

# TDS & TCS

## TDS

TDS requirement arise:

- Time of payment.
- Crediting the A/c of payee, whichever is earlier.

All TDS rate are fixed rate, i.e. 1%, 2%, 5%, 10% etc. except:- NR/Foreign CO or salary then surcharge & HEC is considered.

206AA: **NO PAN.**

1. Rate as per resp **Sec** } Higher

2. 20%.

(except 1940/194Q rate 5% instead of 20%.)

Sec	Nature	Payer	Payee	Rate
192	Salary	Any person	Employee (R/NR)	slab Rate.

- only time of payment.
- other income & deduction be consider if provided.
- **No loss** to be consider except loss under **Hp.**

Sec	Nature	Payer	Payee	Rate
192A	Accumulated balance of PF	Any person	Employee (R/NR)	10%.

- Time of payment.
- **No TDS** if aggregate amt is **< 50,000 ₹.**

Sec	Nature	Payer	Payee	Rate
193	Interest on Securities	Any Person	Resident Person	10%.

**No TDS**

- Public CO  $\xrightarrow[\text{in A/c payee chag}]{} \text{Deb Int}$  HUF **≤ 5000**

- **Insurance Company.** →



- Sec 54EC, CG Bonds issued by power finance corp. Ltd or Indian Railway Finance Corp Ltd.
- on govt securities.  
(except - int on 8% Saving Bonds, 7.75% Saving Bonds.  $\geq 10,000$ )
- Special purpose vehicle on any security.

Sec	Nature	Payer	Payee	Rate
194	Dividend	Domestic Co.	Resident Person	10%

- Time of Payment.

- **No TDS**

- paid to Individual  $\rightarrow$  Any mode other than cash  $\leq 5000$
- Any Insurance Co.
- SPV to Business Trust.

Sec	Nature	Payer	Payee	Rate
194A	Interest other than security interest	Any Person other than Individual & HUF*	Resident Person	10%

- **No TDS**

- Time deposit upto 40,000 ( $\leq 50,000$  for R. Senior Cit)
- Any other person upto  $\leq 5000$ .
- Saving B/A/c.
- firm to partners.
- one Cop. Society to another Cop Society or its members.
- CBS software, TDS is to be made at time of actual credit to depositor A/c Limit of  $\leq 40,000$  shall be check bank-wise not branch wise.

\* Ind/HUF required to deduct TDS, if last year T/O  $> 1cr$  in case of business or G/R  $> \leq 50L$  in case of profession.



Sec	Nature	Payer	Payee	Rate
194B	Winning from lotteries, cross-word, puzzles etc	Any Person	Any Person	30%
194BB	Winning from Horse Races	Any Person	Any Person	30%

- Time of payment.
- No TDS on  $\leq 10,000$ .
- TDS to be deducted on total winning. No loss to be set off.

Sec	Nature	Payer	Payee	Rate
194BA	winning from online games	Any Person	Any person	30%

- Time of withdrawal from gaming A/c.
- Net winning is:  $(A+D) - (B+C)$ 
  - A. Agg. withdrawal from g. A/c.
  - B. ct. bal of g. A/c (end of FY).
  - B. Total Amt Trf from S. A/c to g. A/c
  - C. op. bal of g. A/c.

Sec	Nature	Payer	Payee	Rate
194C	contract & sub-contract (c. out any work (incl. sol. for c. outwork) in pursuance of a contract)	Any person other than Ind/HUF/AOP/BOI*	Resident Person	Payee: Ind/HUF 1% Other 2%

- No TDS
  - Single contract  $\leq 30,000$ .
  - Aggregate  $\leq 1,00,000$
  - if for personal purpose of Individual/HUF.
  - If Transporter owning not more than 10 vehicles
- works - Advertisement, carriage of goods or passenger other than railway.
- catering.



Sec	Nature	Payer	Payee	Rate
194D इलाकी	Insurance Commission	Any person	Resident Person	5% (10% if Payee Dom Co)
194C पुसा	Commission on sale of lottery tickets	Any Person	Any Person	5%
194H हराम कि कमाई	Commission and Brokerage	Any Person other than Ind/HUF *	Any Person	5%

### - No TDS

- if commission  $< 15,000$
- MTNL/BSNL  $\rightarrow$  PCO/STD - commission
- Commission or Brokerage on security.

Sec	Nature	Payer	Payee	Rate
# 194DA	Maturity of life Insurance Policy.	Any Person	Resident Person	5%

- TDS is only deducted if Amt is Taxable
- if maturity Amt is  $\geq 10,000$
- TDS will be charged only on Net Income Amt ie premium - Maturity Amt.

Sec	Nature	Payer	Payee	Rate
194E	Payment to NR Sports person/ Association/ Entertainer	Any person	NR sport person or NR entertainer or sport (NR) Association	20.8% (20% + 4%)



Sec	Nature	Payer	Payee	Rate
194-I	Rent of P&M, equipments, Bld, furniture & land	Any Person other than Ind / HUF *	Resident person	P&M, eq = 2%. L & Bld & furniture = 10%.

• No TDS

- Rent upto ₹ 2,40,000.
- on Refundable Deposits.
- Advance Rent - subject to TDS.
- Warehousing chrgs.
- Passenger Services fees  
Airline co → Airline operator ≠ TDS.

Sec	Nature	Payer	Payee	Rate
194 IA	Trf of Immovable Property (other than Regri land)	Any person (Buyer)	Resident person (seller)	1% Considerat or SDV (higher)

- if consideration or SDV is ₹ 50,00,000 or More.

Sec	Nature	Payer	Payee	Rate
194 IB	Rent of Immovable property	Individual / HUF (Not covered u/s 194-I)	Resident Person	5%

- No TDS

- Rent ≤ 50,000 pm.
- Do TDS on last month of year / last month rent.
- TDS amt cannot be > than last month rent.

Sec	Nature	Payer	Payee	Rate
194 IC	Consideration under Joint development Agr.	Any person	Resident Person	10%



Sec	Nature	Payer	Payee	Rate
194J	a. Fees for professional Services (FPS) b. Fees for Technical Services (FTS) c. Remuneration to directors d. Royalty. e. Non-Compete Fees (NCP)	Any person other than Ind / HUF*	Resident Person	10%

- TDS rate is 2% instead of 10%.
- Payment to any call centre
- Technical Services
- Sale distribution or exhibition of film.
- No TDS if amt is upto 30,000 p.a.
- Individual / HUF, if last year T/O > ₹ 1 cr or CR > ₹ 50 L are required to deduct TDS only from FPS and FTS.

Sec	Nature	Payer	Payee	Rate
194K	Income from UTI or mutual fund units	Any person (UTI/NF)	Resident Person	10%

No TDS if payment is upto ₹ 5000 in a py.

Sec	Nature	Payer	Payee	Rate
194 LA	Compensation on compulsory acq of Immovable Property	Any Person	Resident person	10%

- At time of payment
- payment upto ₹ 250,000 (No TDS)
- No TDS on Agricultural land.

Sec	Nature	Payer	Payee	Rate
194 M	work pursuant contract, commission/ Brokerage, FPS	Individual / HUF	Resident Person	5%

- No TDS if amt is upto 50,00,000.



Sec	Nature	Payer	Payee	Rate
194N	Cash withdraw from Bank, co.op. Bank, Post office	Bank, co.op B, Post office.	Any Person	2%

- At time of payment
- No TDS
  - withdraw upto 1 cr.
  - TDS applicable only on excess amt over 1 cr.
- Payee - not filed return for all 3 preceeding PY TDS to be deducted as follows:
  - 2% on cash withdraw in excess of ₹ 2L upto 1 cr.
  - 5% on cash withdraw in excess of ₹ 1 cr.
- No TDS if cash withdrawal by
  - govt
  - Bank, co-op Bank, Post office and their business correspondent,
  - while label ATM operator.

Sec	Nature	Payer	Payee	Rate
194P	TDS by bank in case of Senior citizen	Specified Bank	Resident Ind age 75 yr or more	Slab Rate

- this sec apply only when/if individual having income in nature of pension and no other income except the income in nature of interest from any A/c maintained in same bank.

Sec	Nature	Payer	Payee	Rate
194Q	Purchase of goods more than 50 lakh in a PY	Any Person (Buyer) whose last year T/O more than 10 cr.	Resident person (seller)	0.1% of sum excess of ₹ 50L.



Sec	Nature	Payer	Payee	Rate
194R	Any benefit or Perquisite, whether converted into money or not, arising from business or profession	Any person other than Ind & HUF *	Resident Person	10%

No TDS upto ₹ 20,000 in PY.

## TCS

Sec	Nature	Rate	Collector (Seller)	Collectee (Buyer)
206CC1)	Sale of goods		Any person other than Ind & HUF *	Any person other than:
	→ Tendu leaves	5%		1. Buyer who buys such goods for his personal consumption
	→ Timber & other forest production	2.5%		2. Public sector
	→ Liquor, Alcohol for human consumption	1%		3. CA, SA, Embassy, High Commission, consul Trade representation and clubs
	→ Scrap	1%		
	→ Minerals being coal, lignite, Iron ore	1%		

- No TCS if resident buyer furnishes a declaration to seller that 'goods' are to be utilized in manufacturing / production of any article or for the purpose of generation of power.

Sec	Nature	Rate	Collector (Licensor)	Collectee (Licensee)
206CC1d)	Leasing or licensing or transferring any right or interest in any - - Parking lot or - Toll plaza or - Mine or quarry for purpose of business	2%	Same as sec 206CC1)	Any person other than public sector Co.

mineral oil not included, petroleum & natural gas included.



Sec	Nature	Rate	Collector (Seller)	Collectee (Buyer)
206C (1F)	Sale of motor vehicle of the value exceeding ₹ 10 lakhs.	1%	Same as Sec 206C(1)	Any person other than mention in Note -1.

- Public Sector Co. engaged in business of carrying Passenger, CA, SA, Embassy, High Comm, Legation, Consulate, Trade representation, local authority.
- only in case of sale of motor vehicle at retail level.

Sec	Nature	Purpose	Rate	Collector
206C (1G)	Remittance of money more than ₹ 1 L under Liberalised Remittance scheme (LRS) of RBI	Education or Medical	5% of amt in * excess of 7 Lakhs	Authorized dealer
		Other Purpose	5% of amt in excess of 7 Lakhs (upto 30/9/23) 20% Rate wef 1/10/23	
	Sale of Over-seas tour program package (OTPP)		5% of sale value (30/9/23) wef 1/10/23 5% upto 7 Lakhs and 20% above ₹ 7 Lakhs	Seller of OTPP.

\* In case of LRS if remitted amount is out of Educational loan (referred u/s 80E) taken from financial Institution then TCS rate shall be 0.5% instead of 5%.

- No TCS if buyer:
  - Deduct TCS under any section
  - CA, SA, Embassy, High Comm, Legation, Consulate and Trade representative, local authority.
  - Non Resident visiting India.



Sec	Nature	Rate	Collector	Collectee
206C (1H)	Sale of good (Other than expo rt & covered u/s 206C(1)(1A)/(1A))	0.1% of considerable in excess of ₹50L	Any person whose last year T/O is more than ₹10 crore	Any person other than mentioned in Note 1*

\* CG, SG, an embassy, High Commission, legation, Commission, Consulate, the Trade representation of a foreign state, a local authority or a person importing goods into India or any other notified person.