



अखिल भारतीय आयुर्विज्ञान संस्थान, मदुरै  
All India Institute of Medical Sciences  
Madurai (Tamil Nadu)

Under PMSSY Division, Ministry of Health & Family Welfare, Government of India  
JIPMER, Puducherry - Mentor Institute

No. AIIMS-Madurai/Accts./IT/CIR/2025-26/01

Dt.24.07.2025

**CIRCULAR**

**Sub: Income Tax Deduction from Salary for the Financial Year 2025-26 – reg.**

The Standard Operating Procedure (SOP) for the deduction of Income Tax from employees' salaries, as approved by the Competent Authority, is hereby circulated among all staff for their information.

Employees are requested to submit the following at the earliest on or before 31<sup>st</sup> August 2025

- Declaration of tax regime preference – Old Regime / New Regime under Section 115BAC (Annexure I)
- Investment declaration
- Proof of savings/exemptions under applicable sections (required only if opting for the Old Regime; format enclosed as Annexure II)

In the absence of appropriate declarations or supporting documents, TDS will be calculated based on the available information, and the department shall not be held responsible for any excess deduction.

Further, if no tax regime selection is submitted by the due date, tax will be deducted as per the default tax regime notified by the Central Board of Direct Taxes (CBDT).

All employees are advised to comply within the stipulated time to avoid any discrepancies in tax deduction.



*A. Sivabalan* 24.07.2025  
Senior Accounts Officer  
AIIMS, Madurai

Copy to:

1. PA to Executive Director, AIIMS, Madurai.
2. All Heads of Department, AIIMS, Madurai.
3. Administrative Officer, AIIMS, Madurai.
4. IT Wing – with a request to upload on the official website



अखिल भारतीय आयुर्विज्ञान संस्थान, मदुरै

All India Institute of Medical Sciences

Madurai (Tamil Nadu)

Under PMSSY Division, Ministry of Health & Family Welfare, Government of India  
JIPMER, Puducherry - Mentor Institute

F.No. AIIMS-Madurai/Accts./2025-26/12

## **Standard Operating Procedure (SOP) Deduction of Income Tax from Employees' Salaries at AIIMS Madurai**

### **1. Objective**

The objective of this Standard Operating Procedure (SOP) is to provide a structured and legally compliant framework for the deduction of income tax from salaries of employees of AIIMS Madurai. It ensures adherence to the Income-tax Act, 1961, relevant CBDT circulars, and provisions of the General Financial Rules (GFR), 2017. The SOP is intended to safeguard both employees and the Drawing and Disbursing Officer (DDO) from penalties arising out of non-compliance.

### **2. Applicability**

This SOP applies to:

- All employees of AIIMS Madurai, including regular, contractual, and deputationists drawing salary through the institute.
- The Drawing and Disbursing Officer (DDO) responsible for deduction and deposit of TDS.
- The Accounts Section entrusted with compliance monitoring.

### **3. Legal Framework**

#### **3.1 Section 192 of the Income-tax Act, 1961**

Mandates the person responsible for paying salaries to deduct income tax at the average rate applicable based on the estimated income of the employee during the financial year.

#### **3.2 Section 115BAC - New Tax Regime**

From FY 2023-24, the new concessional tax regime under Section 115BAC is the default regime unless the employee opts out. Most exemptions/deductions under Chapter VI-A (e.g., 80C, 80D) are not applicable under the new regime. Only limited deductions such as 80CCD(2) (employer contribution to NPS) are allowed.

Employees must intimate their chosen tax regime to the DDO at the beginning of the financial year within 30th April of every year. If no declaration is submitted, the new regime will apply by default (CBDT Circular No. 4/2023 dated 05.04.2023).

### **3.3 Deductions by DDO:-**

- The DDO is responsible for ensuring statutory deductions such as income tax are made correctly.
- Deductions must be authorized by relevant laws. Unauthorised deductions or alterations based on oral or third-party instructions are not permissible.

The legal provisions regarding Advance tax are listed in Annexure III.

## **4. Tax Deduction Procedure**

### **4.1 Computation and Deduction**

- Based on the salary structure and submitted declarations, tax liability for the year shall be computed.
- TDS shall be deducted monthly by evenly spreading the annual liability across the months.
- DDO shall not consider oral or association-based requests; only individual written declarations with supporting documents will be acted upon.

### **4.2 Allowable Deductions**

- Under the New Regime: Only 80CCD(2) (employer's NPS contribution) is allowed.
- Under the Old Regime: Chapter VI-A deductions and exemptions are allowed based on documentary evidence.
- Investment proofs for Old Regime must be submitted before 31st December.

### **4.3 Deposit and Filing**

- TDS deducted must be deposited by the 7th of the following month (30th April for March salary).
- Quarterly returns (Form 24Q) must be filed.
- Form 16 must be issued to all employees by 15th June of the following financial year.

## 5. Advance Tax Provisions

Employees with tax liability (after TDS) exceeding ₹10,000 in a financial year must comply with the advance tax payment requirements.

### 5.1 Advance Tax Instalment Schedule (Section 211 of the Income-tax Act, 1961)

Due Date	Minimum Tax Payable
15 <sup>th</sup> June	15% of total tax liability
15 <sup>th</sup> September	45% of total tax liability
15 <sup>th</sup> December	75% of total tax liability
15 <sup>th</sup> March	100% of total tax liability

Employees are advised to assess other income (e.g., interest, rent, capital gains) and pay advance tax accordingly.

## 6. Penal Provisions of Income Tax Act:

### 6.1 For Employees

**Section 234B:** Interest @ 1% per month or part thereof is payable if advance tax is not paid and the liability exceeds ₹10,000.

**Section 234C:** Interest @ 1% per month is applicable for delay or shortfall in advance tax payments as per the prescribed schedule.

### 6.2 For Drawing and Disbursing Officer (DDO)

**Section 271C:** Penalty equal to the amount of tax not deducted may be levied for failure to deduct tax.

**Section 201(1A):**

- Interest @ 1% per month for non-deduction from the date tax was deductible to the date of actual deduction.
- Interest @ 1.5% per month for delay in deposit after deduction.

**Section 272A(2)(k):** Penalty of ₹200 per day for failure to file TDS returns on time (subject to maximum TDS amount).

**Section 276B:** Prosecution with imprisonment ranging from 3 months to 7 years for willful failure to deposit TDS.

## 7. Record Maintenance

All tax-related records including declarations, investment proofs, computation sheets, and Form 16 shall be maintained for a minimum of six years.

## 8. Responsibility Matrix

Entity	Responsibility
Employees	Submit tax regime declarations and investment proofs
Drawing Officer (DDO)	Ensure correct deduction, timely deposit, and compliance reporting
Accounts Section	Support compliance and maintain statutory records
Audit/Internal Check	Review adherence to tax rules and procedural integrity

## 9. Training and Awareness

An annual internal awareness session may be conducted every April by the Accounts Section, if need be, to educate employees and DDOs on income tax rules, declaration process, and compliance requirements.

## 10. Review and Update

This SOP shall be reviewed annually or whenever any amendment is notified in the Income-tax Act or CBDT guidelines.

-/Sd/-

**Executive Director,  
AIIMS Madurai**

**Date:** 19/06/2025

  
वरिष्ठ लेखा अधिकारी

Senior Accounts Officer

अखिल भारतीय आयुर्विज्ञान संस्थान, मदुरै

Project Cell Office, AIIMS Madurai, All India Institute of Medical Sciences, Madurai  
Madurai - 625 008, Tamil Nadu, India. Email: [projectcell@aiims-madurai.ac.in](mailto:projectcell@aiims-madurai.ac.in), [projectcell@aiims-madurai.ac.in](mailto:projectcell@aiims-madurai.ac.in), [projectcell@aiims-madurai.ac.in](mailto:projectcell@aiims-madurai.ac.in), [projectcell@aiims-madurai.ac.in](mailto:projectcell@aiims-madurai.ac.in)  
Ph: 0452-2481099

Ministry of Health and Family Welfare, Govt. of India

**Annexure I – Tax Regime Declaration Form (Old/New)  
AIIMS MADURAI**

**Declaration of Tax Regime for FY 2025-26**

<b>Field</b>	<b>Details</b>
Name of the Employee	
Designation	
Department/Unit	
Employee ID	
PAN	
Mobile Number	
Email ID	

**I hereby declare that for the purpose of TDS on salary for the Financial Year 2025–26, I opt for the following tax regime:**

- Old Tax Regime** (with eligible deductions and exemptions)  
 **New Tax Regime (u/s 115BAC)** (default regime)

*Note: The option once exercised shall remain valid for the entire financial year. Declaration must be submitted on or before 30th April 2025.*

**Signature of Employee:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**For Office Use**

**Verified by Accounts Section:** \_\_\_\_\_

**Date of Receipt:** \_\_\_\_\_

**Annexure II – Investment Declaration Form (Old Regime only)**

**AIIMS MADURAI**

**Investment Declaration Form for Financial Year (Old Regime)**

<b>Particulars</b>	<b>Amount (₹)</b>	<b>Remarks</b>
<b>Section 80C</b> (LIC, PPF, ELSS, Tuition Fee, etc.)		
<b>Section 80CCC</b> (Pension Plans)		
<b>Section 80CCD(1)</b> (NPS - Employee Contribution)		
<b>Section 80CCD(1B)</b> (Additional NPS)		
<b>Section 80D</b> (Medical Insurance Premium)		
<b>Section 80G</b> (Donations)		
<b>Section 24(b)</b> (Interest on Housing Loan)		
<b>Others (Specify with Section)</b>		

**Total Claimed Deduction:** ₹ \_\_\_\_\_

*Note: Investment proofs must be submitted on or before 31st December every year. In case of non-submission of proof, deductions shall not be considered for TDS adjustment.*

**Declaration:** I hereby declare that the above details are true and accurate to the best of my knowledge. I undertake to submit documentary evidence for all claims by the stipulated date.

**Signature of Employee:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**For Office Use**

**Verified by Accounts Section:** \_\_\_\_\_

**Date of Verification:** \_\_\_\_\_

## **Annexure III**

### **Penal Provisions & Advance Tax Summary**

#### **Section 192 – TDS on Salary**

This section mandates that the DDO must deduct tax at source from salary payments based on the estimated income of the employee for the financial year. The deduction should consider the tax regime opted and eligible deductions (if any) as declared by the employee.

#### **Section 115BAC – Concessional Tax Regime (New Regime)**

This section introduces an optional tax regime with lower slab rates but without common exemptions and deductions. From FY 2023-24, it is the default regime unless the employee opts out and notifies the DDO at the beginning of the financial year.

#### **Section 211 - Advance Tax Instalment Schedule:**

This section lays down the schedule for payment of advance tax by all assessees (including salaried employees with additional income), if their tax liability exceeds ₹10,000 in a financial year. The advance tax is to be paid in four instalments:

<b>Due Date</b>	<b>Minimum Tax Payable</b>
15 <sup>th</sup> June	15% of total tax liability
15 <sup>th</sup> September	45% of total tax liability
15 <sup>th</sup> December	75% of total tax liability
15 <sup>th</sup> March	100% of total tax liability

#### **Section 234B – Interest for Non-payment of Advance Tax**

Employees with additional income (other than salary) who fail to pay advance tax (where tax liability exceeds ₹10,000) are liable to pay interest at 1% per month from April 1 till the date of actual payment.

#### **Section 234C – Interest for Deferred Payment of Advance Tax**

This section imposes interest for shortfall in advance tax instalments payable on 15th June (15%), 15th September (45%), 15th December (75%), and 15th March (100%). Interest is calculated at 1% per month for the defaulted portion.

### **Section 271C – Penalty for Failure to Deduct TDS**

If a DDO fails to deduct TDS as required under the Act, a penalty equal to the amount of TDS not deducted may be levied by the Income Tax Department.

### **Section 201(1A) – Interest for Failure to Deduct or Deposit TDS**

Interest at 1% per month is applicable from the date tax was deductible to the date it is actually deducted; and 1.5% per month from the date of deduction to the date of deposit if TDS is not timely remitted to the Government.

### **Section 272A(2)(k) – Penalty for Late Filing of TDS Statements**

This section prescribes a penalty of ₹200 per day for each day of delay in filing the quarterly TDS return (e.g., Form 24Q), limited to the amount of TDS deductible.

### **Section 276B – Prosecution for Failure to Deposit TDS**

Failure to remit TDS to the Central Government may attract prosecution, with imprisonment ranging from 3 months to 7 years along with a fine, especially in cases of willful default.