

- other cause beyond the control of employee, or
- (iii) if, on cessation of his employment, the employee obtains employment with any other employer, to the extent amount of such accumulated balance is transferred to his individual account in any recognized provident fund maintained by such other employer, or
- (iv) if the entire balance standing to the credit of employee is transferred to his account under a pension scheme referred to in section 80 CCD and notified by the central Government.

When the accumulated balance due and becoming payable to an employee includes any amount transferred from his individual account in any other recognized provident fund(s) maintained by his former employer(s), then in computing the period of continuous service the period or periods of continuous services rendered under former employer(s) shall be counted for the purposes of (i) and (ii) above. Under the above four situations at (i) to (iv), the accumulated balance due and payable to the employee is not liable for TDS under section 192 A.

## **8. DDOs TO OBTAIN EVIDENCE/PROOF OF CLAIMS:**

For the purpose of estimating income of the assessee or computing tax deductions, section 192(2D) provides that person responsible for paying (DDOs) shall obtain from the assessee evidence or proof or particular of claims such as House rent Allowance (where aggregate annual rent exceeds one lakh rupees); Deduction of interest under the head "Income from house property" and deduction under Chapter VI-A as per the prescribed form 12BB laid down by Rule 26C of the Rules.

Further, as per section 192 (2D) read with the rule 26C, it is mandatory for the DDOs to obtain details/evidence in respect of claim of exemption for leave travel concession or assistance before allowing the said exemption. The relevant form for furnishing details by employee is Form 12BB.

**It may be noted that the DDOs shall allow income-tax exemption as referred to in Para 5.3.1 after obtaining copies of invoices of specified expenditure incurred during the specified period.**

## **9. CALCULATION OF INCOME-TAX TO BE DEDUCTED:**

9.1 Salary income for the purpose of section 192 shall be computed as follow:-

- a) First compute the gross salary as mentioned in para 5.1 including all the incomes mentioned in para 5.2 and excluding the income mentioned in para 5.3.
- b) Allow deductions mentioned in para 5.4 from the figure arrived at (a) above and compute the amount to arrive at Net salary of the employee
- c) Add income from all other heads- "House property", "Profits & gains of Business or Profession", Capital gains and Income from other Sources to arrive at the Gross Total Income as shown in the form of simple statement mentioned para 3.5. However it may be remembered that no loss under any such head is allowable by DDO other than loss under the Head "Income from House property" to the extent of Rs. 2.00 lakh.

- d) Allow deductions mentioned in para 5.5 from the figure arrived at (c) above ensuring that the relevant conditions are satisfied. The aggregate of the deductions subject to the threshold limits mentioned in para 5.5 shall not exceed the amount at (b) above and if it exceeds, it should be restricted to that amount.

This will be the amount of total income of the employee on which income tax would be required to be deducted. This income should be rounded off to the nearest multiple of ten rupees.

9.2 Income-tax on such income shall be calculated at the rates given in para 2.1 of this Circular keeping in view the age of the employee and subject to the provisions of sec. 206AA, as discussed in para 4.8. Rebate as per Section 87A up to Rs 12,500/- to eligible persons (see para 6) may be given. Surcharge shall be calculated in cases where applicable (see para 2.2).

9.3 The amount of tax as increased by the surcharge if applicable so arrived at shall be increased by Health and Education Cess at the rate of 4% to arrive at the total tax payable.

9.4 The amount of total tax payable as arrived at para 9.3 should be deducted every month in equal installments. Any excess or deficit arising out of any previous deduction can be adjusted by increasing or decreasing the amount of subsequent deductions during the same financial year.

#### **10. MISCELLANEOUS:**

10.1 These instructions are not exhaustive and are issued only with a view to guide the employers to understand the various provisions relating to deduction of tax from salaries. Wherever there is any doubt, reference may be made to the provisions of the Income-tax Act, 1961, the Income-tax Rules, 1962, the Finance Act, 2020 (No. 12 of 2020), the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 (No. 38 of 2020), the relevant circulars / notifications, etc.

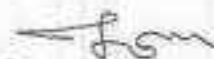
10.2 In case any assistance is required, the Assessing Officer/the Local Public Relation Officer of the Income-tax Department may be contacted.

10.3 These instructions may be brought to the notice of all Disbursing Officers and Undertakings including those under the control of the Central/ State Governments.

10.4 Copies of this Circular are available at the following websites:

[www.finmin.nic.in](http://www.finmin.nic.in) & [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)

Hindi version will follow.



**(Mahesh Kumar)**  
**Director (IT-budget), CBDT**

Copy to

1. All State Governments/Union Territories.
2. All Ministries/Departments of Government of India etc.
3. President's Secretariat
4. Vice-President's Secretariat
5. Prime Minister's Office
6. Lok Sabha Secretariat

7. Rajya Sabha Secretariat
8. Cabinet Secretariat
9. Secretary, U.P.S.C., Dholpur House, New Delhi
10. Secretary, Staff Selection Commission, Lodhi Complex, New Delhi
11. Supreme Court of India, New Delhi
12. Election Commission, New Delhi
13. Planning Commission, New Delhi
14. Secretariat of Governors/Lt. Governors of all States/Union Territories
15. All Integrated Financial Advisors to Ministries/Departments of Government of India
16. All Heads of Departments & Offices subordinate to the Department of Revenue CBDT, CBEC
17. Army Headquarters, New Delhi
18. Air Headquarters, New Delhi
19. Naval Headquarters, New Delhi
20. Director-General of Posts & Telegraphs, New Delhi
21. Comptroller & Auditor General of India
22. Accountant Generals of all State Governments
23. Director of Audit (Central) Kolkata, New Delhi, Mumbai.
24. All Banks (Public Sector, Nationalized including State Bank of India)
25. Secretary, Reserve Bank of India Central Office P.B.No.406, Mumbai-400001 (25 copies for distribution to its Branches).
26. Accounts Officer, Inspector General of Assam Rifles, (Hqrs), Shillong
27. All Chambers of Commerce & Industry
28. Lok Sabha /Rajya Sabha Secretariat Libraries (15 copies each)
29. All Officers and Sections in Technical Wing of CBDT
30. Asstt. Chief Inspector, RBI Inspection Deptt. Regional Cell Mumbai/Kolkata/ Chennai/New Delhi/and Kanpur.
31. Controller of Accounts, Deptt. Of Economic Affairs, New Delhi
32. Manager, Reserve Bank of India, Public Debt Office, Ahmedabad/Bengaluru/ Bhubaneswar/ Mumbai/Kolkata/Hyderabad/Kanpur/Jaipur/Chennai/Nagpur/New Delhi/ Patna/ Guwahati/Trivandrum.
33. Controller General of Defence Accounts, New Delhi.
34. Directorate of Audit, Defence Services, New Delhi.
35. National Saving Organisation, Nagpur.
36. Deputy Accountant General, Post & Telegraph, Kolkata.
37. The Legal Adviser, Export-Import Bank of India, P.B.No.19969, Mumbai.4000021.
38. Chief Controller of Accounts, CBDT, Lok Nayak Bhawan, Khan Market, New Delhi
39. N. S. Branch, Department of Economic Affairs, New Delhi
40. The Min. of Law (Deptt. of Legal Affairs), Shastri Bhawan New Delhi.
41. All Foreign Banks operating in India
42. Air India, New Delhi
43. University Grants Commission, Bahadur Shah Jafar Marg, New Delhi

(Mahesh Kumar)  
Director (IT-budget), CBDT

**SOME ILLUSTRATIONS#****Example 1**

For Assessment Year 2021-22

**(A) Calculation of Income tax in the case of an employee (Male or Female) below the age of sixty years and having gross salary income of:**

- i) Rs.2,50,000/-
- ii) Rs.6,00,000/-
- iii) Rs.10,50,000/-
- iv) Rs.55,50,000/- and
- v) Rs. 1,10,50,000/-

**(B) What will be the amount of TDS in case of above employees, if PAN@ is not submitted by them to their DDOs/Offices:**

Particulars	Rupees (i)	Rupees (ii)	Rupees (iii)	Rupees (iv)	Rupees (v)
Gross Salary Income (including allowances)	2,50,000	6,00,000	10,50,000	55,50,000	1,10,50,000
Contribution of G.P.F.	45,000	50,000	1,00,000	1,00,000	1,00,000

**Computation of Total Income and tax payable thereon**

Particulars	Rupees (i)	Rupees (ii)	Rupees (iii)	Rupees (iv)	Rupees (v)
Gross Salary	2,50,000	6,00,000	10,50,000	55,50,000	1,10,50,000
Less: Standard deduction u/s 16(ia)	50,000	50,000	50,000	50,000	50,000
Less: Deduction U/s 80C	45,000	50,000	1,00,000	1,00,000	1,00,000
Taxable Income	1,55,000	5,00,000	9,00,000	54,00,000	1,09,00,000
<b>(A) Tax Thereon</b>	<b>Nil</b>	<b>Nil*</b>	<b>92,500</b>	<b>14,32,500</b>	<b>30,82,500</b>
Surcharge				1,43,250	4,62,375
Add: Health & Education Cess @ 4%	Nil	Nil	3,700	63,030	1,41,795
<b>Total tax payable</b>	<b>Nil</b>	<b>Nil</b>	<b>96,200</b>	<b>16,38,780</b>	<b>36,86,670</b>

@ or Aadhaar number, as the case may be.

\* After rebate of Rs 12500 u/s 87A

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.



**Example 2**

For Assessment Year 2021-22

**Calculation of Income Tax in the case of an employee below the age of sixty years having a handicapped dependent (With valid PAN@ furnished to employer).**

S.No.	Particulars	Rupees
1	Gross Salary	4,70,000
2	Amount spent on treatment of a dependant, being person with disability (but not severe disability)	7000
3	Amount paid to LIC with regard to annuity for the maintenance of a dependant, being person with disability (but not severe disability)	60,000
4	GPF Contribution	25,000
5	LIP Paid	10,000
6	Interest Income on Savings Account	12,000

**Computation of Tax**

S.No.	Particulars	Rupees
1	Gross Salary	4,70,000
2	Less: Standard deduction u/s 16(ia)	50,000
3	Add: Income from Other Sources Interest Income on Savings Account	Rs 12,000
4	<b>Gross Total Income</b>	4,32,000
5	<b>Less: Deduction U/s 80DD (Restricted to Rs.75,000/- only)</b>	60,000
6	<b>Less: Deduction U/s 80C (i) GPF Rs.25,000/- (ii) LIP Rs.10,000/- = Rs.35,000/-</b>	35,000
7	<b>Less: Deduction u/s 80TTA on Interest Income on savings account (restricted to Rs 10000/-)</b>	10000
8	<b>Total Income</b>	<b>2,97,000</b>
9	<b>Income Tax thereon/payable</b> (includes Rebate of Rs 12500 as per Section 87A)	<b>Nil</b>
10	<b>Add:</b> Health & Education Cess @ 4%.	<b>Nil</b>
11	<b>Total Income Tax payable</b>	<b>Nil</b>
12	<b>Rounded off to</b>	<b>Nil</b>

@ or Aadhaar number, as the case may be.

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

### Example 3

For Assessment Year 2021-22

**Calculation of Income Tax in the case of an employee below age of sixty years where medical treatment expenditure was borne by the employer (With valid PAN@ furnished to employer).**

S.No.	Particulars	Rupees
1	Gross Salary	5,55,000
2	Medical Reimbursement by employer on the treatment of self and dependent family member	35,000
3	Contribution of GPF	20,000
4	LIC Premium	20,000
5	Repayment of House Building Advance	25,000
6	Tuition fees for two children	60,000
7	Investment in Unit-Linked Insurance Plan	30,000
8	Interest Income on Savings Account	8,000
9	Interest Income on Time Deposit	15,000

### Computation of Tax

S.No.	Particulars	Rupees
1	Gross Salary	5,55,000
2	Add: Perquisite in respect of reimbursement of Medical Expenses	35,000
3	Less: Standard deduction u/s 16(ia)	50,000
4	<b>Income from Other Sources</b> i) Interest Income on Savings Account Rs. 8,000 ii) Interest Income on Time Deposit Rs. 15,000	<b>23,000</b>
5	<b>Gross Total Income</b>	<b>5,63,000</b>
6	a. Less: Deduction U/s 80C (i) GPF Rs.20,000/- (ii) LIC Rs.20,000/- (iii) Repayment of House Building Advance Rs.25,000/- (iv) Tuition fees for two children Rs.60,000/- (v) Investment in Unit-Linked Insurance Plan <u>Rs.30,000/-</u> <b>Total =Rs.1,55,000/-</b>  Restricted to Rs. 1,50,000/- b. Less: Deduction u/s 80TTA on Interest Income on savings account (restricted to Rs 10,000/- - available only on Savings account interest) Rs 8000 Total deduction available Rs 1,58,000/-	<b>1,58,000</b>
7	<b>Total Income</b>	<b>4,05,000</b>
8	<b>Income Tax thereon/payable</b> (includes Rebate of Rs 12500 as per Section 87A)	<b>Nil*</b>
9	<b>Add:</b> Health & Education Cess @ 4%.	<b>Nil</b>
10	<b>Total Income Tax payable</b>	<b>Nil</b>

@ or Aadhaar number, as the case may be.

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

#### Example 4

For Assessment Year 2021-22

**Illustrative calculation of House Rent Allowance U/s 10 (13A) in respect of residential accommodation situated in Delhi in case of an employee below the age of sixty years (With valid PAN@ furnished to employer).**

S.No.	Particulars	Rupees
1	Salary	4,00,000
2	Dearness Allowance	2,00,000
3	House Rent Allowance	1,40,000
4	House rent paid	1,44,000
5	General Provident Fund	36,000
6	Life Insurance Premium	4,000
7	Subscription to Unit-Linked Insurance Plan	50,000

#### **Computation of total income and tax payable thereon**

S.No.	Particulars	Rupees
1	Salary + Dearness Allowance + House Rent Allowance $3,50,000 + 2,00,000 + 1,40,000 = 6,90,000$	7,40,000
2	<b>Total Salary Income</b>	<b>7,40,000</b>
3	Less: Standard deduction u/s 16(ia)	50,000
4	<b>Less: House Rent allowance exempt U/s 10(13A):</b> <b>Least of:</b> (a). Actual amount of HRA received= 1,40,000 (b). Expenditure of rent in excess of 10% of salary (including D.A. presuming that D.A. is taken for retirement benefit) $(1,44,000 - 55,000) =$ <b>89,000</b> (c). 50% of Salary (Basic + DA) = 2,75,000 [Bombay/Kolkata/Delhi/Chennai] or 40% of salary (Basic + DA) in case of other cities	89,000
	<b>Gross Total Income</b>	<b>6,01,000</b>
	<b>Less: Deduction U/s 80C</b> (i) GPF Rs.36,000/- (ii) LIC Rs. 4,000 (iii) Investment in Unit-Linked Insurance Plan Rs.50,000/- <b>Total =Rs.90,000/-</b>	90,000
5	<b>Total Income</b>	<b>5,11,000</b>
	<b>Tax payable</b>	<b>14700</b>
	<b>Add:</b> Health & Education Cess @ 4%.	588
	<b>Total Income Tax payable</b>	<b>15288</b>
	<b>Rounded off to</b>	<b>15290</b>

@ or Aadhaar number, as the case may be.

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

**Example 5**

For Assessment Year 2021-22

Illustrating valuation of perquisite and calculation of tax in the case of an employee below age of sixty years of a private company in Mumbai who was provided accommodation in a flat at concessional rate for ten months and in a hotel for two months ( With valid PAN @furnished to employer).

S.No.	Particulars	Rupees
1	Salary	7,50,000
2	Bonus	1,40,000
3	Free gas, electricity, water etc. (Actual bills paid by company)	40,000
4(a)	Flat at concessional rate (for ten month). @ Rs.36000/month	3,60,000
4(b)	Hotel rent paid by employer (for two month)	1,00,000
4(c)	Rent recovered from employee.	60,000
4(d)	Cost of furniture.	2,00,000
5	Subscription to Unit Linked Insurance Plan	50,000
6	Life Insurance Premium	10,000
7	Contribution to recognized P.F.	42,000

**COMPUTATION OF TOTAL INCOME AND TAX PAID THEREON:**

S.No.	Particulars	Rupees
1	Salary	7,50,000
2	Bonus	1,40,000
3	Total Salary(1+2) for Valuation of Perquisites	8,90,000
<b>Valuation of perquisites</b>		
4(a)	Perquisite for flat(Cities having population>25 lakh as per 2000 census) Lower of (15% of salary for 10 months=Rs.1,05,000/-) and (actual rent paid= Rs 3,60,000) i.e. Rs. 1,05,000	
4(b)	Perquisite for hotel : Lower of (24% of salary of 2 months=Rs 33,600) and (actual payment= Rs 1,00,000) i.e. Rs 33,600	
4(c)	Perquisites for furniture @ 10% of cost (10% of Rs. 2,00,000) Rs. 20,000	
4(c)(i)	<b>Total of [4(a)+(b)+(c)]</b> (1,05,000+ 33,600+ 20,000)Rs.158,600 <b>Less: rent recovered</b> (-)Rs. 60,000 <b>=</b> <b>Rs.</b> <b>98,600</b>	1,38,600
4(d)	Add Perquisite for free gas, electricity, water etc. Rs.40,000 (+) Rs 98,600 [4(c)(i)] = <b>Rs1,38,600</b> <b>Total perquisites</b>	
5	Gross Total Income (Rs.8,40,000+ 1,38,600)	10,28,600
6	Less: Standard deduction u/s 16(ia)	50,000
7	<b>Gross Total Income</b>	<b>9,78,600</b>



8	<b>Less: Deduction U/s 80C:</b> (i). Provident Fu (80C) :42,000 (ii). LIC (80C) :10,000 (iii). Subscription to Unit Linked Insurance Plan(80C) :50,000/-  Total = <b>1,02,000</b> <b>Restricted to Rs 1,02,000 u/s 80C</b>	<b>1,02,000</b>
9	<b>Total Income</b>	<b>8,76,600</b>
10	<b>Tax Payable</b>	<b>87,820</b>
11	<b>Add:</b> Health & Education Cess @ 4%.	<b>3513</b>
12	<b>Total Income Tax payable</b>	<b>91,333</b>
13	<b>Rounded off to</b>	<b>91,330</b>

@ or Aadhaar number, as the case may be.

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

**Example 6**

For Assessment Year 2021-22

Illustrating Valuation of perquisite and calculation of tax in the case of an employee below the age of 60 years of a Private Company posted at Delhi and repaying House Building Loan (With valid PAN @furnished to employer).

S.No.	Particulars	Rupees
1	Salary	4,50,000
2	Dearness Allowance	1,00,000
3	House Rent Allowance	1,80,000
4	Special Duties Allowance	12,000
5	Provident Fund	60,000
6	LIP	10,000
7	Deposit in NSC VIII issue	30,000
8	Rent Paid for house hired by employee	1,20,000
9	Repayment of House Building Loan (Principal)	60,000
10	Tuition Fees for three children (Rs.10,000 per child)	30,000

**Computation of total income and tax payable thereon**

S.No.	Particulars	Rupees
1	Gross Salary (Basic+DA+HRA+SDA)	7,42,000
	Less: House rent allowance exempt U/s 10 (13A) Least of: (a). Actual amount of HRA received. Rs.1,80,000 (b). Expenditure on rent in excess of 10% of salary (Including D.A.) assuming D.A. is included for retirement benefits (1,20,000- 50,000) :Rs. 70,000 (c). 50% of salary (including D.A) : Rs. 2,50,000	
2	Less: Standard deduction u/s 16(ia)	50,000
3	<b>Gross Total Taxable Income</b>	<b>6,22,000</b>
4	Less: Deduction U/s 80C (i). Provident Fund : 60,000 (ii). LIP : 10,000 (iii). NSC VIII Issue : 30,000 (iv). Repayment of HBA : 60,000 (v). Tuition Fees (Restricted to two children) : 20,000 Total : 1,80,000 <b>Restricted to 1,50,000</b>	1,50,000
5	<b>Total Income</b>	<b>4,72,000</b>
6	<b>Income Tax thereon/payable</b> (includes Rebate of Rs. 12500 as per Section 87A)	Nil
7	<b>Add:</b> Health & Education Cess @ 4%	Nil
8	<b>Total Income Tax payable</b>	Nil
9	<b>Rounded off to</b>	Nil

@ or Aadhaar number, as the case may be

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

### Example 7

For Assessment Year 2021-22

A. Calculation of Income tax in the case of a retired employee above the age of sixty years but below the age of 80 years and having gross pension of:

- iv) Rs.5,00,000/-
- v) Rs.8,50,000/-,
- vi) Rs. 13,00,000/-.

B What will be the amount of TDS in case of above employees, if PAN@ is not submitted by them to their DDOs/Offices:

Particulars	Rupees (i)	Rupees (ii)	Rupees (iii)
Gross Pension	5,00,000	8,50,000	13,00,000
Contribution of P.P.F.	70,000	1,00,000	1,50,000

**Computation of Total Income and tax payable thereon**

Particulars	Rupees (i)	Rupees (ii)	Rupees (iii)
Gross Pension	5,00,000	8,50,000	13,00,000
Less: Standard deduction u/s 16(ia)	50,000	50,000	50,000
Less: Deduction U/s 80C	70,000	1,00,000	1,50,000
Taxable Income	3,80,000	7,00,000	11,00,000
<b>Tax thereon</b> (includes Rebate of Rs 12500 as per Section 87A)	Nil	50,000	1,40,000
Add: Health & Education Cess @ 4%.	Nil	2,000	5,600
<b>Total tax payable</b>	<b>Nil</b>	<b>52,000</b>	<b>1,45,600</b>

@ or Aadhaar number, as the case may be.

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

### **Example 8**

For Assessment Year 2021-22

**A. Calculation of Income tax in the case of a retired employee above the age of 80 years and having gross pension of:**

- i) Rs.5,50,000/-,
- ii) Rs.8,50,000/-,
- iii) Rs. 13,00,000/-.

**B. What will be the amount of TDS in case of above employees, if PAN @ is not submitted by them to their DDOs/Offices:**

<b>Particulars</b>	<b>Rupees (i)</b>	<b>Rupees (ii)</b>	<b>Rupees (iii)</b>
Gross Pension	5,50,000	8,50,000	13,00,000
Contribution of P.P.F.	80,000	1,20,000	1,50,000

**Computation of Total Income and tax payable thereon**

<b>Particulars</b>	<b>Rupees (i)</b>	<b>Rupees (ii)</b>	<b>Rupees (iii)</b>
Gross Pension	5,50,000	8,50,000	13,00,000
Less: Standard deduction u/s 16(ia)	50,000	50,000	50,000
Less: Deduction U/s 80C	80,000	1,20,000	1,50,000
Taxable Income	4,20,000	6,80,000	11,00,000
<b>Tax thereon</b>	<b>Nil</b>	<b>36,000</b>	<b>1,30,000</b>
Add: Health & Education Cess @ 4%.	Nil	1,440	5,200
<b>Total tax payable</b>	<b>Nil</b>	<b>37,440</b>	<b>1,35,200</b>

@ or Aadhaar number, as the case may be.

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.



### Example 9

#### **Exemption u/s 10 (13A)**

1. Mr. A, employed with XYZ Ltd. Up to 31.10.2019, received following emoluments :

S.No.	Particulars	Rupees
1.	Basic pay p.m.	13,000
2.	Bonus for the year received in July, 2019	7,200
3.	Club facility (for private use only) Expenditure by employer p.m.	700
4.	House Rent Allowance p.m.	2,800
5.	Employer's contribution to URPF p.m. (Mr. A also made equal contribution)	1,000
<b>W.e.f. 01.11.2019, Mr. A joined PQR Ltd., with following pay package :</b>		
1.	Basic pay p.m.	18,000
2.	House Rent Allowance p.m.	1,600
3.	Club Facility (for private use only) Expenditure by employer p.m.	1,100
4.	Use of car for journey between office and residence – Employer's expenditure p.m.	600
5.	Employer's contribution to RPF p.m. (Mr. A also made equal contribution)	2,000
<b>Other particulars of Mr. A are as under :</b>		
1.	Mr. A resides at Amritsar paying a monthly rent of	3,500
2.	Mr. A's income from other sources	1,35,000
3.	Mr. A contributed to LIC/PPR/NSC etc.	20,000
<b>Compute Mr. A's taxable income and tax liability for A.Y. 2020-21.</b>		

#### **Computation of Tax**

S.No.	Particulars	Rupees
1.	Income from Salary	
	<b>(a) From XYZ Ltd.</b>	
	Basic pay (Rs.13,000 x 7)	91,000
	Bonus	7,200
	Club facility (Rs.700 x 7)	4,900
	H.R.A. (Rs.2,800 x 7)	19,600
	Less : Exempt u/s 10(13A)	15,400
	Employer's Contribution to U.R.P.F.	1,07,300
	<b>(b) From PQR Ltd.</b>	
	Basic pay (Rs.18,000 x 5)	90,000
	H.R.A. (Rs.1,600 x 5)	8,000
	Less : Exempt u/s 10(13A)	8,000
	Club Facility (Rs.1,100 x 5)	5,500
	Facility of Car (not taxable as perquisite)	15,400
	Employer's Contribution to R.P.F.	95,500
	Gross Salary	2,02,800
	Less: Standard deduction u/s 16(ia)	40,000
	Net Salary	1,62,800
2.	<b>Income from Others Sources</b>	<b>1,35,000</b>

Gross Total Income		2,97,800
Less : Deduction u/s 80C		
: Contribution to LIC/PPF/NSC	Rs. 20,000	
: Contribution to RPF ( Rs.2000 x 5)	Rs. 10,000	30,000
<b>Total Income</b>		<b>2,67,800</b>
<b>Computation of Tax Liability</b>		
Tax payable on Rs.2,67,800		8,90
Less : Rebate u/s 87A		8,90
Net Income-tax payable		Nil
Add : Health & Education Cess @ 4%		Nil
Total Tax Payable		Nil

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.

### Example 10

#### **L. Computation of Taxable Salary and allowances, Deduction for Interest on Housing Loan and Deduction u/s 80C.**

Mr. X, a Central Govt. Officers in Delhi, is receiving Basic Pay Rs.40,000, DA at prescribed rates, transport allowances @ Rs.3600+DA thereon, and HRA (existing- from 1<sup>st</sup> July 2019 @24% of basic pay (though living in his own house). His date of increment is 1st July. The following are other particulars of his income. Compute his taxable income and tax payable, for A.Y.2020-21

S.No.	Particulars	Rupees
1.	Honorarium for valuation of answer books of a departmental Examination	3,000
2.	Fee for work done for a private body (1/3 <sup>rd</sup> of fees has been retained by Govt.)	6,000
3.	Contributions to G.P.F. p.m.	4,700
4.	Postal Life Insurance Premium financed from G.P.F. p.m.	280
5.	Contribution to Central Govt. Employees Group Insurance Scheme p.m.	500
6.	Life Insurance Premium (being a Life Insurance Policy of Rs.1,00,000 taken in name of his wife before 1.04.2012)	10,500
7.	Contribution to Public Provident Fund	10,000
8.	Repayment of HDFC loan borrowed after 1.04.1999 EMI Rs.25,000 (Towards loan Rs.95,000, towards interest Rs.2,05,000)	3,00,000

#### **Computation of Tax**

S.No.	Particulars	Rupees
1.	<b>Income from Salary</b>	
	Basic Pay @ Rs 40,000 p.m	
	(March to June '19)	1,60,000
	@ Rs 41,200 p.m * (July 2019 to Feb 2020)	3,29,600
		4,89,600
	<b>Dearness Allowance</b>	
	1.3.2019 to 30.06.2019 @ 7% i.e., Rs 40,000 p.m	11,200
	1.7.2019 to 31.12.2019 @ 9% i.e. Rs 41,200 p.m	22,248
	1.1.2020 to 28.02.2020 @ 11% (assumed) i.e.,Rs. 41,200 p.m	9,064
		5,32,112
	House Rent Allowance	1,17,504
		6,49,616
	<b>Transport Allowance</b>	
	1.3.2019 to 30.6.2019 @ Rs 3200 p.m	12,800
	1.7.2019 to 31.12.2019 @ Rs 3780 p.m	22,680
	1.1.2020 to 28.2.2020 @ Rs 3852 p.m	7704
		43,184
		43,184
		6,92,800
	Honorarium	3,000
	Fees (2/3 retained by him)	34,800
	<b>Total Salary</b>	<b>7,30,600</b>

	Less: Standard Deduction u/s section 16(ja)		50,000
	Net Salary		6,80,600
2.	<b>Income from House Property</b>		
	Self-occupied u/s 23(2)(a) where property is acquired/constructed with borrowed capital on or after 1.4.1999 and such acquisition/construction computed within five years from the end of FY in which capital was borrowed.		Nil
	Less: Interest on HDFC Loan (upto Rs. 2,00,000)	2,00,000 (-)	2,00,000
	Gross Total Income		4,80,600
	Less: Deduction u/s 80 C		
	- GPF @ Rs 4,700/-p.m	56,400	
	- CGEGIS @ Rs 500/- p.m	6,000	
	- Life Insurance Premium	10,500	
	- Repayment of HDFC Loan	95,000	
	- Deposit in Public Provident Fund	10,000	
		1,77,900	
			1,50,000
	Restricted to a maximum of Taxable Income		3,30,600
	<b>Computation of Tax Liability</b>		
	Tax payable		4,030
	Less : Rebate u/s 87A		4,030
	Net Income-tax payable		Nil
	Add : Health & Education Cess @ 4%		Nil
	Total Tax Payable		Nil

# It may be noted that tax liability may not be the same in case the taxpayer opts for concessional tax regime under section 115BAC of the Act.



**FORM NO.12BA**  
**{See rule 26A(2)(b)}**

**Statement showing particulars of perquisites, other fringe benefits or amenities and profits in lieu of salary with value thereof**

- 1) Name and address of employer :
- 2) TAN
- 3) TDS Assessment Range of the employer :
- 4) Name, designation and PAN or Aadhaar number of employee :
- 5) Is the employee a director or a person with :  
substantial interest in the company  
(where the employer is a company)
- 6) Income under the head "Salaries" of the employee :  
(other than from perquisites)
- 7) Financial Year :
- 8) Valuation of Perquisites

S.No	Nature of perquisite (see rule 3)	Value of perquisite as per rules (Rs.)	Amount, if any recovered from the employee (Rs.)	Amount of perquisite chargeable to tax Col(3) - Col(4) (Rs.)
(1)	(2)	(3)	(4)	(5)
1	Accommodation			
2	Cars/Other automotive			
3	Sweeper, gardener, watchman or personal attendant			
4	Gas, electricity, water			
5	Interest free or concessional loans			
6	Holiday expenses			
7	Free or concessional travel			
8	Free meals			
9	Free Education			
10	Gifts, vouchers etc.			
11	Credit card expenses			
12	Club expenses			
13	Use of movable assets by employees			

14	Transfer of assets to employees			
15	Value of any other benefit/amenity/service/privilege			
16	Stock options (non-qualified options)			
17	Other benefits or amenities			
18	Total value of perquisites			
19	Total value of Profits in lieu of salary as per 17(3)			

9. Details of tax, -

- (a) Tax deducted from salary of the employee u/s 192(1) .....
- (b) Tax paid by employer on behalf of the employee u/s 192(1A) .....
- (c) Total tax paid .....
- (d) Date of payment into Government treasury .....

**DECLARATION BY EMPLOYER**

I ..... s/o ..... working as ..... (designation) do hereby declare on behalf of ..... (name of the employer) that the information given above is based on the books of account, documents and other relevant records or information available with us and the details of value of each such perquisite are in accordance with section 17 and rules framed thereunder and that such information is true and correct.

Place...

Date...

Signature of the person responsible  
for deduction of tax

Full Name .....

Designation.....

## FORM NO.12BB

(See rule 26C)

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

1. Name and address of the employee:			
2. Permanent Account Number or Aadhaar number of the employee:			
3. Financial year:			
<b>Details of claims and evidence thereof</b>			
Sl No.	Nature of claim	Amount (Rs.)	Evidence / particulars
(1)	(2)	(3)	(4)
1	House Rent Allowance:		
	(i) Rent paid to the landlord		
	(ii) Name of the landlord		
	(iii) Address of the landlord		
	(iv) Permanent Account Number or Aadhaar number, as the case may be, of the landlord		
	Note: Permanent Account Number or Aadhaar number, shall be furnished if the aggregate rent paid during the previous year exceeds one lakh rupees		
2	Leave travel concessions or assistance		
3	Deduction of interest on borrowing:		
	(i) Interest payable/paid to the lender		
	(ii) Name of the lender		
	(iii) Address of the lender		
	(iv) Permanent Account Number or Aadhaar number of the lender		
	(a) Financial Institutions(if available)		
	(b) Employer(if available)		
	(c) Others		
4	Deduction under Chapter VI-A		
	(A) Section 80C, 80CCC and 80CCD		
	(i) Section 80C		
	(a)		
	(b)		
	(c)		
	(d)		

		..... .....		
	(e)	..... .....		
	(f)	..... .....		
	(g)	..... .....		
	(ii) Section 80CCC			
	(iii) Section 80CCD			
	(B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A.			
	(i) section.....			
	(ii) section.....			
	(iii) section.....			
	(iv) section.....			
	(v) section.....			
Verification				
I.....son/daughter of..... do hereby certify that the information given above is complete and correct.				
Place.....				
Date.....			(Signature of the employee)	
Designation .....			Full Name	



**POINT NO.4.4.2.1 OF CIRCULAR OF DEDUCTION OF TAX AT SOURCE – INCOME TAX DEDUCTION FROM SALARIES U/S 192 OF THE INCOME-TAX ACT, 1961 – FINANCIAL YEAR 2015-16**

**Compulsory filing of Statement by PAO, Treasury Officer, etc. in case of payment of TDS by Book Entry.**

**1. Procedure of preparation and furnishing Form 24G at TIN-Facilitation Centres (TIN-FCs):**

The Form 24G should be prepared by the PAO/DTO/CDDO (hereinafter referred to as AOs) as per the data structure (File format) prescribed by the DIT (Systems), Delhi which is available on TIN website [www.tin-nsdl.com](http://www.tin-nsdl.com). The AOs can prepare Form 24G either by using in-house facilities, third party software or by using form 24G Return Preparation Utility (RPU) developed by NSDL e-Governance Infrastructure Limited (NSDL), which is freely downloadable from the TIN web-site [www.tin-nsdl.com](http://www.tin-nsdl.com).

After preparation of form 24G, the AO is required to validate the same by using the Form 24G File Validation Utility (FVU) which is freely available on TIN website.

Once file is validated through FVU, ‘.fvu file’ in CD/DVD/Pen Drive along with physical Statement Statistic Report (SSR) signed by the AO, to be furnished at TIN-FCs. On successful acceptance of Form 24G at the TIN-FC, an acknowledgement containing 15 digit Token no. is provided to the AO. The AO can view the status of Form 24G on TIN website.

Book identification Number (BIN) is generated for each ‘DDO record with valid TAN’ reported in Form 24G, which is further disseminated to the AOs on email ID mentioned in Form 24G. AOs need to communicate the BIN details to respective DDOs. BIN is to be quoted by the DDOs in quarterly e-TDS/TCS statements. BIN consists of receipt number of Form 24G, DDO serial number and date of transfer voucher.

The AO is required to furnish Form 24G within ten days from the end of the month in respect of tax deducted by the deductors and reported to him for that month. Only one regular Form 24G for a ‘month-FY’ can be submitted.

**1.1 Correction in Form 24G:**

AO can file a correction Form 24G for any modification or cancellation of Form 24G accepted at TIN central system. Preparation and validation of correction Form 24G is in line with regular form 24G. The validated Form 24G correction file (.fvu file) copied on a CD/pen drive is to be submitted along with the provisional receipt of original Form 24G and SSR to TIN-FC. On successful acceptance of correction Form 24G at the TIN-FC, an acknowledgement containing 15 digit Token no. is provided to the AO. The AO can view the status of Form 24G on TIN website.

**2. Online upload of Form 24G at TIN websites:**

For online upload of Form 24G at TIN website, the Accounts Office Identification Number (AIN) is a pre-requisite. For online AIN registration, AO need to file at least one Form 24G through TIN-FC. After AIN registration, AO can file Form 24G through AO Account at TIN website. Preparation and validation of correction Form 24G is in line with regular Form 24G (submitted at TIN-FC). The validated Form 24G correction file (.fvu file) is to be uploaded at TIN website. There is no need to submit SSR in online upload. For Form 24G accepted at TIN Central System an online acknowledgement containing a 15 digit token number is generated and displayed to the AO. The format of the acknowledgement is identical to the one issued by the TIN-FC.

No charges are applicable to AOs for online upload of Form 24G.

On login, AO can also View/Download BIN details and update demographic details.

No Digital Signature Certificate (DSC) is required for registration and online uploading of Form 24G.

**2.1 Online uploading of correction Form 24G at TIN website:**

AO can file a correction Form 24G for any modification or cancellation of Form 24G accepted at TIN Central System. Preparation and validation of correction form 24G is in line with regular form 24G. The validated Form 24G correction file (.fvu file) can be uploaded online through AO account at TIN website. For correction Form 24G accepted at TIN central system, an online acknowledgement containing a 15 digit token number is generated and displayed to the AO. The format of the acknowledgement is identical to the one issued by the TIN-FC. There is no need to submit SSR and provisional receipt of original form 24G in online upload.

3. For FAQs and further details, AOs are advised to log on TIN website [www.tin-nsdl.com](http://www.tin-nsdl.com)

\*\*\*\*\*

**Furnishing of Monthly Form No. 24G Statements by Pay and Accounts Officers (PAOs)/District Treasury Officers (DTOs)/Cheque Drawing and Disbursing Officers(CDDOs)**

**1. Under what income tax rule should Form 24G be filed?**

Income-tax Department Notification no. 41/2010 dated May 31, 2010 amended the Income Tax Rule 30 which mandates that in case of an office of the Government, where tax has been paid to the credit of Central Government without the production of a challan (associated with deposit of the tax in a bank), **the relevant PAO / CDDO / DTO or an equivalent office of the government (herein after called as AO in this document) is required to file Form 24G on monthly basis.**

**2. Who is the relevant PAO/CDDO/DTO who is liable for filing Form 24G?**

A relevant PAO/CDDO/DTO is that office to whom the Deductor/DDO (TAN holder) reports remittance of TDS/TCS through book adjustment. Generally, the Central Government DDOs report TDS through book entry to their respective Pay and Accounts Officers (PAOs) and the State Government DDOs report TDS through book entry to their respective District Treasury Officers(DTOs). Such PAOs and DTOs are required to file Form 24G on monthly basis.

There are also cases of Cheque Drawing and Disbursing Officers (CDDOs) who report TDS through book entry directly to State AG. For example, PWD, Forest Department etc. Such CDDOs are also required to file Form 24G on monthly basis. Schematic Diagram at Annexure-III clarifies the person responsible for filing Form 24G in different scenarios.

**3. Can the same office/officer also act as DDO and AO?**

Ordinarily, the PAO office is the one to whom the DDO reports the TDS and therefore, both should be from different offices. However, where the DDO and AO are the same, as in the case of CDDOs, the statistics report of Form 24G should be counter signed by his superior officer.

**4. What is AIN and who should apply?**

Accounts Office Identification Number (AIN) is a unique seven digit which is allotted by the Directorate of Income Tax (Systems), Delhi, to every AO. Each AO is uniquely identified in the system by this number. AOs are required to apply for AIN with jurisdictional TDS office. The AIN application can be downloaded from TIN site. Every AIN holder is required to file Form 24G.

Each DDO is identified in the system by a Tax Deduction and Collection Account Number (TAN). This number is allotted by Income Tax Department.

**5. Where should the Accounts Office Identification Number (AIN) application be submitted ?**

The duly filled and signed application for AIN allotment is to be submitted in physical form by the PAO / CDDO / DTO to the jurisdictional CIT (TDS). Complete and correct AIN application forms will be forwarded by the jurisdictional CIT (TDS) to NSDL e-Governance Infrastructure Limited (NSDL), Times Tower, 1st Floor, Kamala Mills Compound, SenapatiBapatMarg, Lower Parel, Mumbai - 400013 recommending allotment of AIN to the PAO / CDDO / DTO.

**6. What information should be submitted through Form 24G?**

Every AO should furnish one complete, correct and consolidated Form 24G every month having details of each type of deduction / collection separately viz. TDS-Salary / TDS-Non Salary / TDS-Non Salary Non Residents / TCS made by each DDO under his jurisdiction.

**7. Where should Form 24G be submitted?**

Form 24G is to be furnished only in electronic form in a CD/pen drive at TIN-FCs or online through AO Account at [www.tin-nsdl.com](http://www.tin-nsdl.com) web portal. The facility to submit Form No. 24G online is available free of cost. Provisional Receipt Number (PRN) is issued as an acknowledgement of the receipt of Form 24G.

**8. How to register for online facility?**

Registration for AO Account is mandatory for filing Form No. 24G online through TIN website, [www.tin-nsdl.com](http://www.tin-nsdl.com). Registration AO Account is required once only. AO required to submit the Form No. 24G at TIN-FC at least once to comply with the Know Your Customer (KYC) norms for registration of the AO Account. After registration, it is optional for AO either to submit the Form No.24G in CD/Pen drive at TIN-FC or online.

**9. What are the functionalities available with AO Account?**

Through the AO Account, the AO can view the status of Form No. 24G filed, obtain BIN (Book Identification Number) details, update AO profile and upload Form No. 24G. The status tracking is based on AIN and concerned Provisional Receipt Number (PRN) of Form 24G.

**10. Can the AO furnish Form No. 24G in paper form?**

No. Form 24G is to be filed only in electronic form.

**11. Can the AO submit the electronically prepared Form No.24G at the Income Tax Office?**

No. Electronically prepared Form No.24G can only be submitted at TIN-FC or online

**12. What does Form 24G contain?**

Every Form 24G should be prepared in accordance with the data structure prescribed by the Income Tax Department (ITD). Form 24G contains-

- Details of the AO filing Form 24G (AIN, name, demographic information, contact details).
- Category of AO (Central / State Government) along with details of ministry / state.
- Statement details (month and year for which Form 24G is being filed).
- Payment summary; nature of deduction wise (TDS – Salary /TDS Non-salary / TDS – Non-salary Non-resident / TCS).
- DDO wise payment details (TAN of DDO, name, demographic details, total tax deducted and remitted to the Government account (A.G. / Pr.CCA).
- DDOs which are associated with the AO. If the AO wants to add/delete or update details of DDO, same should be mentioned in the statement.

**13. What is the procedure to prepare the Form 24G statement?**



The AOs can prepare Form 24G either by using in-house facilities, third party software or by using Form 24G Preparation Utility developed by NSDL, which is freely downloadable from the TIN web-site ([www.tin-nsdl.com](http://www.tin-nsdl.com)) or ITD website ([www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)).

Once the statement is prepared, the AO shall validate the same by using File Validation Utility (FVU) developed by NSDL and freely available at the TIN or ITD website. The statement can be furnished in Compact Disk (CD) at any of the TIN-Facilitation Centres (TIN-FC) managed by NSDL along with Form 24G Statement Statistics Report (generated through File Validation Utility), duly signed by the AO. The list of TIN-FCs is available at TIN or ITD website.

Once Form 24G is accepted by the TIN-FC, it will issue a provisional receipt with a unique Provisional Receipt Number (PRN) to the AO as a proof of submission of the statement.

#### **14. What is Form 24G Preparation Utility?**

The Form 24G Preparation Utility is a Java based utility. Form 24G Preparation Utility can be freely downloaded from [www.tin-nsdl.com](http://www.tin-nsdl.com). After downloading, it needs to be saved on the local disk of the machine.

JRE (Java Run-time Environment) [versions: SUN JRE: 1.4.2\_02 or 1.4.2\_03 or 1.4.2\_04 or IBM JRE: 1.4.1.0] should be installed on the computer where Form 24G Preparation Utility is being installed. JRE is freely downloadable from <http://java.sun.com> and <http://www.ibm.com/developerworks/java/jdk> or you can ask your computer vendor (hardware) to install the same for you.

Form 24G Preparation Utility can be executed on Windows platform(s) Win 2K Prof. / Win 2K Server/ Win NT 4.0 Server/ Win XP Prof. To run the 'Form 24G Preparation Utility', click on the '\_24GRPU.bat' file.

If JRE is not installed on the computer, then on clicking '\_24GRPU.bat', a message will be displayed. In such cases, install JRE and try again. If appropriate version of JRE is installed, then the 'Form 24G Preparation Utility' will be displayed.

#### **15. What are the steps to download and install Form 24G Preparation Utility?**

For assistance in downloading and using Form 24G Preparation Utility, please read the instructions provided in „Help” in the Form 24G Preparation Utility. This utility can be used for preparation of Form 24G with upto 75,000 records. Form 24G Preparation Utility (version 1.2) should be used for regular and correction statements.

#### **16. What is File Validation Utility (FVU)?**

The AO should pass the Form 24G (Regular/Correction) file generated using Preparation Utility through the File Validation Utility (FVU) to ensure format level accuracy of the file. This utility is also freely downloadable from TIN website. In case the Form 24G contains any errors, the AO should rectify the same. After rectifying the errors, user should pass the rectified Form 24G through the FVU. This process should be continued till an error-free Form 24G is generated. Form 24G (regular/correction) prepared from F.Y. 2005-06 onwards can be validated using this utility.

The Form 24G FVU is a Java based utility. JRE (Java Run-time Environment) [versions: SUN JRE: 1.4.2\_02 or 1.4.2\_03 or 1.4.2\_04 or IBM JRE: 1.4.1.0] should be installed on the computer where the Form 24G FVU is being installed. JRE is freely downloadable from <http://java.sun.com> and <http://www.ibm.com/developerworks/java/jdk> or you can request your computer vendor (hardware) to install the same for you.

The Form 24G FVU setup comprises of two files, namely-

- **Form 24G FVU.bat:** This is a setup program for installation of FVU.
- **Form 24G\_FVU\_STANDALONE.jar:** This is the FVU program file.

These files are in an executable zip file (Form24GFVU.exe) (version 1.2). These files are required for installing the Form 24G FVU.

Instructions for extracting and setup are given in:

- Form 24G FVU Extract and Setup

**17. After preparation of Form No. 24G statement through RPU, three files are generated when such statement passes through FVU. Is the AO required to take all three files in CD /Pen drive to TIN-FC?**

When a valid file is passed through the FVU, the following three files are generated:-

- (a) The upload file
- (b) Form 24G statement Statistics Report and
- (c) Form 24G.

Every Form 24G (upload file) mentioned at Sr. No. (a) is to be saved in CD and the same should be accompanied with the Statement Statistic Report mentioned at Sr. No. (b), **in paper form duly signed by the Accounts Officer**, which needs to be submitted at TIN-FCs.

Form 24G: Form 24G, at serial number (c) above, is a reader friendly format of TDS/TCS Book Adjustment form. This is like the physical form of Form 24G in html format. It contains all the details of Accounts Officer as well as Drawing and Disbursement Officer. There is no need to submit this file.

**18. Can the Form 24G Statement be corrected?**

Every Form 24G is to be prepared in accordance with the data structure prescribed by the Income Tax Department (ITD). If it does not confirm to the new data structure it will be rejected by TIN.

As per procedure, statements relating to Form 24G should be complete and correct. No fragmented statements are expected to be filed (i.e. separate statements giving details for deductions under different form type with respect to the same AIN, FY and month). However, any mistake made in an original accepted statement can be rectified by submitting a 'correction statement'. **For correction, the latest version of the RPU should be downloaded from TIN website.**

Form 24G corrections can also be uploaded directly at the TIN website. For direct upload at TIN Central system, AO has to first register AIN at TIN website and upload the Form 24G correction.

**19. What are the different kinds of correction statements allowed?**

There are two different types of correction statements that can be furnished by the AO. These are listed below.

- **M (Modify) :-** For any modification in the existing Form 24G statement.
- **X (Cancel) :-** For cancellation of an existing Form 24G statement.

For preparation of correction statement, the receipt number of the original statement and receipt number of the previous statement is mandatory.

In case of first correction, PRN of original statement should be provided in field **Receipt number of Original Statement** and also in the field **Receipt number of Previous Statement** —.

In case a correction statement has already been filed earlier, PRN of original statement should be provided in field **Receipt number of Original Statement** and PRN of last correction to be mentioned in field **Receipt number of Previous Statement**.

## **20. What is M –Type of Correction Statement?**

This type of correction statement is to be furnished by AO, if it wishes to update any of its details like its name, address, Responsible person details, category, Ministry, State or deletion and addition of DDO (Drawing & Disbursing Officer) etc. **Modifications in AIN (Account office Identification Number), Financial Year and Month are not allowed.**

There are three modes by which changes can be made in the DDO details provided in original Form 24G statement:

- **Add:** DDO records can be added to the original Form 24G statement
- **Update:** details of DDO (i.e. TAN, TAN Name, demographic and contact details, amount of tax deducted and remitted, nature of deduction) can be updated for the DDO records provided in original or subsequent correction statement
- **Delete:** DDO records provided in original Form 24G or subsequent correction statement can be deleted

M-type correction statement will always contain AO details and details of DDO which are added and/or deleted.

## **21. What is X–Type of Correction Statement?**

This type of correction statement is to be furnished by AO if it wishes to cancel an existing Form 24G statement. Filing of Correction type X will allow AOs to file regular Form 24G for the same primary key (AIN, Financial year and Month). This type of correction is to be filed only if the Form 24G has been filed with wrong AIN, F.Y. or Month.

## **22. What is BIN?**

BIN stands for **Book Identification Number** for each form type mentioned in the accepted monthly form No. 24G. BIN consists of the following:

- (i) **Receipt Number:** Receipt number is a seven digit unique number generated on successful acceptance of Form 24G.
- (ii) **DDO Serial Number:** It is a five digit unique number generated for every DDO transaction reported in Form 24G statement.
- (iii) **Transfer Voucher Date:** It is the last date of month for which Form 24G statement is filed.

BIN is required to be disseminated to the respective DDOs who in turn are required to report the same in the TDS/TCS Statement. The quoting of BIN has been made mandatory w.e.f 01<sup>st</sup> February, 2012. BIN is a unique number to verify the claim of TDS deposited without production of challan. As it is a verification key, it is advised that valid BIN disseminated by AO to the respective DDO should be correctly filled in TDS statement.

## **23. When is BIN generated?**



On processing of accepted Form 24G statement, BIN is generated for each DDO record (with valid TAN) present in Form 24G statement. BIN are generated at TIN Central System and intimated to the PAOs with details of TAN and Form Type.

**24. What do the PAO and DDO have to do with the BIN?**

PAOs have to disseminate the BINS to respective DDOs. While preparing the quarterly TDS/TCS statement, DDO has to quote the said BIN details, if tax has been paid through transfer voucher (book adjustment).

BINs generated for a particular 24G are mailed to the AO on the e-mail id provided in Form 24G. In addition, AO may also download the BIN details through AO login at TIN site.

**25. Under what circumstances will BIN be generated?**

- BIN will be generated for valid TAN-DDO records added in Form 24G correction statement.
- BIN will be generated for DDO records where invalid TANs/TAN not present in Income Tax Department database is updated with a valid TAN.
- New BIN will not be generated for any update made in TAN name, demographic and contact details, amount of Tax deducted and remitted or nature of deduction.
- BIN details will not be generated for deleted DDO records.

**26. What is the utility of BIN?**

The BIN details and amount of TDS reported in the quarterly TDS/TCS Statement filed by the DDO will be matched with the respective details filed in Form No.24G filed by the PAO for verification purpose.

**27. Are there instances where BIN details and amount of TDS reported in TDS/TCS statements do not match with that reported in Form 24G? What are the consequences of such mismatch?**

(i) Instances of wrong/incorrect reporting of BIN by the DDOs in the TDS/TCS Statement have been observed. Reporting of incorrect BINs and corresponding amount in TDS statement will lead to mismatch with the respective amount as reported in the Form No. 24G. In this situation, the corresponding deductees may not get credit of the TDS/TCS. Therefore, the BIN as disseminated by the respective PAO should be reported correctly along with the corresponding amount in the TDS/TCS Statement filed by the DDOs.

(ii) In a number of cases, one distinct DDO has been found to be reported by more than one AO in the Form No. 24G for the same form type of TDS statement which is not a valid scenario. The DDOs and respective AOs are advised to reconcile the issue and one DDO should be mapped to one AO only for a particular form type for a particular month.

**28. What are the duties of PAOs/DTOs/CDDOs?**

- i. To apply for AIN with jurisdictional TDS office. AIN application can be downloaded from TIN site.
- ii. To obtain correct TAN from the reporting DDOs.
- iii. To file Form No. 24G (in CD, DVD, Pen Drive), within 10 days from the end of the month, electronically either at TIN-FC or by direct online upload at TIN website.
- iv. To track status of the filed Form No. 24G through TIN website.
- v. To download Book Identification Number (BIN) generated on the basis of 24G statement.
- vi. To disseminate BIN to the respective DDOs.

**29. What are the duties of DDOs?**

- i. To provide correct TAN to their PAOs/DTOs/CDDOs to whom the DDO/Deductor reports the tax so deducted & who is responsible for crediting such sum to the credit of the Central Government.
- ii. To report to PAOs/DTOs/CDDOs, the details of tax deducted and credited to the Central Government account through book adjustment.
- iii. To quote BIN in the quarterly TDS/TCS Statement (24Q, 26Q, etc) for the tax deducted and credited through book adjustment.
- iv. Filing of TDS/TCS statement (24Q, 26Q etc) within the due date.
- v. To download Form 16/26A from TRACES website ([www.tdscpc.gov.in](http://www.tdscpc.gov.in)) and timely issuance of the same to the deductees.

**30. What are the consequences of non-quoting of BIN details in quarterly TDS/TCS statement?**

- (a) BIN details and amount of TDS reported in the quarterly TDS/TCS Statement filed by the DDO will be matched with the details filed in Form No.24G filed by the PAO for verification purpose.
- (b) Any wrong information reported by the DDOs in TDS/TCS Statement may lead to mismatch due to which credit to the respective deductee will not be available in the deductee's Form 26AS.
- (c) Further details are available at TIN website [www.tin-nsdl.com](http://www.tin-nsdl.com) and ITD website [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in).

**31. What is the format of Form 16/16A to be issued to the deductees?**

It is mandatory to download and generate the Form 16/16A from the TRACES portal only. Deductor is allowed to issue manually only part 'B' of Form 16 for salary details.

**32. Is there any scenario where the DDO is also required to obtain the AIN?**

Yes, if the deductor is in the capacity of CDDO and directly reports tax deduction through transfer voucher to State AG, in that case CDDO is required to obtain the AIN and file 24G for the respective book adjustment entries and then also required to file the TDS/TCS statement as a TAN holder.

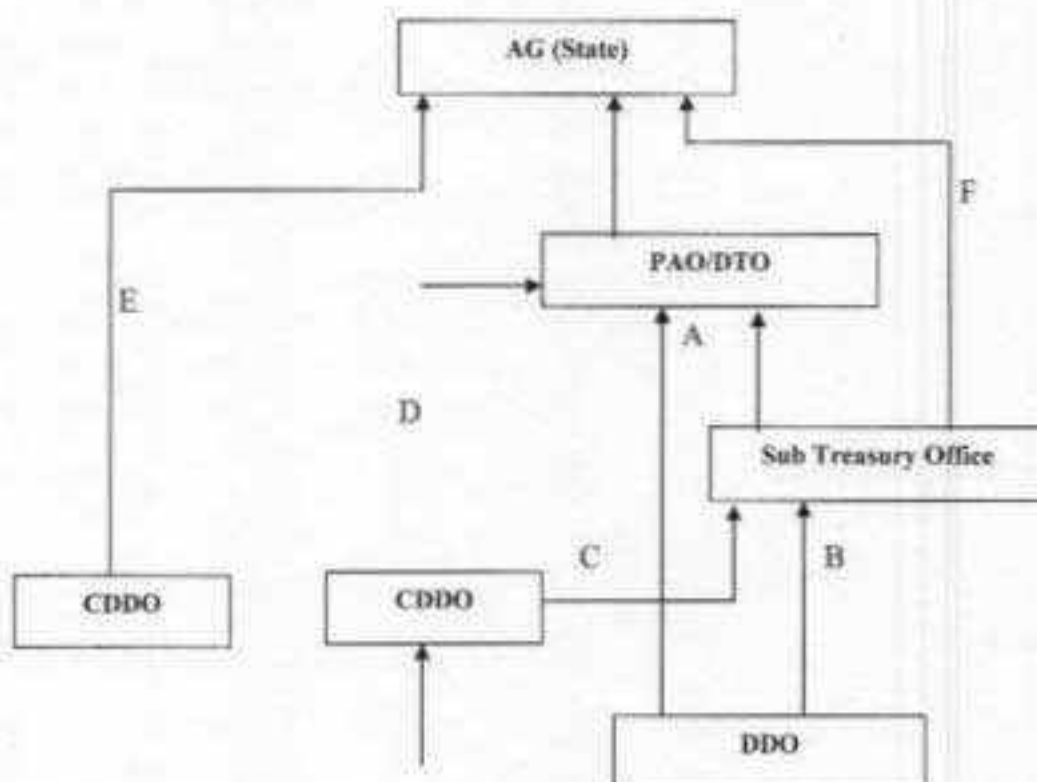
For example in the case of Executive Engineer in state Government who are making payments to the contractors after deducting the TDS/TCS through cheque are liable to file Form 26Q for reporting such TDS transactions. They will be required to obtain the AIN and file form 24G for monthly reporting of these book adjustment entries and file quarterly TDS statements as TAN holder by quoting the corresponding BINs.

\*\*\*



# ANNEXURE V

## "Person Responsible for filing Form No. 24G in case of State Govt. Departments"



Type of Reporting of Book Entry	Person Responsible (AIN holder) for filing 24G.
A	PAO / DTO
B	PAO / DTO
C	PAO / DTO
D	PAO / DTO
E	CDDO
F	STO

<b>AG</b>	Accountant General
<b>PAO</b>	Pay & Accounts Officer
<b>DTO</b>	District Treasury Office
<b>STO</b>	Sub Treasury Office
<b>DDO</b>	Drawing & Disbursing Officer
<b>CDDO</b>	Cheque Drawing & Disbursing Officer

**POINT NO.4.9 OF DRAFT CIRCULAR OF DEDUCTION OF TAX AT SOURCE FROM SALARIES U/S 192 OF THE INCOME TAX ACT, 1961 – FINANCIAL YEAR 2015-16- PROCEDURE OF PREPARATION OF QUARTERLY STATEMENT OF DEDUCTION OF TAX UNDER SECTION 200(3) OF THE ACT**

1. Quarterly e-TDS statement/return should be prepared by Deductor/DDO as per the data structure (File Format) prescribed by the DIT (Systems), Delhi which is available on TIN website [www.tin-nsdl.com](http://www.tin-nsdl.com). Deductor/DDO can prepare e-TDS statement/return either by using in-house facilities, third party software or by using Return Preparation Utility (RPU) developed by NSDL e-Governance Infrastructure Limited (NSDL), which is freely downloadable from the TIN website.

After preparation of e-TDS statement/return, the Deductor/DDO is required to validate the same by using the File Validation Utility (FVU) which is freely available on TIN website.

**2. Procedure of furnishing of e-TDS statement/return at TIN Facilitation Centres (TIN-FCs):**

Once file is validated through FVU, '\_fvu file' is generated. Copy of this '\_fvu file' in CD/DVD/Pen Drive along with physical Form 27A duly filled and signed by the Deductor/DDO or by the person authorized by the Deductor/DDO, to be furnished at TIN-FC, an acknowledgement containing a unique 15 digit token number is provided to the Deductor/DDO. Deductor/DDO can view the status of e-TDS statement/return on TIN website.

Only one regular e-TDS statement/return for a '\_FY-Quarter-TAN-Form' can be submitted.

**2.1 Correction in e-TDS statements/returns:**

2.1.1 CPC-TDS portal ([www.tdscpc.gov.in](http://www.tdscpc.gov.in)) has also introduced online correction of statements whereby personal information, PAN correction, add/update of challan information, add/update of salary detail, add/update/movement of deductee row etc. can be done in the statements filed by the deductors, **with or without the digital signatures**. For further details, kindly refer the matrix below:

	Default Summary View	Personal Information	Challan Correction (Unmatched, Matched Deductee + Deductee Movement)	PAN Correction (Annex I)	PAN Correction (Annex II)	Add Challan to statement	Interest, Levy Payment	Modify/ Add deductee rows	Delete/Add Salary Deducted Rows
Online Correction (with digital signature, 2013-14 onwards)	Y	Y	Y	Y	Y	Y	Y	Y	Y
Online Correction (with digital signature, prior to 2013-14 onwards)	Y	Y	Y	N	N	Y	Y	N	N
Online Correction (without digital signature, 2013-14 onwards)	Y	N	Y	N	N	Y	Y	N	N

Online Correction (with/without digital signature, prior to 2013-14 onwards)	Y	N	Y	N	N	Y	Y	N	N
--	---	---	---	---	---	---	---	---	---

For more information, deductors are advised to refer to e-tutorials/FAQs available on TRACES portal. Online correction entails no charges and does away with the requirement of downloading conso file and visiting TIN-FCs.

**2.12 With effect from 1<sup>st</sup> January, 2015, TRACES will be providing a correction window of 7 days from date of processing at CPC-TDS (generally 2 days after date of filing of statement). This facility will enable the filer to correct PAN errors and challan mismatch cases identified by CPC-TDS and avoiding of issuance of demand notices. Therefore, deductors are advised to check the processing status promptly so as to utilize this facility.**

**2.13** Deductor/DDO can also file a correction e-TDS statement for any modification in the e-TDS statement. Correction statement can be prepared by using the TDS Consolidated file that is available at TRACES ([www.tdscpc.gov.in](http://www.tdscpc.gov.in)). Validation of correction statement is in line with regular e-TDS statement, physical Form 27A duly signed and Statement Statistical Report at TIN-FC. On successful acceptance of correction e-TDS statement at the TIN-FC, an acknowledgement containing a unique 15 digit token no. is provided to the Deductor/DDO. Deductor/DDO can view the status of e-TDS statement on TRACES website.

### **3. Procedure of preparation and furnishing of paper TDS statement/return at TIN-Facilitation Centres (TIN-FCs):**

All statement/return in Form 24Q are required to be furnished in computer media except in case where the number of deductee records are equal to or less than 20. Paper statement/return duly filled and signed by the Deductor/DDO can be furnished at TIN-FC. On successful acceptance of paper statement/return at the TIN-FC, an acknowledgment containing a unique 15 digit token no. is provided to the Deductor/DDO. Deductor/DDO can view the status of paper statement/return on TIN website. No charges are applicable for paper TDS statement/return.

#### **3.1 Correction in paper statements/returns:**

The physical TDS statement/return is to be filed again in case of any correction to a physical TDS statement/return accepted at TIN. The deductor will submit the duly filled and signed physical TDS statement/return along with a copy of provisional receipt of regular paper statement/return at TIN-FC. On successful acceptance of correction paper statement/return at the TIN-FC, an acknowledgement containing a unique 15 digit token number is provided to the Deductor/DDO. Deductor/DDO can view the status of paper statement/return on TIN website.

### **4. Procedure of furnishing of e-TDS statement/return online at TIN website:**

Deductor/DDO is required to procure Digital Signature Certificate (DSC) for online upload of e-TDS statement/return. After registration on TIN website, an authorization letter by the Deductor/DDO should be provided on the letter head of the organisation to NSDL. Once application is approved by NSDL, user ID is created and intimated to Deductor/DDO on their registered email ID provided at the time of registration. Preparation and validation of e-TDS statement is in line with regular e-TDS statement/return (submitted at TIN-FC). Deductor/DDO can login with its user ID and DSSC and

upload the validated e-TDS file (.fvu file) generated by the FVU to the TIN website. On successful acceptance of e-TDS statement/return at TIN, an acknowledgement containing a unique 15 digit token no. and 8 digit receipt number is generated and displayed. There is no need to submit physical form 27A in online upload. Deductor/DDO can view the status of e-TDS statement/return on TIN website.

**No charges are applicable for online upload of e-TDS statement/return.**

**4.1 Correction of e-TDS statement/return online at TIN website:**

Deductor/DDO can file a correction e-TDS statement/return for any modification in e-TDS statement/return accepted at TIN central system. Correction statement/return can be prepared by using the TDS consolidated file only, available at the CPC-TDS portal [www.tdscpc.gov.in](http://www.tdscpc.gov.in) through TAN registration. Preparation and validation of e-TDS statement is in line with regular e-TDS statement/return (submitted at TIN-FC) Deductor/DDO can login with its user ID and DSC and upload the validated e-TDS file (.fvu file) generated by the FVU to the TIN website. On successful acceptance of correction e-TDS statement/return at TIN, an acknowledgement containing a unique 15 digit token number is generated and displayed. There is no need to submit copy of provisional receipt of regular e-TDS statement/return, physical Form 27A and SSR in online upload. Deductor/DDO can view the status of e-TDS statement/return on TIN website.

**5. For FAQs and further details, Deductors/DDOs are advised to log on website [www.tin-nsdl.com](http://www.tin-nsdl.com)**

\*\*\*\*\*



MINISTRY OF FINANCE  
(Department of Economic Affairs)  
(ECB & PR Division)  
NOTIFICATION  
New Delhi, the 22<sup>nd</sup> December, 2003

F.No. 5/7/2003-ECB & PR- The government approved on 23<sup>rd</sup> August, 2003 the proposal to implement the budget announcement of 2003-04 relating to introducing a new restructured defined contribution pension system for new entrants to Central Government service, except to Armed Forces, in the first stage, replacing the existing system of defined benefit pension system.

- i. The system would be mandatory for all new recruits to the Central Government service from 1<sup>st</sup> of January 2004 (except the armed forces in the first stage). The monthly contribution would be 10 percent of the salary and DA to be paid by the employee and matched by the Central government. However, there will be no contribution from the Government in respect of individuals who are not Government employees. The contribution and investment returns would be deposited in a non-withdrawable pension tier-I account. The existing provisions of defined benefit pension and GPF would not be available to the new recruits in the Central Government service.
- ii. In addition to the above pension account, each individual may also have a voluntary tier-II withdrawable account at his option. This option is given as GPF will be withdrawn for new recruits in Central government service. Government will make no contribution into this account. These assets would be managed through exactly the above procedures. However, the employee would be free to withdraw part or all of the 'second tier' of his money anytime. This withdrawable account does not constitute pension investment, and would attract no special tax treatment.
- iii. Individuals can normally exit at or after age 60 years for tier-I of the pension system. At the exit the individual would be mandatorily required to invest 40 percent of pension wealth to purchase an annuity (from an IRDA- regulated life insurance company). In case of Government employees the annuity should provide for pension for the lifetime of the employee and his dependent parents and his spouse at the time of retirement. The individual would receive a lump-sum of the remaining pension wealth, which he would be free to utilize in any manner. Individuals would have the flexibility to leave the pension system prior to age 60. However, in this case, the mandatory annuitisation would be 80% of the pension wealth.

#### Architecture of the new Pension System

- (i) It will have a central record keeping and accounting (CRA) infrastructure, several pension fund managers (PFMs) to offer three categories of schemes viz. option A, B and C.
  - (ii) The participating entities (PFMs and CRA) would give out easily understood information about past performance, so that the individual would be able to make informed choices about which scheme to choose.
2. The effective date for operationalization of the new pension system shall be from 1<sup>st</sup> of January, 2004.

U.K. SINHA, Jt. Secy.



MINISTRY OF FINANCE  
Department of Revenue  
(Central Board of Direct Taxes)  
Notification

New Delhi, the 24<sup>th</sup> November, 2000

**INCOME- TAX**

**S.O.1048 (E)** - In exercise of the powers conferred by sub-clause (i) of clause (18) of Section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government, hereby specifies the gallantry awards for the purposes of the said Section, mentioned in column 2 of the table below awarded in the circumstances as mentioned in corresponding column 3 thereof:-

**Table**

Sl. No.	Name of gallantry award	Circumstances for eligibility
(1)	(2)	(3)
1.	Ashok Chakra gallantry	When awarded to Civilians for
2.	Kirti Chakra	- do -
3.	Shaurya Chakra	- do -
4.	SarvottamJeevanRaksha Padak	When awarded to Civilians for bravery displayed by them in life saving acts.
5.	UttamJeevanRaksha Medal	- do -
6.	JeevanRakshaPadak	- do -
7.	President's Police Medal exceptional for gallantry	When awarded for acts of courage displayed by members of police forces, Central police or security forces and certified to this effect by the head of the department concerned
8.	Police Medal for Gallantry	- do -
9.	Sena Medal or	When awarded for acts of courage conspicuous gallantry and supported by certificate issued to this effect by relevant service headquarters.
10.	NaoSena Medal	- do -
11.	VayuSena Medal	- do -
12.	Fire Services Medal for Gallantry	When awarded for acts of courage or conspicuous gallantry and supported by certificate issued to this effect by

the  
last Head of Department.

13. President's Police & Fire  
Services Medal for Gallantry
14. President's Fire Services Medal for  
Gallantry
15. President's Home Guards and  
Civil Defence Medal for Gallantry
16. Home Guard and Civil Defence  
Medal for Gallantry

-do-

-do-

-do-

-do-

( Notification no. 1156/F.No. 142/29/99-TPL)

**T.K. SHAH**  
**Director**

## ANNEXURE IX

MINISTRY OF FINANCE  
Department of Revenue  
Central Board of Direct Taxes

New Delhi, the 29<sup>th</sup> January, 2001

S.O.81(E)- In exercise of the powers conferred by sub-clause (i) of clause (18) of Section 10 of the Income-tax Act, 1961 (43 of 1961)), the Central Government, hereby specifies the gallantry awards for the purposes of the said Section and for that purpose makes the following amendment in the notification of the Government of India in the Ministry of Finance, Department of Revenue (Central Board of Direct Taxes) number S.O.1048(E), dated the 24<sup>th</sup> November 2000, namely:-

In the said notification, in the Table, against serial numbers 1,2 and 3 under column (3) relating to -Circumstances for eligibility- **the words** -in civilians- shall be omitted.

(Notification No.22/E.No.142/29/99-TPL)

**T.K. SHAH**  
Director

**FORM NO. 10BA**  
**(See rule 11B)**  
**DECLARATION TO BE FILED BY THE ASSESSEE**  
**CLAIMING DEDUCTION U/S 80 GG**

I/We.....  
 .....

( Name of the assessee with permanent account number or Aadhar number)  
 do hereby certify that during the previous Year.....I/We had occupied the  
 premise.....(full address of the premise) for the purpose of my/our  
 own residence for a period of.....months and have paid Rs. ....  
 In cash/through crossed cheque, bank draft towards payment of rent to  
 Shri/Ms/M/s.....(name and complete address of the landlord).

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

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

\*\*\*\*\*