



Indian Income Tax

User Guide

Version 5.5

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USINESS PROCESS: INDIAN TAX

■ Scenario 1 Details: Company Tax Set-up

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1.	Create Tax Items	Payroll Manager	HR General Information	Edit Quick code	Edit quick code	<ul style="list-style-type: none"> ▶ Select the business process Indian taxes ▶ Select the Process variable one after the other like, employee type, section 10, section 80, etc ▶ Enter the tax items and save
2.	User Creates Pay Element	Payroll Manager	Pay Element	Create Pay Element	Define Pay Element	<ul style="list-style-type: none"> ▶ Define Pay Element Code ▶ Define Pay Element Description ▶ Define Alias ▶ Select Pay Element Classification ▶ Create one pay element of classification Tax Deduction say "TDS"

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						<ul style="list-style-type: none"> ▶ Select Cash Flow Posting ▶ Specify whether pay element is recurring or not; can this attribute be modified at payset level or not ▶ Specify whether pay element is taxable or not; can this attribute be modified at payset level or not ▶ Specify whether pay element requires separate round off or can this attribute be modified at payset level or not ▶ Select One of the Values from the "Applicable To" Combo ▶ Save the Data ▶ If in Applicable to combo value is "Selective Org. Units", then take link and go to next page. ▶ Give Search Conditions ▶ Among the listed OUs select the concerned OUs
3.					Map Accumulators	<ul style="list-style-type: none"> ▶ If two or more pay element value has to be considered for a Pay Element,

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						<p>then:</p> <ul style="list-style-type: none"> ▶ Select Accumulator, in whose computation, value of this pay element should be taken into account ▶ Specify whether element value should be added or subtracted to accumulator ▶ Periods for which accumulator value should be computed: Monthly, Quarterly, Yearly & Till Date. ▶ % of Pay Element value to be taken into account for computation of accumulator value
4.	User creates Company Tax information	Tax manager	Company Tax Set-up	Company Tax Information	Company Tax Set-up	<ul style="list-style-type: none"> ▶ Select the Tax set up unit ▶ Enter the following ▶ Tan No ▶ Pan No ▶ Address ▶ Tds Circle ▶ Employer Type

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						<ul style="list-style-type: none"> ▶ Authorized signatory ▶ Save the details
5.	User sets up Perquisite detail	Tax manager	Company Tax Set-up	Perquisite setup	Perquisite setup	<ul style="list-style-type: none"> ▶ Select the company tax set up unit ▶ Select the tax year ▶ Select the perquisite type ▶ Select the create perquisite link ▶ According to the perquisite type selected ▶ Corresponding screens will be launched ▶ For the perquisite types Rent free accommodation and Vehicle type system defined perquisites are available. ▶ If the user want to create any more, enter the code, description and rule
6.	User Maps tax items to pay element/ accumulator	Tax manager	Company tax set-up	Map tax items to pay element/ accumulator	Map tax items to pay element/ accumulator	<ul style="list-style-type: none"> ▶ Select the company tax set up unit ▶ Select the pay element description unit ▶ Enter the Tax deduction pay element

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						here—"tds" <ul style="list-style-type: none"> ▶ Select the values under section combo ▶ According to the selection, tax items will be fetched in the multiline. ▶ Enter the pay element/ or accumulator ▶ Save
7.					Set Accumulators	<ul style="list-style-type: none"> ▶ Enter the accumulator code for the salary for items.
8.	User Sets Tax parameters	Tax manager	Company tax set-up	Set Tax parameters	Set Tax parameters	<ul style="list-style-type: none"> ▶ Select the company tax set up unit ▶ Enter the cut-off date for proof submission ▶ Enter Allow modification of Previous of Previous Year's Tax Data ▶ Enter Process period for taxation based on ▶ Enter Supplemental tax rates

■ **Scenario 2 Details: Setting up the tax information as per the assessment year**

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1.	User creates a tax year	Tax manager	India tax set-up	Create Tax year	Create Tax year	<ul style="list-style-type: none"> ▶ Enter the tax year code ▶ Enter the tax year short and long description ▶ Enter the tax year from and to Date ▶ Save
2.	User creates tax rate table for a tax year	Tax manager	Indian tax set-up	Tax rate table	Maintain tax rate table	<ul style="list-style-type: none"> ▶ Select the tax year ▶ If you want to default the any other tax years tax rate, enter that tax year in the default from tax year combo ▶ Enter/ modify (incase defaulted) the tax rates in the multi-line ▶ Enter comments if any ▶ Save
3.	User creates Surcharge rate table for a tax year (If applicable only)	Tax manager	Indian tax set-up	Surcharge rate Table	Surcharge rate Table	<ul style="list-style-type: none"> ▶ Select the tax year ▶ If you want to default the any other tax years surcharge rate, enter that tax year in the default

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						from tax year combo ▶ Enter/ modify (incase defaulted) the surcharge rates in the multi-line ▶ Enter comments if any ▶ Save
4.	User creates Section 10 Exemptions details for a tax year	Tax manager	Indian tax set-up	Section 10 Exemptions	Section 10 Exemptions	▶ Select the tax year ▶ If you want to default to any other tax years Sec 10 exemption details, enter that tax year in the default from tax year combo ▶ Enter/ modify (incase defaulted) section 10 exemptions details ▶ Enter the city classification and %salary and % in excess of salary in HRA SET UP ▶ Enter the Number children and amount per month per child to be exempted from Education allowance ▶ Enter the Number children and amount per month per child to be

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						<p>exempted from Hostel allowance</p> <ul style="list-style-type: none"> ▶ Enter whether leave encashment amount to be exempted – say yes/no ▶ If yes, Enter no of times leave encashment amount to be exempted ▶ Enter the no of leave days that can be exempted ▶ Enter the no of average month salary to be exempted as leave encashment exemption ▶ Enter the maximum no of days leave can be exempted ▶ Enter whether Gratuity amount to be exempted – say yes/no ▶ If yes, Enter no of times Gratuity amount to be exempted ▶ Enter the no of average month salary to be exempted as Gratuity ▶ Enter the maximum no of days Gratuity that can be exempted

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						<ul style="list-style-type: none"> ▶ Enter whether superannuation amount to be exempted – say yes/no ▶ Enter the maximum amount under superannuation to be exempted. ▶ Enter the other exemption items, the amount per month/annum to be exempted ▶ Exemption rules can be given where ever required.
5.	User enter section 80 deduction details	Tax manager	India tax set-up	Section 80 deductions	Section 80 deductions	<ul style="list-style-type: none"> ▶ Select the tax year ▶ If you want to default any other tax years section 80 deduction details enter that tax year in the default from tax year combo ▶ Enter/ modify (incase defaulted) the section 80 details ▶ Enter the Maximum limit, % of investment for each section 80 deduction items ▶ Save
6.	User classifies the	Tax	India tax set-	City	City	<ul style="list-style-type: none"> ▶ Select the city classification

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	city as metro – non metro for the purpose of HRA exemption	manager	up	classifications	classifications	<ul style="list-style-type: none"> ▶ Select the city to be classified as per the classification selected ▶ Save

■ **Scenario 3 Details: Entering employee tax declarations**

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1.	User (Tax Admin) enters the tax details on behalf of employee	Tax manager	Employee tax Data - India	Record Tax Declaration - Admin	Select Employee to Record Tax Declaration	<ul style="list-style-type: none"> ▶ Select the tax year ▶ Select the Employment tax data unit ▶ Select the employment unit ▶ Select the employee for whom you want to enter the declarations
2.						<ul style="list-style-type: none"> ▶ Select the tax year ▶ If the record is being created for the first time, the Status combo will be loaded with value as 'New', if already a draft exists then the Status combo will be loaded with as 'Draft', and if already the record was submitted before then the Status combo will be loaded with as 'Submitted' ▶ Get the details ▶ Enter the PAN number
3.					Record Tax Declaration –	<ul style="list-style-type: none"> ▶ Select the City in the 'City' Combo ▶ Enter the monthly rent amount in

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					Rent & Childern Education Details Tab	<p>the input field and click on default.</p> <ul style="list-style-type: none"> ▶ Application generates the amount for all the months in the multiline. ▶ If there is a change in city or rent in any of the month, you may change the city & amount for any of the month in the multiline. ▶ Enter the number of children for education allowance ▶ Enter the no of children for hostel allowance ▶ Save as draft
4.					Record Tax Declaration – Income/ (Loss) from house property and other income Tab	<ul style="list-style-type: none"> ▶ Various possible sources of income will be available in the multiline. Enter the declaration amount against the appropriate sources. ▶ Save as draft
5.					Record Tax Declaration – Deductions under chapter VI A Tab	<ul style="list-style-type: none"> ▶ Employee PF and VPF deducted through payroll will be computed and shown in the header ▶ All the other items under chapter IVA like 80C, 80D etc will be

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						<p>available in the multiline.</p> <ul style="list-style-type: none"> ▶ Enter the values that are planned to be invested in the respective items. ▶ Save as draft
6.					Record Tax Declaration – View and Confirm Tab	<ul style="list-style-type: none"> ▶ The summary of all the tax declarations in the various tabs in the screen will be summarized and shown in the multiline. ▶ Verify the details, Check the declaration box and click on Submit.
7.					Record Tax Declaration – View and Confirm Tab	<ul style="list-style-type: none"> ▶ Since the tax declaration may be performed N number of times before the Cut-Off date for Tax Proof Submission, the declarations are auto authorized on submit and the latest one will overwrite the previous declaration.
8.	User enters the tax details	Tax manager	Employee tax Data - India	Form 12B – Previous Employment Details	Form 12B – Previous Employment Details	<ul style="list-style-type: none"> ▶ Select the Tax year in the combo and press the get button ▶ Enter previous employer details (one or many) in the employer details multiline and salary earned

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						details as follows. <ul style="list-style-type: none"> ▶ Employer's name ▶ Employers TAN NO ▶ Employers PAN NO ▶ Employment from ▶ Employment to ▶ Save Employer Details. This will generate the employers in the 'Select Previous Employer' Combo ▶ Select each of the employer in the combo and then enter the Salary Details in the multiline ▶ Check the declaration and Submit
9.	Tax Proof Submission after cut-off date. (Tax Admin enters the tax proofs on behalf of employee and authorizes the same)	Tax manager	Employee tax data	Authorize - Submit Tax Proof	Submit Tax Proof	<ul style="list-style-type: none"> ▶ Select the Employment tax data unit ▶ Select the employment unit ▶ Select the tax year ▶ Get the details ▶ If the record is being created for

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						<p>the first time, the Status combo will be loaded with value as 'New', if already a draft exists then the Status combo will be loaded with as 'Draft', and if already the record was submitted before then the Status combo will be loaded with as 'Submitted'</p> <ul style="list-style-type: none"> ▶ If the record is in 'Submitted' status then the Tax Admin cannot modify the record
10.					Submit Tax Proof – Rent & Childern Education Details Tab	<ul style="list-style-type: none"> ▶ Select the City in the 'City' Combo ▶ Enter the monthly rent amount in the input field and click on default. ▶ Application generates the amount for all the months in the multiline. ▶ If there is a change in city or rent in any of the month, you may change the city & amount for any of the month in the multiline. ▶ Select the Value as 'Yes' for the months for which the Rent Receipts are enclosed ▶ Enter the number of children for

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						education allowance, Amount and any Remarks in the multiline <ul style="list-style-type: none"> ▶ Enter the no of children for hostel allowance, , Amount and any Remarks in the multiline ▶ Save as draft ▶ Since the Admin enters the data on behalf of employee the admin also needs to enter the Authorized Rent Amount details and Authorized Children Education details
11.					Submit Tax Proof- Income/ (Loss) from house property and other income Tab	<ul style="list-style-type: none"> ▶ Enter the below details for House Property – Self Occupied ▶ Address, Location Status, Ownership Status, Percentage, Date of Loan, Date of Completion of Occupation, Principle, Interest, Total Interest, etc ▶ Similarly record the details for House Property- Let out ▶ Address, Location Status, Ownership Status, Percentage, Date of Loan, Date of Completion of Occupation, Date of Let out,

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						<p>Rental Income, Municipal Tax, Principle, Interest, Total Interest, etc</p> <ul style="list-style-type: none"> ▶ Record the income details from other sources like interest accrued in NSE etc ▶ Since the Admin enters the data on behalf of employee the admin also needs to enter the Authorized Principle Amount details and Authorized Interest Amount details of self occupied and let out property details ▶ Save as Draft
12.					Submit Tax Proof – Deductions under VI A Tab	<ul style="list-style-type: none"> ▶ Employee PF and VPF will be computed and shown in the header ▶ For all the other items under chapter IV A like 80C, 80D etc will be available in the multiline. ▶ Enter the investment details for each item and the details of policy number, Policy in the name of, Annual invested amount, Sum Assured, Eligible Amount, and Remarks etc.

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						<ul style="list-style-type: none"> ▶ Enter the Section 80E details like Course, Fulltime, Loan taken for, Total interest amount etc ▶ Since the Admin enters the data on behalf of employee the admin also needs to enter the Authorized Amount for chapter VI A and 80C details. ▶ Save as draft
13.					Submit Tax Proof – Income from Previous Employer Tab	<ul style="list-style-type: none"> ▶ If the section is applicable for an employee then select the 'Income from previous employer combo as yes and save draft. ▶ Enter previous employer details (one or many) in the Employer details multiline and salary earned details as follows. ▶ Employers name ▶ Employers TAN NO ▶ Employers PAN NO ▶ Employment from ▶ Employment to

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						<ul style="list-style-type: none"> ▶ Save Employer Details. This will generate the employers in the 'Select Previous Employer' Combo ▶ Select each of the employer in the combo and then enter the Salary Details in the multiline ▶ Enter the various salary details in previous employment like 80D, 80 etc ▶ Since the Admin enters the data on behalf of employee the admin also needs to enter the Authorized Amount for income from previous employer ▶ Save as Draft
14.					Submit Tax Proof – View & Confirm Tab	<ul style="list-style-type: none"> ▶ The summary of all the Tax proof saved in the various tabs in the screen will be summarized and shown in the multiline. ▶ Necessary soft copy of the related documents can be attached using the attach document option ▶ Verify the details, Check the declaration Box and click on

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						Submit. <ul style="list-style-type: none"> Once the proofs are fully verified, authorize the proof.
15.					Submit Tax Proof – View & Confirm Tab	<ul style="list-style-type: none"> In case of genuine reasons where the tax proofs needs to be revised, the admin can use the 'Unauthorize' option and then 'Reject' option. The document status will get changed to 'Auth Draft' Once the document is rejected the employee (through ESS) or admin in the same screen may be allowed modify the existing record and to submit the proofs.
16	Additional Payments (Taxable Income) to employee paid outside payroll	Tax Manager	Employee tax data	Maintain Outside Payroll Details	Maintain Outside Payroll Details	<ul style="list-style-type: none"> Select the tax year Select the Employment tax data unit Select the employment unit Select the employee for whom you want to enter the declarations
					Maintain Outside Payroll	<ul style="list-style-type: none"> Select the Tax year in the combo and press get.

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					Details	<ul style="list-style-type: none"> ▶ If any record is available, the details would be fetched. ▶ Enter the payment date details in the first multiline and save date. ▶ The dates will be populated in the Select Date Combo. ▶ Enter the details of the payment like Bank Code, Cess, Amount, total taxable income etc ▶ Click on 'Submit' to save the details

■ Scenario 4 Details: Tax processing not required for selected employees

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1.	User enters the employee exception details	Tax manager	Employee tax data	Employee exception details	Employee exception details	<ul style="list-style-type: none"> ▶ Select the Employment tax data unit ▶ Select the employment unit ▶ Select the tax year ▶ Enter the employment code for whom tax need not to be computed ▶ Select yes for Tax Computation Not Required combo ▶ Save

■ **Scenario 5 Details: Cut-off date for Proof submission for tax computation to be given at employee level**

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1.	User enters the employee exception details	Tax manager	Employee tax data	Employee exception details	Employee exception details	<ul style="list-style-type: none"> ▶ Select the Employment tax data unit ▶ Select the employment unit ▶ Select the tax year ▶ Enter the employment code for whom cut-off date for proof submission to be given ▶ Enter the cut-off date ▶ Save



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