

MINISTRY OF DEFENCE
Office of the JS & CAO

DEDUCTION OF INCOME-TAX AT SOURCE FOR
THE FINANCIAL YEAR 2021-2022

1. As per the Govt. orders, the recovery of tax, as due, from the Pay and Allowances of the employees is required to be ensured by the respective DDOs. As prescribed under Income-Tax Act, the deduction of tax every month on proportionate basis is being made by the Admin sections for the current financial year 2021-22 in majority of cases. Further recoveries if any, are to be regulated in respect of each employee in the ensuing months i.e. in Pay bills for the months of Dec 2021 to Feb 2022.

2. From 1st Apr 2020 onwards, a new tax regime under section 115BAC was introduced to provide for a concessional rate of tax on the total income. In addition to that, the income tax rates prevailing in the Financial Year 2020-21 will continue to exist in the Financial Year 2021-22. Hence, for the Financial Year 2021-22 (Assessment Year 2022-23) there are two operative tax regimes and the officials have to choose between old rates and new rates for the purpose of Income Tax deduction from pay and allowances. The rates of Income Tax for the FY 2021-22 (AY 2022-23) are furnished below:-

| Taxable Income Slabs | Tax Rate under Old Tax Regime | Tax Rate under New Tax Regime |
|------------------------------------|-------------------------------|-------------------------------|
| Upto Rs. 2,50,000/- | Nil | Nil |
| From Rs.2,50,001/- to 5,00,000/- | 5% | 5% |
| From Rs.5,00,001/- to 7,50,000/- | 20% | 10% |
| From Rs.7,50,001/- to 10,00,000/- | 20% | 15% |
| From Rs.10,00,001/- to 12,50,000/- | 30% | 20% |
| From Rs.12,50,001/- to 15,00,000/- | 30% | 25% |
| Above Rs.15,00,000/- | 30% | 30% |


3. The officials opting for the New Tax Regime will have to forego the exemption/deductions such as Standard Deduction, HRA Exemption, Loss from House Property and deductions granted under the provisions of Chapter VI-A (except deduction under sub section (2) of Section 80 CCD) etc.

4. Therefore, all the officials are required to exercise their option, in writing, to choose between old or new Income Tax rates for the financial year 2021-22 (Assessment Year 2022-23). This option should be forwarded to the concerned admin sections **latest by 30 Nov 2021** positively. If no option is received by the prescribed date, it will be presumed that the official is opting for the old tax structure and Income Tax recoveries will be regulated accordingly.

5. Further, officials willing to remain the Old Tax Regime are requested to furnish their details of savings except GPF/NPS contribution as per performa enclosed to their respective Admin sections **latest by 30 Nov 2021** positively along with relevant documents failing which the tax will be calculated by this office and recovered from Regular Pay Bills of Dec 2021 to Feb 2022.

6. **It is compulsory for all whose income under Sec192 of IT Act is above taxable limit to furnish PAN to the deductor even though the tax payable is NIL.** Such employees, who have not yet obtained the PAN should apply for the same immediately and intimate their PAN as early as possible. It may be noted that a penalty of Rs. 10,000/- has been prescribed under Income Tax Act for willfully intimating a false PAN. If an employee fails to furnish his/her PAN to the deductor, TDS will be deducted at higher rates.

7. The contents of this note may be disseminated to all concerned for information and strict compliance.


(Pawan Kumar Tiwari)
SAO, CAO/A-2
11 Oct 2021

All Branches/Dtes of IHQ of MoD (Army) & ISOs
(through Admin Sections)

Copy to:-

1. PPS to JS & CAO
2. PS to All Directors
3. PA to All Dy CAO's
4. All Sections of Admin Gp of CAO's Office
5. CAO/EDP Cell : for uploading on the CAO's website.

**PARTICULARS FOR CALCULATION OF INCOME TAX FOR THE FINANCIAL YEAR 2021-2022
ASSESSMENT YEAR (2022-2023)**

| | | | |
|----|---|---|--|
| 1 | Name of Employee (in Block Letters) | : | |
| 2 | Employee ID | : | |
| 3 | Designation | : | |
| 4 | Present Posting | : | |
| 5 | Permanent A/c No. (PAN) | : | |
| 6 | Mobile No. | : | |
| 7 | Aadhaar No. | : | |
| 8 | E-Mail ID | : | |
| 9 | Residential address | : | |
| 10 | If staying in rented house, furnish the monthly Rent Receipt | : | |
| 11 | Income from other sources (Attach proof) | : | |
| | (a) Income from House Property | : | |
| | (b) Other Income (if any) | : | |
| | (c) Loss of property (interest on housing loan) for self occupied property only (Attach proof) | : | |
| | (i) Date of possession of house property for rebate of interest on Housing Loan | : | |
| | (ii) Accrued interest if any (on Housing Loan) | : | |
| 12 | Deduction under Section 80 (attach proof) | | |
| | (a) Savings/Investments under Section 80 (c) | | |
| | (i) Premium of LIC policies (including pension scheme) | : | |
| | (ii) Deposits in PPF Accounts /Purchase of NSC | : | |
| | (iii) ULIP/Tax Saving Mutual Funds/ELCS | : | |
| | (iv) Principal Component of HBA/Housing Loan | : | |
| | (v) Deposits in Sukanya Samriddhi Account Scheme | : | |
| | (vi) Tax Saving Long Terms Fixed Deposits for a minimum of 5 yrs in Public Sector/Bank | : | |
| | (vii) Any other investment u/s 80 (C) | : | |
| | Total of (a) (i) to (vii) restricted to Rs.1,50,000/- which includes GPF, CGEGIS & Payment of Tution Fee | : | |
| | (b) Addl deduction u/s 80 CCD(1)(b) | | |
| | (i) individual contribution to New Pension Scheme (upto Rs.50000/-) | : | |

