

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
CENTRAL BOARD OF DIRECT TAXES

NEW DELHI 7th July, 1995

NOTIFICATION

INCOME-TAX

S.O. (E). In exercise of powers conferred by 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 Income-tax Rules, 1962, namely:-

1.(1) These rules may be called the Income-tax (*Eighth* Amendment) Rules, 1995.

(2) They shall come into force with effect from the 1st day of July, 1995.

2. In the Income-tax Rules, 1962,-

(a) after rule 2BA, the following rule shall be inserted namely:-

**Prescribed allowances for the purposes of clause (14) of section 10., - 2BB.**(1) For the purposes of sub-clause (i) of clause (14) of section 10, prescribed allowances, by whatever name called, shall be the following, namely:-

(a) any allowance granted to meet the cost of travel on tour or on transfer;

(b) any allowance, whether granted on tour or for the period of journey in connection with transfer, to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty;

(c) any allowance granted, to meet the expenditure incurred on conveyance in performance of duties of an office or employment of profit;

Provided that free conveyance is not provided by the employer;

(d) any allowance granted to meet the expenditure incurred on a helper where such helper is engaged for the performance of the duties of an office or employment of profit;

(e) any allowance granted for encouraging the academic, research and training pursuits in educational and research institutions;

(f) any allowance granted to meet the expenditure incurred on the purchase or maintenance of uniform for wear during the performance of the duties of an office or employment of profit.

*Explanation.*- For the purpose of clause (a), "allowance granted to meet the cost of travel on transfer" includes any sum paid in connection with transfer, packing and transportation of personal effects on such transfer.

(2) For the purposes of sub-clause (ii) of clause (14) of section 10, the prescribed allowances, by whatever name called, and the extent thereof shall be following, namely:-

Serial number	Name of allowance	Place at which allowance is exempt	Extent to which allowance is exempt
(1)	(2)	(3)	(4)
1.	Any Special Compensatory Allowance in the nature of Composite Hill Compensatory Allowance or High Altitude Allowance or Uncongenial	I. (a) Manipur Mollan/RH-2365 (b) Arunachal Pradesh (i) Kameng (ii) North Eastern Arunachal Pradesh where heights are 9,000 ft. and above. (iii) Areas east or west of Siang and Subansiri	Rupees 600 per month

Climate Allowance  
or Snow Bound  
Area Allowance or  
Avalanche  
Allowance

sectors.

(c) Sikkim

(i) Area North-NE-East of line  
Chhaten LR 0105, Launchung  
LR 1902, pt. 4326 LW 1790, pt.  
4349 LW 1479, pt. 3601 LW  
1471 to mile 13 LW 1367 to  
Berluk LW 2253.

(ii) All other areas at 9,000 ft.  
and above.

(d) Uttar Pradesh

Areas of Harsil, Mana and  
Malari Sub-divisions and  
other areas of heights at  
9,000 ft. and above.

(e) Himachal Pradesh

(i) All areas at 9,000 ft. and  
above ahead of line  
joining puhkaja-  
kunuzomla towards the  
bower.

(ii) Area ahead of line  
joining Karchham and  
Shigrila towards the  
bower.

(iii) All areas in Kalpa, Spiti,  
Lahul and Tisa.

(f) Jammu and Kashmir

(i) All areas from NR 396950  
to NR 350850, NR 370790,  
NR 311776 North of  
Shaikhra Village, North  
of Pindi Village to NR  
240800.

(ii) Areas of Doda, Sank and  
other posts located in  
areas at a height of 9,000  
ft. and above.

(iii) North of line Kud-Dudu  
and Basttgarh, Bilwar,  
Batote and Patnitop.

(iv) All areas ahead of Zojila  
served by Road Srinagar -  
Zojila-Leh in Leh District.

(v) Gulmarg - All areas  
forward of line joining  
anita 'Linyan 3309 -  
Kaunrali -2407.

(vi) Uri South - All areas  
forward of Kaunrali-  
Kandi 1810 Kustam 1505 -  
Sebasantra 1006 Changez  
0507-Jak 19904 Keekar

9704 Jamun 9607 Neeta  
9508.

- (vii) BAAZ Kaiyan Bowl - All areas forward of Dulurja 9712-BAAZ 0317-Shamsher 0416 including New Shamsher 0615-Zorawar 1017-Malaugan Base 1027-Radha 0836 to Nastachun Pass 9847.
- (viii) Tangdhar - All areas west of Nastachun Pass Tangdhar Bowl and on Shamshabari Range and forward of it.
- (ix) Karan and Machhal sub-sectors - All areas along the line Pharkiangali 0869 to Z Gali 4376 and forward of Shamshabari Range.
- (x) Panzgam, Trehgam and Drugmul.

II. Siachen area of Jammu and Kashmir	Rupees 1200 per month
III. All places located at a height of 1,000 metres or more above the sea level, other than places specified at (I) and (II) above.	Rupees 150 per month

2. Any Special Compensatory Allowance in the nature of border area allowance or remote area allowance or difficult area allowance or disturbed area allowance

- (I) (a) Little Andaman, Nicobar and Narcondum Islands Rupees 650per month
- (b) North and Middle Andamans.
- (c) Throughout Lakshadweep and Minicoy Islands
- (d) All places on or north of the following demarcation line:  
Point 14600 (2881) to Sala MS 2686-Matau MS 6777 - Sakong MT 1379-Bamong-khonawa MO 2803-Nyapin MO 7525 - River Khru to its junction with the river Kamla MP - 2226 - Taliha -Yapuik MK 7410-Gshong MK 9749-Yinki Yong NE 4324-Damoroh MF 6208-Ahinkolin NF 8811-Kronli MG 2407-Hanli NM 4096-Gurongon NM 4592-Loon NM 7579-Mayu-liang NM 0169-Chawah NM 9943 Kamphu

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NM 1125-Point 6490 (NM 1493)  
Vijaynagar NSA -486.

(e) Following areas in  
Himachal Pradesh:-

- (i) Pangi Sub-Division of  
Chamba District;
  - (ii) Baramaur Tehsil of Chamba  
District;
  - (iii) Lahul and Spiti District;
  - (iv) Kinnaur District;
  - (v) Dodra-Kawar area of Rohru  
Tehsil, Parganas of  
Pandrabis and Atharabis,  
Gram Panchayats of  
Munish, Derkali and  
Kashapat of Rampur Tehsil  
of Simla District;
  - (vi) Pargana of Pandrabis of  
Kulu District;
  - (vii) Chhota Bhangal and Bara  
Bhangal area of Palampur  
Sub-Division of Kangra  
District;
  - (viii) Gram Panchayat Deothi  
(Teklech area) and  
Parganas of Chhaibis,  
Naubis, Sarahan and  
Barabis of Rampur Tehsil of  
Simla District;
  - (ix) Chhuhar Valley of  
Joginder-nagar Tehsil of  
Mandi District;
  - (x) Mangal Panchayat area of  
Solan District;
  - (xi) Cuter-Seraj and Malana  
Panchayat area of Kulu  
District;
  - (xii) Janardru Panchayat area  
of Bhatiyat Tehsil of  
Chamba District;
  - (xiii) Mahog Sarhan, Gopalpur,  
Teban, Pelhi, Nanj, Khanoj,  
Bagra, Saij Mahundi and  
Balidhar Panchayat of  
Karseg Tehsil;
  - (xiv) Transgiri Tract of Sirmur  
District;
  - (xv) Simla Town and its  
suburbs (Mashobra, Dhalli,  
Taradevi, Kasumppti, Jatog  
and Tulu).
- (f) Chhimtuipui District of  
Mizoram and areas beyond 25

km. from Lungali town in Lungali District of Mizoram.

(g) Following areas in Jammu and Kashmir,-

(i) Niabat Bani, Lohi, Malahar and Macchodi in Kathua District;

(ii) Dudu Basantgarh, Llander Thamag Illaqa;

(iii) All areas in Tehsil Mahore except those specified at III (g)(i) below in Udhampur District;

(iv) Illaqa of Padder In Kishtwar Tehsil and Niabat Nowgam in Kishtwar of Doda District;

(v) Noyama, Zanskar and Nobre of Leh District;

(vi) Entire Gurez-Niabat, Tang-dhar Sub-Division and Keran Illaqa of Baramulla District.

(h) Following areas of Uttar Pradesh,-

(i) Dharachula;

(ii) Munsiyari;

(iii) Joshimath; and

(iv) Bhatwari Development Blocks (except District headquarters of Uttarkashi).

(II)	Installations in the Continental Shelf of India and the Exclusive Economic Zone of India.	Rupees 1100 per month
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(III)	(a) Throughout Arunachal Pradesh other than areas covered by those specified at I(d) above	Rupees 525 per month
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(b) Throughout Nagaland.

(c) Throughout Sikkim.

(d) South Andaman (including Port Blair)

(e) Throughout Lunglei District (excluding areas beyond 25 Km. from Lunglei town) of Mizoram.

(f) Dharmanagar, Kailasahar, Amarpur and Khowai in Tripura.

(g) Following areas in Jammu and Kashmir,-

- (i) Areas up to Goel from Kamban side and areas up to Arnas from Keasi side in Tehsil Mahore of Udhampur District;
  - (ii) All places in Leh District other than those specified at I(g) above;
  - (iii) Matchill in Baramulla District.
- (IV) (a) Throughout Aizawl District of Mizoram
- (b) Throughout Tripura except areas those specified at III(f) above.
- (c) Throughout Manipur.
- (d) Following areas of Himachal Pradesh:-
- (i) Janjehli Block of Chachiet Tehsil of Mandi District;
  - (ii) Chopal Tehsil of Shimla District;
  - (iii) Transgiri Tract of Sirmaur District;
  - (iv) Churah Tehsil of Chamba District;
  - (v) Kunr Panchayat and Balaj Parghana of Chamba Tehsil of Chamba District;
  - (vi) Dalhousie town
  - (vii) Janjheli Block of Chachiet Tehsil in Mandi District;
  - (viii) Trah chopal Tehsil of Shimla District;
  - (ix) Churah Tehsil of Chamba District;
  - (x) Munr Panchayat and Balaj pargana of Chamba Distt;
  - (xi) Karsog Tehsil;
  - (xii) Rampur Tehsil;
- (e) Following areas in Jammu and Kashmir:-
- Areas in Poonch and Rajouri Districts excluding the towns of Poonch and Rajouri and Sunderbani and urban areas in the two Districts.
- (f) Following areas in Jammu and Kashmir:-

Rupees  
375 per  
month

Areas not included in I(g), III(g) and IV(e) above but which are within the distance of 8 km from the line of actual control or at places which may be declared as qualifying for border allowance from time to time by the State Government for their own staff.

(g) Following areas in Uttar Pradesh:-

Areas other than those covered in the border district of Uttarkashi, Chamoli and Pithoragarh, including District Headquarters of Uttarkashi, but excluding Champavat Tehsil of Pithoragarh District.

(V) Jog Falls in Shimoga District in Karnataka.

Rs. 300  
per  
month

(VI) (a) Manali-Ujhi area, Parvati and Lagg Valley and Banjar Blocks of Kulu District in Himachal Pradesh

Rupees  
100 per  
month

(b) Throughout Assam and Meghalaya.

3. Tribal Area Allowance

- (a) Madhya Pradesh
- (b) Tamil Nadu
- (c) Uttar Pradesh
- (d) Karnataka
- (e) Tripura
- (f) Assam
- (g) West Bengal
- (h) Bihar
- (i) Orissa

Rupees 100 per  
month.

4. Any allowance granted to an employee working in any transport system to meet his personal expenditure during his duty performed in the course of running of such transport from one place to another place, provided that

Whole of India

70 per  
cent. of  
such  
allowance  
up to a  
maximum  
of Rupees  
3000 per  
month

such employee is not in receipt of daily allowance

5.	Children Education Allowance	Whole of India	Rupees 50 per month per child up to a maximum of two children.
6.	Any allowance granted to an employee to meet the hostel expenditure on his child	Whole of India	Rupees 150 per month per child up to a maximum of two children.
7.	Compensatory Field Area Allowance	<p>(a) Following Areas in Arunachal Pradesh,-</p> <p>(i) Tirap and Changlang districts;</p> <p>(ii) all areas north of line joining point 4448 in LZ 4179-Nukme Dong MS 3272-Sepia MT 2969-Palin MO 9213-Daporijo NR 5841-Along NL 1273-Hunli NM 3196-Tidding Tuwi MT 6369-Hayuliang NN 0170-Tawaken MT 8136-Champai Bun NM 8814, all inclusive;</p> <p>(b) Throughout Manipur and Nagaland;</p> <p>(c) Following areas in Sikkim,- All areas north and north east of line joining Phalut LV 4750-Gezing LV 7059-Mangkha LV 6160-Penlang La LW0666-Rangli LW 1448-BP 1 in LW 2453 on Indo-Bhutan Border, all inclusive.</p> <p>(d) Following areas in Himachal Pradesh,- All areas east of line joining Umasila NV 3951-Udaipur NY 8663-Manikaran SB 2300-Pir Parbati Pass TA 1459-Taranda TA 2335-Barasua -Pass TA 8801, all inclusive.</p>	Rupees 975 per month

(e) Following areas in Uttar Pradesh,-

All areas north and north-east of line joining Barasua Pass Gangnani TG 1362-Govind Ghat TG 0937-Tapovan TH 1822-Musiari TN 8982-Relagad TO 2466, all inclusive.

(f) Following areas in Jammu and Kashmir,-

(i) areas north and east of line joining Zojila MU. 3036-Baralachala NE 6672 along the Great Himalayan Range, all inclusive;

(ii) all areas west of line joining Point 1556 in NR 5470-Gulmarg MT 3105-Naushara MY 3105-Ringapat MT 2133-Handwara MT 2043-Laingyal MT. 2339-Point 8405 in NG 4565-north of line joining point 8403-Bunakut MT 5453-Razan NN 2239-Zojila, all inclusive;

(iii) all areas west of line joining tip of Chicken Neck RD 7073-Canal junction RD 6364-Mawa Brahmana RD 6183-Chauki RD 6393-Road junction RD 6499-Baramgala MY 3854-Point 1556 in NR 5470, all inclusive.

8. Compensatory Modified Field Area Allowance

(a) Following areas in Punjab and Rajasthan,-

areas west of line joining Jessai, Barmar, Jaisalmer, Pokharan, Udasar, Mahajan Ranges, Suratgarh, Lalgah, Jattan, Abohar, Govindgarh, Fazilka, Jandiala Guru, Moga, Dholewal, Deas, Bir Sarangwal, Hussainiwala, Dera Baba Nanak, Laisain pulge upto the international border, all inclusive;

(b) Following areas in Haryana,-  
Satrod (Hissar),

(c) Following areas in Himachal Pradesh,-

areas North of line joining Narkhanda, Keylong upto Field Area line/High Altitude line.

Rupees 375 per month

(d) Following areas in Arunachal Pradesh and Assam,-

(i) Cachar and North Cachar districts of Assam including Silchar;

(ii) all areas of Arunachal Pradesh and Assam north of river Brahmaputra except Tejpur, Misamari and Field Areas;

(e) Throughout Mizoram and Tripura;

(f) Following areas in Sikkim and West Bengal,-

areas northwards of line joining Sevoke LV 9112-Burdong LV 985 (-Sherwani LV 9453-Bagrakot LW 0113-Damdim LW 1109-New Mal-Hasimara-QB 7894 Ganga Ram Tea Estate QA 1377 upto the High altitude line/Field Area line/international border, all inclusive.

(g) Following areas in Uttar Pradesh,-

areas north of line joining Uttarkashi, Karan Prayag, Gauchar, Joshimath, Chamoli, Rudra Prayag, Askote, Charamgad, Dharchula, Kausani and Narendra Nagar upto international border. all inclusive.

(h) Following areas in Jammu and Kashmir,-

(i) areas west of line joining Pattan, Baramulla, Kupwara, Drugmulla, Panges, Mankes, Buniyar, Pantha Chowk, Khanabal, Anantnag, Khundru and Khru upto the existing High Altitude line, all inclusive;

(ii) areas west of line joining - BP-19, Brahmana-di-Bari, Jindra, Dhansal, Katra, Sanjhi Chatt, Batote, Patni Top, Ramban and Banihal upto the existing High altitude line, all inclusive.

9. Any special allowance in the nature of counter-insurgency allowance granted to the members of armed forces operating in areas away from their permanent locations for a period of more than 30 days.

Whole of India

Rs. 975 per month

Provided that any assessee claiming exemption in respect of the allowances mentioned at serial numbers 7 and 8 shall not be entitled to the exemption in respect of the allowance referred to at serial number 2:

Provided further that any assessee claiming exemption in respect of the allowance mentioned at serial number 9 shall not be entitled to the exemption in respect of disturbed area allowance referred to at serial number 2.

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