... 5,985 × 8]	47,880
HRA (See Note)	... ..	1,333
		<u>5,41,789</u>

		₹
Standard deduction – Sec. 16 (ia)	...	5,41,789
		<u>50,000</u>
		4,91,789
<i>Deduct:</i> Premium for Health Insurance of parent (Sec. 80-D)		<u>18,000</u>
		4,73,789
<i>Savings</i> — (Sec. 80-C)	₹	
GPF at ₹ 7,000 p.m.	... 84,000	
PLI at ₹ 500 p.m.	... 6,000	
LI premia	... 11,450	
CGEGI Scheme at ₹ 60 p.m.	... 720	
	<u>1,02,170</u>	
Taxable income rounded off	...	<u>1,02,170</u>
		<u>3,71,620</u>
<i>Income Tax</i>	₹	
For the first ₹ 2,50,000	= NIL	
For remaining ₹ 1,21,620 @ 5%	= 6,081	
<i>Tax rebate</i> — (Sec. 87-A)	= 6,081	
Total I.T. payable	= <u>NIL</u>	

NOTE 1.— For women assesseees also, the no-tax limit is ₹ 2,50,000.

NOTE 2.— The amount of HRA received which is admissible for exemption is worked out as under—

		₹
Rent paid at ₹ 10,000 p.m. from 1-3- to 27-9-		69,000
10% of salary, i.e., ₹ 2,70,510 × $\frac{10}{100}$	...	27,051
(i) Rent paid in excess of 10% of salary	...	41,949
(ii) HRA received, i.e., ₹ 6,192 × 4	= 24,768	
₹ 6,384 × 2 $\frac{27}{30}$	= 18,514	...
		43,282
(iii) 40% of salary, i.e., ₹ 2,70,510 × $\frac{40}{100}$	... ..	1,08,204

Out of the total HRA of ₹ 43,282 received, ₹ 41,949 which is the least of the three, is admissible for exemption. Hence the balance of ₹ 1,333 is included under income.

NOTE 3.— A tax rebate of up to ₹ 12,500 or the amount of income tax, whichever is less is allowed under Section 87-A for taxable income up to ₹ 5 lakhs.

6. From the particulars given below, calculate the amount of Income Tax recoverable from Mr. J, a Central Government Officer, for the Financial Year 2019-20. The Officer has furnished PAN along with Aadhaar Number to his employer.

- (i) Pay in Pay Level 13-A ₹ 1,56,600 with DNI on 1-7.
- (ii) DA 12% and 15% from 1-3 and 1-7 respectively.
- (iii) HRA 16%. Pays actual rent of ₹ 25,000 p.m.
- (iv) Received honorarium of ₹ 2,000 in September.
- (v) Donated ₹ 2,000 to Prime Minister's Drought Relief Fund in September.
- (vi) Subscribes ₹ 10,000 p.m. to GPF, ₹ 120 to CGEGI Scheme, Life Insurance annual premia on the life of his wife ₹ 4,200.
- (vii) An amount of ₹ 1,250 p.m. is being recovered from his salary towards repayment of House Building Advance.
- (viii) The officer furnishes verified particulars to the Disbursing Officer indicating the net income of ₹ 12,000 from his house property during the year.

Ans.

				₹
<i>Income from salary</i>				
Pay	1-3 to 30-6	₹ 1,56,600 × 4	... ..	6,26,400
	1-7 to 28-2	₹ 1,61,300 × 8	... ..	12,90,400
DA	1-3 to 30-6	₹ 18,792 × 4	... ..	75,168
	1-7 to 28-2	₹ 24,195 × 8	... ..	1,93,560
HRA	1-3 to 30-6	₹ 25,056 × 4	... ..	1,00,224
	1-7 to 28-2	₹ 25,808 × 8	... ..	2,06,464
Honorarium	...	...	...	2,000
				Total
				24,94,216
<i>Less: HRA exempted (see Note below)</i>				1,08,320
				23,85,896
<i>Deductions</i>				
Standard deduction – Under Sec. 16 (ia)				50,000
				23,35,896
Under Sec. 80-G – 50% of donation to Prime Minister's Drought Relief Fund, i.e., 2,000				1,000
Total salary income				23,34,896
<i>Add: Taxable income from House Property</i>				12,000
				<u>23,22,896</u>

		₹	
			23,22,896
<i>Savings — (Sec. 80-C)</i>	₹		
GPF Subscription ...	1,20,000		
CGEG Scheme ...	1,440		
LI Premia ...	15,200		
Repayment of HBA ...	15,000		
Total	<u>1,51,640</u>		
Limited to ...		...	<u>1,50,000</u>
Taxable Income rounded off ...		...	<u>21,72,900</u>
<i>Income Tax</i>	₹		
For the first ₹ 2,50,000	Nil		
For the next ₹ 2,50,000 @ 5%	12,500		
For the next ₹ 5,00,000 @ 20%	1,00,000		
For the balance ₹ 11,72,900 @ 30%	<u>3,51,870</u>		
	4,64,370		
Health and Education Cess at 4% of I.T.	18,574.80	or ₹ 18,575	
Total I.T. plus cess payable	4,64,370	plus	
	18,575		
	<u>4,82,945</u>		

NOTES.— 1. A standard deduction of ₹ 50,000 or the salary, whichever is less is allowed.

2. Savings up to ₹ 1,50,000 can be deducted from the Income and the limit for individual item of savings has been removed.

3. The amount of HRA exempt is calculated as under—

	₹
(i) HRA received ...	3,06,688
(ii) Rent paid in excess of 10% salary (₹ 3,00,000 minus 1,91,680) ...	1,08,320
(iii) 40% of salary income, i.e., ₹ 19,16,800 × $\frac{40}{100}$...	7,66,720

Least of these three items, viz., ₹ 1,08,320, is exempt.

4. Under Section 192 of IT Act, the salary Disbursing Authority may take into account the verified income of the officer from house property and deduct the tax at source.

7. From the particulars given below, calculate the Income Tax payable by Shri V, an officer, for the Financial Year 2019-20. The Officer has furnished PAN along with Aadhaar Number to his employer.

Pay in Pay Level 9 ₹ 73,400 p.m. from 1-1-; DA at 12% and 15% from 1-3 and 1-7 respectively.

In occupation of departmental residential quarters paying licence fee as per rules.

Subscribes ₹ 8,000 p.m. towards GPF; ₹ 650 p.m. towards PLI; pays half-yearly premium of ₹ 12,600 on policies taken in the name of his wife and daughter. ₹ 60 p.m. is regularly recovered from his salary towards contribution to Central Government Employees' Group Insurance Scheme.

Ans.	₹	Amount
	₹	₹
Pay	73,400 x 4 } 75,600 x 8 }	... 98,400
DA	1-3- to 30-6- = 8,808 x 4 } 1-7- to 28-2- = 11,340 x 8 }	... 1,25,952
		<u>10,24,352</u>
Standard deduction – Sec. 16 (ia)	...	50,000
		<u>9,74,352</u>
Savings — (Sec. 80-C)	₹	
GPF Subscription @ ₹ 8,000	... 96,000	
PLI Premia @ ₹ 650	... 7,800	
LI Premia ₹ 12,600 x 2	... 25,200	
CGEGI Scheme ₹ 60 x 12	... 720	
Total	<u>1,29,720</u>	1,29,720
		<u>8,44,632</u>
Taxable Income rounded off	...	8,44,630
For first ₹ 2,50,000	= Nil	
For the next ₹ 2,50,000 @ 5%	= ₹ 12,500	
For the balance of ₹ 3,44,630 @ 20%	= ₹ 68,926	
	= ₹ 81,426	
Health and Education Cess at 4% of I.T.	= ₹ 3,257.04 rounded to ₹ 3,257	
Total I.T. plus cess payable	= ₹ 81,426 plus ₹ 3,257	
	= ₹ 84,683	

8. From the particulars given below, calculate the taxable income and income tax payable for the Financial Year 2019-20, by Shri R, a Central Government servant, who retires on superannuation on 29-2-2020 A.N. He has furnished valid PAN and his Aadhaar Number to his employer.

- (i) Was drawing the Pay in Pay Level 10 ₹ 77,700.
- (ii) Dearness Allowance 12% from 1-3 and 15% from 1-7.
- (iii) Drawing House Rent Allowance of 16%. Pays monthly rent of ₹ 20,000 for his rented residence.

- (iv) Received an Honorarium of ₹ 2,000 in September for valuation of answer papers of departmental examination.
- (v) Subscribed ₹ 8,000 p.m. to General Provident Fund. No subscription was recovered during the last three months of his service.
- (vi) CGEGI Scheme contribution of ₹ 120 p.m. was recovered regularly from his salary as per the orders.
- (vii) Postal Life Insurance premia of ₹ 500 p.m. recovered till the end of November.
- (viii) Paid ₹ 11,800 in August towards annual premia on the LI Policy taken on the life of his wife.
- (ix) Paid a sum of ₹ 4,800 towards preventive health check-up for self.
- (x) Paid interest on capital borrowed for purchase of a house on 30-6-1999 ₹ 1,75,000.

Ans.

<i>Income from Salary</i>		₹	₹	₹
Pay	1-3 to 30-6	77,700 × 4	} 3,10,800	... 9,50,800
	1-7 to 28-2	80,000 × 8			6,40,000
DA	1-3 to 30-6	9,324 × 4	} 37,296	... 1,33,296
	1-7 to 28-2	12,000 × 8			96,000
HRA	1-3 to 30-6	12,320 × 4	} 49,280	... 1,51,680
	1-7 to 28-2	12,800 × 8			1,02,400
Honorarium				... 2,000
				<u>12,37,776</u>
Less: HRA exempted (See Note 1 below)				... 1,44,920
				<u>10,92,856</u>
Standard deduction – Sec. 16 (ia)				... 50,000
				<u>10,42,856</u>
Less: Interest on borrowed capital under Section 24				... 1,75,000
				<u>8,67,856</u>
<i>Savings — (Sec. 80-C)</i>			₹	
GPF Subscription	₹ 8,000 × 9		72,000	
PLI Premia	₹ 500 × 9		4,500	
CGEGIS	₹ 120 × 12		1,440	
LI Premia	...		<u>11,800</u>	89,740
Preventive health check-up (Sec. 80-D)				4,800
Taxable Income rounded off				<u>7,73,320</u>

<i>Income Tax</i>	₹
For the first ₹ 2,50,000	= Nil
For the next ₹ 2,50,000 @ 5% ...	= 12,500
For the balance ₹ 2,73,320 @ 20%	= 54,664
Health and Education Cess @ 4% of I.T. ₹ 2,686.56	
rounded off	= 2,687
Total I.T. plus cess	= 69,851

NOTE 1.— The amount of HRA exempted is worked out as under—

	₹
(i) HRA received	1,51,680
(ii) Rent paid in excess of 10% salary (₹ 2,40,000 minus 10% of ₹ 9,50,800)	1,44,920
(iii) 40% of salary, i.e., ₹ 9,50,800 × $\frac{40}{100}$	3,80,320

₹ 1,44,920 (i.e., rent paid in excess of 10% of salary) which is the least of the three items is exempted — *vide* Rule 2-A of IT Rules.

NOTE 2.— Under Section 10 of IT Act, the amount of retirement gratuity, commutation amount and cash equivalent of leave salary received on retirement are exempt from Income Tax. GPF final payment is not an 'income'. Hence the retirement benefits that will be received in March, 2020 have been ignored.

NOTE 3.— A standard deduction of ₹ 50,000 or the salary, whichever is less is allowed.

NOTE 4.— Interest on borrowed capital for the purchase of a house on or after 1-4-1999 exempted up to ₹ 2 lakhs.

NOTE 5.— A sum not exceeding ₹ 5,000 shall be allowed as deduction under Section 80-D in respect of payment made for preventive health check-up for assessee or his family.

NOTE 6.— Recovery of GPF subscription to be stopped 3 months before retirement on superannuation.

9. From the particulars given below, calculate the taxable income and Income Tax recoverable from the salary of Shri B, a Central Government Officer, for the Financial Year 2019-20. He has furnished valid PAN to his employer. 1

- (i) Drawing the Pay in Pay Level 6 ₹ 58,600 from 1-3 and ₹ 60,400 from 1-7.
- (ii) Dearness Allowance admissible @ 12% from 1-3- and 15% from 1-7.
- (iii) Has been provided with departmental rent-free quarters. The flat rate licence-fee of the quarters is ₹ 470 p.m.

- (iv) No House Rent Allowance is paid as he is in occupation of departmental quarters.
- (v) Contributes ₹ 60 p.m. to CGEGI Scheme, GPF subscription ₹ 7,500 p.m., PLI premia ₹ 1,300 p.m., ₹ 450 p.m. to CGHS.
- (vi) Obtained House Building Advance. Repayment of HBA at ₹ 3,750 p.m. is being recovered.
- (vii) Received a fee of ₹ 2,400 from a Public Sector Undertaking with the permission of the Competent Authority for services rendered. ₹ 300 out of this amount was credited to Government as per SR 12.
- (viii) In January, 2020 donated ₹ 650 to Prime Minister's National Relief Fund.
- (ix) Donated ₹ 1,000 to Clean Ganga Fund.

Ans. Income from salary		₹	
Pay	1-3 to 30-6 } ₹ 58,600 × 4	...	7,17,600
	1-7 to 28-2 } ₹ 60,400 × 8	...	
DA	1-3 to 30-6 } ₹ 7,032 × 4	...	1,00,608
	1-7 to 28-2 } ₹ 9,060 × 8	...	
			<u>8,18,208</u>
Perquisite-value of rent-free residential accommodation			
₹ 470 × 12	...	...	5,640
Fees received (₹ 2,400 minus ₹ 300)	...	...	2,100
			<u>8,25,948</u>
Standard deduction – Sec. 16 (ia)	...	...	50,000
<i>Deduct: Donations (Sec. 80-G)</i>			
Prime Minister's National Relief Fund	...	...	650
Clean Ganga Fund	...	...	1,000
			<u>7,74,298</u>
<i>Savings (Sec. 80-C)</i>		₹	
GPF Subscription	₹ 7,500 × 12	...	90,000
PLI Premia	₹ 1,300 × 12	...	15,600
CGEGIS	₹ 60 × 12	...	720
HBA Recovery	₹ 3,750 × 12	...	45,000
			<u>1,51,320</u>
	limited to	...	<u>1,50,000</u>
			<u>6,24,298</u>
<i>Deduct: Contribution to CGHS (Sec. 80-D)</i>			
CGHS	₹ 450 × 12	...	5,400
Taxable income rounded off			<u>6,18,900</u>

<i>Income Tax</i>	₹
For first ₹ 2,50,000	= Nil
For next ₹ 2,50,000 @ 5%	= 12,500
Balance ₹ 1,18,900 @ 20%	= <u>23,780</u>
	<u>36,280</u>
Health and Education Cess @ 4% of I.T.	= 1,451.2 = 1,451
Total I.T. plus cess	= <u>37,731</u>

NOTE 1.— Under Rule 3 of Income Tax Rules, 1962, the value of rent-free unfurnished residential accommodation provided to a Government Officer shall be taken as equal to the amount of licence fee recoverable from the Government servant if the accommodation has been allotted to him otherwise than on rent-free basis. Hence, the flat rate licence fee of ₹ 470 is taken as value of perquisite.

NOTE 2.— For the purpose of computing taxable income, that portion of any fee which has been retained by the Government servant should only be taken into account. Hence, out of the total fee of ₹ 2,400, the amount of ₹ 2,100 retained by the officer is included under income from salary. As per SR 12, one-third of the amount in excess of ₹ 1,500 should be credited to the Consolidated Fund of India.

NOTE 3.— Donations to Swachh Bharat Kosh, Clean Ganga Fund and National Fund for Control of Drug Abuse are allowed 100% deduction under Section 80-G.

10. Calculate the income tax of an officer drawing pay in Pay Level 13 of ₹ 1,38,500 from 1-3-2019. He was transferred to the present post from a similar post carrying the same allowances in another station. He has furnished valid PAN including Aadhaar Number to his employer. He joined this post on 16-8-. The other particulars are—

- (1) DA: 12% from 1-3 and 15% from 1-7.
- (2) Is in occupation of Government quarters, paying the prescribed licence fee.
- (3) Received an honorarium of ₹ 1,000 in July, for setting some question papers.
- (4) GPF subscription ₹ 10,000 p.m.
- (5) PLI premium ₹ 1,500 p.m.
- (6) Subscription to CGEGI Scheme ₹ 120 p.m.
- (7) Invested ₹ 75,000 as Fixed Deposit in State Bank of India for 5 years.
- (8) Paid ₹ 40,000 as interest on loan obtained for his son's higher education.

Ans.

Salary Income			₹
Pay	₹ 1,38,500 x 4 }		17,31,600
	₹ 1,47,200 x 8 }		
DA	₹ 16,620 x 4 }		2,43,120
	₹ 22,080 x 8 }		
Honorarium	... ..		1,000
			<u>19,75,720</u>
Standard deduction – Sec. 16 (ia)	... ..		50,000
Deduct: Interest on loan for higher education (Sec. 80-E)			40,000
			<u>18,85,720</u>
Savings (Sec. 80-C)		₹	
GPF	₹ 10,000 x 12 ...	1,20,000	
PLI	₹ 1,500 x 12 ...	18,000	
CGEGIS	₹ 120 x 12 ...	1,440	
F.D. in SBI	... ..	75,000	
	Total	<u>2,14,440</u>	
	limited to		<u>1,50,000</u>
Taxable Income	... ..		<u>17,35,720</u>

Income Tax		₹
First ₹ 2,50,000	=	Nil
Next ₹ 2,50,001 to ₹ 5,00,000 @ 5%	=	12,500
From ₹ 5,00,001 to ₹ 10,00,000 @ 20%	=	1,00,000
Balance ₹ 7,35,720 @ 30%	=	2,20,716
	=	<u>3,33,216</u>
Health and Education Cess at 4% of I.T. = ₹ 13,328.64	=	13,329
Total I.T. and cess payable	=	<u>3,46,545</u>

NOTE 1.— Fixed Deposit for a minimum period of 5 years in a Scheduled Bank is eligible for deduction under Section 80-C.

NOTE 2.— Interest on loan borrowed for higher education of spouse / children can be deducted from the taxable income *vide* Section 80-E.

10. From the particulars given below, prepare in an improvised form, the pay bill of a Central Government Officer Mr. A., stationed at Delhi for the month of November, 2019. He has furnished valid PAN to his employer.

(i) Drawing the Pay in Pay Level 11 ₹ 99,500 from 1-3.

(ii) Dearness Allowance 12% from 1-3- and 15% from 1-7- onwards.

- (iii) HRA 24%. Pays a monthly rent of ₹ 18,000.
- (iv) Obtained House Building Advance ₹ 10,00,000. Recovery of monthly instalment of repayment at ₹ 9,000 each.
- (v) Subscribes ₹ 7,000 to GPF, contribution to CGEGI Scheme ₹ 120 p.m., PLI premia ₹ 300 p.m. Annual premium paid in respect of Insurance policy taken in favour of his wife ₹ 6,200.
- (vi) In November, 2019, a Court attachment order was received for ₹ 60,000. The first instalment of recovery towards the attachment order has to be effected from the salary bill for November, 2019.

Ans.

I. Calculation of Income Tax

Salary Income:

			₹
Pay	1-3 to 30-6	₹ 99,500 × 4	} ... 12,18,000
	1-7 to 28-2	₹ 1,02,500 × 8	
DA	1-3 to 30-6	₹ 11,940 × 4	} ... 1,70,760
	1-7 to 28-2	₹ 15,375 × 8	
HRA	1-3 to 30-6	₹ 23,880 × 4	} ... 2,92,320
	1-7 to 28-2	₹ 24,600 × 8	
			16,81,080
Less: HRA exempted (<i>see Note below</i>)			94,200
			15,86,880
Standard deduction — Sec. 16 (ia)			50,000
<i>Savings — (Sec. 80-C)</i>			
GPF		₹ 7,000 × 12	₹ 84,000
CGEGIS Subs.		120 × 12	1,440
PLI Premia		300 × 12	3,600
LI Premia		6,200 × 1	6,200
HBA Recovery		9,000 × 12	1,08,000
			Total 2,03,240
			limited to ... 1,50,000
Taxable Income			13,86,880

			₹
Income Tax	₹ 12,500 plus ₹ 1,00,000		
plus 30% of ₹ 3,86,880		=	2,28,564
Health and Education Cess at 4%	= ₹ 9,142.56	=	9,143
Total I.T. and cess payable		=	2,37,707

Rate of recovery:

I.T.	₹ 19,047 × 12	
Cess	₹ 762 × 11 plus ₹ 761 × 1	

II. Calculation of amount attachable from salary:

		₹			₹
Pay	...	1,02,500	DA	...	15,375
DA	...	15,375	HRA	...	24,600
HRA	...	24,600			
Total		<u>1,42,475</u>	Total		<u>39,975</u>

Attachable portion of salary:

Total salary	...	...	...	1,42,475
<i>Less: Allowances exempted</i>	...	...	...	<u>39,975</u>
				1,02,500
<i>Deduct: first ₹ 1,000</i>	...	...	(-)	<u>1,000</u>
Remainder	...	...	...	1,01,500
<i>Deduct 2/3 rd of remainder exempted</i>	...	...	(-)	<u>67,667</u>
Attachable portion of salary	...	...	...	<u>33,833</u>

The first instalment of ₹ 33,833 can be recovered from the salary for November, 2019.

PAY BILL

For November, 2019

Drawals		₹	Deductions		₹
Pay	...	1,02,500	GPF Subs.	...	7,000
DA	...	15,375	CGEGIS	...	120
HRA	...	24,600	PLI	...	300
			Income Tax	...	19,809
			HBA	...	9,000
Total		<u>1,42,475</u>	Total		<u>36,229</u>
Net amount payable (₹ 1,42,475 minus ₹ 36,229)		...			1,06,246
<i>Deduct:</i>					
Court attachment recovery	...	...			<u>33,833</u>
			Balance		<u>72,413</u>

NOTE.— The amount of HRA received which is eligible for exemption from tax is worked out as under—

			₹
Total salary	...	...	12,18,000
10% of salary	...	...	1,21,800
Rent paid ₹ 18,000 x 12	...	...	2,16,000
<i>Less:</i>			
10% of salary	...	...	1,21,800
Rent paid in excess of 10% of salary	...	...	94,200
(a) HRA received	...	...	2,92,320
(b) Rent paid in excess of 10% of salary	...	...	94,200
(c) 50% of salary	...	...	6,09,000

Least of the above three amounts is exempt from tax, i.e. ₹ 94,200.

12. From the particulars given below, calculate the Income Tax of Shri 'A', an officer, for the Year 2019-20. He has furnished valid PAN to his employer.

Working as Audit Officer of a Project with Pay in Pay Level 10 of ₹ 71,100 p.m., from 1-7-2018. HRA 16% (Living in own house).

Appointed to officiate in a higher post from 28-9-, with pay of ₹ 76,200 p.m. in Level 11.

Occupies a Government bungalow from 28-9- and pays the prescribed licence fee.

DA: 12% and 15% from 1-1- and 1-7- respectively.

Subscribes to GPF at ₹ 10,000 p.m.

PLI premium ₹ 1,000 p.m.

Made payment to Swachh Bharat Kosh and Clean Ganga Fund ₹ 5,000.

Ans.

Income Tax Calculation

			₹
<i>Salary Income</i>			
Pay	1-3 to 30-6	₹ 71,100	} 8,85,300
	1-7 to 27-9	₹ 73,200	
	28-9 to 28-2	₹ 76,200	
DA	1-3 to 30-6	₹ 8,532	} 1,24,263
	1-7 to 27-9	₹ 10,980	
	28-9 to 28-2	₹ 11,430	
HRA	1-3 to 30-6	₹ 11,376	} 79,469
	1-7 to 27-9	₹ 11,712	
			<u>10,89,032</u>
Standard deduction – Sec. 16 (ia)			50,000
			<u>10,39,032</u>

	₹	
		10,39,032
<i>Savings — (Sec. 80-C)</i>		
GPF Subscription ₹ 10,000 × 12	... 1,20,000	
PLI Premia ₹ 1,000 × 12	... <u>12,000</u>	1,32,000
<i>Section 80-G :</i>		
Payment to Swachh Bharat Kosh and Clean Ganga Fund	... 5,000	
		<u>9,02,032</u>
Taxable Income rounded off	... 9,02,030	
<i>Income Tax</i>		
First ₹ 2,50,000	= Nil	
For the next ₹ 2,50,000 @ 5%	= 12,500	
For the balance ₹ 4,02,030 @ 20%	= <u>80,406</u>	
	= 92,906	
Health and Education Cess at 4% of IT = ₹ 3,716.24	= <u>3,716</u>	
Total IT and cess payable	= <u>96,622</u>	
<i>Rate of recovery:</i>		
I.T. ₹ 7,742 × 11 plus 7,744 × 1		
Cess ₹ 310 × 11 plus 306 × 1		

NOTE 1.— As the officer is living in his own house, the whole amount of HRA received will be taken into account for computing taxable income and no exemption is admissible.

NOTE 2.— From 1-4-2015, payment to Swachh Bharat Kosh and Clean Ganga Fund exempted from Income under Section 80-G.

13. Calculate the Income Tax payable by Shri "X", Senior Accounts Officer who is a person with disability (but not severe disability), (certified by the Medical Authority) for the year 2019-20 with the following details: (The Officer has furnished PAN to his employer)

	₹
Pay in Pay Level 10 on 1-3-2019	... 84,900
Date of next increment 1-7-2019	
DA as applicable from time to time	
HRA @ 24%	
Transport Allowance (at double rate) (₹ 7,200 × 2)	14,400 + D.A. p.m.
Contribution to GPF	... 8,000 p.m.
Five years' Fixed Deposit in State Bank of India	50,000
Recovery towards Professional Tax	... 250 p.m.

		₹	
Life Insurance Policy sum assured ₹ 2 lakhs			
Premium paid	...	35,000	p.a.
Postal Life Insurance Premium	...	500	p.m.
Repayment of House Building Advance	...	2,000	p.m.
Contribution made to Prime Minister's National Relief Fund in October	...	2,000	
Repayment of interest on loan taken for higher education of his son (II Assessment Year)		32,000	
Annual premium paid on health insurance for self and family	...	20,000	
Reimbursement of medical treatment given to his dependent father	...	50,000	
CGEIS, 1980	...	120	
Contribution made to the National Fund for Control of Drug Abuse	...	1,000	
Computation of Gross Salary:			
<i>PAY</i>		₹	₹
1-3-2019 to 30-6-2019			
₹ 84,900 × 4	=	3,39,600	
1-7-2019 to 29-2-2020			
₹ 87,400 × 8	=	<u>6,99,200</u>	10,38,800
<i>DA</i>			
1-3-2019 to 30-6-2019	=	40,752	
₹ 84,900 × 12% = 10,188 × 4			
1-7-2019 to 29-2-2020			
₹ 87,400 × 15% = 13,110 × 8	=	<u>1,04,880</u>	1,45,632
<i>HRA</i>			
1-3-2019 to 30-6-2019	=	81,504	
₹ 84,900 × 24% = 20,376 × 4			
1-7-2019 to 29-2-2020			
₹ 87,400 × 24% = 20,976 × 8	=	<u>1,67,808</u>	2,49,312
<i>TRANSPORT ALLOWANCE</i>			
1-3-2019 to 30-6-2019			
₹ 14,400 plus 12% DA = ₹ 16,128 × 4	=	64,512	
1-7-2019 to 29-2-2020			
₹ 14,400 plus 15% DA = ₹ 16,560 × 8	=	<u>1,32,480</u>	1,96,992
Perquisite in respect of reimbursement of Medical expenditure	=		<u>50,000</u>
Gross Salary	=		<u>16,80,736</u>

			₹
			16,80,736
<i>Exemption</i>			
Transport Allowance			
Sec. 10 (14) = ₹ 3,200 x 12	=		38,400
			<u>16,42,336</u>
<i>Deduction</i>			
Standard deduction – Sec. 16 (ia)	=		50,000
			<u>15,92,336</u>
Professional Tax (Section 16) ₹ 250 x 12	=		3,000
			<u>15,89,336</u>
<i>Under Section 80-C</i>			
		₹	
1. GPF contribution ₹ 8,000 x 12	=	96,000	
2. Contribution to CGEGIS ₹ 120 x 12	=	1,440	
3. Repayment of House Building Advance ₹ 2,000 x 12	=	24,000	
4. Postal Life Insurance ₹ 500 x 12	=	6,000	
5. Life Insurance Premium limited to	=	30,000	
6. Five years' Fixed Deposit	=	50,000	
		<u>2,07,440</u>	
	limited to	...	<u>1,50,000</u>
			<u>14,39,336</u>
<i>Under Section 80-D</i>			
Premium paid on health insurance for self and family		...	20,000
<i>Under Section 80-E</i>			
Repayment of interest on loan taken for higher education of his son (2nd Assessment Year)		...	32,000
<i>Under Section 80-G</i>			
Prime Minister's National Relief Fund		...	2,000
National Fund for Control of Drug Abuse		...	1,000
<i>Under Section 80-U</i>			
Being a person with disability (not severe)		...	75,000
Net Taxable Income rounded off		...	<u>13,09,336</u>
			₹
First ₹ 2,50,000	...	...	Nil
From ₹ 2,50,001 to ₹ 5,00,000 @ 5%	...	...	12,500
Next ₹ 5,00,000 @ 20%	...	...	1,00,000
Balance of ₹ 3,09,336 @ 30%	...	...	92,801
			<u>2,05,301</u>
Health and Education Cess @ 4% on ₹ 2,05,301	...	8,212.04	8,212
Total tax payable	...	...	<u>2,13,513</u>

NOTE 1.— The exemption of Transport Allowance under Section 10 (14) of IT Act granted to an orthopaedically disabled employee is subject to maximum of ₹ 3,200 p.m.

NOTE 2.— Standard deduction of ₹ 50,000 is allowed under Section 16 (ia) in lieu of exemption of Transport Allowance with effect from 1-4-2019.

NOTE 3.— The entire contribution made to the Prime Minister's National Relief Fund and the National Fund for Control of Drug Abuse can be claimed as deduction under Section 80-G.

NOTE 4.— The deduction in respect of loan taken for higher education of his son is admissible for seven assessment years immediately succeeding the initial assessment year or until the interest is paid in full, whichever is earlier.— Section 80-E.

NOTE 5.— A deduction of ₹ 75,000 is admissible in respect of person with disability and ₹ 1,25,000 for the person with severe disability subject to production of a certificate obtained from the medical authority in the prescribed form.— Section 80-U.

NOTE 6.— For a policy issued on or after 1-4-2013, the premium paid should not exceed 15% of the sum assured for claiming deduction.

14. Calculate the Income Tax payable by a woman employee for the year 2019-20 (Assessment Year 2020-21 — She has furnished PAN to her employer).

	₹
1. Pay in Pay Level 14 on 1-3-2019	1,82,700
2. DA @ 12% and 15%	
3. HRA @ 24%	
4. Transport Allowance ₹ 7,200 plus DA	
5. Tuition fees paid for college education of her daughter (including development fees of ₹ 20,000)	65,000
6. House Rent paid	30,000 p.m.
7. Honorarium	3,000
8. Professional Tax paid	250 p.m.
9. GPF contribution	15,000 p.m.
10. LJ Premium	10,000 p.a.
11. Contribution to CGHS	1,000 p.m.
12. CGEGIS contribution	120 p.m.
13. Repayment of House Building Advance	3,000 p.m.
14. Medical expenditure incurred for dependent parents (Senior Citizens)	60,000
15. Amount paid to LIC under a scheme framed by LIC for maintenance of physically handicapped child (not severe disability)	80,000

Computation of Gross Income:	₹	₹
<i>PAY</i>		
1-3-2019 to 30-6-2019		
₹ 1,82,700 x 4	= 7,30,800	
1-7-2019 to 29-2-2020		
₹ 1,88,200 x 8	= 15,05,600	22,36,400
<i>DA</i>		
1-3-2019 to 30-6-2019	= 87,696	
₹ 1,82,700 x 12% = ₹ 21,924 x 4		
1-7-2019 to 29-2-2020		
₹ 1,88,200 x 15% = ₹ 28,230 x 8	= 2,25,840	3,13,536
<i>HRA</i>		
1-3-2019 to 30-6-2019		
₹ 1,82,700 x 24% = ₹ 43,848 x 4	= 1,75,392	
1-7-2019 to 29-2-2020		
₹ 1,88,200 x 24% = ₹ 45,168 x 8	= 3,61,344	5,36,736
<i>Transport Allowance</i>		
1-3-2019 to 30-6-2019		
₹ 7,200 + 12% DA x 4 = ₹ 8,064 x 4	= 32,256	
1-7-2019 to 29-2-2020		
₹ 7,200 + 15% DA = ₹ 8,280 x 8	= 66,240	98,496
<i>Value of perquisites</i>		
Honorarium	=	3,000
Entertainment Allowance subject to admissible deduction under Section 16	=	12,000
		32,00,168
<i>Exemption</i>		
HRA under Section 10 (13-A)		
<i>Least of</i>		
	₹	
(a) Actual HRA received	5,36,736	
(b) Expenditure on rent in excess of 10% of salary excluding DA (assuming that DA will not be taken for retirement benefits)		
₹ 3,60,000 – 2,23,640 =	1,36,360	1,36,360
(c) 50% of salary (Pay in the Pay Level)	11,18,200	
		30,63,808
<i>Deductions</i>		
Standard deduction – Sec. 16 (ia)	...	50,000
Professional Tax recovered ₹ 250 x 12 – Under Section 16 (2)		3,000
		30,10,808

			30,10,808
<i>Under Section 80-C</i>			
		₹	
1.	GPF contribution ₹ 15,000 × 12	= 1,80,000	
2.	L.I. Premium	= 10,000	
3.	Contribution to CGEGIS ₹ 120 × 12	= 1,440	
4.	Repayment of House Building Advance ₹ 3,000 × 12	= 36,000	
5.	Tuition Fees paid for college education ₹ 65,000 less development fees ₹ 20,000	= 45,000	
		<u>2,72,440</u>	
	but limited to	...	<u>1,50,000</u>
			28,60,808
<i>Under Section 80-D</i>			
		₹	
1.	Contribution to CGHS ₹ 1,000 × 12	... 12,000	
2.	Medical expenditure incurred for dependent parents (Senior Citizens) ₹ 60,000 but limited to	50,000	62,000
<i>Under Section 80-DD</i>			
	Amount paid to LIC under a Scheme framed by LIC for maintenance of physically handicapped child (not severe disability)	<u>80,000</u>	
	but limited to		<u>75,000</u>
	Net Taxable Income rounded off	...	27,23,810
Calculation of Income Tax			
	Up to ₹ 2,50,000	... Nil	
	From ₹ 2,50,001 to ₹ 5,00,000 @ 5%	... 12,500	
	From ₹ 5,00,001 to ₹ 10,00,000 @ 20%	... 1,00,000	
	Balance ₹ 17,23,810 @ 30%	... <u>5,17,143</u>	
			6,29,643
	Health and Education Cess @ 4% on ₹ 6,29,643 ...	25,186	
	(₹ 25,185.72 say ₹ 25,186)		
	Total tax payable	...	<u>6,54,829</u>

NOTE 1.— Any amount in the nature of development fees or donation or capitation fees paid along with the Tuition Fees is not admissible for deduction.

NOTE 2.— Women employees are now treated at par with other employees and hence no special tax slab for them.

NOTE 3.— Contribution to Health Insurance Premium for dependent parents who are senior citizens are eligible for deduction up to ₹ 50,000.

NOTE 4.— Deduction under Section 80-DD limit raised to ₹ 75,000 for disability and ₹ 1,25,000 for severe disability.

NOTE 5.— Standard deduction of ₹ 50,000 is allowed under Section 16 (ia).

15. Calculate the Income Tax payable by Shri 'A' who is governed by New Pension Scheme for the year 2019-20. He has furnished a PAN to his employer.

1. Pay in Pay Level 11 on 1-3-2017, ₹ 78,500
2. DA 1-3-2019 @ 12%, 1-7-2019 @ 15%
3. HRA @ 24%
4. Transport Allowance ₹ 7,200 plus DA
5. Staying at his own house.
6. Contribution to New Pension Scheme @ 10% of Salary plus additional ₹ 50,000.
7. Professional Tax paid ₹ 250 p.m.
8. Premium paid to Life Insurance Policy ₹ 85,000 p.a.
Policy taken on 5-5-2015 and amount assured is ₹ 8,00,000
9. Postal Life Insurance premium paid ₹ 300 p.m.
10. CGEGIS ₹ 120 p.m.
11. Contribution to CGHS ₹ 650 p.m.
12. Interest received on Post Office Savings Account ₹ 12,000 per annum (as reported by the Officer)

Computation of Total Income:

<i>PAY</i>	₹	₹
1-3-2019 to 30-6-2019 ₹ 78,500 × 4	= 3,14,000	
1-7-2019 to 29-2-2020 ₹ 80,900 × 8	= 6,47,200	9,61,200
<i>DA</i>		
1-3-2019 to 30-6-2019 ₹ 78,500 @ 12% = ₹ 9,420 × 4	= 37,680	
1-7-2019 to 29-2-2020 ₹ 80,900 @ 15% = ₹ 12,135 × 8	= 97,080	1,34,760
<i>HRA</i>		
1-3-2019 to 30-6-2019 ₹ 78,500 @ 24% = 18,840 × 4	= 75,360	
1-7-2019 to 29-2-2020 ₹ 80,900 @ 24% = ₹ 19,416 × 8	= 1,55,328	2,30,688

	₹	₹
<i>Transport Allowance</i>		
1-3-2019 to 30-6-2019		
₹ 7,200 + DA @ 12% = ₹ 8,064 x 4	= 32,256	
1-7-2019 to 29-2-2020		
₹ 7,200 + DA @ 15% = ₹ 8,280 x 8	= <u>66,240</u>	98,496
<i>Government contribution to New Pension Scheme</i>		
10% of Pay		
1-3-2019 to 31-3-2019		
₹ 78,500 @ 12% + DA = ₹ 8,792 x 1	= 8,792	
14% of Pay		
1-4-2019 to 30-6-2019		
₹ 78,500 @ 14% + DA = ₹ 12,309 x 3	= 36,927	
1-7-2019 to 29-2-2020		
₹ 80,900 @ 15% + DA = ₹ 13,025 x 8	= <u>1,04,200</u>	<u>1,49,919</u>
		<u>15,75,063</u>
<i>Deductions</i>		
Standard deduction – Sec. 16 (ia)	=	50,000
Professional Tax recovered ₹ 250 x 12 – Under Section 16 (2) (-)		<u>3,000</u>
		<u>15,22,063</u>
<i>Under Section 80-C</i>		
1. Insurance Premium paid limited to 10%	= 80,000	
2. Postal Life Insurance ₹ 300 x 12	= 3,600	
3. CGEGIS ₹ 120 x 12	= 1,440	
<i>Under Section 80-CCD (1)</i>		
Employee's contribution to New Pension Scheme	<u>1,09,600</u>	
	<u>1,91,400</u>	
Section 80-CCE limited to	...	<u>1,50,000</u>
		<u>13,72,063</u>
<i>Under Section 80-CCD (1-B) - Additional</i>	=	50,000
<i>Under Section 80-CCD (2)</i>		
Government's contribution to New Pension Scheme	...	<u>1,09,600</u>
		<u>12,12,463</u>
<i>Under Section 80-D</i>		
CGHS Contribution ₹ 650 x 12	...	<u>7,800</u>
		<u>12,04,663</u>
<i>Under Section 80-TTA</i>		
Interest received ₹ 12,000	₹	
Admissible deduction ₹ 10,000	... 2,000	2,000
(Balance treated as income)		
Net taxable income rounded off	...	<u><u>12,02,660</u></u>

Income Tax payable:—

First ₹ 2,50,000	...	Nil
₹ 2,50,001 to ₹ 5,00,000 @ 5%	...	12,500
₹ 5,00,001 to ₹ 10,00,000 @ 20%	...	1,00,000
Balance ₹ 2,02,660 @ 30%	...	60,798
		<u>1,73,298</u>
Health and Education Cess @ 4%	₹ 6,931.92	6,932
Total tax payable	...	<u>1,80,230</u>

NOTE 1.— The contribution towards New Pension Scheme has been worked at 10% of Pay *plus* DA for employees contribution and at 14% of pay *plus* DA for Government contribution with effect from 1-4-2019. The contribution has to be revised whenever there is change in these elements. Hence, on 1-7-2019, on account of revision of DA the contribution has also been revised. The contributions should be rounded off to the nearest rupee.

NOTE 2.— Government contribution to New Pension Scheme should be included in the salary income and a maximum of ten per cent of his salary is also allowed as deduction under Section 80-CCD (2). This deduction is excluded from the limit of ₹ 1.50 lakh under Section 80-CCE (Total deductions under Sections 80-CCC and 80-CCD).

NOTE 3.— The employee's contribution to New Pension Scheme is allowed as deduction under 80-CCD (1).

An additional deduction of ₹ 50,000 is allowed under Section 80-CCD (1-B).

NOTE 4.— From 1-4-2013, the deduction admissible for the premium paid on the Insurance Policy is limited to 10% of the amount assured.

NOTE 5.— Under Section 80-TTA, on any income earned by way of interest in a Savings Account, a deduction up to ₹ 10,000 is admissible. Hence the balance amount of ₹ 2,000 has been taken as income.

16. Calculate the Income Tax payable by Shri 'K', a retired Central Government Pensioner for the year 2019-2020. He has furnished a PAN to his pension disbursing officer.

1. Monthly pension before commutation	...	₹ 82,400
2. Commutation 40% of ₹ 82,400	...	₹ 32,960
3. Pension after commutation	...	₹ 49,440
4. Dearness Relief - 12% from 1-1-2019 and 15% from 1-7-2019		
5. He declared income from other sources i.e. by way of interest on deposits	...	₹ 70,000
6. He purchased Post Office National Savings Certificate VIII issue	...	₹ 50,000
7. He deposited in the SBI for 5 years period under Tax Savings Scheme	...	₹ 50,000

8. Annual premium paid on Health Insurance for self under Section 80-D ... ₹ 50,000

Aus.

Calculation of Income Tax

<i>Pension Income :</i>		₹
1-3-2019 to 29-2-2020 ₹ 49,440 × 12	...	5,93,280
<i>Dearness Relief :</i>		
1-3 to 30-6 @ 12%	= ₹ 9,888 × 4	39,552
1-7 to 29-2 @ 15%	= ₹ 12,360 × 8	98,880
<i>Other source of Income:</i>		₹
Interest on Deposits	...	70,000
Admissible deduction	...	<u>50,000</u>
		<u>20,000</u>
		7,51,712

Deductions :

Standard deduction – Sec. 16 (ia)	...	50,000
Savings under Section 80-C	₹	
1. PO. NSC VIII issue	= 50,000	
2. Fixed Deposit with SBI	= 50,000	
	<u>1,00,000</u>	<u>1,00,000</u>
		6,01,712

Under Section 80-D

Premium paid on Health Insurance for self ₹ 50,000 restricted to	25,000
Taxable Income rounded off	...
	<u>5,76,710</u>

Income Tax :—

First ₹ 3,00,000	...	Nil
For the next ₹ 2,00,000 @ 5%	...	10,000
For the balance ₹ 76,710 @ 20%	...	15,342
Total IT	...	<u>25,342</u>
Health and Education Cess @ 4% of IT ₹ 1,013.68		<u>1,014</u>
Total IT and cess payable	...	<u>26,356</u>

NOTE 1.— Dearness Relief is to be calculated on the original pension before commutation, i.e., for ₹ 82,400.

NOTE 2.— Health Insurance Premium is restricted to ₹ 25,000 from the Financial Year 2015-2016.

NOTE 3.— Standard deduction of ₹ 50,000 is allowed under Sec. 16 (ia).

NOTE 4.— Any income by way of interest on deposits up to ₹ 50,000 p.a. shall be exempted from the total income in respect of senior citizens under Section 80-TTB.

Ready Reckoner

Where the taxable income is between ₹ 5,00,000 and ₹ 5,40,000

Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200

Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	**Very Sr. Citizen	Sr. Citizen	Others		**Very Sr. Citizen	Sr. Citizen	Others
5,00,000	—	—	—	5,20,000	4,000	14,000	16,500
5,01,000	200	10,200	12,700	5,21,000	4,200	14,200	16,700
5,02,000	400	10,400	12,900	5,22,000	4,400	14,400	16,900
5,03,000	600	10,600	13,100	5,23,000	4,600	14,600	17,100
5,04,000	800	10,800	13,300	5,24,000	4,800	14,800	17,300
5,05,000	1,000	11,000	13,500	5,25,000	5,000	15,000	17,500
5,06,000	1,200	11,200	13,700	5,26,000	5,200	15,200	17,700
5,07,000	1,400	11,400	13,900	5,27,000	5,400	15,400	17,900
5,08,000	1,600	11,600	14,100	5,28,000	5,600	15,600	18,100
5,09,000	1,800	11,800	14,300	5,29,000	5,800	15,800	18,300
5,10,000	2,000	12,000	14,500	5,30,000	6,000	16,000	18,500
5,11,000	2,200	12,200	14,700	5,31,000	6,200	16,200	18,700
5,12,000	2,400	12,400	14,900	5,32,000	6,400	16,400	18,900
5,13,000	2,600	12,600	15,100	5,33,000	6,600	16,600	19,100
5,14,000	2,800	12,800	15,300	5,34,000	6,800	16,800	19,300
5,15,000	3,000	13,000	15,500	5,35,000	7,000	17,000	19,500
5,16,000	3,200	13,200	15,700	5,36,000	7,200	17,200	19,700
5,17,000	3,400	13,400	15,900	5,37,000	7,400	17,400	19,900
5,18,000	3,600	13,600	16,100	5,38,000	7,600	17,600	20,100
5,19,000	3,800	13,800	16,300	5,39,000	7,800	17,800	20,300
5,20,000	4,000	14,000	16,500	5,40,000	8,000	18,000	20,500

** Income up to ₹ 5,00,000 is not taxable for Very Senior Citizens.

NOTE.— For taxable income up to ₹ 5 lakhs, income tax rebate of up to ₹ 12,500 is allowed.

Where the taxable income is between ₹ 5,40,000 and ₹ 6,00,000
Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200
Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
5,40,000	8,000	18,000	20,500	5,70,000	14,000	24,000	26,500
5,41,000	8,200	18,200	20,700	5,71,000	14,200	24,200	26,700
5,42,000	8,400	18,400	20,900	5,72,000	14,400	24,400	26,900
5,43,000	8,600	18,600	21,100	5,73,000	14,600	24,600	27,100
5,44,000	8,800	18,800	21,300	5,74,000	14,800	24,800	27,300
5,45,000	9,000	19,000	21,500	5,75,000	15,000	25,000	27,500
5,46,000	9,200	19,200	21,700	5,76,000	15,200	25,200	27,700
5,47,000	9,400	19,400	21,900	5,77,000	15,400	25,400	27,900
5,48,000	9,600	19,600	22,100	5,78,000	15,600	25,600	28,100
5,49,000	9,800	19,800	22,300	5,79,000	15,800	25,800	28,300
5,50,000	10,000	20,000	22,500	5,80,000	16,000	26,000	28,500
5,51,000	10,200	20,200	22,700	5,81,000	16,200	26,200	28,700
5,52,000	10,400	20,400	22,900	5,82,000	16,400	26,400	28,900
5,53,000	10,600	20,600	23,100	5,83,000	16,600	26,600	29,100
5,54,000	10,800	20,800	23,300	5,84,000	16,800	26,800	29,300
5,55,000	11,000	21,000	23,500	5,85,000	17,000	27,000	29,500
5,56,000	11,200	21,200	23,700	5,86,000	17,200	27,200	29,700
5,57,000	11,400	21,400	23,900	5,87,000	17,400	27,400	29,900
5,58,000	11,600	21,600	24,100	5,88,000	17,600	27,600	30,100
5,59,000	11,800	21,800	24,300	5,89,000	17,800	27,800	30,300
5,60,000	12,000	22,000	24,500	5,90,000	18,000	28,000	30,500
5,61,000	12,200	22,200	24,700	5,91,000	18,200	28,200	30,700
5,62,000	12,400	22,400	24,900	5,92,000	18,400	28,400	30,900
5,63,000	12,600	22,600	25,100	5,93,000	18,600	28,600	31,100
5,64,000	12,800	22,800	25,300	5,94,000	18,800	28,800	31,300
5,65,000	13,000	23,000	25,500	5,95,000	19,000	29,000	31,500
5,66,000	13,200	23,200	25,700	5,96,000	19,200	29,200	31,700
5,67,000	13,400	23,400	25,900	5,97,000	19,400	29,400	31,900
5,68,000	13,600	23,600	26,100	5,98,000	19,600	29,600	32,100
5,69,000	13,800	23,800	26,300	5,99,000	19,800	29,800	32,300
5,70,000	14,000	24,000	26,500	6,00,000	20,000	30,000	32,500

Where the taxable income is between ₹ 6,00,000 and ₹ 6,60,000
Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200
Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
6,00,000	20,000	30,000	32,500	6,30,000	26,000	36,000	38,500
6,01,000	20,200	30,200	32,700	6,31,000	26,200	36,200	38,700
6,02,000	20,400	30,400	32,900	6,32,000	26,400	36,400	38,900
6,03,000	20,600	30,600	33,100	6,33,000	26,600	36,600	39,100
6,04,000	20,800	30,800	33,300	6,34,000	26,800	36,800	39,300
6,05,000	21,000	31,000	33,500	6,35,000	27,000	37,000	39,500
6,06,000	21,200	31,200	33,700	6,36,000	27,200	37,200	39,700
6,07,000	21,400	31,400	33,900	6,37,000	27,400	37,400	39,900
6,08,000	21,600	31,600	34,100	6,38,000	27,600	37,600	40,100
6,09,000	21,800	31,800	34,300	6,39,000	27,800	37,800	40,300
6,10,000	22,000	32,000	34,500	6,40,000	28,000	38,000	40,500
6,11,000	22,200	32,200	34,700	6,41,000	28,200	38,200	40,700
6,12,000	22,400	32,400	34,900	6,42,000	28,400	38,400	40,900
6,13,000	22,600	32,600	35,100	6,43,000	28,600	38,600	41,100
6,14,000	22,800	32,800	35,300	6,44,000	28,800	38,800	41,300
6,15,000	23,000	33,000	35,500	6,45,000	29,000	39,000	41,500
6,16,000	23,200	33,200	35,700	6,46,000	29,200	39,200	41,700
6,17,000	23,400	33,400	35,900	6,47,000	29,400	39,400	41,900
6,18,000	23,600	33,600	36,100	6,48,000	29,600	39,600	42,100
6,19,000	23,800	33,800	36,300	6,49,000	29,800	39,800	42,300
6,20,000	24,000	34,000	36,500	6,50,000	30,000	40,000	42,500
6,21,000	24,200	34,200	36,700	6,51,000	30,200	40,200	42,700
6,22,000	24,400	34,400	36,900	6,52,000	30,400	40,400	42,900
6,23,000	24,600	34,600	37,100	6,53,000	30,600	40,600	43,100
6,24,000	24,800	34,800	37,300	6,54,000	30,800	40,800	43,300
6,25,000	25,000	35,000	37,500	6,55,000	31,000	41,000	43,500
6,26,000	25,200	35,200	37,700	6,56,000	31,200	41,200	43,700
6,27,000	25,400	35,400	37,900	6,57,000	31,400	41,400	43,900
6,28,000	25,600	35,600	38,100	6,58,000	31,600	41,600	44,100
6,29,000	25,800	35,800	38,300	6,59,000	31,800	41,800	44,300
6,30,000	26,000	36,000	38,500	6,60,000	32,000	42,000	44,500

Where the taxable income is between ₹ 6,60,000 and ₹ 7,20,000

Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200
Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
6,60,000	32,000	42,000	44,500	6,90,000	38,000	48,000	50,500
6,61,000	32,200	42,200	44,700	6,91,000	38,200	48,200	50,700
6,62,000	32,400	42,400	44,900	6,92,000	38,400	48,400	50,900
6,63,000	32,600	42,600	45,100	6,93,000	38,600	48,600	51,100
6,64,000	32,800	42,800	45,300	6,94,000	38,800	48,800	51,300
6,65,000	33,000	43,000	45,500	6,95,000	39,000	49,000	51,500
6,66,000	33,200	43,200	45,700	6,96,000	39,200	49,200	51,700
6,67,000	33,400	43,400	45,900	6,97,000	39,400	49,400	51,900
6,68,000	33,600	43,600	46,100	6,98,000	39,600	49,600	52,100
6,69,000	33,800	43,800	46,300	6,99,000	39,800	49,800	52,300
6,70,000	34,000	44,000	46,500	7,00,000	40,000	50,000	52,500
6,71,000	34,200	44,200	46,700	7,01,000	40,200	50,200	52,700
6,72,000	34,400	44,400	46,900	7,02,000	40,400	50,400	52,900
6,73,000	34,600	44,600	47,100	7,03,000	40,600	50,600	53,100
6,74,000	34,800	44,800	47,300	7,04,000	40,800	50,800	53,300
6,75,000	35,000	45,000	47,500	7,05,000	41,000	51,000	53,500
6,76,000	35,200	45,200	47,700	7,06,000	41,200	51,200	53,700
6,77,000	35,400	45,400	47,900	7,07,000	41,400	51,400	53,900
6,78,000	35,600	45,600	48,100	7,08,000	41,600	51,600	54,100
6,79,000	35,800	45,800	48,300	7,09,000	41,800	51,800	54,300
6,80,000	36,000	46,000	48,500	7,10,000	42,000	52,000	54,500
6,81,000	36,200	46,200	48,700	7,11,000	42,200	52,200	54,700
6,82,000	36,400	46,400	48,900	7,12,000	42,400	52,400	54,900
6,83,000	36,600	46,600	49,100	7,13,000	42,600	52,600	55,100
6,84,000	36,800	46,800	49,300	7,14,000	42,800	52,800	55,300
6,85,000	37,000	47,000	49,500	7,15,000	43,000	53,000	55,500
6,86,000	37,200	47,200	49,700	7,16,000	43,200	53,200	55,700
6,87,000	37,400	47,400	49,900	7,17,000	43,400	53,400	55,900
6,88,000	37,600	47,600	50,100	7,18,000	43,600	53,600	56,100
6,89,000	37,800	47,800	50,300	7,19,000	43,800	53,800	56,300
6,90,000	38,000	48,000	50,500	7,20,000	44,000	54,000	56,500

**Where the taxable income is between ₹ 7,20,000 and ₹ 7,80,000
Rate 20%**

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200
Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
7,20,000	44,000	54,000	56,500	7,50,000	50,000	60,000	62,500
7,21,000	44,200	54,200	56,700	7,51,000	50,200	60,200	62,700
7,22,000	44,400	54,400	56,900	7,52,000	50,400	60,400	62,900
7,23,000	44,600	54,600	57,100	7,53,000	50,600	60,600	63,100
7,24,000	44,800	54,800	57,300	7,54,000	50,800	60,800	63,300
7,25,000	45,000	55,000	57,500	7,55,000	51,000	61,000	63,500
7,26,000	45,200	55,200	57,700	7,56,000	51,200	61,200	63,700
7,27,000	45,400	55,400	57,900	7,57,000	51,400	61,400	63,900
7,28,000	45,600	55,600	58,100	7,58,000	51,600	61,600	64,100
7,29,000	45,800	55,800	58,300	7,59,000	51,800	61,800	64,300
7,30,000	46,000	56,000	58,500	7,60,000	52,000	62,000	64,500
7,31,000	46,200	56,200	58,700	7,61,000	52,200	62,200	64,700
7,32,000	46,400	56,400	58,900	7,62,000	52,400	62,400	64,900
7,33,000	46,600	56,600	59,100	7,63,000	52,600	62,600	65,100
7,34,000	46,800	56,800	59,300	7,64,000	52,800	62,800	65,300
7,35,000	47,000	57,000	59,500	7,65,000	53,000	63,000	65,500
7,36,000	47,200	57,200	59,700	7,66,000	53,200	63,200	65,700
7,37,000	47,400	57,400	59,900	7,67,000	53,400	63,400	65,900
7,38,000	47,600	57,600	60,100	7,68,000	53,600	63,600	66,100
7,39,000	47,800	57,800	60,300	7,69,000	53,800	63,800	66,300
7,40,000	48,000	58,000	60,500	7,70,000	54,000	64,000	66,500
7,41,000	48,200	58,200	60,700	7,71,000	54,200	64,200	66,700
7,42,000	48,400	58,400	60,900	7,72,000	54,400	64,400	66,900
7,43,000	48,600	58,600	61,100	7,73,000	54,600	64,600	67,100
7,44,000	48,800	58,800	61,300	7,74,000	54,800	64,800	67,300
7,45,000	49,000	59,000	61,500	7,75,000	55,000	65,000	67,500
7,46,000	49,200	59,200	61,700	7,76,000	55,200	65,200	67,700
7,47,000	49,400	59,400	61,900	7,77,000	55,400	65,400	67,900
7,48,000	49,600	59,600	62,100	7,78,000	55,600	65,600	68,100
7,49,000	49,800	59,800	62,300	7,79,000	55,800	65,800	68,300
7,50,000	50,000	60,000	62,500	7,80,000	56,000	66,000	68,500

Where the taxable income is between ₹ 7,80,000 and ₹ 8,40,000

Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200

Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
7,80,000	56,000	66,000	68,500	8,10,000	62,000	72,000	74,500
7,81,000	56,200	66,200	68,700	8,11,000	62,200	72,200	74,700
7,82,000	56,400	66,400	68,900	8,12,000	62,400	72,400	74,900
7,83,000	56,600	66,600	69,100	8,13,000	62,600	72,600	75,100
7,84,000	56,800	66,800	69,300	8,14,000	62,800	72,800	75,300
7,85,000	57,000	67,000	69,500	8,15,000	63,000	73,000	75,500
7,86,000	57,200	67,200	69,700	8,16,000	63,200	73,200	75,700
7,87,000	57,400	67,400	69,900	8,17,000	63,400	73,400	75,900
7,88,000	57,600	67,600	70,100	8,18,000	63,600	73,600	76,100
7,89,000	57,800	67,800	70,300	8,19,000	63,800	73,800	76,300
7,90,000	58,000	68,000	70,500	8,20,000	64,000	74,000	76,500
7,91,000	58,200	68,200	70,700	8,21,000	64,200	74,200	76,700
7,92,000	58,400	68,400	70,900	8,22,000	64,400	74,400	76,900
7,93,000	58,600	68,600	71,100	8,23,000	64,600	74,600	77,100
7,94,000	58,800	68,800	71,300	8,24,000	64,800	74,800	77,300
7,95,000	59,000	69,000	71,500	8,25,000	65,000	75,000	77,500
7,96,000	59,200	69,200	71,700	8,26,000	65,200	75,200	77,700
7,97,000	59,400	69,400	71,900	8,27,000	65,400	75,400	77,900
7,98,000	59,600	69,600	72,100	8,28,000	65,600	75,600	78,100
7,99,000	59,800	69,800	72,300	8,29,000	65,800	75,800	78,300
8,00,000	60,000	70,000	72,500	8,30,000	66,000	76,000	78,500
8,01,000	60,200	70,200	72,700	8,31,000	66,200	76,200	78,700
8,02,000	60,400	70,400	72,900	8,32,000	66,400	76,400	78,900
8,03,000	60,600	70,600	73,100	8,33,000	66,600	76,600	79,100
8,04,000	60,800	70,800	73,300	8,34,000	66,800	76,800	79,300
8,05,000	61,000	71,000	73,500	8,35,000	67,000	77,000	79,500
8,06,000	61,200	71,200	73,700	8,36,000	67,200	77,200	79,700
8,07,000	61,400	71,400	73,900	8,37,000	67,400	77,400	79,900
8,08,000	61,600	71,600	74,100	8,38,000	67,600	77,600	80,100
8,09,000	61,800	71,800	74,300	8,39,000	67,800	77,800	80,300
8,10,000	62,000	72,000	74,500	8,40,000	68,000	78,000	80,500

Where the taxable income is between ₹ 8,40,000 and ₹ 9,00,000
Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200
Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
8,40,000	68,000	78,000	80,500	8,70,000	74,000	84,000	86,500
8,41,000	68,200	78,200	80,700	8,71,000	74,200	84,200	86,700
8,42,000	68,400	78,400	80,900	8,72,000	74,400	84,400	86,900
8,43,000	68,600	78,600	81,100	8,73,000	74,600	84,600	87,100
8,44,000	68,800	78,800	81,300	8,74,000	74,800	84,800	87,300
8,45,000	69,000	79,000	81,500	8,75,000	75,000	85,000	87,500
8,46,000	69,200	79,200	81,700	8,76,000	75,200	85,200	87,700
8,47,000	69,400	79,400	81,900	8,77,000	75,400	85,400	87,900
8,48,000	69,600	79,600	82,100	8,78,000	75,600	85,600	88,100
8,49,000	69,800	79,800	82,300	8,79,000	75,800	85,800	88,300
8,50,000	70,000	80,000	82,500	8,80,000	76,000	86,000	88,500
8,51,000	70,200	80,200	82,700	8,81,000	76,200	86,200	88,700
8,52,000	70,400	80,400	82,900	8,82,000	76,400	86,400	88,900
8,53,000	70,600	80,600	83,100	8,83,000	76,600	86,600	89,100
8,54,000	70,800	80,800	83,300	8,84,000	76,800	86,800	89,300
8,55,000	71,000	81,000	83,500	8,85,000	77,000	87,000	89,500
8,56,000	71,200	81,200	83,700	8,86,000	77,200	87,200	89,700
8,57,000	71,400	81,400	83,900	8,87,000	77,400	87,400	89,900
8,58,000	71,600	81,600	84,100	8,88,000	77,600	87,600	90,100
8,59,000	71,800	81,800	84,300	8,89,000	77,800	87,800	90,300
8,60,000	72,000	82,000	84,500	8,90,000	78,000	88,000	90,500
8,61,000	72,200	82,200	84,700	8,91,000	78,200	88,200	90,700
8,62,000	72,400	82,400	84,900	8,92,000	78,400	88,400	90,900
8,63,000	72,600	82,600	85,100	8,93,000	78,600	88,600	91,100
8,64,000	72,800	82,800	85,300	8,94,000	78,800	88,800	91,300
8,65,000	73,000	83,000	85,500	8,95,000	79,000	89,000	91,500
8,66,000	73,200	83,200	85,700	8,96,000	79,200	89,200	91,700
8,67,000	73,400	83,400	85,900	8,97,000	79,400	89,400	91,900
8,68,000	73,600	83,600	86,100	8,98,000	79,600	89,600	92,100
8,69,000	73,800	83,800	86,300	8,99,000	79,800	89,800	92,300
8,70,000	74,000	84,000	86,500	9,00,000	80,000	90,000	92,500

Where the taxable income is between ₹ 9,00,000 and ₹ 9,60,000

Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200
Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
9,00,000	80,000	90,000	92,500	9,30,000	86,000	96,000	98,500
9,01,000	80,200	90,200	92,700	9,31,000	86,200	96,200	98,700
9,02,000	80,400	90,400	92,900	9,32,000	86,400	96,400	98,900
9,03,000	80,600	90,600	93,100	9,33,000	86,600	96,600	99,100
9,04,000	80,800	90,800	93,300	9,34,000	86,800	96,800	99,300
9,05,000	81,000	91,000	93,500	9,35,000	87,000	97,000	99,500
9,06,000	81,200	91,200	93,700	9,36,000	87,200	97,200	99,700
9,07,000	81,400	91,400	93,900	9,37,000	87,400	97,400	99,900
9,08,000	81,600	91,600	94,100	9,38,000	87,600	97,600	1,00,100
9,09,000	81,800	91,800	94,300	9,39,000	87,800	97,800	1,00,300
9,10,000	82,000	92,000	94,500	9,40,000	88,000	98,000	1,00,500
9,11,000	82,200	92,200	94,700	9,41,000	88,200	98,200	1,00,700
9,12,000	82,400	92,400	94,900	9,42,000	88,400	98,400	1,00,900
9,13,000	82,600	92,600	95,100	9,43,000	88,600	98,600	1,01,100
9,14,000	82,800	92,800	95,300	9,44,000	88,800	98,800	1,01,300
9,15,000	83,000	93,000	95,500	9,45,000	89,000	99,000	1,01,500
9,16,000	83,200	93,200	95,700	9,46,000	89,200	99,200	1,01,700
9,17,000	83,400	93,400	95,900	9,47,000	89,400	99,400	1,01,900
9,18,000	83,600	93,600	96,100	9,48,000	89,600	99,600	1,02,100
9,19,000	83,800	93,800	96,300	9,49,000	89,800	99,800	1,02,300
9,20,000	84,000	94,000	96,500	9,50,000	90,000	1,00,000	1,02,500
9,21,000	84,200	94,200	96,700	9,51,000	90,200	1,00,200	1,02,700
9,22,000	84,400	94,400	96,900	9,52,000	90,400	1,00,400	1,02,900
9,23,000	84,600	94,600	97,100	9,53,000	90,600	1,00,600	1,03,100
9,24,000	84,800	94,800	97,300	9,54,000	90,800	1,00,800	1,03,300
9,25,000	85,000	95,000	97,500	9,55,000	91,000	1,01,000	1,03,500
9,26,000	85,200	95,200	97,700	9,56,000	91,200	1,01,200	1,03,700
9,27,000	85,400	95,400	97,900	9,57,000	91,400	1,01,400	1,03,900
9,28,000	85,600	95,600	98,100	9,58,000	91,600	1,01,600	1,04,100
9,29,000	85,800	95,800	98,300	9,59,000	91,800	1,01,800	1,04,300
9,30,000	86,000	96,000	98,500	9,60,000	92,000	1,02,000	1,04,500

Where the taxable income is between ₹ 9,60,000 and ₹ 10,00,000
Rate 20%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	2	50	10	100	20	600	120
20	4	60	12	200	40	700	140
30	6	70	14	300	60	800	160
40	8	80	16	400	80	900	180
50	10	90	18	500	100	1,000	200

Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
9,60,000	92,000	1,02,000	1,04,500	9,80,000	96,000	1,06,000	1,08,500
9,61,000	92,200	1,02,200	1,04,700	9,81,000	96,200	1,06,200	1,08,700
9,62,000	92,400	1,02,400	1,04,900	9,82,000	96,400	1,06,400	1,08,900
9,63,000	92,600	1,02,600	1,05,100	9,83,000	96,600	1,06,600	1,09,100
9,64,000	92,800	1,02,800	1,05,300	9,84,000	96,800	1,06,800	1,09,300
9,65,000	93,000	1,03,000	1,05,500	9,85,000	97,000	1,07,000	1,09,500
9,66,000	93,200	1,03,200	1,05,700	9,86,000	97,200	1,07,200	1,09,700
9,67,000	93,400	1,03,400	1,05,900	9,87,000	97,400	1,07,400	1,09,900
9,68,000	93,600	1,03,600	1,06,100	9,88,000	97,600	1,07,600	1,10,100
9,69,000	93,800	1,03,800	1,06,300	9,89,000	97,800	1,07,800	1,10,300
9,70,000	94,000	1,04,000	1,06,500	9,90,000	98,000	1,08,000	1,10,500
9,71,000	94,200	1,04,200	1,06,700	9,91,000	98,200	1,08,200	1,10,700
9,72,000	94,400	1,04,400	1,06,900	9,92,000	98,400	1,08,400	1,10,900
9,73,000	94,600	1,04,600	1,07,100	9,93,000	98,600	1,08,600	1,11,100
9,74,000	94,800	1,04,800	1,07,300	9,94,000	98,800	1,08,800	1,11,300
9,75,000	95,000	1,05,000	1,07,500	9,95,000	99,000	1,09,000	1,11,500
9,76,000	95,200	1,05,200	1,07,700	9,96,000	99,200	1,09,200	1,11,700
9,77,000	95,400	1,05,400	1,07,900	9,97,000	99,400	1,09,400	1,11,900
9,78,000	95,600	1,05,600	1,08,100	9,98,000	99,600	1,09,600	1,12,100
9,79,000	95,800	1,05,800	1,08,300	9,99,000	99,800	1,09,800	1,12,300
9,80,000	96,000	1,06,000	1,08,500	10,00,000	1,00,000	1,10,000	1,12,500

Where the taxable income is between ₹ 10,00,000 and ₹ 10,50,000
Rate 30%

Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹	Taxable Income ₹	IT ₹
10	3	50	15	100	30	600	180
20	6	60	18	200	60	700	210
30	9	70	21	300	90	800	240
40	12	80	24	400	120	900	270
50	15	90	27	500	150	1,000	300
Taxable Income ₹	Income Tax ₹			Taxable Income ₹	Income Tax ₹		
	Very Sr. Citizen	Sr. Citizen	Others		Very Sr. Citizen	Sr. Citizen	Others
10,00,000	1,00,000	1,10,000	1,12,500	10,25,000	1,07,500	1,17,500	1,20,000
10,01,000	1,00,300	1,10,300	1,12,800	10,26,000	1,07,800	1,17,800	1,20,300
10,02,000	1,00,600	1,10,600	1,13,100	10,27,000	1,08,100	1,18,100	1,20,600
10,03,000	1,00,900	1,10,900	1,13,400	10,28,000	1,08,400	1,18,400	1,20,900
10,04,000	1,01,200	1,11,200	1,13,700	10,29,000	1,08,700	1,18,700	1,21,200
10,05,000	1,01,500	1,11,500	1,14,000	10,30,000	1,09,000	1,19,000	1,21,500
10,06,000	1,01,800	1,11,800	1,14,300	10,31,000	1,09,300	1,19,300	1,21,800
10,07,000	1,02,100	1,12,100	1,14,600	10,32,000	1,09,600	1,19,600	1,22,100
10,08,000	1,02,400	1,12,400	1,14,900	10,33,000	1,09,900	1,19,900	1,22,400
10,09,000	1,02,700	1,12,700	1,15,200	10,34,000	1,10,200	1,20,200	1,22,700
10,10,000	1,03,000	1,13,000	1,15,500	10,35,000	1,10,500	1,20,500	1,23,000
10,11,000	1,03,300	1,13,300	1,15,800	10,36,000	1,10,800	1,20,800	1,23,300
10,12,000	1,03,600	1,13,600	1,16,100	10,37,000	1,11,100	1,21,100	1,23,600
10,13,000	1,03,900	1,13,900	1,16,400	10,38,000	1,11,400	1,21,400	1,23,900
10,14,000	1,04,200	1,14,200	1,16,700	10,39,000	1,11,700	1,21,700	1,24,200
10,15,000	1,04,500	1,14,500	1,17,000	10,40,000	1,12,000	1,22,000	1,24,500
10,16,000	1,04,800	1,14,800	1,17,300	10,41,000	1,12,300	1,22,300	1,24,800
10,17,000	1,05,100	1,15,100	1,17,600	10,42,000	1,12,600	1,22,600	1,25,100
10,18,000	1,05,400	1,15,400	1,17,900	10,43,000	1,12,900	1,22,900	1,25,400
10,19,000	1,05,700	1,15,700	1,18,200	10,44,000	1,13,200	1,23,200	1,25,700
10,20,000	1,06,000	1,16,000	1,18,500	10,45,000	1,13,500	1,23,500	1,26,000
10,21,000	1,06,300	1,16,300	1,18,800	10,46,000	1,13,800	1,23,800	1,26,300
10,22,000	1,06,600	1,16,600	1,19,100	10,47,000	1,14,100	1,24,100	1,26,600
10,23,000	1,06,900	1,16,900	1,19,400	10,48,000	1,14,400	1,24,400	1,26,900
10,24,000	1,07,200	1,17,200	1,19,700	10,49,000	1,14,700	1,24,700	1,27,200
10,25,000	1,07,500	1,17,500	1,20,000	10,50,000	1,15,000	1,25,000	1,27,500

Our Publications

Catalogue No.	Title of the Books	Catalogue No.	Title of the Books
	Acts		
A-4	The Code of Criminal Procedure	C-14	Swamy's – Delegation of Financial Powers Rules
A-5	The Constitution of India	C-15	Swamy's – House Building Advance Rules
A-9	The Prevention of Corruption Act	C-17	Swamy's – Suspension and Reinstatement
	Reference Books	C-18-A	Swamy's – Overtime Allowance Rules
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