

F. No. 275/107/2024-IT(B)

Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

North Block, New Delhi
Dated the 20th February, 2025

SUBJECT: INCOME-TAX DEDUCTION FROM SALARIES DURING THE FINANCIAL YEAR 2024-25 UNDER SECTION 192 OF THE INCOME-TAX ACT, 1961.

Reference is invited to Circular No. 24/2022 dated 07.12.2022, whereby the rates of deduction of income-tax from the payment of income under the head "Salaries" under section 192 of the Income-tax Act, 1961 (hereinafter referred to as 'the Act'), during the financial year 2022-23, were intimated. The said Circular also explained certain related provisions of the Act and Income-tax Rules, 1962 (hereinafter referred to as 'the Rules').

The present Circular contains the amendments made vide the Finance (No.2) Act of 2024, Finance (No.1) Act of 2024 and Finance Act of 2023 in respect of rates of deduction of income-tax from the payment of income under the head "Salaries" under section 192 of the Act. Where no amendments have been made by the above referred Acts, in such cases, the above referred Circular No. 24 of 2022 shall continue to be applicable for F.Y. 2024-25. The relevant Acts, Rules, Forms and Notifications are available at the website of the Income Tax Department- www.incometaxindia.gov.in.

Amendments made vide the Finance (No. 2) Act of 2024, Finance (No. 1) Act of 2024 and Finance Act of 2023 in respect of rates of deduction of income-tax from the payment of income under the head "Salaries" under section 192 of the Income-tax Act, 1961, during the financial year 2024-25

1. The term "Salary" has been defined in section 15 of the Act. It has been further explained in section 17. As per the amendment in **section 17(1)** of the Act vide the Finance Act, 2023, "salary", *inter alia*, includes the following:

"....

ix) the contribution made by the Central Government in the previous year, to the Agniveer Corpus Fund account of an individual enrolled in the Agnipath Scheme referred to in section 80CCH; ..."

2. As per the amendment vide the Finance Act, 2023 in **section 17(2)** of the Act, "perquisite", *inter alia*, includes the following:

"...

(i) The value of rent-free accommodation provided to the employee by his employer [computed in such manner as may be prescribed];

(ii) The value of any accommodation provided to the assessee by his employer at a concessional rate...."

3. As per the amendment vide Finance (No. 2) Act, 2024, the provisions related to **Surcharge** (under Old Tax Regime) applicable in the case of every individual are as under:

S.No.	Total Income	Surcharge Rate on the amount of income tax under old tax regime
(a)	More than Rs 50 lakhs ≤ Rs 1 Crore (including the income by way of dividend or income under sections 111A or 112 or 112A)	10%
(b)	More than Rs 1 Crore ≤ Rs 2 Crore (including the income by way of dividend or income under sections 111A or 112 or 112A)	15%
(c)	More than Rs 2 Crore ≤ Rs 5 Crore (excluding the income by way of dividend or income under sections 111A or 112 or 112A)	25%

(d)	More than Rs 5 Crore (excluding the income by way of dividend or income under sections 111A or 112 or 112A)	37%
(e)	More than Rs 2 Crore (including the income by way of dividend or income under sections 111A or 112 or 112A), not covered under (c) and (d) above	15%

4. As per the amendment vide Finance (No. 2) Act, 2024 in respect of **section 115BAC**, the rates of income tax (under New Tax Regime) for the FY 2024-25 (i.e. Assessment Year 2025-26) are as under:

Sl. No.	Total Income	Rate of tax
1.	Up to Rs. 3,00,000	Nil
2.	From Rs. 3,00,001 to Rs. 7,00,000	5 per cent
3.	From Rs. 7,00,001 to Rs. 10,00,000	10 per cent
4.	From Rs. 10,00,001 to Rs. 12,00,000	15 per cent
5.	From Rs. 12,00,001 to Rs. 15,00,000	20 per cent
6.	Above Rs. 15,00,000	30 percent

Further, for the purposes of sub-section (1A) of section 115BAC, the total income of the person shall be computed—

(i) without any exemption or deduction under the provisions of clause (5) or clause (13A) or prescribed under clause (14) (other than those as may be prescribed for this purpose) or clause (17) or clause (32), of section 10 or section 10AA or clause (ii) or clause (iii) of section 16 or clause (b) of section 24 [in respect of the property referred to in sub-section (2) of section 23] or clause (iia) of sub-section (1) of section 32 or section 32AD or section 33AB or section 33ABA or sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) of section 35 or section 35AD or section 35CCC or under any of the provisions of Chapter VI-A other than the provisions of sub-section (2) of section 80CCD or sub-section (2) of section 80CCH or section 80JJAA.

(ii) without set off of any loss,—

- (a) carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred to in clause (i);
- (b) under the head "Income from house property" with any other head of income;
- (iii) by claiming the depreciation, if any, under any provision of section 32, except clause (iia) of sub-section (1) of the said section, determined in such manner as may be prescribed;

and

(iv) without any exemption or deduction for allowances or perquisite, by whatever name called, provided under any other law for the time being in force.

5. As per the amendment made vide Finance (No. 2) Act, 2024, **section 192(2B)** is reproduced as under:

“..... (2B) Where an assessee who receives any income chargeable under the head "Salaries" has, in addition, —

(i) any income chargeable under any other head of income (not being a loss under any such head other than the loss under the head "Income from house property"); or

(ii) any tax deducted or collected under the provisions of Part B or Part BB of this Chapter, as the case may be,

for the same financial year, he may send to the person responsible for making the payment referred to in sub-section (1), the particulars of—

(a) such other income;

(b) any tax deducted or collected under any other provision of Part B or Part BB of this Chapter, as the case may be; and

(c) the loss, if any, under the head "Income from house property",

in such form and verified in such manner as may be prescribed, and thereupon the person responsible as aforesaid shall take into account the particulars referred to in clauses (a), (b) and (c) for the purposes of making the deduction under sub-section (1):

Provided that this sub-section shall not in any case have the effect of reducing the tax deductible from income under the head "Salaries", except where the loss under the head "Income from house property" and the tax deducted in accordance with other provisions of Part B and tax collected in accordance with the provisions of Part BB, of this Chapter, has been taken into account.]

6. The **Form No. 16** has been amended vide the Income-tax (Fifth Amendment) Rules, 2023, w.e.f. 1-7-2023 and shall be applicable for the assessment year 2024-25 and subsequent assessment years. Form No. 16 (has been further modified vide the Income-tax (Eighth Amdt.) Rules, 2024, w.e.f. 15-10-2024. The modified Form No. 16 is placed at **Annexure-A**.

7. The amendments in **Form No. 24Q** made by the Income-tax (Fifth Amendment) Rules, 2023 are as under:

(i) In Annexure-I : Deductee wise Break up of TDS, “*Health and Education Cess*” has been substituted for “*Education Cess*”.

(ii) *Annexure-II : Details of salary paid or credited during the financial*

year..... and net tax payable (under section 192) has been substituted by the Income-tax (Fifth Amendment) Rules, 2023, w.e.f. 01.07.2023.

Further, the amendment in **Form No. 24Q** made by the Income-tax (Eighth Amendment) Rules, 2024 w.e.f. 15.10.2024 is as under:

- (i) In Annexure-II, column No. 388A- 'Amount reported as per section 192(2B), of other tax deducted at source or tax collected at source, other than (388)' has been inserted.

8. As per the amendment vide Income-tax (Eighteenth Amendment) Rules, 2023 w.e.f. 01.09.2023 in the **Rule 3** of the Rules, in respect of the accommodation provided by any other employer, the rates prescribed for valuation of perquisites are as under:

S.No.	Circumstances	Where accommodation is unfurnished	Where accommodation is furnished
(2)	Where the accommodation is provided by any other employer and—		
	(a) where the accommodation is owned by the employer, or	<p>(i) 10% of salary in cities having population exceeding 40 lakhs as per 2011 census;</p> <p>(ii) 7.5% of salary in cities having population exceeding 15 lakhs but not exceeding 40 lakhs as per 2011 census;</p> <p>(iii) 5% of salary in other areas, in respect of the period during which the said accommodation was occupied by the employee during the previous year as reduced by the rent, if any, actually paid by the employee.</p>	The value of perquisite as determined under column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air-conditioning plant or equipment or other similar appliances or gadgets) or if such furniture is hired from a third party, by the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the previous year.
	(b) where the accommodation is taken on lease or rent by the employer.	Actual amount of lease rental paid or payable by the employer or 10% of salary, whichever is lower, as reduced by the rent, if any, actually paid by the employee.	The value of perquisite as determined under column (3) and increased by 10% per annum of the cost of furniture (including television sets, radio sets, refrigerators, other household appliances, air-conditioning plant or equipment or other similar appliances or gadgets) or if such furniture is hired from a third party, by the actual hire charges payable for the same as reduced by any charges paid or payable for the same by the employee during the pr

9. The definition of "remote area" given in *Explanation (v)* to Rule 3 of the Rules has been amended vide Income-tax (Eighteenth Amendment) Rules, 2023 w.e.f. 01.09.2023 as under:

"..(v) "remote area", for purposes of proviso to sub-rule (1) means any area other than an area which is located—

(a) within the local limits of; or

(b) within a distance, measured aerially, of 30 kilometers from the local limits of, any municipality or a cantonment board having a population of 1,00,000 or more based on the 2011 census..."

10. As per clause (iii) of sub-rule (7) of Rule 3, the value of free food and non-alcoholic beverages provided by the employer to the employee shall be the amount of expenditure incurred by such employer. As per the amendment vide Income-tax (Tenth Amendment) Rules, 2023, w.e.f. 21.06.2023, the second proviso to clause (iii) of sub-rule (7) of Rule 3 reads as under-

"Provided further that the provisions of the first proviso in respect of free food and non-alcoholic beverage provided by the employer through paid voucher shall not apply to an employee, being an assessee, who has exercised an option under sub-section (5) of section 115BAC or whose income is chargeable to tax under sub-section (1A) of section 115BAC."

11. The exemption limit of leave encashment, in the case of employees **other than Government employees**, has been enhanced to Rs 25,00,000/- vide CBDT Notification No. 31/2023 dated 24.05.2023. Accordingly, the exemption in respect of leave encashment in case of a non-Government employee at the time of retirement shall be lower of the following amounts:

- Period of earned leave standing to the credit in the employee's account at the time of retirement \times average monthly salary.
- Average monthly salary \times 10 (i.e., 10 months' average salary).
- **Maximum amount as specified by the Central Government, i.e., Rs. 25,00,000.**
- Leave encashment actually received at the time of retirement.

If an employee receives leave salary from more than one employer in the same year, then the

maximum amount of exemption under section 10(10AA)(ii) of the Act cannot exceed the amount specified by the Central Government (i.e., Rs. 25,00,000). Where any employee has claimed exemption of leave salary under this section in any earlier year(s), then in case of such employee, the ceiling limit (i.e., Rs. 25,00,000) shall be reduced by the amount of exemption earlier claimed.

12. The **sub-section (12C) has been inserted in section 10 of the Act** vide Finance Act, 2023. Under section 10(12C) of the Act, any payment from the Agniveer Corpus Fund to a person enrolled under the Agnipath Scheme, or to his nominee shall be exempt. Section 10(12C) of the Act is reproduced as under:

“(12C) any payment from the Agniveer Corpus Fund to a person enrolled under the Agnipath Scheme, or to his nominee.

Explanation.—For the purposes of this clause "Agniveer Corpus Fund" and "Agnipath Scheme" shall have the meanings respectively assigned to them in section 80CCH;”

13. Section 87A provides relief in the form of rebate to individual taxpayers, resident in India, who are in lower income bracket, i.e. having total income not exceeding Rs 5,00,000/-. The amount of rebate available under section 87A is Rs 12,500/- or the amount of tax payable, whichever is less. As per the amendment vide Finance Act, 2023, w.e.f. 01.04.2024, the proviso to section 87A has been inserted and the same is reproduced as under:

*“.....**Provided** that where the total income of the assessee is chargeable to tax under sub-section (1A) of section 115BAC, and the total income—*

(a) does not exceed seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing for the deductions under this Chapter) on his total income with which he is chargeable for any assessment year, of an amount equal to one hundred per cent of such income-tax or an amount of twenty-five thousand rupees, whichever is less;

(b) exceeds seven hundred thousand rupees and the income-tax payable on such total income exceeds the amount by which the total income is in excess of seven hundred thousand rupees, the assessee shall be entitled to a deduction from the amount of income-tax (as computed before allowing the deductions under this Chapter) on his total income, of an amount equal to the amount by which the income-tax payable on such total income is in excess of the amount by which the total income exceeds seven

hundred thousand rupees.

14. Section 80CCH of the Act related to '**Deduction in respect of contribution to Agnipath Scheme**' has been inserted vide Finance Act, 2023. Accordingly after paragraph No. 11 of para 5.5.3 the following paragraph No. 12 is inserted and the same is to be read as under:

"80CCH. (1) Where an assessee, being an individual enrolled in the Agnipath Scheme and subscribing to the Agniveer Corpus Fund on or after the 1st day of November, 2022, has in the previous year paid or deposited any amount in his account in the said Fund, he shall be allowed a deduction in the computation of his total income, of the whole of the amount so paid or deposited.

(2) Where the Central Government makes any contribution to the account of an assessee in the Agniveer Corpus Fund referred to in sub-section (1), the assessee shall be allowed a deduction in the computation of his total income of the whole of the amount so contributed.

Explanation.—For the purposes of this section,—

(a) "Agnipath Scheme" means the scheme for enrolment in Indian Armed Forces introduced vide letter No. 1(23)2022/D(Pay/Services), dated the 29th December, 2022 of the Government of India in the Ministry of Defence;

(b) "Agniveer Corpus Fund" means a fund in which consolidated contributions of all the Agniveers and matching contributions of the Central Government along with interest on both these contributions are held."

15. **Amendments in Penalty and Prosecution provisions on default on account of TDS-**

(i) As per the Finance Act, 2023, **section 271C** on 'Penalty for failure to deduct tax at source' has been amended. Section 271C, *inter alia*, lays down that if any person fails to deduct whole or any part of tax at source or fails to pay or ensure payment of, **the whole or any part of tax under the proviso to section 194B (w.e.f. 01.04.2023), sub-section (2) of section 194BA (w.e.f. 01.07.2023)**, he/she shall be liable to pay, by way of penalty, a sum equal to the amount of tax not deducted or paid or payment ensured by him.

(ii) As per the Finance Act, 2023, **section 276B** on 'Failure to pay tax to the credit of Central Government under Chapter XII-D or XVII-B' has been amended. Section 276B lays down that if a person fails to pay to the credit of the Central Government within the prescribed time, as above, the tax deducted at source by him or tax payable

by him or ensure payment of tax under **the proviso to Section 194B (w.e.f. 01.04.2023), or section 194BA(2) (w.e.f. 01.07.2023)**, he/she shall be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to seven years and with fine.”

(iii) Further, the following proviso has been inserted in **section 276B** of the Act vide Finance (No.2) Act, 2024:

“Provided that the provisions of this section shall not apply if the payment referred to in clause (a) has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement for such payment under sub-section (3) of section 200.”

16. **Miscellaneous**


16.1 These instructions are not exhaustive and are issued only with a view to guide the employers. Wherever there is any doubt, reference may be made to the provisions of the Income-tax Act, 1961, the Income-tax Rules, 1962, the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2022 (No. 38 of 2022), the above mentioned Finance Acts, the relevant circulars / notifications, etc.

16.2 It is stated that in case any assistance is required, the Assessing Officer/the Local Public Relation Officer of the Income-tax Department may be contacted.

16.3 These instructions may be brought to the notice of all Disbursing Officers and Undertakings including those under the control of the Central/ State Governments.

16.4 Copies of this Circular are available at the following websites: www.finmin.nic.in & www.incometaxindia.gov.in

Hindi version will follow.


(Rubal Singh)
Deputy Secretary
(IT-Budget), CBDT

Copy to:

1. All State Governments/Union Territories.
2. All Ministries/Departments of Government of India etc.
3. President's Secretariat
4. Vice-President's Secretariat
5. Prime Minister's Office
6. Lok Sabha Secretariat
7. Rajya Sabha Secretariat

8. Cabinet Secretariat
9. Secretary, U.P.S.C., Dholpur House, New Delhi
10. Secretary, Staff Selection Commission, Lodhi Complex, New Delhi
11. Supreme Court of India, New Delhi
12. Election Commission, New Delhi Planning Commission, New Delhi
13. Secretariat of Governors/Lt. Governors of all States/Union Territories
14. All Integrated Financial Advisors to Ministries/Departments of Government of India
15. All heads of Departments & Offices subordinate to the Department of Revenue CBDT, CBEC
16. Army headquarters, New Delhi
17. Air headquarters, New Delhi Naval headquarters, New Delhi
18. Director-General of Posts & Telegraphs, New Delhi
19. Comptroller & Auditor General of India
20. Accountant Generals of all State Governments
21. Director of Audit (Central) Kolkata, New Delhi, Mumbai.
22. All Banks (Public Sector, Nationalized including State Bank of India)
23. Secretary, Reserve Bank of India Central Office P.B.No.406, Mumbai 400001 (25 copies for distribution to its Branches).
24. Accounts Officer, Inspector General of Assam Rifles, (Hqrs), Shillong All Chambers of Commerce & Industry
25. Lok Sabha /Rajya Sabha Secretariat Libraries (15 copies each)
26. All Officers and Sections in Technical Wing of CBDT
27. Asstt. Chief Inspector, RBI Inspection Deptt. Regional Cell Mumbai/Kolkata/Chennai/New Delhi/and Kanpur.
28. Controller of Accounts, Deptt. Of Economic Affairs, New Delhi
29. Manager, Reserve Bank of India, Public Debt Office, Ahmedabad/Bengaluru/Bhubaneswar/ Mumbai/Kolkata/Hyderabad/Kanpur/Jaipur/Chennai/Nagpur/New Delhi/Patna/ Guwahati/Trivandrum.
30. Controller General of Defence Accounts, New Delhi.
31. Directorate of Audit, Defence Services, New Delhi. National Saving Organisation, Nagpur.
32. Deputy Accountant General, Post & Telegraph, Kolkata.
33. The Legal Adviser, Export-Import Bank of India, P.B.No.19969, Mumbai 4000021. Chief Controller of Accounts, CBDT, Lok Nayak Bhawan, Khan Market, New Delhi
34. N. S. Branch, Department of Economic Affairs, New Delhi
35. The Min. of Law (Deptt. of Legal Affairs), Shastri Bhawan New Delhi. All Foreign Banks operating in India
36. Air India, New Delhi.
37. University Grants Commission, Bahadur Shah Jafar Marg, New Delhi.

Rusai

**Deputy Secretary
(IT-Budget), CBDT**

FORM NO. 16
[See Rule 31(1)(a)]

PART A

Certificate under section 203 of the Income-tax Act, 1961 for Tax deducted at source on Salary paid to an employee under section 192 or pension/interest income of specified senior citizen under section 194P

Certificate No.		Last updated on	
Name and address of the Employer /Specified Bank		Name and address of the Employee /Specified senior citizen	
PAN of the Deductor	Tan of the Deductor	PAN of the Employee/Specified senior citizen	Employee Reference No./ Pension Payment order no. provided by the Employer (If available)

CIT(TDS)		Assessment year	Period with the Employer	
Address :			From	To
City :	Pin code :			

Summary of amount paid/credited and tax deducted at source thereon in respect of the employee

Quarter(s)	Receipt Numbers of original quarterly statements of TDS under sub-section (3) of section 200	Amount paid/credited	Amount of tax deducted (Rs.)	Amount of tax deposited/remitted (Rs.)

Total (Rs.)

I. DETAILS OF TAX DEDUCTED AND DEPOSITED IN THE CENTRAL GOVERNMENT ACCOUNT THROUGH BOOK ADJUSTMENT

(The deductor to provide payment wise details of tax deducted and deposited with respect to the deductee)

Sl. No	Tax Deposited in respect of the deductee (Rs.)	Book Identification Number (BIN)			
		Receipt numbers of Form No.24G	DDO serial number in Form No.24G	Date of transfer voucher(dd/mm/yyyy)	Status of matching with Form No. 24G
Total (Rs.)					

II. DETAILS OF TAX DEDUCTED AND DEPOSITED IN THE CENTRAL GOVERNMENT ACCOUNT THROUGH CHALLAN

(The deductor to provide payment wise details of tax deducted and deposited with respect to the deductee)

Sl. No	Tax Deposited in respect of the deductee (Rs.)	Challan Identification Number (CIN)			
		BSR Code of the Bank Branch	Date on which tax deposited (dd/mm/yyyy)	Challan Serial Number	Status of matching with OLTAS
Total (Rs.)					

Verification

I,....., son/daughter of working in the capacity of (designation) do hereby certify that a sum of Rs.[Rs. (in words)] has been deducted and deposited to the credit of the Central Government. I further certify that the information given above is true, complete and correct and is based on the books of account, documents, TDS statements, TDS deposited and other available records.

Place.....	(Signature of person responsible for deduction of tax)
Date.....	
Designation:	Full Name:

PART B (Annexure-I)
In relation to employees for tax deduction under section 192

Details of Salary Paid and any other income and tax deducted				
A.	Whether opting for taxation u/s 115BAC (1A)?		[YES/NO]	
1.	Gross Salary			
	a)	Salary as per provisions contained in sec.17(1)	Rs. ...	
	b)	Value of perquisites under section 17(2)(as per Form No 12BA, wherever applicable)	Rs. ...	
	c)	Profits in lieu of salary under section 17(3) (as per Form No. 12BA, wherever applicable)	Rs. ...	
	d)	Total		Rs. ...
	e)	Reported total amount of salary received from other employer(s)		
2.	Less: Allowances to the extent exempt under section 10			
	a)	Travel concession or assistance under section 10(5)	Rs. ...	
	b)	Death-cum-retirement gratuity under section 10(10)	Rs. ...	
	c)	Commuted value of pension under section 10(10A)	Rs. ...	
	d)	Cash equivalent of leave salary encashment under section 10(10AA)	Rs. ...	
	e)	House rent allowance under section 10(13A)		
	f)	Other special allowances under section 10(14)		
	g)	Amount of any other exemption under section 10		
		<i>clause ...</i>	Rs. ...	
		<i>clause ...</i>	Rs. ...	
		<i>clause ...</i>	Rs. ...	
		<i>clause ...</i>	Rs. ...	
		<i>clause ...</i>	Rs. ...	
		...	Rs. ...	
	h)	Total amount of any other exemption under section 10		Rs. ...
	i)	Total amount of exemption claimed under section 10 [2(a)+2(b)+2(c)+2(d)+2(e)+2(h)]		
3.	Total amount of salary received from current employer [1(d)-2(i)]			Rs. ...
4.	Less: Deductions under section 16			
	a)	Standard deduction under section 16(ia)	Rs. ...	
	b)	Entertainment allowance under section 16(ii)	Rs. ...	
	c)	Tax on employment under section 16(iii)	Rs. ...	
5.	Total amount of deductions under section 16 [4(a)+4(b)+4(c)]			Rs. ...
6.	Income chargeable under the head "Salaries" [(3+1(e)-5]			Rs. ...
7.	Add: Any other income reported by the employee under as per section 192(2B)		Rs. ...	
	a)	Income (or admissible loss) from house property reported by employee offered for TDS	Rs. ...	
	b)	Income under the head Other Sources offered for TDS		
8.	Total amount of other income reported by the employee [7(a)+7(b)]			
9.	Gross total income (6+8)			
10.	Deductions under chapter VI-A			
			Gross Amount	Deductible Amount
	a)	Deduction in respect of life insurance premia, contributions to provident fund etc. under section 80C	Rs. ...	Rs. ...
		Total		
	b)	Deduction in respect of contribution to certain pension funds under section 80CCC	Rs. ...	Rs. ...
	c)	Deduction in respect of contribution by taxpayer to pension scheme under section 80CCD (1)	Rs. ...	Rs. ...
	d)	Total deduction under section 80C, 80CCC and 80CCD(1)	Rs. ...	Rs. ...

e)	Deductions in respect of amount paid/deposited to notified pension scheme under section 80CCD (1B)		Rs. ...	Rs. ...
f)	Deduction in respect of contribution by Employer to pension scheme under section 80CCD (2)		Rs. ...	Rs. ...
g)	Deduction in respect of health insurance premia under section 80D		Rs. ...	Rs. ...
h)	Deduction in respect of interest on loan taken for higher education under section 80E		Rs. ...	Rs. ...
i)	Deduction in respect of contribution by the employee to Agnipath Scheme under section 80CCH		Rs. ...	Rs. ...
j)	Deduction in respect of contribution by the Central Government to Agnipath Scheme under section 80CCH		Rs. ...	Rs. ...
		Gross Amount	Qualifying Amount	Deductible Amount
k)	Total Deduction in respect of donations to certain funds, charitable institutions, etc. under section 80G	Rs. ...	Rs. ...	Rs. ...
l)	Deduction in respect of interest on deposits in savings account under section 80TTA	Rs. ...	Rs. ...	Rs. ...
m)	Amount deductible under any other provision(s) of Chapter VI-A			
	Section...	Rs. ...	Rs. ...	Rs. ...
	Section...	Rs. ...	Rs. ...	Rs. ...
	Section...	Rs. ...	Rs. ...	Rs. ...
	Section...	Rs. ...	Rs. ...	Rs. ...
	Section...	Rs. ...	Rs. ...	Rs. ...
	Section...	Rs. ...	Rs. ...	Rs. ...
	Section...	Rs. ...	Rs. ...	Rs. ...
	...	Rs. ...	Rs. ...	Rs. ...
n)	Total of amount deductible under any other provision(s) of Chapter VI-A	Rs. ...	Rs. ...	Rs. ...
11.	Aggregate of deductible amount under Chapter VI-A [10(d)+10(e)+10(f)+10(g)+10(h)+ 10(i)+10(j) +10(k) +10(l) +10(n)]			Rs. ...
12.	Total taxable income (9-11)			Rs. ...
13.	Tax on total income			Rs. ...
14.	Rebate under section 87A, if applicable			Rs. ...
15.	Surcharge, wherever applicable			Rs. ...
16.	Health and education cess @ 4%			Rs. ...
17.	Tax payable (13+15+16-14)			Rs. ...
18.	Less: Relief under section 89(attach details)			Rs. ...
19.	Less: Tax deducted at source as per Form No. 12BAA submitted under provisions of section 192(2B)			Rs. ...
20.	Less: Tax collected at source as per Form No. 12BAA submitted under provisions of section 192(2B)			Rs. ...
21.	Net tax payable (17-18-19-20)			Rs. ...

Verification

I _____ son/daughter of _____ working in the capacity of _____ (designation) do hereby certify that the information given above is true, complete and correct and is based on the books of account, documents, TDS statements, and other available records.

Place

Date

(Signature of person responsible for deduction of tax)

Full Name :

PART B (Annexure-II)

In relation to specified senior citizen for tax deduction under section 194P

A. Whether opting for taxation u/s 115BAC(1A)?		[YES/NO]		
1.	Gross Salary			
a)	Pension as per provisions contained in clause (ii) of section 17(1)		Rs. ...	
2.	Total amount of salary received			Rs. ...
3.	Less: Deductions under section 16			
a)	Standard deduction under section 16(ia)		Rs. ...	
b)	Tax on employment under section 16(iii)		Rs. ...	
4.	Total amount of deductions under section 16 [3(a)+3(b)]			Rs. ...
5.	Income chargeable under the head "Salaries" [(2-4)]			Rs. ...
6.	Interest Income under the head Other Sources paid by the specified bank		Rs. ...	
7.	Gross total income (5+6)			Rs. ...
8.	Deductions under chapter VI-A			
		Gross Amount	Deductible Amount	
a)	Deduction in respect of life insurance premia, contributions to provident fund etc. under section 80C		Rs. ...	Rs. ...
b)	Deduction in respect of contribution to certain pension funds under section 80CCC		Rs. ...	Rs. ...
c)	Deduction in respect of contribution by taxpayer to pension scheme under section 80CCD (1)		Rs. ...	Rs. ...
d)	Total deduction under section 80C, 80CCC and 80CCD(1)		Rs. ...	Rs. ...
e)	Deductions in respect of amount paid/deposited to notified pension scheme under section 80CCD (1B)		Rs. ...	Rs. ...
f)	Deduction in respect of health insurance premia under section 80D		Rs. ...	Rs. ...
g)	Deduction in respect of interest on loan taken for higher education under section 80E		Rs. ...	Rs. ...
		Gross Amount	Qualifying Amount	Deductible Amount
h)	Total Deduction in respect of donations to certain funds, charitable institutions, etc. under section 80G	Rs. ...	Rs. ...	Rs. ...
i)	Deduction in respect of interest on deposits in savings account under section 80TTB	Rs. ...	Rs. ...	Rs. ...
j)	Amount deductible under any other provision(s) of chapter VI-A			
	section ...	Rs. ...	Rs. ...	Rs. ...
	section ...	Rs. ...	Rs. ...	Rs. ...
	section ...	Rs. ...	Rs. ...	Rs. ...
	section ...	Rs. ...	Rs. ...	Rs. ...
	section ...	Rs. ...	Rs. ...	Rs. ...
	section ...	Rs. ...	Rs. ...	Rs. ...
	Rs. ...	Rs. ...	Rs. ...
k)	Total of amount deductible under any other provision(s) of Chapter VI-A	Rs. ...	Rs. ...	Rs. ...
9.	Aggregate of deductible amount under Chapter VI-A [8(d)+8(e)+8(f)+8(g)+8(h)+8(i)+8(k)]			Rs. ...
10.	Total taxable income (7-9)			Rs. ...
11.	Tax on total income			Rs. ...
12.	Rebate under section 87A, if applicable			Rs. ...
13.	Surcharge, wherever applicable			Rs. ...
14.	Health and education cess			Rs. ...
15.	Tax payable (11+13+14-12)			Rs. ...
16.	Less: Relief under section 89(attach details)			Rs. ...
17.	Net tax payable (16-17)			Rs. ...

Verification

I _____, Son/daughter of _____ working in the capacity of _____ (designation) do hereby certify that the information given above is true, complete and correct and is based on the books of account, documents, TDS statements, and other available records.

Place

Date

(Signature of person responsible for deduction of tax)

Full Name :

Notes:

1. Government deductors to fill information in item I of Part A if tax is paid without production of an income-tax challan and in item II of Part A if tax is paid accompanied by an income-tax challan.
2. Non-Government deductors to fill information in item II of Part A.
3. The deductor shall furnish the address of the Commissioner of Income-tax (TDS) having jurisdiction as regards TDS statements of the assessee.
4. If an assessee is employed under one employer only during the year, certificate in Form No. 16 issued for the quarter ending on 31st March of the financial year shall contain the details of tax deducted and deposited for all the quarters of the financial year.
5. (i) If an assessee is employed under more than one employer during the year, each of the employers shall issue Part A of the certificate in Form No. 16 pertaining to the period for which such assessee was employed with each of the employers.
(ii) Part B (Annexure-I) of the certificate in Form No.16 may be issued by each of the employers or the last employer at the option of the assessee.
(iii) Part B (Annexure-II) of the certificate in Form 16 may be issued by the specified bank to a specified senior citizen.
6. In Part A, in items I and II, in the column for tax deposited in respect of deductee, furnish total amount of tax, surcharge and health and education cess.
7. Deductor shall duly fill details, where available, in item numbers 2(f) and 10(k) before furnishing of Part B (Annexure-I) to the employee.

**TAMIL NADU POWER DISTRIBUTION CORPORATION LIMITED
(ACCOUNTS BRANCH)**

From
V. Savitha, B.Sc.,FCMA.,MBA.,
Chief Financial Controller/AAT,
144, Anna Salai,
Chennai-600 002.

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

Letter No.CFC/AAT/FC/TAX/AAO/F.Circular/D. 61/2025, dt.06.07.2025.

Sir,

Sub: TNPDCCL – Income Tax compliance – Amendments made vide Finance Act, 2025 – Rate of TDS/TCS applicable for FY 2025-26 and applicable rate of TDS/TCS – Instructions issued – Reg.

Ref: 1. Letter No.CFC/GL/FC/TAX/AAO/F.Circular/D.67/2024, dt.17.10.2024.
2. Finance Act, 2025.

In the reference 1st cited above, the rate for TDS/TCS applicable for Financial Year 2024-25, due date for remittance of TDS/TCS, filing of Quarterly return and consequences on failure to deduct/deposit TDS/TCS/file TDS return etc., was communicated.

The amendments made in the Finance Act 2025 and TDS/TCS rates applicable for Financial Year 2025-26, due date for remittance of TDS/TCS, due date for filing of Quarterly return, consequences of failure to deduct/collect TDS/TCS, consequences of failure to remit TDS/TCS or late payment and Penal provisions for default in filing returns are furnished below for information and for strict adherence.

TDS ON SALARY :

(i) TDS rate on payment of Salary and Wages :

TDS is to be deducted if estimated income of the Employee exceeds taxable income.

(ii) TDS rate :

Every DDO who is responsible for paying any income chargeable under the head "Salaries" shall at the time of payment deduct income-tax on the amount payable, at the average rate of income-tax (computed on the basis of the rates) in force for the financial year in which the payment is made, on the estimated income of the employee for that financial year. The income-tax is required to be calculated on the basis of the rates applicable for FY 2025-26 and TDS u/s.192 shall be deducted at the time of each payment.

Illustration: The income chargeable under the head "salaries" of an employee below sixty years of age during the Financial Year is Rs.16,00,000/- **and the employee opts to pay the tax under new tax regime.**

STEPS:

Income Chargeable under the head —“ Salaries”	Rs.16,75,000
Standard Deduction (u/s115BAC)	Rs. 75,000
Net Taxable salary	
Tax as per normal rates on Total Salary (including Cess)	Rs. 1,24,800
Average Rate of Tax [(1,24,800/16,00,000) X100]	7.80%
Amount required to be deposited each month [124800/12]	Rs.10,400

(iii) Employees who wish to opt for “Old Tax Regime” should furnish the required particulars in Form 12BB. *If no option is given, Income Tax is to be calculated with reference to “**New Tax Regime” by the DDOs.*** It may be noted that an option once exercised by an employee in a financial year is applicable for that Financial year and income tax will be deducted by the DDOs based on such option only. However, Employees with non-business income can switch between the new and old tax regimes while filing their Income Tax returns.

(iv) Amendment made in Finance Act, 2025:

1. Income Tax Rates and Slabs for Salaried individuals/employees for FY 2025-26:

A. Income tax slabs under new tax regime :

The Income tax slabs under the new regime is amended as follows:

Income tax slabs (Rs)	Income tax rate
From 0 to 4,00,000	0%
From 4,00,001 to 8,00,000	5%
From 8,00,001 to 12,00,000	10%
From 12,00,001 to 16,00,000	15%
From 16,00,001 to 20,00,000	20%
From 20,00,001 to 24,00,000	25%
From 24,00,001 and above	30%

B. Income tax slabs under old tax regime :

There has been no change in Income Tax slabs to the Old Tax Regime. The Income Tax Slab under Old Tax Regime is furnished below:

Individuals – Age below 60 years		Resident Senior Citizens Age 60 years or above but below 80 years		Resident Super Senior Citizens Age 80 years and above	
Income tax slabs	Income Tax rate	Income tax slabs	Income Tax rate	Income tax slabs	Income Tax rate
Up to Rs.2,50,000	Nil	Up to Rs.3,00,000	Nil	Up to Rs.5,00,000	Nil
Rs.2,50,001 to Rs.5,00,000	5%	Rs.3,00,001 to Rs.5,00,000	5%	Rs.5,00,001 to Rs.10,00,000	20%
Rs.5,00,001 to Rs.10,00,000	20%	Rs.5,00,001 to Rs.10,00,000	20%	Above Rs.10,00,000	30%
Above Rs.10,00,000	30%	Above Rs.10,00,000	30%		

C. Surcharge :

The rates of Surcharge under Old and New Tax Regimes are as under:

Total Income (Rs)	Surcharge rate under Old Tax Regime	Surcharge rate under New Tax Regime
Up to Rs. 50 Lakh	Nil	Nil
Above Rs. 50 Lakh and up to Rs. 1 Crore	10%	10%
Above Rs. 1 Crore and up to Rs. 2 Crore	15%	15%
Above Rs. 2 Crore and up to Rs. 5 Crore	25%	25%
Above Rs. 5 Crore	37%	25%

D. Education Cess :

The rate of Health and Education Cess remains the same in both the regimes (Old and New Tax Regime) and shall be levied at the rate of 4% of Income Tax plus surcharge..

E. Rebate u/s 87A :

The threshold limit u/s.87A for New Tax Regime has been increased and there is no change in Old Tax Regime. The threshold limit for total income eligible for rebate and the rebate available under Section 87A is as below:

Particulars	Threshold Limit	Rebate amount
New Tax Regime	Rs.12,00,000	Rs.60,000 or amount of tax payable on the total income whichever is less
Old Tax Regime	Rs.5,00,000	Rs.12,500 or amount of tax payable on the total income whichever is less

No rebate is available if Total income exceeds Rs.5,00,000/- under Old Tax Regime and Total income exceeds Rs.12,00,000/- under New Tax Regime.

Marginal Relief under New Tax Regime:

Marginal rebate under section 87A shall be allowed in the new tax regime under Section 115BAC (1A) where total income marginally exceeds Rs.12,00,000 but does not exceed Rs.12,70,588/-. If net income exceeds Rs. 12,00,000 but does not exceed Rs.12,70,588, income tax on such income will be equal to the amount which exceeds Rs.12,00,000/-. If total income exceeds Rs.12,70,588/- no rebate is allowed. Here is an example to understand how this marginal relief will benefit small taxpayers:

Particulars	Workings (in Rs.)		
Gross Total Income after Standard deduction [Taxable income]	12,10,000	12,50,000	12,71,000
Tax as per slab rate	61,500	67,500	70,650
Excess of Total income over Rs.12 lakhs	10,000	50,000	71,000
Rebate u/s.87A	51,500	17,500	0
Tax liability	10,000	50,000	70,650
Add: Education cess @ 4%	400	2,000	2,830
Net Tax payable	10,400	52,000	73,480

F. Standard deduction u/s. 16 of Income Tax Act 1961 for Salaried employees and Family Pensioners:

There has been no change in Standard deduction for FY 2025-26 in New Tax Regime and Old Tax Regime.

(i) In the case of New Tax Regime, Standard deduction for Salaried employees is Rs.75,000/- for FY 2025-26 and Standard deduction for Salaried employees under Old Regime is only Rs.50,000/-.

(ii) The standard deduction on family pension under new tax regime is allowed Rs.25,000/- or 1/3rd of the pension amount, whichever is less.

G. Furnishing Form 12BB :

As per Notification No.30/2016, dt.26.04.2016 issued by CBDT every employee shall furnish Form 12BB (Format enclosed) as under:-

The employee shall furnish to the person responsible for making payment of salary, the evidence for the purpose of estimating his/her income for computing TDS.

Nature of claim	Evidence
House Rent Allowance (HRA)	Name, address and PAN of landlord where aggregate rent paid during previous year exceeds Rs.1 lakh
Deduction of interest under Income from House property	Name, address and PAN of the banker
Deduction under Chapter VIA	Evidence of expenditure
Other exemption u/s 10	Supporting document

Form 12BB is a document in which employees have to declare their investments and expenses that are eligible for tax deductions. The employee must also provide documentary proof of these at the end of the financial year. The DDOs should verify the details in Form 12BB with evidence of exemptions/deductions claimed by the employee.

The Drawing and Disbursing Officers should satisfy themselves about the actual deposits/subscriptions/payments made by the employees, by calling for such particulars/information as they deem necessary before allowing the aforesaid deductions/exemptions.

2. Amendments in TDS/TCS provisions :

The following few Amendments in TDS/TCS provisions in Finance Act 2024 are reiterated for strict adherence and compliance of provisions of Income Tax.

a) Amendment of section 206C (1F) of the Income Tax Act, 1961 :-

Sec.206 (1F) shall be substituted with effect from the 1st day of January, 2025, as:-

- “ every person, being a seller, who receives any amount of consideration for sale of-
- (1) a motor vehicle; or
 - (2) *any other goods , as may be specified by the Central government by notification in the official Gazette, [not yet listed by government]*

of the **value exceeding ten lakh rupees, shall, at the time of receipt of such amount, collect from the buyer, a sum equal to one percent of the sale consideration as Income Tax."**

b) Amendment of section 206C (7) of the Income Tax Act, 1961:-

With effect from 01.04.2025, the Interest on Belated payment of Tax Collected at Source (TCS) to Government account u/s.206C(7) shall be increased from 1% to 1.5% p.m. Hence, w.e.f. 01.04.2025, the interest on delay in payment of TCS has to be calculated @ 1.5% for every month or part thereof on the amount of such tax from the date on which such tax was collected to the date on which such such tax is actually paid.

c) Insertion of new proviso in section 200 (3) & 206C (3B)

(effective from April 1, 2025) :

"No correction statement shall be delivered after the expiry of six years from the end of the financial year in which the statement referred to in the proviso to Sub-section (3) is required to be delivered."

Hence, with the insertion of the above provisions in the Finance Act 2024, filing of TDS/TCS correction Statement is restricted to 6 years from the end of the Financial Year in which regular statement is required to be filed. By imposing a time limit of 6 years, the Government aims to reduce the number of out dated corrections. Thus, the TDS/TCS correction returns cannot be filed from 01.04.2025 for the period till FY 2018-19 since the period of 6 years has expired on 31.03.2025. Therefore, all TDS/TCS defaults for FY 2019-20 has to be cleared within 31st March 2026 and steps must be taken for clearing TDS defaults on war footing basis since correction returns cannot be filed beyond 6 years from the end of Financial Year in which statement is to be delivered.

d) Amendment of section 271H of the Income Tax Act, 1961:- (w.e.f. 01.04.2025)

If TDS or TCS returns are not filed on time, then tax deductor (TNPDC) needs to pay penalty ranging from Rs.10,000 to Rs.1,00,000/-. No penalty shall levied if person proves that after paying TDS or TCS along with fees and interest to the credit of the central government, the person has filed the TDS/TCS statement before the expiry period of 1 month from the time prescribed for furnishing such statement. (w.e.f. 01.04.2025)

While earlier the due date to file a belated return by the assesseees was one year from the end of the assessment year, the time limit presently is 31st December of the same assessment year. Deductees/collectees face great inconvenience if the TDS/TCS statements by deductors/collectors are not furnished in time leading to mismatch in TDS/TCS during processing of income tax

returns and raising of infructuous demands. This amendment aims to resolve the issues faced by the deductees due to the late filing of TDS/TCS returns by ensuring that the returns are filed on time

As the new amendment shortens this period to one month, requiring TDS/TCS statements to be filed within a month of the due date to avoid penalty ranging from Rs.10,000/- to Rs.1,00,000/-. (w.e.f. 01.04.2025)

3. (i) TDS rates for Financial Year 2025-26 :

The TDS rates applicable for FY 2025-26 as per Income Tax Portal is enclosed. However, TDS rates applicable on certain expenses are provided below for easy reference.

Sl. No.	Nature of Payments	Section	TDS rate for other than specified person	Threshold limit (in Rs.)	TDS rate if PAN not furnished u/s.206 AA]
1.	Salary as per rates for F.Y.2025-26	192	Slab rates	Income Tax slab	
2.	Interest on listed Securities like debentures, bonds etc.,	193	10%	10,000/-	20%
3.	Dividend for an individual shareholder	194	10%	10,000/-	20%
4.	Interest other than interest on securities	194A	10%	10,000/-	20%
<i>Interest paid to any Institutions other than a banking Company to which the Banking Regulations Act, 1949 applies is subject to TDS. For claiming exemption from TDS deductions, Central Government Notification u/s.194A(3)(iii)(f) of Income Tax Act, 1961 is required.</i>					
5.	Payment to Contractors by any person			30,000 (single bill) or 1 lakh aggregate bills during the financial year	
	Individual/HUF	194C	1%		20%
	Others	194C	2%		20%
6.	Payment of commission or Brokerage	194H	2%	aggregate bills during the financial year exceeds Rs.20,000	20%
7.	Rent for Plant and machinery	194I(a)	2%	50,000 Per month / Part of the month	20%
8.	Rent for immovable property (Land, building, furniture and fittings)	194I(b)	10%	50,000 Per month / Part of the month	20%
9.	Payment made on account of transfer of immovable property other than agricultural	194IA	1% of such sum or the stamp duty value of	50,00,000	20%

	land. **		such property whichever is higher																	
10.	Payment of Professional or Technical services, Royalty etc.																			
	Technical services, call center, certain royalties	194J	2%	aggregate bills during the financial year exceeds 50,000	20%															
	Professional fees and others	194J	10%	aggregate bills during the financial year exceeds 50,000	20%															
11.	Compensation on transfer of certain immoveable property than Agriculture Land	194LA	10%	5,00,000	20%															
12.	Purchase of goods (w.e.f. 01.07.2021)	194Q	0.1%	50,00,000 [TDS has to be deducted on the value above Rs.50 lakhs]	5%															
13.	Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond)	194LC	5% or 4%***or 9%#	*** In case where interest is payable in respect of Long-term Bond or Rupee Denominated Bond listed on recognised stock exchange located in IFSC. # Where money borrowed from a source outside India by issuing a long-term bond or rupee-denominated bond on or after 01-07-2023, which is listed only on a recognised stock exchange located in an IFSC	-															
14.	a) Income from fees for technical services payable to Non-Resident	195	20%+Applicable surcharge and H&E cess of 4% on TDS and surcharge	No threshold limit <i>Surcharge shall be applicable as per the slab rate for non-corporate/individual</i> <table><tr><td></td><td>Old regime</td><td>New regime</td></tr><tr><td>50 lac to 1 crore</td><td>10%</td><td>10%</td></tr><tr><td>1 crore to 2 crore</td><td>15%</td><td>15%</td></tr><tr><td>2 crore to 5 crore</td><td>25%</td><td>25%</td></tr><tr><td>5 crore and above</td><td>37%</td><td>25%</td></tr></table>		Old regime	New regime	50 lac to 1 crore	10%	10%	1 crore to 2 crore	15%	15%	2 crore to 5 crore	25%	25%	5 crore and above	37%	25%	
	Old regime	New regime																		
50 lac to 1 crore	10%	10%																		
1 crore to 2 crore	15%	15%																		
2 crore to 5 crore	25%	25%																		
5 crore and above	37%	25%																		
	b) Any Income payable to Non-Resident	195																		
	c) Other than Companies		30% + Applicable surcharge and cess of 4% on TDS & surcharge	<i>For non-corporate firms</i> <i>up to Rs.1 crore = Nil</i> <i>above Rs.1 crore = 12</i>																

	D) Companies		35% + Applicable surcharge and cess of 4% on TDS and surcharge	<u>For corporate</u> 1) 1 to 10 crore = 2% 2) 10 crore and above = 5%	
--	--------------	--	--	---	--

**Any sum deducted under section 194-IA shall be paid to the credit of the Central Government within a period of thirty days from the end of the month in which the deduction is made through a challan-cum-statement in Form No.26QB. It shall not be reported in Form 26Q instead it must be paid through Form 26QB challan. On payment in Form 26QB, Form 16B can be generated from TRACES portal and issued to the Seller.

(ii) TDS on Security Deposit interest u/s.194A :

It has come to the knowledge of Head Quarters that TDS Quarterly Return in Form 26Q has not been filed by many TNPDCCL offices on the interest income credited to HT & LT consumers against their security deposits. As per instructions in vogue, all the interest on security deposit (HT & LT consumers) has to be remitted in Central Office TAN and TDS return has to be filed within the due date.

(iii) TCS rates for Financial Year 2025-26:

Sl. No.	Nature of Receipts	Section	TCS rate	TCS rate if no PAN/Invalid PAN
1.	Sale of Scrap	206C(1)	1%	5%
2.	Sale of Motor Vehicles Sale of any other goods (w.e.f. 01.01.2025) as may be notified by the Central Government. The central Government has notified 10 luxury goods. [Threshold limit – Receipt of consideration for sale of Motor Vehicles or any other goods exceeding Rs.10 lakhs]	206C(1F)	1%	5%

(iv) Removal of Section 206AB & 206CCA [higher TDS / TCS for Non-filers of ITR]:

In Financial Year 2024-25, higher rate of TDS / TCS under section 206AB and 206CCA applies in case the recipient or buyer has not filed the return of income for the immediately preceding year and the TDS / TCS exceeds Rs. 50,000. **These sections are omitted in Finance Act w.e.f. 01.04.2025. Thus, there is no need now to verify if the person has filed tax returns or not in order to determine the TDS or TCS rates.**

(v) Removal of TCS on sale of goods u/s.206C(1H) :

In Financial Year 2024-25, TCS under section 206C(1H) is required to be collected by the seller of goods above Rs.50 lakh. Due to removal of TCS u/s.206C(1H) from 01.04.2025, there will be no TCS on sale of goods.

(vi) Due date for depositing TDS/TCS:

Month	Salary	Other payments
<u>Tax Deducted at Source (TDS)</u>		
April to February	7 th of next month	7 th of next month
March	30 th April	30 th April
<u>Tax Collected at Source (TCS)</u>		
April to March	-	7 th of next month

(vii) Due date for filing Quarterly TDS & TCS statements :

<u>Quarter ending</u>	<u>Due date for TDS</u>	<u>Due date for TCS</u>
30 th June	31 st July of Financial Year	15 th July of Financial Year
30 th September	31 st October of Financial Year	15 th October of Financial Year
31 st December	31 st January of Financial Year	15 th January of Financial Year
31 st March	31 st May of immediately following Financial Year	15 th May of immediately following Financial Year

(viii) Consequences of failure to deduct TDS/collect TCS :

- **Interest for failure to deduct TDS u/s 201(1A):** Interest @ 1% per month or part thereof is payable from the date when TDS was deductible to the date of actual deduction. (Any part of a month is considered as a full month).
- **Interest for failure to collect TCS u/s.206C(7):** Interest @ 1% per month or part of the month is payable from the date when TCS was collectible till the date of actual collection of TCS.
- **Penalty u/s 271C :** For Failure to deduct TDS, Penalty is equal to the amount of tax which such person failed to deduct or pay.
- **Penalty u/s.271CA:** Failure to collect TCS, Penalty equal to the amount of tax which such person failed to collect or pay.

(ix) Consequences of failure to deposit Tax/Late payment:

- **Interest for failure to remit TDS u/s 201(1A):** Interest @ 1½% per month from date of deduction till date of actual payment.
- **Interest for failure to remit TCS u/s.206C(7):**
Interest @ 1% per month (upto 31.03.2025) and 1.5% per month (w.e.f. 01.04.2025) is payable from the date of actual collection of TCS till the date of remittance of TCS.

(x) Filing of TDS/TCS correction statement :

It is informed that 'as per insertion of new provisions in section 200(3) & 206C(3B), the ***filing of TDS/TCS correction Statement is restricted to 6 years from the end of the Financial Year in which the regular statement is required to be filed.*** Hence, no correction statement can be filed after expiry of six years from the end of Financial Year in which statement is to be filed.

(xi) Penal provisions for default in submitting TDS returns and TCS returns :

Penalty for Default in submission of TDS returns:

IT section	Nature of default	Penalty/fine
Section 234 E	Failure to file TDS return in time	Fine of Rs.200/- every day during which failure continues subject to the maximum of TDS amount.
Section 271H (Penalty for failure to furnish statements, etc.)	Defaults for more than 1 month in filing TDS statements, furnishes incorrect PAN, TDS amount, Challan particulars etc. (with effect from 01.04.2025)	Penalty shall not be less than 10,000/- but which extend upto Rs.1,00,000/-.

It is once again instructed that the Interest/penalty/Late fees for any non-compliance of TDS provisions shall not be borne by TNPDCCL (erstwhile TANGEDCO) from 01.04.2018 and such interest/penalty will have to be recovered from concerned staff/officers who is responsible for such non-compliance.

4. Other Amendments:

(i) **Annual value of self-occupied Property :**

W.e.f 01-04-2025, Section 23 of the Income-tax Act has been amended to state that the annual value of a property consisting of a house, or any part of it, shall be considered **nil** if the owner occupies it for their own residence or if the owner cannot actually occupy it due to any reason. The benefit remains applicable to a maximum of 2 houses owned by the assessee w.e.f. 01.04.2025.

(ii) **Perquisites :**

As per the existing provisions of Section 17(2) of the Income-tax Act, the expenditure incurred by the employer for traveling outside India on the medical treatment of the employee or his family member is not treated as a taxable perquisite if the employee's gross total income does not exceed ₹2,00,000 [Section 17(2)(viii) proviso (vi)3(B)], and non-monetary perquisites such as housing, car, or club membership are to be included in salary for TDS purposes if the employee's salary exceeds ₹50,000 (excluding the value of such perquisites) [Section 17(2)(iii)(c)].

However, with effect from 1st April 2026, an amendment has been made whereby the fixed monetary limits of ₹2,00,000 and ₹50,000 have been replaced with the phrase "such amount as may be prescribed," meaning that the Central Government will now notify these threshold limits through rules from time to time, and employers shall apply the notified limits while computing salary and deducting tax at source accordingly.

(iii) **W.e.f. 01-04-2026, Section 80CCD of the Income-tax Act** has been amended to allow a new benefit for contributions made to a pension account opened in the name of a minor. If a parent or guardian makes a payment into such an account, they can claim a deduction under Section 80CCD(1B), subject to the condition that the aggregate amount of deduction under this sub-section shall not exceed ₹50,000 in a financial year.

5. Payment exceeding Rs.10000 by Cash/open cheque:

Section 40A(3) provides for disallowance of any expenditure for which payment exceeding Rs.10,000/- is made through any mode other than an account payee cheque or an account payee bank draft or using ECS through a bank account. Section 43 (1) specifies that where an assessee incurs any expenditure for the purchase of an asset or part thereof and in respect of such acquisition, he makes a payment or aggregate of payments exceeding Rs.10,000/- in a day to a person in any mode other than account payee cheque or account payee bank draft or using the ECS through a bank account then such

expenditure shall not be included in the determination of the actual cost. In other words TNPDCCL will loose depreciation benefit under the Income Tax Act if the above rules are not complied with.

In many Circles, the Temporary Advance payment are being made through uncrossed cheque. In this regard, it is informed that payments through uncrossed cheques are equivalent to cash payments and the cash payments exceeding Rs.10000 will be disallowed except on circumstances specified in Rule 6DD of the Income Tax Rules, 1962.

6. Disallowance of expenditure :

As per section 40(a) (i) of the Income Tax Act,1961 any sum payable outside India by TNPDCCL, which is chargeable in the hands of the recipient shall not be allowed as an expenditure to TNPDCCL if it is paid without deduction of tax at source or tax at source deducted but not deposited till the due date of filing of Income Tax Return.

Similarly as per section 40a(ia) of Income Tax Act, 1961 for any non-deduction of Tax at Source on the expenditure incurred by TNPDCCL or if tax at source is deducted but not deposited till due date for filing of Income Tax Return of TNPDCCL, the expenditure would attract 30% disallowance under the Income Tax, 1961.

7. Linking of PAN with Aadhaar:

It is once again requested to verify the PAN Aadhar linking status of individuals in TRACES portal using login credential of the TAN. If the PAN status is reported as Inoperative, action may be taken for recovery of Tax @ 20% and inform the respective PAN Aadhar non linked Employees/Vendors/LT & HT consumers/Fly Ash Vendors/Scrap dealers/Contractors/K2 contracts etc. to take necessary steps for linking their PAN with Aadhaar so as to avoid higher TDS/TCS for future transactions.

8. Extension of due date of filing ITR:

CBDT has extended the due date for filing of ITRs by Individual ` from 31st July 2025 to 15th September, 2025.

9. Declaration for TDS u/s.194Q (HT/LT consumers):

It is informed that requests for refund of TDS u/s.194Q will not be entertained in respect of HT/LT consumers, as the necessary provisions for allowing TDS u/s.194Q are already available in HT & LT packages.

In view of the above, it is once again reiterated that all eligible HT/LT consumers may be suitably informed to file the declaration for TDS u/s.194Q with the

respective Circles. This should be done after verifying and ensuring that all their service connections are updated with correct PAN and Name [by filing necessary applications] so as to avoid TDS adjustment or refund requests from consumers at a later stage. All EDCs should also ensure that for the deductions made u/s 194Q, consumers uploads Form 16A quarterly (Refer instructions already furnished in this regard, vide Circular No.CFC/GL/FC/TAX/F.TDS-194Q/D.72/2023, dt19.10.2023)

Any queries/clarification shall be immediately brought to Taxation wing then and there.

V. S. Srinivasan
16/7/23

CHIEF FINANCIAL CONTROLLER/AAT

2/2

Copy to the Chief Engineer/IT/TNPDCL – for information and necessary action.

Copy to the Chief Financial Controller/Revenue – for information and necessary action.

Copy to the Superintending Engineer/IT-2 – for incorporating the Income Tax rates
and threshold limit in ERP.

Copy to the Chief Financial Controller/General & RC.

Copy submitted to all the Directors/TNPDCL, TNPGL & TNGECL.

Copy to APO (Tamil Development section – 2 Copies) for arranging to publish in TNPDCL gazette

FORM NO.12BB

(See rule 26C)

1. Name, Designation and address of the employee:			
2. Permanent Account Number of the employee:			
3. Financial year:			
Details of claims and evidence thereof			
Sl No.	Nature of claim	Amount (Rs.)	Evidence / particulars
(1)	(2)	(3)	(4)
1	House Rent Allowance: (i) Rent paid to the landlord (ii) Name of the landlord (iii) Address of the landlord (iv) Permanent Account Number of the landlord Note: Permanent Account Number shall be furnished if the aggregate rent paid during the previous year exceeds one Lakh rupees		
2	Leave travel concessions or assistance		
3	Deduction of interest on borrowing: (i) Interest payable/paid to the lender (ii) Name of the lender (iii) Address of the lender (iv) Permanent Account Number of the lender (a) Financial Institutions(if available) (b) Employer(if available) (c) Others		
4	Deduction under Chapter VI-A* (A) Section 80C,80CCC and 80CCD (i) Section 80C (a) (b) (c) (d) (e) (f)..... (ii) Section 80CCC (iii) Section 80CCD (B) Other sections (e.g. 80E, 80G, 80TTA, etc.) under Chapter VI-A. (i) section..... (ii) section..... (iii) section..... (iv) section.....		
Verification			
I,.....,son/daughter of.....do hereby certify that the information given above is complete and correct.			
Place.....		(Signature of the employee) Full Name	
Date.....			
Designation			

*For claiming deduction under 80D(Medical Insurance), a copy of Insurance certificate containing the name of the insured persons may be enclosed.



Income Tax Department

Government of India

Disclaimer:

The contents of this document are for information purposes only. This aims to enable public to have a quick and an easy access to information and do not purport to be legal documents.

Viewers are advised to verify the content from Government Acts/Rules/Notifications etc.

Rates for tax deduction at source*

[For Assessment year 2026-27]

Particulars	TDS Rates (in %)
1. In the case of a person other than a company	
1.1 where the person is resident in India-	
Section 192: Payment of salary	Normal Slab Rate
Section 192A: Payment of accumulated balance of provident fund which is taxable in the hands of an employee.	10
Section 193: Interest on securities	
a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	10
b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	10
c) any security of the Central or State Government; [i.e. 8% Savings (Taxable) Bonds, 2003 and 7.75% Saving (Taxable) Bonds, 2018, Floating Rate Savings Bonds, 2020 (Taxable) or any other notified security]	10
d) interest on any other security	10
Section 194: Income by way of dividend	10
Section 194A: Income by way of interest other than "Interest on securities"	10
Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort, or from gambling or betting of any form or nature whatsoever.	30
Section 194BA: Income by way of winnings from any online game	30
Section 194BB: Income by way of winnings from horse races	30
Section 194C: Payment to contractor/sub-contractor	
a) HUF/Individuals	1
b) Others	2

<u>Section 194D</u> : Insurance commission	5
<u>Section 194DA</u> : Payment in respect of life insurance policy	2
<u>Section 194EE</u> : Payment in respect of deposit under National Savings scheme	10
<u>Section 194F</u> : Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India <i>Note: The provisions of this section are not applicable with effect from 01-10-2024</i>	20
<u>Section 194G</u> : Commission, etc., on sale of lottery tickets	2
<u>Section 194H</u> : Commission or brokerage	2
<u>Section 194-I</u> : Rent	
a) Plant & Machinery	2
b) Land or building or furniture or fitting	10
<u>Section 194-IA</u> : Payment on transfer of certain immovable property other than agricultural land	1
<u>Section 194-IB</u> : Payment of rent by individual or HUF not liable to tax audit	2
<u>Section 194-IC</u> : Payment of monetary consideration under Joint Development Agreements	10
<u>Section 194J</u> : Fees for professional or technical services:	2
i) sum paid or payable towards fees for technical services	2
ii) sum paid or payable towards royalty in the nature of consideration for sale, distribution or exhibition of cinematographic films;	10
iii) Any other sum	
Note : With effect from June 1, 2017 the rate of TDS would be 2% in case of payee engaged in business of operation of call center.	
<u>Section 194K</u> : Income in respect of units payable to resident person	10
<u>Section 194LA</u> : Payment of compensation on acquisition of certain immovable property	10
<u>Section 194LBA(1)</u> : Business trust shall deduct tax while distributing, any interest received or receivable by it from a SPV or any income received from renting or leasing or letting out any real estate asset owned directly by it, to its unit holders.	10
<u>Section 194LBB</u> : Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)]	10
<u>Section 194LBC</u> : Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	10
<u>Section 194M</u> : Payment of commission (not being insurance commission), brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct TDS under section 194C , 194H , or 194J . Tax shall be deducted under Section 194M with effect from 1/09/2019 when aggregate of sum credited or paid during a financial year exceeds Rs. 50 lakh.	2
<u>Section 194N</u> : Cash withdrawal during the previous year from one or more account maintained by a person with a banking company, co-operative society engaged in business of banking or a post office:	2
i) in excess of Rs. 1 crore#	2/5

<p>ii) in excess of Rs. 20 lakhs*</p> <p>* for those persons who have not filed return of income (ITR) for three previous years immediately preceding the previous year in which cash is withdrawn, and the due date for filing ITR under section 139(1) has expired. The deduction of tax under this situation shall be at the rate of:</p> <p>a) 2% from the amount withdrawn in cash if the aggregate of the amount of withdrawal exceeds Rs. 20 lakhs during the previous year; or</p> <p>b) 5% from the amount withdrawn in cash if the aggregate of the amount of withdrawal exceeds Rs. 1 crore during the previous year.</p> <p># The threshold limit of Rs. 1 crore is increased to Rs. 3 crores if the withdrawal of cash is made by co-operative society.</p>	
Section 194-O: Payment or credit of amount by the e-commerce operator to e-commerce participant	0.1
Section 194P: Deduction of tax by specified bank in case of senior citizen having age of 75 or more	Tax on total income as per rate in force
Section 194Q: Payment for purchase of goods of the aggregate value exceeding Rs. 50 lakhs Note: TDS is deductible on sum exceeding Rs. 50 lakhs	0.1
Section 194R: Deduction of tax in case any benefit or perquisite is provided and aggregate value of such benefit/perquisite exceeds Rs. 20,000 Note: Benefit or perquisite should be arising from business or the exercise of a profession by such resident.	10
Section 194S: Payment on transfer of Virtual Digital Asset Note: No tax shall be deducted under this provision in the following circumstance: • If the consideration is payable by any person (other than a specified person) and its aggregate value does not exceed Rs. 10,000 during the financial year. • if the consideration is payable by a specified person and its aggregate value does not exceed Rs. 50,000 during the financial year. Specified person means: (a) An individual or a HUF, whose total sales, gross receipts or turnover does not exceed Rs. 1 crore in case of business or Rs. 50 lakhs in case of a profession, during the financial year immediately preceding the financial year in which virtual digital asset is transferred; (b) An individual or a HUF who does not have any income under the head profits and gains of business or profession.	1
Section 194T: Payments of any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the firm. Note: (1) This provision is effective from 01-04-2025 (2) No deduction if aggregate of such sum paid/payable does not exceed Rs. 20,000 during the financial year.	10
Any Other Income	10

1.2 where the person is not resident in India*-	
Section 192: Payment of Salary	Normal Slab Rate
Section 192A: Payment of accumulated balance of provident fund which is taxable in the hands of an employee.	10
Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort or from gambling or betting of any form or nature whatsoever.	30
Section 194BA: Income by way of winnings from any online game	30
Section 194BB: Income by way of winnings from horse races	30
Section 194E: Payment to non-resident sportsmen/sports association	20
Section 194EE: Payment in respect of deposits under National Savings Scheme	10
Section 194F: Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India <i>Note: The provisions of this section are not applicable with effect from 01-10-2024</i>	20
Section 194G: Commission, etc., on sale of lottery tickets	2
Section 194LB: Payment of interest on infrastructure debt fund	5
Sec. 194LBA(2): Payment of the nature referred to in Section 10(23FC)(a) .	5
Section 194LBA(2): Payment of the nature referred to in Section 10(23FC)(b) .	10
Section 194LBA(3): Payment of the nature referred to in section 10(23FCA) , by business trust to unit holders	30
Section 194LBB: Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)].	30
Section 194LBC: Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	30
Section 194LC: Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond)	<p>5 or 4* or 9**</p> <p>* In case where interest is payable in respect of Long-term Bond or Rupee Denominated Bond listed on recognised stock exchange located in IFSC</p> <p>** Where money borrowed from a source outside India by issuing a long-term bond or rupee-denominated bond on or after 01-04-2023, which is listed only on a recognised stock</p>

	exchange located in an IFSC
<u>Section 194LD</u> : Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor	5
<u>Section 194N</u> : Cash withdrawal during the previous year from one or more account maintained by a person with a banking company, co-operative society engaged in business of banking or a post office: i) in excess of Rs. 1 crore ii) in excess of Rs. 20 lakhs* * for those persons who have not filed return of income (ITR) for three previous years immediately preceding the previous year in which cash is withdrawn, and the due date for filing ITR under section 139(1) has expired. The deduction of tax under this situation shall be at the rate of: a) 2% from the amount withdrawn in cash if the aggregate of the amount of withdrawal exceeds Rs. 20 lakhs during the previous year; or b) 5% from the amount withdrawn in cash if the aggregate of the amount of withdrawal exceeds Rs. 1 crore during the previous year.	2 2/5
<u>Section 194T</u> : Payments of any sum in the nature of salary, remuneration, commission, bonus or interest to a partner of the firm. Note: (1) This provision is effective from 01-04-2025 (2) No deduction if aggregate of such sum paid/payable does not exceed Rs. 20,000 during the financial year.	10
<u>Section 195</u> : Payment of any other sum to a Non-resident a) Income in respect of investment made by a Non-resident Indian Citizen b) Income by way of long-term capital gains referred to in Section 115E in case of a Non-resident Indian Citizen, c) Income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-Section (1) of Section 112 d) Income by way of long-term capital gains as referred to in Section 112A exceeding Rs. 1,25,000 e) Income by way of short-term capital gains referred to in Section 111A f) Any other income by way of long-term capital gains [not being long-term capital gains referred to in sections 10(33) , 10(36)]: g) Income by way of dividend from a unit in International Financial Services Centre h) Income by way of dividend [Other than (g)] i) Income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in Section 194LB or Section 194LC) j) Income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of Section 115A of the Income-tax Act, to	20 12.5 12.5 12.5 20 12.5 10 20 20 20

the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of Section 115A of the Income-tax Act, to a person resident in India	
k) Income by way of royalty [not being royalty of the nature referred to point h) above] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	20
l) Income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy	20
m) Any other income	30
Section 196A : Income in respect of units of non-resident	20
Section 196B : Income from units referred to in section 115AB(1)(i)	10
Section 196B : Long-term capital gain on transfer of units referred to in section 115AB ,	12.5
Section 196C : Income by way of interest or dividends in respect of bonds or GDR referred to in section 115AC	10
Section 196C : Long-term capital gain arising from transfer of bonds or GDR referred to in section 115AC	12.5
Section 196D : Income of foreign Institutional Investors from securities (not being dividend or capital gain arising from such securities) Note: Tax shall be deducted at the rate provided under DTAA if same is lower than the existing TDS rate of 20%.	20
Section 196D(1A) : Income in respect of securities referred to in section 115AD(1)(a) payable to specified fund [referred to in clause (c) of Explanation to section 10(4D)] Note: Since recipient of income is a specified fund, surcharge & health and education cess shall be nil.	10
2. In the case of a company-	
2.1 where the company is a domestic company-	
Section 193 : Interest on securities	
a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, State or Provincial Act;	10
b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	10
c) any security of the Central or State Government; [i.e. 8% Saving (Taxable) Bonds, 2003 and 7.75% Saving (Taxable) Bonds, 2018, Floating Rate Savings Bonds, 2020 (Taxable) or any other notified security]	10
d) interest on any other security	10

<u>Section 194</u> : Dividend	10
<u>Section 194A</u> : Income by way of interest other than "Interest on securities"	10
<u>Section 194B</u> : Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort or from gambling or betting of any form or nature whatsoever.	30
<u>Section 194BA</u> : Income by way of winnings from any online game	30
<u>Section 194BB</u> : Income by way of winnings from horse races	30
<u>Section 194C</u> : Payment to contractor/sub-contractor	
a) HUF/Individuals	1
b) Others	2
<u>Section 194D</u> : Insurance commission	10
<u>Section 194DA</u> : Payment in respect of life insurance policy	2
w.e.f. 1/9/2019, the tax shall be deducted on the amount of income comprised in insurance pay-out	
<u>Section 194EE</u> : Payment in respect of deposit under National Savings scheme	10
<u>Section 194F</u> : Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India <i>Note: The provisions of this section are not applicable with effect from 01-10-2024</i>	20
<u>Section 194G</u> : Commission, etc., on sale of lottery tickets	2
<u>Section 194H</u> : Commission or brokerage	2
<u>Section 194-I</u> : Rent	
a) Plant & Machinery	2
b) Land or building or furniture or fitting	10
<u>Section 194-IA</u> : Payment on transfer of certain immovable property other than agricultural land	1
<u>Section 194-IC</u> : Payment of monetary consideration under Joint Development Agreements	10
<u>Section 194J</u> : Fees for professional or technical services:	2
iv) sum paid or payable towards fees for technical services	2
v) sum paid or payable towards royalty in the nature of consideration for sale, distribution or exhibition of cinematographic films;	10
vi) Any other sum	
Note : With effect from June 1, 2017 the rate of TDS would be 2% in case of payee engaged in business of operation of call center.	
<u>Section 194K</u> : Income in respect of units payable to resident person	10
<u>Section 194LA</u> : Payment of compensation on acquisition of certain immovable property	10
<u>Section 194LBA(1)</u> : Business trust shall deduct tax while distributing, any interest received or receivable by it from a SPV or any income received from renting or leasing or letting out any real estate asset owned directly by it, to its unit holders.	10

<u>Section 194LBB:</u> Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)].	10
<u>Section 194LBC:</u> Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	10
<u>Section 194M:</u> Payment of commission (not being insurance commission), brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct TDS under section 194C , 194H , or 194J . Tax shall be deducted under Section 194M with effect from 1/09/2019 when aggregate of sum credited or paid during a financial year exceeds Rs. 50 lakh.	2
<u>Section 194N:</u> Cash withdrawal during the previous year from one or more account maintained by a person with a banking company, co-operative society engaged in business of banking or a post office: iii) in excess of Rs. 1 crore iv) in excess of Rs. 20 lakhs* * for those persons who have not filed return of income (ITR) for three previous years immediately preceding the previous year in which cash is withdrawn, and the due date for filing ITR under section 139(1) has expired. The deduction of tax under this situation shall be at the rate of: a) 2% from the amount withdrawn in cash if the aggregate of the amount of withdrawal exceeds Rs. 20 lakhs but not exceeding Rs. 1 crore during the previous year; or b) 5% from the amount withdrawn in cash if the aggregate of the amount of withdrawal exceeds Rs. 1 crore during the previous year.	2 2/5
<u>Section 194-O:</u> Payment or credit of amount by the e-commerce operator to e-commerce participant	0.1
<u>Section 194P:</u> Deduction of tax by specified bank in case of senior citizen having age of 75 or more	Tax on total income as per rate in force
<u>Section 194Q:</u> Payment to resident for purchase of goods of the aggregate value exceeding Rs. 50 lakhs Note: TDS is deductible on sum exceeding Rs. 50 lakhs	0.1
<u>Section 194R:</u> Deduction of tax in case any benefit or perquisite is provided and aggregate value of such benefit/perquisite exceeds Rs. 20,000 Note: Benefit or perquisite should be arising from business or the exercise of a profession by such resident.	10
<u>Section 194S:</u> Payment on transfer of Virtual Digital Asset Note: No tax shall be deducted under this provision in the following circumstance: • If the consideration is payable by any person (other than a specified person) and its aggregate value does not exceed Rs. 10,000 during the financial year. • if the consideration is payable by a specified person and its aggregate value does not exceed Rs. 50,000 during the financial year. Specified person means: (a) An individual or a HUF, whose total sales, gross receipts or turnover does not exceed Rs. 1 crore in case of business or Rs. 50 lakhs in case of a profession,	1

during the financial year immediately preceding the financial year in which virtual digital asset is transferred;	
(b) An individual or a HUF who does not have any income under the head profits and gains of business or profession.	
Any Other Income	10
2.2 where the company is not a domestic company*-	
Section 194B: Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort or from gambling or betting of any form or nature whatsoever.	30
Section 194BA: Income by way of winnings from any online game	30
Section 194BB: Income by way of winnings from horse races	30
Section 194E: Payment to non-resident sports association	20
Section 194G: Commission, etc., on sale of lottery tickets	2
Section 194LB: Payment of interest on infrastructure debt fund	5
Section 194LBA(2): - Payment of the nature referred to in Section 10(23FC)(a) .	5
Section 194LBA(2): Payment of the nature referred to in Section 10(23FC)(b) .	10
Section 194LBA(3): Business trust shall deduct tax while distributing any income received from renting or leasing or letting out any real estate asset owned directly by it to its unit holders.	35
Section 194LBB: Investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)].	35
Section 194LBC: Income in respect of investment made in a securitisation trust (specified in <i>Explanation</i> of section 115TCA)	35
Section 194LC: Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond)	5 or 4* or 9** * In case where interest is payable in respect of Long-term Bond or Rupee Denominated Bond listed on recognised stock exchange located in IFSC ** Where money borrowed from a source outside India by issuing a long-term bond or rupee-denominated bond on or after 01-04-2023, which is listed only on a recognised stock exchange located in an IFSC;

<u>Section 194LD:</u> Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor	5
<u>Section 195:</u> Payment of any other sum	
a) Income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-Section (1) of Section 112	12.5
b) Income by way of long-term capital gains as referred to in Section 112A exceeding Rs. 1,25,000	12.5
c) Income by way of short-term capital gains referred to in Section 111A	20
f) Any other income by way of long-term capital gains [not being long-term capital gains referred to in sections 10(33) , 10(36) and 112A]	12.5
d) Income by way of dividend from a unit in International Financial Services Centre	10
e) Income by way of dividend [Other than (d)]	20
f) Income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in Section 194LB or Section 194LC)	20
g) Income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of Section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of Section 115A of the Income-tax Act, to a person resident in India	20
h) Income by way of royalty [not being royalty of the nature referred to in point f) above] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy —	
A. where the agreement is made after the 31st day of March, 1961 but before the 1st day of April, 1976	50
B. where the agreement is made after the 31st day of March, 1976	20
i) Income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy—	
A. where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976	50
B. where the agreement is made after the 31st day of March, 1976	20
j) Any other income	35

Section 196A : Income in respect of units of non-resident	20
Section 196B : Income from units referred to in section 115AB(1)(i)	10
Section 196B : Long-term capital gain on transfer of units referred to in section 115AB	12.5
Section 196C : Income by way of interest or dividends in respect of bonds or GDR referred to in section 115AC	10
Section 196C : Long-term capital gain arising from transfer of bonds or GDR referred to in section 115AC	12.5
Section 196D(1) : Income of foreign Institutional Investors from securities (not being dividend or capital gain arising from such securities) Note: Tax shall be deducted at the rate provided under DTAA if same is lower than the existing TDS rate of 20%.	20
Section 196D(1A) : Income in respect of securities referred to in section 115AD(1)(a) payable to specified fund [referred to in clause (c) of Explanation to section 10(4D)] Note: Since recipient of income is a specified fund, surcharge & health and education cess shall be nil.	10

* The rate of TDS shall be increased by applicable surcharge and Health & Education cess.

[As amended by Finance Act, 2025]

**Declaration to be submitted for exercising of option for deduction
of TDS from salary for the Financial year 2025-26.**

To

The DDO,

.....

Sub: Declaration of option for TDS to be deducted from salary
under OLD/NEW Tax Regime.

Sir,

I hereby exercise my option for the deduction of TDS from my salary for
the FY 2025-2026 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 2025. 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 2025. I also
understand that once the option is exercised, it is final and cannot be changed
for this current Financial Year 2025-26.

I also understand that I can change to any regime while filing Income Tax
Return within the due date and this declaration is only for the purpose of
deducting tax at source (TDS) by TNPDC/L/TNPGCL/TNGECL. Further, I also
understand that if I file the Income Tax Return after the due date, New Tax
Regime is the default Regime.

Date :

Signature :

Employee Name :

Place:

Designation :

Employee No. :