

**TAMIL NADU GENERATION AND DISTRIBUTION CORPORATION LIMITED
(ACCOUNTS BRANCH)**

From
K.Govindan, M.Com., B.Ed., AICWA,
Chief Financial Controller/General,
144, Anna Salai,
Chennai-600 002.

To
All Superintending Engineers,
(2 copies each for Accounts and
Administrative Branch)

Circular Letter No.CFC/GL/FC/ACCTS/DFC/BS/AO/IT/D.89/2014. dt.01.09.2014.

Sir,

Sub: Income Tax - Certain amendments made to the Act through Finance Bill 2014 - Rates of Income Tax to be deducted at Source from Salaries and charts for Deduction (TDS) and Collection (TCS) of Tax during the Financial Year 2014-15 - Communicating of - Reg.

Ref: 1) Circular Lr.No.CFC/GL/FC/ACCTS/DFC/BS/AO/IT/D.NO.54/2013, dt.29.06.2013.

2) Finance Bill 2014.

Kindly refer the Circular cited above, wherein Rates of Income Tax to be deducted at Source from Salaries and the Charts for TDS and TCS during the Financial Year 2013-14 have been communicated.

Now, the following amendments are made to the Provisions of Income Tax Act 1961 through Finance Bill 2014.

I. Rate of Income Tax to be Deducted at Source on Salaries

The basic exemption limit has been increased from 2 Lakh to 2.5 Lakh for the Individual other than Senior Citizen and the rate of Income Tax is as furnished below:

- | | | |
|--|---|---|
| 1) Where the total income does not exceed Rs.2,50,000 | : | Nil |
| 2) Where the total income exceeds Rs.2,50,000 but does not exceed Rs.5,00,000 | : | 10 per cent of the amount by which the total income exceeds Rs.2,50,000 |
| 3) Where the total income exceeds Rs.5,00,000 but does not exceed Rs.10,00,000 | : | Rs.25,000 plus 20 per cent of the amount by which the total income exceeds Rs.5,00,000 |
| 4) Where the total income exceeds Rs.10,00,000 | : | Rs.1,25,000 plus 30 per cent of the amount by which the total income exceeds Rs.10,00,000 |

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(a) Surcharge : Nil

(b) Education cess: Education Cess on Income Tax and Secondary and Higher Education Cess on Income-Tax shall continue to be levied for the purposes of Union at the rate of two per cent and one per cent respectively of Income-tax in the cases of deductions on payment of salary.

II. Rate of Income Tax in case of certain individuals (u/s 87A)

From assessment year 2014-15 (Financial Year 2013-14) onwards, under section 87A an assessee whose total income does not exceed five lakh rupees shall be entitled to a deduction on the total income tax (computed before allowing this rebate), an amount equal to the amount of income-tax payable on the total income for any assessment year or an amount of two thousand rupees, whichever is less. The same shall continue for the current financial year 2014-15 (Assessment Year 2015-16).

III. Enhanced Deduction u/s.80CCE

The aggregate Deductions under sections 80C, 80CCC, 80CCD(1) has been increased from 1 Lakh to 1.5 Lakh. As such, an employee will be entitled to deductions in the current Financial Year 2014-15 subject to a ceiling of 1.5 Lakh.

IV. Deduction in respect of interest on loan taken for residential purpose u/s.24(b)

Deduction under section 24(b) in the case of interest on housing loan for one self-occupied property has been increased from 1.5 Lakh to 2 Lakh.

V. Deduction in respect of Contributory Pension scheme u/s 80CCD(1)

Under section 80CCD(1), where an assessee being an individual is employed by the Central Government on or after 1.1.2004, or being an individual employed by any other employer employed even before 1.1.2014, who has in the previous year relevant to assessment year 2015-16 and subsequent years paid or deposited any amount in his account under notified pension scheme, a deduction of such amount not exceeding 10% of salary will be allowed. Newly inserted section 80CCD(1A), w.e.f. 01.04.2015 (assessment year 2015-16 and onwards) provides that the amount of deduction u/s 80CCD(1) shall not exceed Rs.1,00,000/-

A copy of Charts showing the rates of TDS and TCS (Tax Deduction at Source and Tax Collection at Source), the due date for remittance, the due date for filing Quarterly e-return application for the Financial Year 2014-15 (Assessment year 2015-16) are communicated herewith for reference and strict adherence.

Receipt of this circular letter shall be acknowledged by e-mail to dfcbs@tnebnnet.org.

Yours faithfully,


CHIEF FINANCIAL CONTROLLER/GL.

Encl.: TDS and TCS Charts in 4 pages.

Copy to All Chief Engineers.

Copy to All Drawing and Disbursing Officers at Head Quarters.