



**UNIVERSITY OF HYDERABAD
FINANCE AND ACCOUNTS**



UH/F&A/INCOME TAX/ 2024-25

Dt: 01/05/2024

CIRCULAR

Subject: Deduction of T.D.S from salaries during the F.Y. 2024-25 (A.Y. 2025-26)

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 2024-25. 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, in the **Income Tax Cell, Ground Floor, Finance &Accounts**. Further, if required, Annexure-III and Annexure-IV forms duly filled needs to be attached. **If opts for Option-B i.e. New Tax Regime, need not to submit any declaration.**

A Physical copy of declaration form duly filled & signed has to be submitted in the IT Cell, F&A OR duly signed may be scanned and forward to the mail id itcell@uohyd.ac.in on or before **07/05/2024**. Ensure yourself about reaching of your declaration to the cell before the due date. Failing which, based on available records, assessed Income Tax would be assessed.

As per the existing regulations, one has to **opt** either existing tax rate system (**Option-A**), where exemptions & deductions are allowed to claim OR 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 the 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 declaration before the due date OR, though submitted but not opted for any option, then as per the I.T act, **the university considers as 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 option is allowed and no refund of tax is entertained.

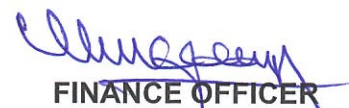
F&A has estimated the individual's total income for the current financial year and IT deductions proposed for April 2024, considering previous year option/savings. However, from May/June 2024 onwards, an appropriate amount will be deducted after arriving IT calculations and as per the declaration made by the individuals, without any further intimation.

As per the Income Tax provisions, UoH does have any liability to deduct **TDS from the Family Pensioners**. Hence, **no TDS is being deducted from the current Financial year and no form-16 will be issued**. The responsibility of following IT rules vests with the Family Pensioners and not by UoH.

It is observed that some of the external organizations are paying honorarium/sitting fee paying to UoH employees and sending emails to deduct the TDS by UoH. It is very difficult to keep a track of all such transactions. Hence, UoH is not going to consider such emails for tax assessment. it may take a note that the concerned may declare themselves as income while filing their IT returns.

F&A will regulate the TDS as per the Income Tax Rules changed from time to time and no further updates are provided.

To
All the Concerned
Director, CC & CNF – with a request to circulate to all/ publish it on uoh intranet suitably


FINANCE OFFICER
वित्त अधिकारी/Finance officer
21/5/24
हैदराबाद विश्वविद्यालय/University of Hyderabad
केन्द्रीय डा.घ./Central University P.O.
हैदराबाद/Hyderabad- 500 046.

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

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

Annual Taxable Income (Rs.)	Old Tax Regime (Option-A)			Annual Taxable Income (Rs.)	(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	Rs. 3 lakhs to Rs. 6 lakhs	5%
Rs. 2.5 lakhs to Rs. 5 lakhs	5%	5%	Nil	Rs. 6 lakhs to Rs, 9 lakhs	10%
Rs. 5 lakhs to Rs. 10 lakhs	20%	20%	20%	Rs. 9 lakhs to Rs. 12 lakhs	15%
Rs. 10 lakhs and above	30%	30%	30%	Rs. 12 lakhs to 15 lakhs	20%
				Rs. 15 lakhs and above	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, 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 etc. and Interest on self-occupied house up to 2 lakhs (u/s.24b) & rebate u/s.87A upto 12500 if income does not exceed 5 lakhs.			No deduction is allowed except a few i.e.Standard Deduction of Rs.50,000/- Retirement Benefits (u/s.10), Pension contribution for NPS 80CCD (2), & rebate u/s.87A upto 25,000 if income does not exceed 7 lakhs, Transport allowance (PHC) (u/s.10).	

An additional 4% Health & education cess would apply on the tax amount calculated as above in both the options.

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

- 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 taxation 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 incase if any Found or rules not mentioned in this circular, then the appropriate rules of Income tax Act shall be applied.

Declaration regarding Annual Income and tax-saving investments to be made during the year 2023-24 for monthly TDS deduction from salary.

I hereby declare that to the best of my knowledge and belief, my annual income inclusive of all known sources during the financial year 2024-25 other than monthly Pay & Allowances as drawn by 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 TDS is not deducted (if any)	Particulars	Amount
4	Any other income reported by the employee (other than from UoH)		
TOTAL INCOME			

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

1) Are you Seeking HRA Exemption	Yes [] / NO []
2) If Yes, Please mention your Residential Address	_____ _____ _____
3) If 'Yes', Have you attached Rent receipt (no exemption will be allowed if no receipt) (Annexure-III is attached <input checked="" type="checkbox"/>)	Yes [], Rs. _____ per annum (PAN of landlord is 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' whether attached calculation sheet along with certificates for exemptions u/s.24 (Interest on HBA loan/standard deduction for repairs etc.)	Yes [] / NO [] / NA []
6) (a) Did you availed loan for the first house? (b) 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 [] If Yes Enclosed Annexure-IV <input checked="" type="checkbox"/> [] [] (Otherwise, it will not be considered)
7) If the loan is availed for the first time during 01/04/2018 to 31/03/2019 OR 01/04/2021 to 31/03/2022? How much loan availed during the year (doc. proofs have to be attached) for sec. 80EE & 80EEA	i) Loan Availed for the first time: (Pl. Tick) Yes [] / NO [] / NA [] ii) Loan Availed on: _____ ii) Do You have any House Property earlier to this: Yes [] / NO [] / NA [] iii) The Amount of Loan Availed: Rs. _____ & Stamp Duty Value: Rs. _____

The following amounts are invested during the Year 2024-25 under tax-saving investments / payments i.e. LIC, PPF, NSC, repayment of Home Loan(principal) School Tuition Fees, SSA, Med claim Policy, etc :(use separate sheets if required). Use Annexure V for availing 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 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/Form16, will be taken into account while filing returns and 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 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: _____

Name & ID No: _____

Designation: _____

Dept.Name: _____ Extn. Ph. No. _____

PAN No.: _____

Mobile No.: _____ Email Id.: _____

Address: _____

- Note:** 1) If require you may use separate sheet for your calculations and attach herewith the declaration mentioning the totals in the declaration form.
- 2) No declaration will be accepted without PAN no./ Proof of PAN Applied
- 3) No declaration will be accepted without proper signature of the individual
- 4) If any doubts/clarifications you may contact Income Tax cell, F&A
- 5) Each page of declaration and attached documents needs to be signed by the individual
- 6) Mention property address on HBA 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/-)

Date: _____ 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 Name: _____

Housing Loan Rs. _____

Address: _____

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

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

Note:* attach proof of documents

***Use 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 _____

Date of Acquiring the Education Loan	Approval copy	Availing Year (Maximum 8 Years only)	Interest Amount paid during the 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: _____

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, re-construction, repairs, renovation etc.

Format for Computation of Income from Let-Out Property is shown below :		
Ratable (Gross Annual) Value of the Property	***	
LESS: Municipal Taxes actually paid, like :	***	***
Water Benefit Tax, Sewerage Benefit Tax		***
Annual Value of the Property		
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 loan borrowed for construction (Not more than 2 lakhs from all let out properties)		
Taxable Property Income		

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.

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..

2. ~~It is actually paid by the assessee 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 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~~
1. ~~even if the interest is not actually paid during the year.~~
1. Interest on unpaid interest is not deductible.
1. No deduction is allowed for any brokerage or commission for arranging loan.
1. ~~If a fresh loan, taken to repay the original loan raised for the aforesaid purposes , is allowable as~~
1. Interest on borrowed capital is deductible fully without any maximum ceiling in case of let-out property.