



UNIVERSITY OF HYDERABAD  
**FINANCE AND ACCOUNTS**



UH/F&A/INCOME TAX/ 2023-24

Dt: 26/04/2023

**CIRCULAR**

**Subject: Deduction of T.D.S. from salaries during the F.Y. 2023-24 (A.Y. 2024-25)**

All the **Faculty, Officers, Staff and Pensioners** of the University are requested to furnish particulars of their incomes, eligible savings, etc., in the enclosed Pro-forma to enable the Pay Bills Section to recover the income tax liability for the Financial Year 2023-24. All are requested to submit the duly filled-in and signed Declaration Form as per Annexure-II, along with the proof of documents for claiming exemptions, in the **Income Tax Cell (I.T. cell), Ground Floor, Finance &Accounts**. Further, if required, Annexure-III and Annexure-IV forms duly filled need to be attached.

A physical copy of the declaration form duly filled&signed has to be submitted in the I.T. Cell, F&A **OR** duly signed and may be scanned and forwarded to the mail id [itcell@uohyd.ac.in](mailto:itcell@uohyd.ac.in) on or **before 07/05/2023**. Ensure you reach your declaration to the cell before the due date. Failing which, based on available records, assessed Income Tax would be recovered from May 2023 onwards without further notice.

As per the latest regulations, One has to **opt** for either the existing tax rate system (**Option-A**), where exemptions & deductions are allowed to claim **OR** the New tax regime (**Option B**), where the tax rates are lower but without any deductions, including L.T.C. The details about these two tax regimes have been explained in annexure (I) to this Circular, which may not be exhaustive but made efforts to give an understanding of opting out either. For more information, please visit the official income tax website.

If any person is failed to submit a declaration before the due date **OR**, though submitted but not opted for any option, then As per the I.T. act, **the University will consider option "B" (New Tax Regime) as a default option** to calculate the income tax. University will not be held responsible for any excess/less recovery of the T.D.S., and no change of choice will be allowed.

Further, this is to inform you that all the tax deducted at source has to be deposited to the Income Tax department immediately. Refunding the excess T.D.S. if made in any conditions/situations may not be possible. In such cases, only refunds are to be claimed from the Income Tax Department.

F&A has estimated the individual's total income for the current financial year and deductions as per the last year taken for calculating Income Tax for April 23 by choosing the option beneficial to the individual. However, from May 2023 onwards, a suitable amount will be deducted as per the declaration submitted by the individuals.

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 (T.D.S.). However, taking the T.D.S. made by other organizations is not feasible. Deductions will be considered/allowed strictly following the Income Tax Rules. Further, if less/more deduction is allowed by F&A, the ultimate responsibility vests with the individual concerned to rectify those deductions and to adjust/pay tax suitably while submitting their I.T. returns.

To

All the Concerned

Director (CC) & Webmaster – with a request to forward this Circular to all the concerned officers to place it on the UoH website and F&A webpage

University of Hyderabad, IT circular-2023-24

Finance Officer(i/c)

वित्त अधिकारी / Finance Officer  
केन्द्रीय विश्वविद्यालय / University of Hyderabad  
केन्द्रीय विश्वविद्यालय डा. घ. / Central University D.G.  
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**Comparison of Old Tax Regime (Option-A) with New Tax Regime (Option-B):**

*Below is the table with the old and new tax rates as applicable to the annual taxable income:*

Annual Taxable Income (Rs.)	Old Tax Regime (Option-A)			Annual Taxable Income (Rs.)	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	Up to Rs. 3 lakhs	Nil
Up to Rs. 3 lakhs	5%	Nil	Nil	Above Rs. 3 lakhs and upto Rs. 6 lakhs	5%
Above Rs. 3 lakhs and upto Rs. 5 lakhs	5%	5%	Nil	Above Rs. 6 lakhs and upto Rs 9 lakhs	10%
Above Rs. 5 lakhs and upto Rs. 10 lakhs	20%	20%	20%	Above Rs. 9 lakhs and upto Rs. 12 lakhs	15%
Above Rs. 10 lakhs	30%	30%	30%	Above Rs. 12 lakhs and upto 15 lakhs	20%
				Above Rs. 15 lakhs	30%
<b>Deductions Allowed</b>	All the existing deductions under various sections are allowed, i.e. u/s 10-Transport allowance, H.R.A. exemptions, retirement benefits, Leave Travel concession, 16-Standard Deduction of Rs.50,000/-, 80C, 80CCC, 80CCD(1A) Chapter VIA deductions like 80CCD(1B), 80CCD(2), 80D, 80DD, 80GGA, 80E, 80EE, 80EEA, 80G, 80TTA, 80TTB, 80U, 80 C.C.H. etc. and Interest on a self-occupied house up to 2 lakhs (u/s.24b) & rebate u/s.87A upto 12500 if income does not exceed five lakhs.			<b>No deduction is allowed except a few, i.e. Standard Deduction of Rs.50,000/- Retirement Benefits (u/s.10), Pension contribution for N.P.S. 80CCD (2), &amp; rebate u/s.87A Upto Rs.7,27,777, Transport allowance (P.H.C.) (u/s.10) &amp; 80CCH,</b>  <b>Reimbursement of L.T.C./Children's Education allowance is taxable.</b>  <b>No Exemption of H.R.A./Interest/principal on housing loan etc.,</b>	

Note: 1) A surcharge of 10% is applicable on Income Tax if the taxable income exceeds 50 lakhs.

- 2) 4% Health & Education cess is applied on Tax plus Surcharge, in both options.
- 3) if you have more investments & exemptions apart from the standard deduction, it is better to opt for the old tax regime.
- 4) An individual can adopt any beneficial regime every year except those with income from business or profession.
- 5) This is not an exhaustive document of all the Income Tax Rules, and please refer to the appropriate Tax rules of the Income-tax Act for any clarifications.
- 6) Deductions are allowed to the satisfaction of the rules only. It's not mandatory to take all the declared deductions to allow.



IDNO. \_\_\_\_\_ DESIGNATION: \_\_\_\_\_ Option ☒ A [ ] Or B [ ] Annexure-II (pg.1 f 2)

**Declaration regarding Annual Income and tax-saving investments to be made during 2023-24 for monthly T.D.S. deduction from salary.**

To the best of my knowledge and belief, I declare that my annual income includes all known sources during the financial year 2023-24 other than monthly Pay & Allowances as drawn by the Pay Bill Section, F&A, UoH is as under.

**I Incomes:**

Sl. No.	Particulars	Amount (Rs.) Per annum	
1	Salaries & Allowances etc. u/s. 17(1)	Actuals as paid by UoH	
2	Amount of Perquisites u/s.17(2)		
3	Other income, if any (from the university sources) (Pl. Specify): where the T.D.S. is not deducted (if any)	Particulars	Amount
4	Any other income reported by the employee (other than from UoH)		
<b>TOTAL INCOME</b>			

**II DEDUCTIONS: (please give details/tick mark ☒ in the appropriate box)**

1) Are you Seeking H.R.A. Exemption	Yes [ ] / NO [ ]
2) If Yes, Please mention your Residential Address	_____ _____ _____
3) If 'Yes', Have you attached the Rent receipt (no exemption will be allowed if no receipt) (Annexure-III is attached <input checked="" type="checkbox"/> )	Yes [ ], Rs. _____ per annum (P.A.N. of a landlord is a must. Without which no exemption will be given) NO [ ]
4) Do you have any other income from house property?	Yes [ ] / NO [ ] If Yes Enclose Annexure-III <input checked="" type="checkbox"/> [ ] ✕ [ ] (Otherwise, it will not be considered)
5) If 'Yes', attach the calculation sheet and certificates for exemptions u/s.24 (Interest on H.B.A. loan/standard deduction for repairs etc.)	Yes [ ] / NO [ ] / N.A. [ ]
6) (a) Did you avail of a loan for the first house? (b) If not, have you declared the deemed income from all other houses except for self-occupied purposes?	(a) YES [ ] / NO [ ] / N.A. [ ] (b) YES [ ] / NO [ ] / N.A. [ ] If Yes Enclosed Annexure-IV <input checked="" type="checkbox"/> [ ] ✕ [ ] (Otherwise, it will not be considered)
7) Is the loan available for the first time from 01/04/2018 to 31/03/2019 <b>OR</b> 01/04/2021 to 31/03/2022? How much loan availed during the year (doc. proofs must be attached) for a sec. 80EE & 80EEA	i) Loan Availed for the first time: (Pl. Tick) Yes [ ] / NO [ ] / N.A. [ ] ii) Loan Availed on: _____ ii) Do You have any House Property earlier than this: Yes [ ] / NO [ ] / N.A. [ ] iii) The Amount of Loan Availed: Rs. _____ & Stamp Duty Value: Rs. _____

The following amounts are invested during the Year 2023-24 under tax-saving investments/payments, i.e. L.I.C., P.P.F., N.S.C., repayment of Home Loan(principal) School Tuition Fees, S.S.A., Med claim Policy, etc. :( use separate sheets if required).

Use Annexure V for availing of Education Loan Interest Deduction

Sl. No.	Particulars/Investment details	Amount Invested	Exempted Under section**	Proof enclosed
1				
2				
3				
4				
5				

### **DECLARATION**

- I) I, \_\_\_\_\_ (name) do hereby declare that what is stated above is correct to the best of my knowledge and belief.
- II) I hereby undertake that any other amounts not included in the above statement/Form 16 will be considered while filing returns. The University of Hyderabad 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 incomes & savings declared as above.
- III) As per the above details, Income Tax may please be deducted at the 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: \_\_\_\_\_

Name & ID No: \_\_\_\_\_

Designation: \_\_\_\_\_

Dept.Name: \_\_\_\_\_ Extn. Ph. No. \_\_\_\_\_

PAN No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_ email Id.: \_\_\_\_\_

Address: \_\_\_\_\_

**Note:** 1) If required, you may use a separate sheet for your calculations and attach

Herewith by mentioning the total figure in the declaration.

- 2) No declaration will be accepted without P.A.N. no./ Proof of P.A.N. Applied
- 3) No declaration is accepted without the proper signature of the individual
- 4) If any doubts/clarifications, you may contact the Income Tax cell, F&A
- 5) Each page of the declaration and attached documents needs to be signed by the individual
- 6) Mention property address on Housing Loan Claims.

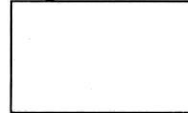
**Annexure – III**  
**[APPLICABLE ONLY FOR TAX OPTION-A]**

**RECEIPT OF HOUSE RENT**  
**(Under Section 1(13-A) of 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 \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Affix Revenue Stamp of Rs.1/-)

Signature of the House Owner



Date: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PAN No: \_\_\_\_\_

Note:

1. P.A.N. 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 Name:** \_\_\_\_\_

**Housing Loan Rs.** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

<b>FORMAT FOR COMPUTATION OF INCOME FROM LET-OUT HOUSE PROPERTY IS SHOWN BELOW:</b>		
<b>(i). ANNUAL VALUE OF THE PROPERTY</b>	<b>Rs.</b>	
<b>(ii). Less: Municipal Taxes actually paid</b>		
<b>( - )</b>	<b>Rs.</b>	
<b>Annual value of the Property ( i – ii )</b>		
<b>Less: Allowable Deduction U/s 24:</b>		
<b>(a) Repairs Charges Restricted to 30% Annual Value of the Property Irrespective of amount spent or not</b>	<b>Rs.</b>	
<b>(b) Interest on Borrowed Capital for House Construction (Not more than Rs.2,00,000/- is allowed)    *</b>	<b>Rs.</b>	_____
<b>Taxable Property Income</b>		<b>Rs.</b>

**Note:\*** attach proof of documents

**\*\*\*Use A Separate sheet for More Than One House Property.**

**Signature of the Employee**

**Name:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Emp Id:** \_\_\_\_\_



**Annexure – V**  
**{APPLICABLE ONLY FOR TAX OPTION-A}**

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

**Name of the Employee:** \_\_\_\_\_

**Loan Availed to meet the Expenses of** \_\_\_\_\_  
\_\_\_\_\_

<b>Date of Acquiring the Education Loan</b>	<b>Approval copy</b>	<b>Availing Year (Maximum 8 Years only)</b>	<b>Interest Amount paid during the year</b>	<b>Proof of Interest Paid is Enclosed or Not</b>

**I hereby declare that claiming exemption u/s. 80E from the financial year \_\_\_\_\_**  
**And not exceeding eight years as per the rules.**

**Signature of the Employee**

**Name:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Emp Id:** \_\_\_\_\_

## Explanatory note for Annexure - IV

### COMPUTATION OF INCOME FROM "LET-OUT PROPERTY":

After arriving at Rentable Value and Annual Value, if the Property is let-out (given for rent / lease), the following deductions for which the owner is eligible :

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

Format for Computation of Income from Let-Out Property is shown below :		
<b>Ratable (Gross Annual) Value of the Property</b>	***	
LESS: Municipal Taxes actually paid, like :	***	***
➤ Water Benefit Tax, Sewerage Benefit Tax		***
<b>Annual Value of the Property</b>		
LESS : <b><u>Allowable Deductions u/s 24</u></b>		
➤ Repairs / Collection Charges restricted to		
30% of Annual Value of the Property	***	
irrespective of amount spent or not	***	***
➤ Interest on loan borrowed for construction (Not more than 2 lakhs		*****
from all let out properties)		
<b>Taxable Property Income</b>		

### GROSS ANNUAL VALUE [ Sec. 23(1)]

Gross Annual Value is determined as follows—

<i>Step 1</i>	Find out the 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 – the 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 the 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 (M.R.V.):** For collecting Municipal Taxes, Local Authorities, i.e. Municipal Corporation / Committee etc., conducts a periodic survey of the house properties in their local limits. Based on a 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 (F.R.V.) :** 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 (S.R.) :** 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 (M.R.V.) and (F.R.V.), subject to maximum of (S.R.) is reasonable expected Rent.

**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 pervious 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 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 2 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 liftman, etc.

**A. Standard Deduction [ Sec. 24(a)] :** 30% of net annual value is deductible irrespective of any expenditure incurred by the taxpayer.

**B. Interest on Borrowed Capital [ Sec. 24(b)] :** Interest on borrowed capital is allowable as a 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 its own funds.
2. Interest on borrowed capital is deductible on an "accrual" basis. It can be claimed as a deduction yearly, 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 the loan.
5. Interest on a fresh loan, taken to repay the original loan raised for the aforesaid purposes, is allowable as a deduction.
6. Interest on borrowed capital is deductible fully without any maximum ceiling in case of let-out Property.