



CIRCULAR

Subject: Deduction of T.D.S from salaries during the Tax Year: 2026-27

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 2026-27. All are requested to submit the duly filled-in and signed Declaration Form as per Annexure-II, along with the proof of documents for claiming exemptions, in the Income Tax Cell, Ground Floor, Finance &Accounts, if you opt for the **Old Tax Regime**. Further, if required, the Annexure-III and Annexure-IV forms, duly filled, need to be attached.

“Need not submit any Declaration if you opt for the New Tax Regime”.

A Physical copy of the declaration form duly filled & signed has to be submitted to the IT Cell, F&A, or it may be duly signed and scanned and forwarded to the mail id itcell@uohyd.ac.in on or before **05/07/2026**. **Ensure that your declaration reaches the cell before the due date. Failing which, based on available records, assessed Income Tax would be recovered from July 2026 onwards without any further notice.**

As per the existing regulations, one has to opt for either the existing tax rate system (Option-A), where exemptions & deductions are allowed, or the new tax regime (Option-B), where the tax rates are low but without any deductions, including L.T.C. The details of these two tax regimes have been explained in annexure (I) to this circular, which may not be exhaustive, but has made an effort to provide an understanding of opting out. For more information, please visit the Official income tax website.

If any person has 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 or less recovery of the T.D.S, and no change of option is allowed.

Further, this is to inform that all the tax deducted at source has to be deposited to Income Tax department immediately, hence refund of excess T.D.S may not be feasible in case of in any such conditions/situations except refunds claiming refund from the Income Tax Department or it will be adjusted from future liabilities of the individual for the current financial year.

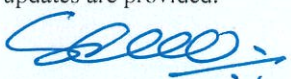
F&A has estimated the individual’s total income for the current financial year and IT deductions made considering as per the New Tax Regime. However, from July 2026 and onwards, an appropriate amount will be deducted as per the declaration/option made by the individuals.

Other income, if any, declared by the employees or pensioners, are considered to assess the total tax and to deduct tax at source (T.D.S). However, taking the T.D.S made by other organizations is not feasible. Deductions will be considered or allowed strictly following the Income Tax Rules. Further, if at all any less or more deduction is allowed than the IT Rules by F&A, the ultimate responsibility vests with the individual concerned to rectify those deductions and to adjust or pay tax suitably, while submitting their IT returns.

As per the Income Tax provisions, UoH does not have any liability to deduct TDS from the Family Pensioners. Hence, no TDS is being deducted and no form-130(form-16) will be issued. However annual statement of family pension is made available on our website. The Family Pensioners may take a note of this change and have to fulfil/comply with the regulations of IT act by themselves and UoH does not take any responsibility of it.

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

F&A will regulate the TDS extant as per the IT rules, changed from time to time and no further updates are provided.


FINANCE OFFICER
23/6/26

To: All the Concerned

Director, CC & CNF – with a request to circulate to all by email & to place it on UoH website.

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.)	New Tax Regime (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. 4 lakhs	Nil
Up to Rs. 3 lakhs	5%	Nil	Nil	Above 4 Lakhs & Up to Rs. 8 lakhs	5%
Rs. 3 lakhs to Rs. 5 lakhs	5%	5%	Nil	Above 8 Lakhs & Up to Rs. 12 lakhs	10%
Rs. 5 lakhs to Rs. 10 lakhs	20%	20%	20%	Above 12 Lakhs & Up to Rs. 16 lakhs	15%
				Above 16 Lakhs & Up to Rs. 20 lakhs	20%
Rs. 10 lakhs and above	30%	30%	30%	Above 20 Lakhs & Up to Rs. 24 lakhs	25%
				Above 24 Lakhs	30%
Deductions Allowed	All the existing deductions under various sections continue to be allowed under the Income Tax Act 2025 for the old regime, specifically: Section 11 (formerly u/s 10) for transport allowance and HRA exemptions; retirement benefits and leave travel concessions; Section 19 (formerly u/s 16) providing a standard deduction of ₹50,000; and Chapter VIII deductions (Ch.VI-A) Section 123 (80C,80CCC), Section 124 (formerly 80CCD), Section 126 (formerly 80D), as well as others like Sec.127(80DD), Sec.135(80GGA), Sec.129(80E), Sec.133(80G), Sec.153 (80TTA, 80TTB) and Sec.154 (80U).			"Under the Income Tax Act 2025 , the New Tax Regime is the default, and most deductions are disallowed except for a few specific provisions. These include the Standard Deduction of ₹75,000 (under Section 19), retirement benefits like gratuity and commutation of pension, leave encashment (under the Schedule for Exempt Income), and the employer's contribution to a pension scheme like NPS up to 14% of salary (under Section 124). Combined Cap: The total tax-free employer contribution toward NPS, PF, and Superannuation combined is capped at ₹7.5 lakh per year. Any amount exceeding this is treated as a taxable perquisite for the employee. A tax rebate is available under Section 156 (formerly u/s 87A) of up to ₹60,000, effectively making income up to ₹12 lakhs tax-free for resident individuals.	

	<p>Interest on self-occupied house property remains deductible up to ₹2 lakhs under Section 22 (formerly u/s 24b), and the rebate under Section 156 (formerly u/s 87A) continues at ₹12,500 for resident individuals if income does not exceed ₹5 lakhs."</p> <p>Self-Contribution under NPS(Tier-1) Up to ₹50,000 (Sub-sec 3)</p>	<p>Other common allowances, such as LTC and CEA (Children Education Allowance), are taxable.</p> <p>For properties considered self-occupied under Section 21(6), the annual value is taken as "Nil," and no interest deduction can be claimed to create a loss. Regarding let-out property, while interest on a housing loan can be claimed as a deduction under Section 22, it is restricted to the amount of taxable rent received. Any loss arising from interest exceeding rental income cannot be set off against other income or carried forward to future years."</p> <p>Self-Contribution under NPS(Tier-1) Up to ₹50,000 (Sub-sec 3) is not allowed. (Section 202(2))</p>
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An additional 4% Health & education cess would apply on the tax amount calculated as above in both the options.

Note:

- 1) As per the general assessment & calculations, it is observed that, if total investments and exemptions exceed approximately ₹5.94 lakhs (subject to specific section ceilings, incl. Std.Ded. 0.50 lakhs), the **Old Tax Regime** may be more beneficial. However, as the optimal choice varies by individual circumstances. Employees are advised to exercise caution and perform a personalized comparison before selecting a regime without referring to the estimated 5.94 lakhs.
- 2) Taxpayers with **no business or professional income** may choose between the Old and New tax regimes every year at the time of filing. The most beneficial regime for that specific tax year may be adopted.
- 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) The University does not issue individual notifications for every change in tax law. Taxpayers are governed by the **Income Tax Act 2025** or as amended from time to time, and any such statutory changes shall be applied automatically without further notice.
- 5) This document is not an exhaustive compilation of all income tax rules. In the event of any omission, modification, or inconsistency between this circular and official law, the provisions of the Income Tax Act, 2025 shall prevail. The University assumes no responsibility or liability for errors, omissions, or any consequences arising from the use of this information.

“Need not to submit any declaration if you opt for new tax regime(option B)”.

IDNO. _____ DESIGNATION: _____

ANNEXURE-II (pg.1 f 2)

Declaration regarding Annual Income and tax-saving investments to be made during the year 2026-27 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 2026-27 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. 16	Actuals as paid by UoH	
2	Amount of Perquisites u/s.17		
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 <input type="checkbox"/> / NO <input type="checkbox"/>
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 <input type="checkbox"/> , Rs. _____ per annum PAN no. _____ (PAN of landlord is must. Without which no exemption will be given) NO <input type="checkbox"/> Relationship with the Landlord: No Relationship <input checked="" type="checkbox"/> If you have any relationship with the landlord, pl. mentions the Relationship: _____ NA <input checked="" type="checkbox"/>
4) Do you have any other income from house property?	Yes <input type="checkbox"/> / NO <input type="checkbox"/> If Yes Enclose Annexure-III <input checked="" type="checkbox"/> <input type="checkbox"/> * <input type="checkbox"/>
5) if 'Yes' whether attached calculation sheet along with certificates for exemptions u/s.22 (Interest on HBA loan/standard deduction for repairs etc.)	Yes <input type="checkbox"/> / NO <input type="checkbox"/> / NA <input type="checkbox"/>
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 <input type="checkbox"/> / NO <input type="checkbox"/> / NA <input type="checkbox"/> (b) YES <input type="checkbox"/> / NO <input type="checkbox"/> / NA <input type="checkbox"/> If Yes Enclosed Annexure-IV <input checked="" type="checkbox"/> <input type="checkbox"/> * <input 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. 130(80EE) & 131(80EEA)	i) Loan Availed for the first time: (Pl. Tick) Yes <input type="checkbox"/> / NO <input type="checkbox"/> / NA <input type="checkbox"/> ii) Loan Availed on: _____ ii) Do You have any House Property earlier to this: Yes <input type="checkbox"/> / NO <input type="checkbox"/> / NA <input type="checkbox"/> iii) The Amount of Loan Availed: Rs. _____ & Stamp Duty Value: Rs.

The following amounts are invested during the Year 2026-27 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: (Applicable only in respect of Old Tax Regime(Option-A))

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 amounts, incomes, or savings omitted from this statement or in Form 130 for any reason shall be duly reported by me while filing my Income Tax return. The University of Hyderabad shall not be held liable or responsible for any subsequent queries, lapses, or interest demand raised by the Income Tax Department concerning the aforementioned declarations or for any omissions or commissions.

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) /OLD TAX REGIME}

RECEIPT OF HOUSE RENT
(Under Section 14(10) 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 Rs.1/-
(Signature of the House owner)
Date: _____



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:

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 22:		
(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 Sec.129 (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. Sec.129 (80E)from the financial year _____
And not exceeded 8 years as per the rules.

Signature of the Employee

Name: _____

Designation: _____

Emp Id: _____

Explanatory note for Annexure - IV

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 22</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. 21]

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 <i>minus</i> 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..

1. these taxes are borne by the owner , and
2. are actually paid by him 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 22

The following 2 Deductions are available under section 22

- 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. 22. 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. 22(1)(a) : 30% of net annual value is deductible irrespective of any expenditure incurred by the taxpayer.

B. Interest on Borrowed Capital [Sec. 22(1)(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 construction is financed out of own funds.
1. Interest on borrowed capital is deductible on "accrual" basis. It can be claimed as deduction on yearly basis, 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. Interest on a fresh loan, taken to repay the original loan raised for the aforesaid purposes , is allowable as deduction.
1. Interest on borrowed capital is deductible fully without any maximum ceiling in case of let-out property.