

**ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION**

O/o the VC&MD: Audit Wing,  
Mushirabad, Hyderabad-20,  
Date: 19.10.2013

No.PA4/201/(1)/2013-AD.

**CIRCULAR NO.13/2013-14, Dt 19.10.2013.**

Sub: INCOME TAX - Recovery of Income Tax from salaries and other incomes - Reg.

As per Section 192 of Income Tax Act and related circulars, all persons responsible for payment of salaries and others coming under Income Tax purview have to deduct Income Tax while making such payments by strictly adhering to the provisions of the Act. Declarations in the prescribed format as detailed below to be obtained from all employees whose basic pay is Rs. 10,500/-or more in the month of March every year. Based on declarations, the I.T calculations have to be made and recoveries to be started from April onwards. Proof of actual savings to be obtained on or before 15<sup>th</sup> February every year.

Even though the Income Tax recoveries are being effected in accordance with the provisions of the Act, the following instructions are issued for guidance and implementation by DDOs.

- 1) Income Tax recoveries have to be effected every month from the beginning of the year and on the estimated salary income in **12 equal instalments, but not during last two or three months.**

- 2) All income related to salaries, all allowances ( including DD/OT, Nightshift / steering allowances etc.,) leave encashment production incentive, Honororia, Cash awards any others like medical reimbursement in excess of Rs. 15000/- per annum, incurred in Hospitals not approved by Government / Chief Commissioner of Income Tax. Monetary benefit paid at the time of **VRS / medical retirement over and above taxable amount as per Section 10(10c) have to be included in the gross total income.**
- 3) Gratuity amounts including Gratuity paid at the time of VRS/Medical retirement paid over and above Rs.10 lakhs and Terminal encashment amount over and above Rs. 3 lakhs will attract Income Tax.
- 4) Interest on Furniture Advance should be worked out notionally on the balances available for that year at S.B.I. PLR and added to income for tax purpose.
- 5) A declaration from the assessee should be obtained in the relevant format containing the details of rent paid, savings, House Loss etc., (copy enclosed).
- 6) HRA - Least of the following amounts qualify for exemption of HRA.
  - a. Rent paid excess over 10% of salary (Pay + DA) (ie.,) Rent paid - 10% of (Pay + DA).
  - b. 40% of salary (Pay + DA).
  - c. Actual HRA received.

Rent receipt should be obtained from the House Owner and attested by the assessee. If the rent paid exceeds Rs.15000/- P.M., PAN of the land lord should be obtained. However, employees drawing HRA upto Rs.3000/- are exempted from production of rent receipt.

- 7) a) Interest on house building Loan in respect of self occupied houses shall not exceed Rs.30,000/-. However, if the property acquired or constructed with capital borrowed on or after 01.04.1999 the same should be restricted to maximum limit of Rs.1.50 lakhs. The assessee is also required to furnish a certificate from the person to whom such interest is payable, specifying the amount of interest payable for the purpose of acquisition / construction of property, or conversion of whole or part of the capital remains to be repaid as new loan, **if any Loan is taken only for the purpose of reconstruction / repair / renovation on a self occupied house, the interest should be restricted to Rs.30000/- only, but not Rs.1.5 lakhs,**
- b) Loss from house property can be taken into account in case of let out property after ensuring that the assessee submits the prescribed form with details like, Rental agreement, receipt of property tax paid, Interest certificate on borrowed capital along with computation of such loss. The entire amount of Interest is allowable as deduction from annual value of the property.

- 8) As regards principal on House Building Loan the same should be included along with other - savings U/s 80 'C. **Repayment of principal amount on borrowed capital for extension/renovation/repairs undertaken for existing houses does not qualify for exemption U/s 80'C .**
- 9) Deduction U/s 80'D' in respect of Health Insurance premia for self or family is available upto Rs.15,000/-. However, if the family member is a Senior Citizen, the deduction is upto Rs.20,000/-.
- 10) While giving exemption U/s 80 DD, all the related provision should be ensured by not allowing exemptions in routine manner. In case of any doubt, the assessee may be asked to claim the same from Income Tax Department. ( Copy of instructions and format enclosed).
- 11) Deduction U/s 80 DQB for treatment of dependent family members suffering from **serious diseases mentioned therein only may be allowed as per provisions of the Act.** (Copy of format enclosed).
- 12) While allowing exemption U/s 80E, only interest element paid by the assessee on the capital borrowed for pursuing higher studies of self / spouse / children in India should be considered.
- 13) Exemption U/s 80'G' shall be considered only in cases of donations given for National defence fund / Chief Minister / Prime Minister relief funds etc., but not for charitable Institutions.
- 14) All arrears payments pertaining to earlier year which attract Income Tax should be taken in the current years income. However, relief U/s 89(1) can be given as per provisions.

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15) All the above exemptions should be finally allowed after ensuring proof of payments.

16) DDOs should ensure that all the related documents in respect of the proposed exemptions should be collected from the assessee well in advance and ensure that no tax is due before making last salary of the year.

These instructions should be followed scrupulously without giving any scope for deviation of provisions of Income Tax Act. Any deviations will be viewed seriously and the Unit Officers are held responsible.

Specimen copies of the Assessee declaration, Formats as regards exemption of 80 'DD', 80'DDB' and Computation of House Loss are enclosed.



CHIEF MANAGER(A&S)

End: As above'.

To

DY.CAOs / AOs of all Zones & Regions.

FORM NO. 10-1  
[See rule HDD]

Certificate of prescribed authority for the purposes of section 80DD8

1. Name of the Patient
2. Address
3. Father's name
4. Name and address of the person on whom the patient is dependent and his relationship with the patient.
5. Name of the disease or ailment  
(please see rule 11DD)
6. For diseases or ailments mentioned in item (/) of clause (a) of sub-rule (1), whether the disability is 40% or more (Please specify the extent).
7. Name, address, registration number and qualification of the specialist issuing the certificate, along with the name and address of the Government hospital [see rule 11DD(2)]

*Verification*

This is to verify that I, Dr. \_\_\_\_\_ s/o  
(w/o)  
Shri \_\_\_\_\_, in the case of the patient Shri/Smt./Ms. \_\_\_\_\_,  
after  
considering the entire history of illness, careful examination and  
appropriate investigations, am of the  
opinion that the patient is suffering from  
disease/ailment during the  
previous year ending on 31 st March, \_\_\_\_\_  
I also certify (only in case of neurological disease) that the extent of  
disability is more than 40%) (Strike off, if not applicable).  
I certify that the information furnished above is true to the best of  
my knowledge.

Date \_\_\_\_\_  
Place \_\_\_\_\_

Signature

*(Name and Address)*

To be countersigned by the Head of the Government hospital, where the prescribed authority is a specialist with post-graduate degree in General or Internal Medicine.

Date \_\_\_\_\_  
Place \_\_\_\_\_

Signature

*(Name and Address)*

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**FORM NO. 10-IA**  
[See sub-rule (2) of rule 11 A]

Certificate of the medical authority for certifying 'person with disability', 'severe disability', 'autism', 'cerebral palsy' and 'multiple disability' for purposes of section 80DD and section 80U

Certificate No. \_\_\_\_\_

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

This is to certify that Shri/Smt./Ms. \_\_\_\_\_ son/daughter of Shri \_\_\_\_\_, age \_\_\_\_ years \_\_\_\_\_ male/female\* residing at \_\_\_\_\_, Registration No. \_\_ is a person with disability/severe disability\* suffering from autism/cerebral palsy/multiple disability\*.

2. This condition is progressive/non-progressive/likely to improve/not likely to improve\*.

3. Reassessment is recommended/not recommended after a period of \_\_\_\_\_ months/years\*.

Sd/-  
(Neurologist/Pediatric Neurologist/Civil Surgeon/  
Chief Medical Officer\*)

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

Address of Institution/Government hospital: \_\_\_\_\_

Qualification/designation of specialist \_\_\_\_\_

SEAL \_\_\_\_\_

Signature/Thumb impression\* of the patient Note :

\*Strike **out** whichever is not applicable.



**EMPLOYEE'S DECLARATION FOR COMPUTATION OF INCOME  
TAX FOR FY 2013-14**

Name ..... Stan No ..... Design.  
Pan ..... (Xerox Copy to be enclosed) Unit  
M/F ..... Rent RM ..... No. of  
Months-  
Residential Address ..

**DEDUCTIONS UNDER CHAPTER VI-A**

A. Deduction under Sec. 80'C - direct Saving per annum **(other then thro salary)**

LIC ..... PPR .....  
NSC ..... NSS ..... CTD .....  
Tuition Fee-I ..... ULIP ..... ELSS .....  
Tuition Fee-II

B. Sec. 80 D ..... Sec. 80 DD ..... 80 DDB .....  
Sec. 80 E ..... 80G ..... Sec. 80 U .....

C. Any other Savings

<p><b>Incom from House Property Let Out: (in Rs)</b></p> <p>Annual Let Out Value : .....</p> <p>Less : Municipal Taxes : .....</p> <p>Net. Annual Value : .....</p> <p>Less: Deduction u/s 24 : .</p> <p>a) 30% for Repairs : .....</p> <p>b) Interest on borrowed: .</p> <p>Capital</p> <p>Totla (a+b): ....</p> <p>Net Income / Loss from Property</p>	<p><b>Loss from Set Occupied Property (in Rs)</b></p> <p><b>Details of Loans and Accrued Interest Dt. of</b></p> <table border="0"> <tr> <td><b>Availed</b></td> <td><b>Availed</b></td> </tr> <tr> <td><b>Accrued Principal</b></td> <td></td> </tr> <tr> <td><b>Loan From</b></td> <td><b>For Interest</b></td> </tr> <tr> <td></td> <td><b>Repayment</b></td> </tr> <tr> <td><b>Construction</b></td> <td><b>for the</b></td> </tr> </table>	<b>Availed</b>	<b>Availed</b>	<b>Accrued Principal</b>		<b>Loan From</b>	<b>For Interest</b>		<b>Repayment</b>	<b>Construction</b>	<b>for the</b>
<b>Availed</b>	<b>Availed</b>										
<b>Accrued Principal</b>											
<b>Loan From</b>	<b>For Interest</b>										
	<b>Repayment</b>										
<b>Construction</b>	<b>for the</b>										

Dt. of Completion of Construction /  
Purchase

I declare that the information furnished by me is true and *correct*. I undertake to produce the)" PROOF for (a) Investment or Deposits directly made, (b) Interest on capital borrowed for house and (c) Deductions under Chapter - VIA as claimed by me, duly satisfying all the eligibility criteria, for computaion of Income Tax, failing which the Corporation can deduct the tax due as per the details available on record.

Place:

Date :

**Signature of Employee**

**MONTHLY HOUSE RENT PAYMENT CERTIFICATE**

I do hereby confirm that Sri / Smt..  
.....Working in APSRTC  
is paying me every months Rs.....twowards Rent for this  
Residential  
accommodation in my house at Door No. ....Place  
..... Town: ..... My PAN No is  
.....

Place:

Date:

**Signature of Land Lord**

**Signature of the Employee**

**Note:**

1. PAN of the Land Lord if the rent paid exceeds Rs. 15000/- Per month is mandatory.
2. If the PAN of the Land Lord is not furnished, HRA exemption will not we taken into account.