



PUNJAB STATE TRANSMISSION CORPORATION LIMITED
(Regd. Office: PSEB, Head Office, The Mall, Patiala-147001, Punjab, India)
Corporate Identity Number - U40109PB2010SGC033814,
Office of CFO, AO/Taxation, Shakti Sadan, Patiala
E-mail: ao-taxation@pstcl.org

Income Tax Circular - 01/2020

To

All Addl. SEs/Sr. Xens/AOs (DDOs)
Under PSTCL

Memo No: - 273-315/CFO/Taxation/11

Dated: - 12.05.2020

Subject:- Clarification in respect of option under Section 115BAC for deduction of Income Tax at source under Section 192 of Income Tax Act for the Financial Year 2020-21 (CBDT Circular C1 of 2020 dated 13th April, 2020).

1. As per Income Tax Act, Income Tax is leviable annually for each Financial year commencing from 1st of April to 31st, March of the following year. In the case of Salaries, payment of tax is effected by deduction at source under Section 192 of Income Tax Act 1961 i.e. TDS. It is the duty of the person responsible for paying any income chargeable under the Head "Salaries" to deduct the tax at the rate appropriate to the estimated salary of the year after allowing the permissible deductions.
2. As per above referred circular, it has been clarified that, Section 115BAC of the Income-tax Act, 1961, inserted by the Finance Act, 2020 w.e.f the Assessment Year 2021-22 (Financial Year 2020-21), inter alia, provides that a person, being an individual or a Hindu undivided family having income other than income from business or profession", may exercise option in respect of a previous year to be taxed under the said section 115BAC along with his return of income to be furnished under sub-section (i) of section 139 of the Act for each year. The concessional rate provided under section 115BAC of the Act is subject to the condition that the total income shall be computed without specified exemption or deduction, setoff of loss and additional depreciation.
3. As per Sec 115BAC inserted by Finance Act, 2020 option has been given to pay tax as per new slab rates (Optional tax regime) on total income computed without claiming any deductions/exemptions applicable from FY 2020-21 (AY 2021-22). Below table summarizes tax rates as per optional new tax regime vs. old rates for the purpose of calculation of tax for FY 2020-21 (AY 2021-2022):-

Income Tax Slabs	Existing Tax Rates (%)	New Tax Rates % (Optional)
0-2,50,000	0	0

2,50,001-5,00,000	5	5
5,00,001-7,50,000	20	10
7,50,001-10,00,000	20	15
10,00,001-12,50,000	30	20
12,50,001-15,00,000	30	25
15,00,001 and above	30	30

Notes:

- (i) Further, there is no change in provisions of Income Tax for computation of Income and the tax payable in the Existing Tax structure i.e. income for the FY 2020-21 is computed in the same way as computed under FY 2019-20.
 - (ii) Health & Education cess @ 4% also remains unchanged. This cess is equally applicable even if employee chooses to opt for new tax regime (Optional).
 - (iii) All deductions allowed under chapter VI-A [(except the deduction under section 80CCD (2)], deduction allowed under section 10 (13A) (House Rent Allowance) and under section 24 (Interest on borrowed capital/Income from House Property) etc. will not to be allowed in the new tax regime.
4. In order to avoid the genuine hardship in such cases, Central Board of Direct Taxes, in above referred circular hereby clarifies that an employee, having income other than the income under the head "profit and gains of business or profession" and **intending to opt for the concessional rate under section 115BAC of the Act**, may intimate the deductor, being his employer, of such intention for each previous year and upon such intimation, the deductor shall compute his total income, and make TDS thereon in accordance with the provisions of section 115BAC of the Act. If such intimation is not made by the employee, the employer shall make TDS without considering the provision of section 115BAC of the Act.
 5. It is also clarified that the intimation so made to the deductor shall be only for the purposes of TDS during the previous year i.e. FY 2020-21 and cannot be modified during that year. However, the intimation would not amount to exercising option in terms of sub-section (5) of section 115BAC of the Act and the person shall be required to do so along with the return to be furnished under sub-section (1) of section 139 of the Act for that previous year. Thus, option at the time of filing of return of income under sub-section (1) of section 139 of the Act could be different from the intimation made by such employee to the employer for that previous year.

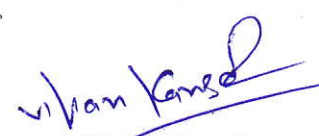
Therefore, it is intimated to all employees of PSTCL if they want to opt for new tax regime for the FY 2020-21 then option/intimation for the same may be given to their respective DDO for deduction of tax on salary in the new tax regime. If such intimation is not made by the employee, the DDO shall make TDS

without considering the provision of section 115BAC of the Act (i.e. new tax regime).

This is for information to all the concerned, please.

This issues with the approval of competent authority.

DA/as above



Accounts Officer/ Taxation
PSTCL, Patiala.

Endst No: -316-357/CFO/Taxation/11

Dated: - 12.05.2020

Copy of the above is forwarded to the following for information and further necessary action please.

1. Chief Engineer/TS, PSTCL, Patiala.
2. Chief Engineer/SLDC, PSTCL, Patiala.
3. Chief Engineer/P&M PSTCL Ludhiana
4. Chief Engineer/HIS&D PSTCL, Patiala.
5. CAO/F&A, PSTCL Patiala.
6. Company Secretary, PSTCL.
7. All Dy.CEs/SEs under PSTCL.
8. All Dy. CAOs/Dy. FAs/Dy. CAs under PSTCL.
9. All Addl. SEs/Sr. Xens under PSTCL (other than DDOs)
10. All AOs under PSTCL (other than DDOs).
11. SE/IT, PSTCL, Patiala for uploading the circular on website of PSTCL.


Accounts Officer/Taxation
PSTCL, Patiala.

CC:

1. PS to CMD, PSTCL, Patiala for kind information of CMD, please.
2. PS to Director/F&C, PSTCL, Patiala for kind information of Director/F&C, please.
3. Joint. Secy. to Director/Tech., PSTCL, Patiala for kind information of Director/Tech., please.
4. Sr. PS to Director/Admin., PSTCL, Patiala for kind information of Director/Admin, please.