

Maulana Azad National Urdu University
Office of the Finance Officer

MANUU/F&A/INCOME TAX - TDS/ 2021-22

27 September 2021

CIRCULAR

Subject: Deduction of TDS from salaries during the F.Y. 2021-22 (A.Y. 2022-23)

All the Faculty, Officers, Staff and Pensioners of the University are requested to furnish particulars of their income, eligible savings, etc. in the enclosed Pro-forma to enable the Salary Section to recover the income tax liability for the remaining months of the Financial Year 2021-22. All are requested to submit the duly filled in and signed Declaration Form as per the Annexure-II along with the proof of documents for claiming exemptions to Salary Section, MANUU. Further Annexure-III and Annexure-IV forms, wherever applicable, duly filled needs to be attached.


Physical copy of declaration form duly filled and signed has to be submitted to the **Salary Section, F&A, MANUU** on or before **20/10/2021**. Please ensure that your declaration forms are submitted to the Salary Section before the Due Date. Failing which, based on records available in the Section, Income Tax would be recovered from Salaries, without any further notice.

From the last Financial year, One has to **opt** either Existing Tax Regime (**Option-A**), where exemptions & deductions are allowed to claim **OR** New Tax Regime (**Option-B**), where the rates are lower, but there are no exemptions or deductions. The details about these two tax regimes have been explained in the Annexure - I to the Circular, which may not be exhaustive but made efforts to give an understanding in opting out either of these two options. For more information, please visit the income tax official website <https://www.incometaxindia.gov.in>.

*If a concerned person is failed to submit Declaration form within the due date **OR** though submitted but not opted for any option, then the university would consider option "A" as default option to calculate the income tax and University will not be held responsible for any excess/less recovery of the TDS.*

Further, it is informed that all the tax amount deducted at source has to be deposited to Income Tax department immediately and it is not possible to refund of the excess TDS if recovered in whatsoever conditions/situations by MANUU. In such cases, refunds are to be claimed only from the Income Tax Department.

Other income, if any declared by the employees/pensioners, will be taken into account to assess the total tax and to deduct tax at source (TDS). However, it is not feasible to take the TDS made by other organizations. Deductions will be considered/allowed strictly in accordance with the Income Tax Rules. Further, if **Excess / Short** deduction is done by F&A, the ultimate responsibility vests with the individual employee concerned to rectify those deductions and to adjust/pay tax suitably, while submitting their IT returns.


(M. G GUNASEKARAN)
FINANCE OFFICER

To: All the Concerned

CIT - with a request to upload this Circular on MANUU website

Annexure-I

Comparison of Old Tax Regime (Option-A) with New Tax Regime (Option-B):

Below is the table with the old and new tax regime as applicable on the annual taxable income:

Annual Taxable Income (Rs.)	Old Tax Regime (Option-A)			New Tax Regime (Option-B)
	Below 60 Years of age	Above 60 years Below 80 years of age	80 years of age and above	
Up to Rs 2.5 lakhs	Nil	Nil	Nil	Nil
Up to Rs. 3 lakhs	5%	Nil	Nil	Nil
Rs. 2.5 lakhs to Rs. 5 lakhs	5%	5%	Nil	5%
Rs. 5 lakhs to Rs, 7.5 lakhs	20%	20%	20%	10%
Rs. 7.5 lakhs to Rs. 10 lakhs	20%	20%	20%	15%
Rs. 10 lakhs to Rs. 12.5 lakhs	30%	30%	30%	20%
Rs. 12.5 lakhs to 15 lakhs	30%	30%	30%	25%
Rs. 15 lakhs and above	30%	30%	30%	30%
Deductions Allowed	All the existing deductions under various sections are allowed i.e. u/s 10-Transport allowance, HRA exemptions, Retirement Benefits, Leave Travel concession, Standard Deduction of Rs.50,000/-, 80-C, 80-CCC, 80-CCD (1A) Chapter VI A deductions like 80-CCD (1B), 80-CCD (2), on self-occupied house up to 2 lakhs (U/s.24b) & Rebate u/s.87A upto Rs.12500/- if income does not exceed 5 lakhs.			No deduction is allowed except a few i.e. Retirement Benefits (u/s.10), Pension Contribution for NPS 80CCD (2), Transport allowance (PHC) (u/s.10).

An additional 4% Health & Education Cess would apply on the taxable amount calculated as above in both the options.

Note: 1) Basically, if you have more investments & exemptions apart from the standard deduction, it is preferred to opt for the old tax regime (Option - A).

- 2) Option 'A' or 'B' can be exercised every year, and any beneficial regime can be adopted by the individual (except for those who have income from business or profession).
- 3) Individuals who have income from business or profession cannot switch between the new and old tax regimes every year. If they opt for the new tax regime, such individuals get only one chance in their lifetime to go back to the old regime.
- 4) This is not an exhaustive document of all the Income Tax Rules and in case, if any rules are not mentioned in this Circular, then the appropriate rules of Income tax Act shall be applied.

Maulana Azad National Urdu University

FORM NO.12BB

(See rule 26C)

Statement showing particulars of claims by an employee for deduction of tax
under Section 192 for the financial year 2021-22**PART - A**

1. (a) Name (in Capital Letters) & ID No. _____
(b) Category (PH/Sr. Citizen/Women) _____
(c) Designation & Department _____
(d) Mobile No. _____
2. **PAN No. (Compulsory)** _____
3. (a) Whether living in Own/Rented House _____
(b) Address: _____
(c) Rent paid to landlord (Annual)
(Please enclose the Receipt) _____
4. Total Salary Income including HRA, Salary Arrears, Honorarium, TA. other Income etc. up to 31-03-2022. _____
5. Less: Standard deduction (u/s 16(ia)) _____
6. Less: Professional Tax (u/s 16) _____
7. Balance (4-(5+6)) _____
8. Amount of HRA exempted U/S 10 (13A)
(If living in a rented House)
a) Actual HRA received from University _____
b) Rent paid in excess of 10% of Salary _____
c) 40% of Basic Salary _____
d) Least of the above _____
9. Balance (7-8d) _____
10. a) Income from House Property
Gross Annual Income from the Property _____
b) Less Tax actually paid to Local Authority _____
c) Net Annual Value (a-b) _____
d) Less 30% for Repairs _____
e) Less Interest on Borrowed Capital (u/s 24) _____
f) Net Income from House property (c-(d+e)) _____
11. Total Income (9+ 10(f)) _____
12. Any other income (other than MANUU) _____
13. Gross total Income (11+12) _____
14. Deductions admissible Chapter VI-A
(i) Section 80-CCE

S.No	Particulars	Amount	S.No	Particulars	Amount
1	GPF		7	NSC	
2	NPS		8	Mutual fund	
3	GIS		9	HBA (Principal)	
4	LIC (direct)		10	Tuition fees	
5	LIC (salary)		11	ULIP	
6	PLI		12	Interest on Bank FDs	
	Total I			Total 2	
	Grand Total (1+2)				

Note: - a) All the deductions put together are subject to a maximum limit of Rs. 1,50,000. (U/S 80CCE)

15. Admissible exemptions under the following Sections of the Income Tax Act.

i	80-D		v	80-DDB
ii	80-DD/80U		vi	80-CCD(I)
iii	80-G		vii	80-L
iv	80-E (Annexure-V)		viii	80-CCD(I b)

ANNEXURE - II (pg.2 of 2)

16.	Net Taxable Income (13-(14+15))	_____
17.	Tax on Net Taxable Income	_____
18.	Education Cess @4% on Tax	_____
19.	Total tax liability (17+18)	_____
20.	Deduct Relief u/s.89 (if any)	_____
21.	Tax already deducted	_____
22.	Balance tax deductible (19-(20+21))	_____

DECLARATION

- I) I, _____ (name) do hereby declare that above stated information is true to the best of my knowledge and belief.
- II) I hereby undertake that any other amounts which are not included in the above statement/Form 16, will be taken into account while filing returns and the MANUU will not be held responsible for any queries raised by the Income Tax department at a later date regarding any lapses/omissions on account of Income & Savings declared as mentioned above.
- III) As per the above details, Income Tax may please be deducted at source without giving any further information to the undersigned.
- IV) Selection of Tax Regimes: [please Tick in the box]

Old Tax Regime: OPTION – A New Tax Regime: OPTION – B

Date: _____

Signature of Employee

- Note:**
- 1) Tax will be deducted at the higher rate if PAN is not furnished (U/S 206-AA)
 - 2) No declaration form will be accepted without PAN No.
 - 3) No declaration will be considered without proper signature of the individual and supporting documents
 - 4) Each page of declaration and attached documents need to be signed by the individual
 - 5) Mention property address on HBA Claims

PART - B

please give details/tick mark in the appropriate box

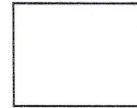
1) Are you Seeking HRA Exemption	Yes NO
2) If 'Yes', Have you attached Rent Receipt (no exemption will be allowed if no Rent Receipt) (Annexure-III is attached)	Yes, Rs. _____ per annum (PAN of landlord is must. Without which no exemption will be given) NO
3) Do you have any other income from house property? If Yes Enclose Annexure-IV (Otherwise, it will not be considered)	Yes / NO
4) If 'Yes' whether attached certificates for exemptions u/s.24 (Interest on HBA loan / Municipal Taxes etc.)	Yes / NO / NA
5) (a) Did you avail loan for the first house? (b) If yes, please fill Column (6). (c) If No, have you declared the deemed income from all other houses except one for self-occupied purpose?	(a) Yes / NO / NA (b) Yes / NO / NA (Enclose Annexure-IV) (Otherwise, it will not be considered)
6) If the loan is availed for the first time during 01/04/2016 to 31/03/2017 OR 01/04/2019 to 31/03/2022? How much loan availed during the year (doc. proofs have to be attached) for Sec. 80 EE & 80 EEA	i) Loan Availed for the first time: (Pl. Tick) Yes / NO / NA ii) Loan Availed on: iii) Do You have any House Property earlier to this: Yes / NO / NA iii) The Amount of Loan Availed: Rs. ___ & Stamp Duty Value: Rs.

RECEIPT OF HOUSE RENT
(Under Section 10(13-A) Income Tax Act)

Received a Sum of Rs. _____ (Rupees _____
_____) towards House Rent @Rs. _____ (Rs. _____
_____) per month from _____ to _____
from Sri/Smt. _____ in respect of House NO. _____
situated at _____

Date:

(Affix Revenue Stamp of Rs. 1/-)
Signature of the House Owner



Name: _____

Address:

PAN No: _____

Note:

- 1) PAN of the Owner is mandatory
- 2) Revenue stamp necessary for Transaction more than Rs. 5000/-

Annexure-IV

COMPUTATION OF INCOME FROM "LET-OUT PROPERTY":

Property Holder Name: _____

Housing Loan Rs. _____

Address: _____

FORMAT FOR COMPUTATION OF INCOME FROM LET-OUT HOUSE PROPERTY IS SHOWN BELOW:

	Rs.	Rs.
(i). Gross Annual Value		
(ii). Less: Municipal Taxes (Property Tax) actually paid * (-)		
Net Annual value (i - ii)		
Less: Allowable Deduction U/s 24:		
(a) Repairs Charges Restricted to 30% Annual Value of the Property Irrespective of the amount spent or not		
(b) Interest on Borrowed Capital (Not more than Rs.2,00,000/-)*		
Taxable Income from House Property		

Note:* attach proof of documents

***Use Separate sheet for each House Property.

Signature of the Employee: _____

Name: _____

Designation: _____

Emp Id: _____

Explanatory note for Annexure - IV

COMPUTATION OF INCOME FROM "LET-OUT PROPERTY":

The following deductions are eligible from the Net Annual Value of Property

1. Repair Charges (restricted to 30% of Net Annual Value of the Property).
2. Interest on borrowed capital for the purpose of acquisition, construction, re-construction, repairs, renovation etc.

Format for Computation of Income from Let-Out Property is shown below :		
Gross Annual Value	***	
LESS: Municipal Tax (Property Tax) Actually paid during current Financial Year (Proof to be attached)	***	
Net Annual Value		***
LESS : <u>Allowable Deductions u/s 24</u>		
➤ Repairs/ Collection Charges restricted to 30% of Annual Value of the Property irrespective of amount spent or not		***
➤ Interest on Borrowed Capital (Not more than 2 lakhs)		
Taxable Income from House Property		***

GROSS ANNUAL VALUE [Sec. 23(1)]

Gross Annual Value is determined as follows-

<i>Step 1</i>	Find out reasonable expected rent of the property
<i>Step 2</i>	Find out Rent actually received or receivable after excluding unrealized rent but before deducting loss due to vacancy which shall be calculated as below
<i>Step 3</i>	Find out which one is higher - amount computed in Step 1 & Step 2
<i>Step 4</i>	Find out Loss because of Vacancy
<i>Step 5</i>	Step 3 minus Step 4 is Gross Annual Value

Step-1: Find out reasonable expected Rent of the Property:

The reasonable expected Rent under will be computed on the basis of 3 factors, namely---

a. Municipal Rental Value (MRV): For collecting Municipal Taxes, Local Authorities i.e. Municipal Corporation / Committee etc. conducts a periodical survey of the house properties in their local limits. On the basis of such survey the Rental Value are fixed which serves as the basis for levying tax. The Rental Value so fixed is called **Municipal Rental Value (M.R.V.)**.

b. Fair Rental Value (FRV): Fair Rent of the Property can be determined on the basis of Rent fetched by a similar property in the same or similar locality. It is based on the principle that Rent prevailing in same locality for similar sized property is almost the same. Such Rental Value is called **Fair Rental Value (F.R.V.)**

c. Standard Rent of the Property (SR) : Standard Rent is the maximum rent which a person can legally recover from his tenant under a Rent Control Act. If other words, if a property is covered under this Rent Control Act, its reasonable expected Rent cannot exceed the standard Rent fixed or determined under the Rent Control Act.

The higher of (MRV) and (FRV), subject to maximum of (SR) is reasonable expected Rent.

Deduction under Section 80EE from Assessment Year 2017-18:

As per Section 80EE of the Income Tax Act, deduction of up to Rs. 50,000 is allowed to an Individual towards interest on loan taken for acquisition of a residential house property. However, the deduction is allowed subject to following conditions:

- a). the loan should be sanctioned by the financial institution during the period beginning on the 01-04-2016 and ending on 31-03-2017;
- b). the amount of loan should not exceed Rs. 35 lakhs;
- c). the value of residential house property should not exceed Rs. 50 lakh; and
- d). the assessee should not own any residential house property on the date of sanction of loan.

Deduction under Section 80EEA for Individuals who are not eligible for deduction under Section 80EE:

With an objective to provide an impetus to the 'Housing for all' initiative of the Government and to enable the home buyer to have low-cost funds at his disposal, the Finance (No.2) Act, 2019 has inserted a new Section 80EEA under the Income Tax Act for those individuals who are not eligible to claim deduction under Section 80EE. An individual can claim deduction of up to Rs. 1,50,000/- under Section 80EEA subject to following conditions:

- a) Loan should be sanctioned by the financial institution during the period beginning on 01-04-2019 and ending on the 31-03-2021;
- b) Stamp duty value of residential house property should not exceed Rs. 45 lakhs;
- c) The assessee should not own any residential house property on the date of sanction of loan; and
- d) The assessee should not be eligible to claim deduction under Section 80EE.

Hence, an individual who does not meet the criteria of Section 80EE shall be eligible to claim deduction under Section 80 EEA in addition to deduction under section 24(b).

The Finance Act, 2021 has amended Section 80EEA to extend the outer date for sanction of loan from 31-03-2021 to 31-03-2022. Thus, the deduction shall continue to be available under this provision if the loan is sanctioned on or before 31-03-2022.

Step-2: Find out Rent actually received or receivable :

Find out Rent actually received or receivable after excluding unrealized rent but before deducting loss due to vacancy which shall be calculated as below :

Rent of the previous year (or that part of the previous year) for which the property is available for letting out	XXXX
Less: Unrealized Rent of a few conditions are satisfied	XXXX
Rent received / receivable before deducting Loss due to Vacancy	XXXX

The following points should be noted ---

1. Loss due to vacancy shall not be deducted.
2. Occupier's or tenant's share of municipal tax realized from the tenant cannot be added to Actual Rent received or receivable.
3. If the tenant has undertaken to bear the cost of repairs, the amount spent by the tenant cannot be added to rent received or receivable.
4. A non-refundable security will be added in rent received or receivable on *pro rata* basis.
5. A refundable security cannot be included in rent received or receivable.
6. Advance rent can not be rent received / receivable of the year of receipt.
7. Commission paid by the owner of a property to a broker for rental income is not deductible.

DEDUCT MUNICIPAL TAX

From Gross Annual Value computed above, deduct Municipal Taxes (including Service Tax) levied by any local authority in respect of the house property. Municipal Taxes (Property Taxes) are deductible only if..

1. these taxes are borne by the owner, and
2. are actually paid by him during the previous year.

Municipal taxes, levied by local authority but not paid by the assessee during the previous year are not deductible. The remaining amount left after deduction of Municipal Taxes is Net Annual Value (NAV)

DEDUCTION UNDER SECTION 24

The following Deductions are available under Section 24

- a. Standard Deduction; and
- b. Interest on Borrowed Capital

In other words, no deductions can be claimed in respect of that expenditure which is not specified in Sec. 24. For instance, no deduction can be claimed in respect of expenses on insurance, ground rent, land revenue, repairs, collection charges, electricity, water supply, salary of lift man, etc.

A. Standard Deduction [Sec. 24(a)]: 30% of Net Annual Value is deductible irrespective of actual expenses incurred by the taxpayer.

B. Interest on Borrowed Capital [Sec. 24(b)]: Interest on Borrowed Capital is allowable as deduction, if capital is borrowed for the purpose of purchase, construction, repair, renewal or reconstruction of the property.

The following points should be kept in view:-

- 1) If capital is borrowed for the purpose of purchasing a plot of land, interest liability is deductible even if construction is financed out of own funds.
- 2) Interest on borrowed capital is deductible on "accrual" basis. It can be claimed as deduction on yearly basis, even if the interest is not actually paid during the year.
- 3) Interest on unpaid interest is not deductible.
- 4) No deduction is allowed for any brokerage or commission for arranging loan.
- 5) Interest on a fresh loan, taken to repay the original loan raised for the aforesaid purposes is allowable as deduction.

Annexure-V

{APPLICABLE ONLY FOR TAX OPTION-A}

(For availing Exemption U/s 80-E Interest on Education Loan)

Name of the Employee: _____

Loan Availed to meet the Expenses of _____

Date of Acquiring the Education Loan	Approval copy	Availing Year (Maximum 8 Years only)	Interest Amount paid during the current Financial Year	Proof of Interest Paid is Enclosed or Not

I hereby declare that claiming exemption u/s. 80E from the financial year _____
And not exceeded 8 years as per the rules.

Signature of the Employee
Name: _____

Designation: _____

Emp ID : _____

