



कार्यालय रक्षा लेखा प्रधान नियंत्रक (मध्य कमान) करियप्पा मार्ग, कैण्ट लखनऊ-266002  
Office of the Principal Controller of Defence Accounts (Central Command)  
Cariappa Road, Cantt., Lucknow, Pin Code - 226002  
कार्यालय दूरभाष सं०- 0522-2451547 कार्यालय फैक्स सं०- 0522-2451993  
Office Phone NO. 0522-2451547 Office Fax NO. 0522-2451993

AN/IV/GPF/MISC/2021

Date: 24/02/2022

Circular  
(Through E-mail)

To,

The Officer-in-charge

1. All sub offices under this organization.
2. All sections of Main office.

**Sub:- Calculation on Income Tax on Interest of GPF-Regarding.**

**Ref:- DAD HQrs letter No. AT/Army/BR/FC/4462/E-1754 dated 18/02/2022.**

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Please refer MoF Department of Revenue (CBDT)'s notification No.95/2021/File No.370142/36/2021-TPL dated 31.08.2021(copy enclosed) regarding deduction of Income Tax on interest of GPF subscription over RS. 5 Lakhs during the financial year 2021-22.

**2. The provision of notification and action there of:**

- (i) Exercising the powers conferred by the first proviso to clause(11) of section 10 and fist proviso to clause(12) of section 10 read with section 295 of the Income-Tax Act, 1961(43 of 1961), the CBDT has inserted a Rule 9D namely Income-tax(25<sup>th</sup> Amendment) Rule 2021 after Rule 9C of Income-tax Rule 1962 which stipulates Calculation of taxable interest relating to contribution in a provident fund or recognized provident fund, exceeding specified limit of Rs. 5 Lakhs.
- (ii) The interest earned on contribution above RS 5 Lakhs during FY 2021-22 should be treated as income from other sources for the FY 2021-22 (AY 2022-23) and income tax should be deducted from salary paid during the FY 2021-22 itself. Same should be reflected in Form-16 of FY 2021-22(AY 2022-23) accordingly.
- (iii) **Action on the part of DDO & Fund manager:** Deduction of tax will be done by DDO in consultation with fund manager and where fund manager and DDO are separate bodies the Fund manager will calculate the interest earned on contribution as per ibid rules and inform the DDO for adjustment of tax deduction from the salary of concerned individual.

The CBDT notification mentioned above may be implemented wef 01 April 2022.

Jt.CDA has seen.

Encl: As above.

Accounts Officer  
(Admin-IV)

Copy to:-

The O I/c  
OA Cell (Local)

For uploading on PCDA (CC) website.

Accounts Officer  
(Admin-IV)





Defence Accounts Department (DAD) Headquarters  
Ulan Batar Road, Palam, Delhi Cantt - 110010  
Ph No. 011 - 25665580,729 FAX No. 011- 25674806.



AT/Army/BR/FC/4462/E-1754

Dt 18/02/2022

To,

The CDA(Fund) Meerut  
PCDA(O) Pune  
All Regional PCsDA/CsDA  
CDA(IT&SDC)  
PCDA Navy  
PCDA(AF)

**Subject:** Calculation of Income Tax on Interest of GPF- Regarding.

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**2. The provisions of notification and action there of:**

(i) Exercising the powers conferred by the first proviso to clause(11) of section 10 and first proviso to clause(12) of section 10 read with section 295 of the Income-Tax Act, 1961(43 of 1961), the CBDT has inserted a Rule 9D namely Income-tax(25<sup>th</sup> Amendment) Rule 2021 after Rule 9C of Income-tax Rule 1962 which stipulates Calculation of taxable interest relating to contribution in a provident fund or recognized provided fund, exceeding specified limit of Rs. 5 Lakhs.,

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(iii) **Action on the part of DDO & Fund manager:** Deduction of tax will be done by DDO in consultation with fund manager and where Fund manager and DDO are separate bodies the Fund manager will calculate the interest earned on contribution as per ibid rules and inform the DDO for adjustment of tax deduction from the salary of concerned individual

The CBDT notification mentioned above may be implemented wef 01 April 2022.

This issues with the approval of Addl. CGDA.

Encl: As above

*Himtesh*  
AO (Pay & Allowances)



MINISTRY OF FINANCE  
(Department of Revenue)  
(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 31st August, 2021

INCOME-TAX

G.S.R. 604(E).—In exercise of the powers conferred by the first proviso to clause (11) of section 10 and the first proviso to clause (12) of section 10 read with section 295 of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

1. Short title and commencement.—(1) These rules may be called the Income-tax (25<sup>th</sup> Amendment) Rules, 2021.

(2) They shall come into force on 1<sup>st</sup> day of April, 2022.



2. In the Income-tax Rules, 1962, after the rule 9C, the following rule shall be inserted, namely: -

"9D. Calculation of taxable interest relating to contribution in a provident fund or recognised provided fund, exceeding specified limit.- (1) For the purposes of the first and second provisos to clauses (11) and (12) of section 10, income by way of interest accrued during the previous year which is not exempt from inclusion in the total income of a person under the said clauses (hereinafter in this rule referred to as the taxable interest), shall be computed as the interest accrued during the previous year in the taxable contribution account.

(2) For the purpose of calculation of taxable interest under sub-rule (1), separate accounts within the provident fund account shall be maintained during the previous year 2021-2022 and all subsequent previous years for taxable contribution and non-taxable contribution made by a person.

*Explanation:* For the purposes of this rule,-

(a) Non-taxable contribution account shall be the aggregate of the following, namely:-

- (i) closing balance in the account as on 31<sup>st</sup> day of March 2021;
- (ii) any contribution made by the person in the account during the previous year 2021-2022 and subsequent previous years, which is not included in the taxable contribution account; and
- (iii) interest accrued on sub- clause (i) and sub- clause (ii),

as reduced by the withdrawal, if any, from such account;

(b) Taxable contribution account shall be the aggregate of the following, namely:-

- (i) contribution made by the person in a previous year in the account during the previous year 2021-2022 and subsequent previous years, which is in excess of the threshold limit; and
- (ii) interest accrued on sub- clause (i),

as reduced by the withdrawal, if any, from such account; and

(c) The threshold limit shall mean:

- (i) five lakh rupees, if the second proviso to clause (11) or clause (12) of section 10 is applicable; and
- (ii) two lakh and fifty thousand rupees in other cases."

[Notification No. 95/2021/ F. No. 370142/36/2021-TPL]

NEHA SAHAY, Under Secy. (Tax Policy and Legislation Division)

**Note :** The principal rules were published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii) *vide* number S.O. 969(E) dated 26<sup>th</sup> March, 1962 and were last amended *vide* notification number G.S.R. 578(E) dated 18<sup>th</sup> August, 2021.