

INCOMETAX SPECIAL

IMMEDIATE

TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED  
(ACCOUNTS BRANCH)

From  
K.Malarvizhi, B.A (Corp.) ACA., PGDHRM.,  
Chief Financial Controller/General,  
144, Anna Salai, Chennai-600 002..

To  
All Superintending Engineers  
All Financial Controllers  
All Drawing&Disbursing Officers/HQs

Circular No.CFC/GL/FC/Tax/AAO/Tax/E.TDS Recvy/D.9/2023, dt. 24.04.2023

Sir,

Sub: TANGEDCO Taxation Division - Financial Year 2023-24 -  
Clarification regarding deduction of TDS under section 192  
read with sub-section (IA) of section 115BAC of the  
Income-tax Act,1961–Communication of CBDT's Circular-reg.

Ref: (1) Central Board of Direct Taxes, New Delhi's CIRCULAR  
No.24/2022 [F.No.275/15/2022-TT(B)], Dated 07-12-2022.

(2) Circular No.CFC/GL/FC/Tax/AAO/Tax/E.TDS Recvy/D.135/2023,  
dt.27.02.2023

(3) GOI/CBDT's Circular No.04 of 2023 dated 5.04.2023

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A copy of the CBDT Circular No.24/2022 [F.No.275/15/2022-IT(B)] Dt.07.12.2022 was communicated (vide ref.1) to all the units of TANGEDCO for necessary guidance for computing the Income Chargeable under the Head Salaries" during the Financial Year 2022-23. Further as already instructed time and again, it is reiterated that the Income Tax to be deducted from the salary shall be estimated and the amount of Tax so arrived shall be deducted every month in equal instalments as contained in Para 9.4 (Page No.71) of the circular referred in (1) above and remitted to the credit of Government of India within the stipulated time as specified in Para 4.3.1 (Page No.17) of the circular referred in (1) above. For any delay in remittance of tax deducted at source and filing of TDS returns it has been already informed that the

Officers/Staff will be responsible for all the subsequent interest and late filing fees levy from FY 2018-19 onwards.

2. **Now, Central Board of Direct Taxes, GOI, New Delhi has communicated vide Circular referred 3rd above that new tax regime is the default tax regime applicable to all persons.** However a person can exercise the option to opt out of this tax regime.

3. **As the Tax deductor, TANGEDCO will not know if the employees would opt out from new tax regime or not.** In order to avoid the genuine hardship in such cases, the CBDT has directed that every employer shall seek information from each of its employees having income under section 192 of the Act regarding their intended tax regime and **each such employee shall intimate the same to the deductor, being his employer, regarding his intended tax regime for each year** and upon intimation, the deductor shall compute his total income, and deduct tax at source thereon according to the option exercised.

4. **If intimation is not made by the employee, it shall be presumed that the employee continues to be in the new tax regime.** Accordingly, in such a case, the employer shall deduct tax at source, on income under section 192 of the Act, in accordance with the rates provided for new tax regime. Any individual not willing to be taxed under new regime can opt for old tax regime. But if they have income under business or profession and having opted for old regime can revoke that option only once and thereafter they will continue to be taxed under new regime. For those not having Income under the head profits and gains of business or profession option for old regime can be exercised each year before filing of Income Tax Return.

5. The new income tax slabs in the new tax regime and old tax scheme applicable for FY 2023-24 is as below:

NEW TAX REGIME (Revised)		OLD TAX REGIME	
Income	Tax Rate %	Income	Tax Rate %
0-3 Lakhs	Nil	0-2.5 Lakhs	Nil
3-6 Lakhs	5%	2.5-5 Lakhs	5%
6-9 Lakhs	10%		
9-12 Lakhs	15%	5-10 Lakhs	20%
12-15 Lakhs	20%		
above 15 Lakhs	30%	above 10 Lakhs	30%

#### **ADDITIONAL HEALTH AND EDUCATION CESS:**

Additional Health and Education cess at the rate of 4 % will be added to the income tax liability in all cases.

#### **SURCHARGE:**

Surcharge rate on the amount of income tax	
Income	Surcharge %
Less than Rs 50 lakhs	Nil
More than Rs 50 lakhs ≤ Rs 1 Crore	10%
More than Rs 1 Crore ≤ Rs 2 Crore	15%
More than Rs 2 Crore ≤ Rs 5 Crore	25%
More than Rs 5 Crore	37%



### **Additional benefits under New Tax regime:**

- (i) Under the old tax regime, the amount of the tax rebate u/s 87A for this year has been kept unchanged but for the new tax regime , **the amount of the tax rebate u/s 87A for this year has been changed.** Under old tax regime, a resident taxpayer with taxable income up to ₹ 5,00,000 would receive a tax rebate of ₹ 12,500 or the amount of tax payable, whichever is lower. **Under new tax regime, a resident taxpayer with taxable income up to ₹ 7,00,000 would receive a tax rebate of ₹ 25,000 or the amount of tax payable, whichever is lower.**
- (ii) Standard deduction of Rs.50000 has been introduced under the new tax regime for salaried and pensioners.
- (iii) Finance Act, 2023 has made the new tax regime as the default option. This would mean that if an employee do not specifically opt for the old tax regime, then income tax on their incomes will be calculated based on the new tax regime. Thus it is mandatory for the DDOs to get declaration from employees on their intended tax regime. If no option is chosen, then the DDOs shall deduct the tax on the basis of the new income tax slabs under the new tax regime. **It may be noted the old tax regime will apply only if the income tax return (ITR) is filed on or before the expiry of the due date for filing of Income tax return for individuals.**

### **Earned leave encashment: (EL)**

There are many queries from the various Circle offices regarding the availability of enhanced Earned Leave exemption for superannuation/voluntary retirement/Expired employees from Rs.3 lakhs to Rs.25 lakhs. In this regard, it is informed that in the

**Budget Speech the Hon'ble Finance Minister has stated that the EL exemption limit will be raised from Rs.3 lakhs to Rs.25 lakhs. But, it is not yet notified by Finance Dept., GOI. Accordingly, the present deduction for EL is available only for Rs.3 lakhs and on receipt of notification the enhanced limit will be communicated.**

The Superintending Engineers are requested to ensure that the instructions contained in the CBDT's Circular No.04 of 2023 dated 5.04.2023 are adhered to. It is also reiterated that the Income Tax has to be deducted from the estimated salary and the amount of Tax as arrived shall be deducted every month in equal installments as referred in paras discussed above. Further the option for deducting the TDS under Old or New regime (as per the format enclosed) shall be obtained from all the employees having taxable income.



**CHIEF FINANCIAL CONTROLLER/GL (FAC)** 2/2

- Encl: 1. CBDT Circular dt 07-12-2022.  
2. CBDT Circular No.04 of 2023 dated 05.04.2023.  
3. Option format.

Copy to all Chief Engineers concerned- for perusal.

Copy to Chief Financial Controller/IND-AS.

**Declaration to be submitted for exercising of option for deduction of  
TDS from salary for the Financial year 2023-24.**

**To**

**Sub:** Declaration of option for TDS to be deducted from salary under  
OLD Tax regime or NEW Tax regime.

Sir,

I hereby exercise my option for the deduction of TDS from my salary for the FY  
2023-2024 as under :

OPTION 1	OLD TAX REGIME	
OPTION 2	NEW TAX REGIME	

**(Put a tick against the option.)**

I hereby declare that I want to opt for \_\_\_\_\_ (old  
tax regime/ new tax regime) under Income tax act for computation of TDS on  
salary. I also know that if I opt for new tax regime then I will have to forgo all  
the deduction under the Income tax act and pay taxes as per the new slab rates  
notified by the Finance Act 2023. Whereas if I opt for old tax regime then I will  
get the benefit of all the deductions under the Income Tax Act, 1961 and pay  
taxes as per the old slab rates notified by the Finance Act 2023. I also  
understand that once the option is exercised, it is final and cannot be changed  
for this current FY 2023-24.

I also understand that I can opt for any regime while filing Income Tax Return  
provided there is no income from business or profession and this declaration is  
only for the purpose of deducting tax at source (TDS) by TANGEDCO.

Place :

Signature :

Employee Name :

Date:

Designation :

Office name:

Employee No. :