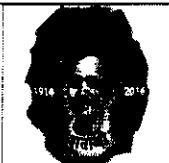
	<p align="center"><b>RAJASTHAN RAJYA VIDYUT PRASARAN NIGAM LTD.</b>  <b>(CIN: L40109RJ2000SGC016485)</b>  <b>Office of Controller of Internal Audit,</b>  Vidyut Bhawan, Jyoti Nagar, Jaipur-302005  Tele: 0141-2747037/Fax: 0141-2740066  Email:- cont.int.audit@rvpn.co.in  Website: energy.rajasthan.gov.in/rvpnl.</p>	
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No. RVPN/CAO(Ea-Cash)/F.

/D. 1186

Date: 28/08/2018

### **CIRCULAR**

**Sub:- Allowing of rebates/deductions to employees as per Income Tax Act.**

During the course of C&AG Audit of office of CMD and Directors (Fin.), RVPN, Jaipur, it has been noticed that rebate/deduction of House Rent Allowance (HRA) u/s 10(13A) and other deduction u/s 80 of the Income Tax Act, 1961 is allowed by the Drawing and Disbursing Officers (DDOs) without ensuring the genuineness and correctness of the claim by the employee and without obtaining the necessary documents as the proof of the claim.

As per provisions of the Income Tax Act, 1961, circular No. 08/2013 F. No. 75/192/2013-IT(B) dated 10.10.2013 of income tax department and other amendments, it is circulated that:-

**(A) House Rent Allowance (HRA) u/s 10(13A)**

- (i)** Salaried employees drawing HRA upto Rs. 3000 per month will be exempted from production of rent receipt.
- (ii)** If annual rent paid by the salaried employee exceeds Rs 1,00,000 per annum, it is mandatory for the employee to report PAN of the landlord to the employer. In case the landlord does not have a PAN,

a declaration to this effect from the landlord along with the name and address of the landlord should be filed by the employee.

**(iii) Limits for the purposes of section 10(13A)**

The amount which is not to be included in the total income of an assessee in respect of the special allowance referred to in clause (13A) of section 10 shall be:-

- (a) the actual amount of such allowance received by the assessee in respect of the relevant period; or
- (b) the amount by which the expenditure actually incurred by the assessee in payment of rent in respect of residential accommodation occupied by him exceeds one-tenth of the amount of salary due to the assessee in respect of the relevant period; or
- (c) an amount equal to-
  - (i) where such accommodation is situate at Bombay, Calcutta, Delhi or Madras, one-half of the amount of salary due to the assessee in respect of the relevant period; and
  - (ii) where such accommodation is situate at any other place, two-fifth of the amount of salary due to the assessee in respect of the relevant period,
- (d) Whichever is the least.

**(B) Deductions in respect of rents paid u/s 80GG**

Section 80GG allows the employee to a deduction in respect of house rent paid by him for his own residence. Such deduction is permissible subject to the following conditions:-

- (a) the employee has not been in receipt of any House Rent Allowance specifically granted to him which qualifies for exemption under section 10(13A) of the Act;
- (b) the employee files the declaration in Form No.10BA.
- (c) The employee does not own:
  - (i) any residential accommodation himself or by his spouse or minor child or where such employee is a member of a Hindu Undivided Family, by such family, at the place where he ordinarily resides or performs duties of his office or carries on his business or profession; or
  - (ii) at any other place, any residential accommodation which is in the occupation of the employee, the value of which is to be determined under section 23(2)(a) or section 23(4)(a), as the case may be.
- (d) He will be entitled to a deduction in respect of house rent paid by him in excess of 10% of his total income. The deduction shall be equal to 25% of total income or Rs. 5,000/- per month, whichever is less w.e.f A.Y. 2017-18. The total income for working out these percentages will be computed before making any deduction under section 80GG.

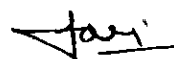
**(C) All other Deductions in respect of u/s 80**

For any type of deductions u/s 80, salaried employees will have to produce of receipt of such payment/investment.

Income Tax Act authorized to the employer to allow certain deductions under section 10(13A) for HRA and other deduction u/s 80 of the act in working out the tax to be deducted at sources (TDS) from the salary of the

employee. Further, the act also at the same time made responsible the DDOs personally for wrong allowing of rebate/deduction and under recovery of TDS. Accordingly, **the DDOs are instructed to ensure the genuineness and correctness of the claim of rebate/deduction made by the employee and obtain the necessary documents in the proof of the said claims as required by the act.**


**This bears approval of Director (F), RVPN, Jaipur.**



**Chief Accounts Officer  
(Ea-Cash)**

Copy to the following for information and necessary action:-

1. The Chief Controller of Accounts, RVPN, Jaipur.
2. The Secretary (Admin.), RVPN, Jaipur.
3. The Chief Engineer (\_\_\_\_\_), RVPN, Jaipur/Ajmer/Jodhpur.
4. The Zonal Chief Engineer (\_\_\_\_\_), RVPN, Jaipur/Ajmer/Jodhpur.
5. The Controller of Internal Audit, RVPN, Jaipur
6. The Regional Chief Accounts Officer/ Chief Accounts Officer (\_\_\_\_\_  
\_\_\_\_\_), RVPN,\_\_\_\_\_.
7. The Dy. Controller of Accounts (P&F), RVPN, Jaipur.
8. The Superintended Engineer (\_\_\_\_\_), RVPN,\_\_\_\_\_.
9. The Superintended Engineer (MIS), RVPN, Jaipur with request to upload the same on the RVPN's website.
10. The Sr. Accounts Officer/Accounts Officer (\_\_\_\_\_  
\_\_\_\_\_), RVPN,  
\_\_\_\_\_.



**Chief Accounts Officer  
(Ea-Cash)**