



**ASSOCIATION OF SCIENTIFIC & TECHNICAL OFFICERS**  
Registered with the Registrar of Societies Uttarakhand Govt., Registration No. 172 (1967-68)

**OIL AND NATURAL GAS CORPORATION LTD.**

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**CENTRAL WORKING COMMITTEE**

**No. ASTO/CWC/Trust - CPF/2018-21/28**

**04.09.2021**

To

Executive Officer (via e-mail)

ONGC CPF Trust

Tel Bhawan Dehradun

**Sub:** Changes Related to Calculation of taxable Interest relating to contribution in a Provident Fund

Dear Amit Bharti ji,

You may be aware that Government of India in the recent Budget presented in 2021 had introduced the provision of taxing the interest accrued on contribution made to a Provident Fund beyond a certain limit.

On 31<sup>st</sup> August 2021, Central Board of Direct Taxes, Ministry of Finance has issued rules to regulate the same. Copy of said rules is enclosed as Annexure-1. They shall come into force on 1<sup>st</sup> day of April 2022. The Rules and GOI's decision in this regard shall have an impact on our CPF trust and the contribution being made by ONGC employees to the same.

Though the same shall come into force w.e.f. 1<sup>st</sup> April 2022 but shall be applicable from Financial Year 2021-22 onwards. Hence we need to prepare in advance and carryout necessary changes as per the revised law and its provisions. It is therefore suggested that the detailed impact analysis of the same be carried out along with implementation methodology and an agenda be brought to the next meeting of BOT or earlier, in case it is necessary, with the approval of Chairman, CPF Trust.

It is also suggested that you may also have meetings with representatives of ASTO and recognized unions in this regard before bringing the agenda to the BOT.

With warm Regards

*Amit Kumar*  
4/9/2021  
Amit Kumar

President ASTO-CWC  
Trustee – ONGC CPF Trust

**Copy by e-mail to:**

1. CMD & Chairman – ONGC CPF Trust
2. Director (Fin)
3. Director (HR)
4. ED-Chief ER
5. President/Secretary ASTO Units

**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.