

EAST COAST RAILWAY



प्रधान कार्यालय/Headquarters Office
कार्मिक विभाग/Personnel Department
भुवनेश्वर/ Bhubaneswar - 751017

No. ECoR/Pers/HQ/R/I. Tax/01/21

Date: 19.01.2021

All PHODs/CHODs,
DRMs- SBP/WAT/KUR,
CWM/CRW/MCS, Dy. CPO (Con)/BBS.
Sr.DPOs-SBP/WAT/KUR & WPO/CRW/MCS.

Sub: Deduction of tax at Source- Income tax deduction from Salaries during the financial year- 2021-22 and onwards under Section 192 of the Income Tax Act, 1961.

Ref: ECoRSC's Agenda Item No-50C-26-2021 of PNM.


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Section 192 of the Income Tax Act, 1961 provides that every person responsible for paying any income which is chargeable under the head 'Salary' shall deduct income tax on the estimated income of the assessee under the head salaries. The Tax is required to be calculated at the average rate of Income Tax as computed on the basis of the rates in-force.

2. The employer to compute the tax liability of the employee on the basis of the rates in-force and to deduct the tax at the average rate computed on the basis of the same. Hence, it is required to compute at the beginning of the financial year i.e. from March to February of the next year. Further, the employer should also take into account any other income as reported by the employee during the financial year.

3. After considering the income exempt, deduction and relief, the tax liability of the employee should be determined on the basis of the rates in-force for the financial year. Every month, 1/12 of this net tax liability as computed is required to be deducted from the beginning.

4. In view of the above, henceforth, in order to avoid sudden financial burden on the employees, now, it has been decided that income tax amount will be deducted from the beginning of the financial year from salary of the employee on the basis of the last year's assessment by the concerned Bill Unit without any intimation to the concerned employee. However, if any employee desires to minimize/increase the TDS by his/her own volition, same may be taken into the consideration by the authority concerned.


(R.C.Sethy)

Astt. Personnel Officer-II

For Principle Chief Personnel Officer

Copy to: Secy. to GS/ECORSC and ECORSU for information.