



कार्यालय , रक्षा लेखा नियंत्रक
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Office of the Controller Of Defence Accounts
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Dated : 05.08.2019

CIRCULAR

SUB:- Recovery of Income Tax for the Financial Year 2019-20

(Assessment Year 2020-21) – reg.

1. The rates of Income Tax applicable for the F.Y. 2019-20 are as under:-

Normal/Women (Amt. in Rs.)	Tax Rate	*Senior Citizen (Amt. in Rs.)
Up to ` 2,50,000	Nil	Upto Rs.3,00,000
` 2,50,001 - 5,00,000	5%	3,00,001 TO 5,00,000
` 5,00,001 - 10,00,000	20%	` 5,00,001 - 10,00,000
` 10,00,001 & Above	30%	` 10,00,001 & Above

2. SOME OF THE DEDUCTIONS ALLOWED FROM SALARY:-

UNDER SECTION 24: The property was acquired or constructed through capital borrowed on or after 1.04.1999 and acquisition / construction completed within 5 years from the end of the F.Y. in which capital was borrowed, **interest on such borrowed capital is deductible upto a maximum of Rs.2,00,000.00.**

Additional deduction of Rs. 1.5 lakhs for interest on home loan availed for purchase of Affordable houses of up to Rs. 40 lakh till March 2020.

The following amounts paid/deposited out of salary will be allowed as deduction and the maximum amount of deduction allowed is ` 1,50,000/-. However, there is no limit for each of the amounts that can be part of the above ` 1,50,000/-. The following paras are only illustrative and for detailed guidelines, Income Tax Act and circulars thereon may be consulted.

UNDER SECTION 80 C:- 1) LIC /PLI Premium 2) GPF Contribution (excluding refund) (3) Contribution towards 15-year PPF. (4) Subscription to N.S.S. VIII issue (5) Contribution towards unit linked insurance plan, like ULIP of UTI or LIC Mutual Fund (6) Amount paid as Tuition Fees, in India for full time education subject to a maximum of 2 children (7) Any payment towards repayment of loan (**Principle Amount**) taken from Government / Banks towards purchase/construction of a residential property.

UNDER SECTION 80 CCC:- Deduction upto ` 1 lakh in respect of contribution to certain Pension Funds, paid as a premium for annuity plan of LIC or any other insurer.

UNDER SECTION 80 CCD:- Deduction in respect of employee's contribution to New Pension Scheme of Central Government, will be allowed in computation of his total income, the whole amount so paid or deposited as does not exceed 10% of his salary.

UNDER SECTION 80 CCD(1B): Under this Section an amount of Rs.50,000/- is allowed as exemption against contribution in NPS Tier-I. This amount is over and above the deduction of Rs.1,50,000/- under 80C

SECTION 80 CCE:- Limit on deductions under sections 80C, 80CCC and 80CCD.

The aggregate amount of deductions under sections 80C, 80CCC and 80CCD shall not exceed Rupees One Lakh Fifty Thousand.

3. *In addition to the above, deductions under the following sections of I.T. Act are also allowed:*

UNDER SECTION 80 D:- Medical Insurance Premium/CGHS Subscription paid subject to a maximum ceiling of `25,000/- (Twenty Five Thousand only) in respect of self, spouse and dependant children, `50,000/- (Fifty Thousand only) in r/o Senior Citizens.

UNDER SECTION 80 DD:- Payment for Medical treatment of dependent person with disability (a) in case of normal disability a maximum amount of `75,000/- (b) in case of severe disability a maximum amount of `1,25,000/-.

UNDER SECTION 80 E:- Repayment of interest on Education loan taken from any financial institution/charitable institution for self/family members, during the year, can be deducted **till the loan is cleared or for eight years, whichever is earlier.**

UNDER SECTION 80 U:- Deduction in case of a person with disability: A deduction of `75,000 is allowed out of the income of a resident individual who is certified by the medical authority to be a person with disability, which had the effect of reducing substantially his capacity to engage in a gainful employment. If the person is with severe disability the deduction is allowed up to `1,25,000. Certificate as specified in rule 11A is required to be furnished.

UNDER SECTION 80 CCG:- For the investment made under the Rajiv Gandhi Equity Savings Scheme, 50% of the total investment or 25000/-, whichever is less, will be exempted.

4. All the officers and staff, whose Salary Income exceeds Rs.5,00,000/- are requested to submit their Income Tax Recovery schedule for the F.Y. 2019-20, duly enclosing proof in support of deductions claimed, viz., Rent Receipts, (Form 10 BA where applicable) LIC Premium Receipts, PPF Receipts, Tuition Fee Receipts etc) in order to enable this section/office to arrive at the tax liability correctly and effect recovery of I.Tax, accordingly. **The recovery will be wef August, 2019,** therefore the assessee may note the IT recovery from August, 2019 onwards. It is also reiterated that only Proof of savings endorsed with employee account number only be forwarded to this office, no separate assessment sheet be attached.

5. **It may please be noted that in the event of non-receipt of Income Tax Statement along with proof of savings, if any, by the above, this section/office will be constrained to calculate Income Tax with reference to the details available in the Pay Bills and recovery of Income Tax will be carried out accordingly. Further, those who have not submitted savings proof by 31ST DECEMBER 2019, total tax will be recovered in JANUARY & FEBRUARY 2020 in full and refunds if any, may be claimed from Income Tax Department.**

6. The contents of this circular may please be brought to the notice of all the officers and staff working in your office/section, including those on leave and their signatures, in token of having noted the contents may be obtained and kept on record.

Bhaskar
ASST. CONTROLLER (AN-PAY)

Copy to:-

The CDA, IT & SDC, Secunderabad.

The Asst.CDA i/c, PAO (Ors) EME, Secunderabad.

The ACDA I/c, PAO(Ors) AOC, Secunderabad.

The Officer I/C, AAO (Army), Visakhapatnam.

All Officers/Staff of Main Office.

All Sub Offices under CDA Secbad (as per standard list).

EDP Section (Local) for uploading in website.

Sd/-
ACCOUNTS OFFICER (AN-PAY)