

## TAX DEDUCTION AT SOURCE (TDS)

### 192 : TDS on Salary

| Deductor   | Deductee                                      | Threshold Limit                                             | Rate of TDS                                          | Time of Deduction       |
|------------|-----------------------------------------------|-------------------------------------------------------------|------------------------------------------------------|-------------------------|
| Any Person | Individual (Whether Resident or Non Resident) | If Salary payable is <b>more than Basic Exemption Limit</b> | Average Rate of Tax based on Current rate applicable | AT the Time of Payment. |

#### Note:

#### 1. Details to be given by EE to ER (in form 12BB)

- Details of rent paid for HRA purpose
- Details of expenditure incurred for LTC
- Loss from House Property (only)  
(No other loss shall be considered by the employer)
- Deductions U/C VI - A along with proofs
- Any Tax Deducted/ collected under any other provisions*
- Any Other Income (Loss Not allowed to be reported)*

#### 2. Details to be given by ER to EE:

- Details of perquisites and profit in lieu of salary
  - If income > 15000 → in form 12BA
  - In other cases → in form 16 only
- TDS to be calculated after allowing relief U/S 89
- In case of eligible start-up issues sweat equity share or specified securities to its EE the time of deduction shall be within 14 days of the following dates whichever is earlier
  - After the expiry of 48 months from the end of relevant A.Y
  - Date of relevant A.Y
  - Date of sale of such securities by the EE
  - Date on which the EE ceases to be the employee

**192A : TDS on Premature Withdrawl from RPF (i.e within 5 years)**

| Deductor                                            | Deductee                                      | Threshold Limit                                                                                      | Rate of TDS                                                                                                                 | Time of Deduction       |
|-----------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Trustee of PF Scheme<br>or<br>Any Authorised person | Individual (Whether Resident or Non Resident) | Single/ Aggregate of Payments<br><b>&gt;= Rs. 50000/-</b><br><br>{Only if its NOT EXEMPT u/s 10(12)} | <u>PAN Furnished :</u><br><b>10%</b><br><br><u>PAN Not Furnished :</u><br><b>Maximum Marginal Rate (MMR : i.e 47.744 %)</b> | At the Time of Payment. |

**193 : TDS on Interest on Securites**

| Deductor                   | Deductee       | Threshold Limit                                                                                                                                                                                                                                                                                                                                                                                      | Rate of TDS                                                                           | Time of Deduction       |
|----------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------|
| Any Person paying Interest | Residents only | <b>&gt;10000</b><br>: in case of 8% or 7.5% of saving bonds <b>w.e.f (01-10-2024)</b><br>: Floating Rate Savings Bonds, 2020<br>: Any other notified security by CG/SG<br><br><b>&gt; 5000</b><br>: in case of Interest on Deb. to Indiv./ HUF by Co./ Co-op society in which public have substantial interest<br><i>(only if paid by A/c cheque)</i><br><br><b>No limit</b><br>: In all other cases | <u>PAN Furnished :</u><br><b>10%</b><br><br><u>PAN Not Furnished :</u><br><b>20 %</b> | At the Time of Payment. |

## Note:

No TDS interest on following securities:

- a) National Development Bond
- b) National Savings Certificate
- c) Debenture of Power Finance Corp. Ltd (u/s 54EC)
- d) Deb. by Indian Railway Finance Corp. Ltd (u/s 54EC)
- e) Securities by LIC/ GIC/ any subsidiary of GIC/ any other insurer
- f) On demated securities listed In RSE

## **194 : DIVIDEND incl. Dividend on Preference Shares & Deemed Dividend**

| Deductor                        | Deductee       | Threshold Limit                                                                                                                     | Rate of TDS                                                                                             | Time of Deduction                                             |
|---------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| The Principal officer of the Co | Residents only | <b><u>If paid in Cash</u></b><br><b>No Limit</b><br><br><b><u>If Paid in other than Cash</u></b><br><b>&gt; Rs. 5000/- in a F.Y</b> | <u>PAN</u><br><u>Funished :</u><br><b>10%</b><br><br><u>PAN Not</u><br><u>Funished :</u><br><b>20 %</b> | Before payment of Dividend or distribution of Deemed dividend |

## Note :

## Exceptions

No TDS to be deducted ,in case dividend is paid to

- a) LIC   b) GIC   c) Subsidiary of GIC   d) any other insurer**

only if shares are wholly owned by such company or they have full beneficial interest in such shares.

**194A : INTEREST OTHER THAN INTERST ON SECURITIES**

| Deductor                                                                                                                                                                                                                                   | Deductee       | Threshold Limit | Rate of TDS                                                                         | Time of Deduction                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 1) All ( <b>Except Indv. &amp; HUF</b> )<br><br>2) Indv./HUF only if it's<br><b>Turnover form Business &gt; Rs. 1 crore</b><br><b>or</b><br><b>Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | Residents only | See Chart Below | <u>PAN Finished :</u><br><b>10%</b><br><br><u>PAN Not Finished :</u><br><b>20 %</b> | At the time of <b>Payment</b> <b>or</b> <b>Credit</b> whichever is earlier |

**Note:**

**1) Exceptions : No TDS is required in the following cases**

- a. Interest paid **by** CG under any scheme
- b. **By** CG under Income Tax Act, 1961 estate duty
- c. Interest on compensation **awarded by** motor accident claim tribunal if interest < 50000/-
- d. **By** Infrastructure capital Co./ Infrastructure capital fund/ Public sector Co./ scheduled bank on ZCB bonds
- e. **By** a Co-op society to
  - i. Its members
  - ii. Other co-op society
- f. Paid **by** banking Co./ post office on savings A/c
- g. Mahila Samman Savings Certificate, 2023 **by** Post Office.
- h. **To** partners by partnership firm
- i. **To** banking Co. financial corporations, Co-op society engage in banking
- j. **To** LIC/ other insurance Company
- k. **To** UTI
- l. **To** skill development fund

(2) To check the threshold limit of 40000/ 50000 paid by Bank

- In case of bank is core banking solution (CBS) enabled, the **interest paid by all branches of that bank shall be seen cumulatively**
- In case the bank is not CBS enabled, limit to be **checked is branch-wise**

### **194B : WINNINGS FROM LOTTERY, CROSSWORD PUZZLES AND OTHER CASUAL INCOME**

| Deductor   | Deductee   | Threshold Limit | Rate of TDS | Time of Deduction      |
|------------|------------|-----------------|-------------|------------------------|
| Any Person | Any Person | > 10000/-       | 30 %        | At the Time of Payment |

### **194BA : WINNINGS FROM ONLINE GAMING**

| Deductor   | Deductee   | Threshold Limit | Rate of TDS          | Time of Deduction                                                                                                                                                                                                        |
|------------|------------|-----------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Any Person | Any Person | No Limit        | 30 % on Net Winnings | <p><b><u>No withdrawal during the year :</u></b> At the year End.</p> <p><b><u>In case of Withdrawal:</u></b><br/>At the time of withdrawal, on each such withdrawal<br/>+<br/>At year end on remaining net winnings</p> |

### **Exceptions**

No TDS required to be deducted on withdrawal on satisfaction of all of the following conditions, namely:-

- net winnings comprised in the amount withdrawn does not exceed Rs. 100 in a month;

- (ii) tax not deducted on account of this concession is deducted at a time when the net winnings comprised in withdrawal exceeds Rs. 100 in the same month or subsequent month or if there is no such withdrawal, at the end of the financial year; and
- (iii) the deductor undertakes responsibility of paying the difference if the balance in the user account at the time of tax deduction under section 194BA is not sufficient to discharge the tax deduction liability.

### **Other Imp Point**

#### **1) In case of Winning is provided in KIND**

##### **a) Value of Such Winning in kind**

The valuation would be based on fair market value of the winnings in kind except in following cases:-

- (i) The online game intermediary **has purchased the winnings** before providing it to the user. : **In that case the purchase price shall be the value for winnings.**
- (ii) The online game intermediary **manufactures such items** given as winnings.: **In that case, the price that it charges to its customers for such items shall be the value for such winnings.**

##### **b) Procedure to followed by the intermediary**

The person responsible for paying, shall, before releasing the winnings, ensure that tax has been paid in respect of the net winnings. In the above situation, the deductor will release the net winnings in kind after the deductee provides proof of payment of such tax (e.g., Challan details etc.).

- c) GST will not be included for the purposes of valuation of winnings for TDS under section 194BA.**

**194BB : WINNINGS FROM BETTING ON HORSE RACES**

| Deductor                                                                                                                                | Deductee   | Threshold Limit | Rate of TDS | Time of Deduction      |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------|-------------|------------------------|
| 1) Bookmaker<br>2) Any person having license or organizing horse races<br>3) Any person having license for arranging wagering/ bettings | Any Person | >10000/-        | 30 %        | At the Time of Payment |

**Note:**

1. TDS to be deducted on winnings before setting off of losses
2. In case cash amount is insufficient for deduction of TDS, then the payer/ deductor should ensure that TDS has been paid before releasing the winnings.

**194C: PAYMENT TO CONTRACTOR (FOR WORKS CONTRACT OR LABOR CONTRACT)**

| Deductor                                                                                                                                                                                                                                    | Deductee       | Threshold Limit                                                           | Rate of TDS                                                                      | Time of Deduction      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------|
| 1) All ( <i>Except Indv. &amp; HUF</i> )<br><br>2) Indv./HUF only if it's <b>Turnover form Business &gt; Rs. 1 crore</b><br><br><b>or</b><br><b>Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | Residents only | >30000/- : Single Payment<br><br>>100000/- : In Aggregate during the year | In case Deductee is Indv./ HUF<br>1 %<br><br>In case of all other Deductee<br>2% | At the Time of Payment |

**Note:**

**1. Meaning of works contract:**

- a. Advertising
- b. Telecasting/ Broadcasting
- c. Transportation of Good/ passenger by road (other than railway)

[However, if such Transporter owns < 10 goods transport vehicle during relevant P.Y. & such person furnishes a valid PAN ]

- d. Catering
  - e. Job work (using the material purchased from customer based on his specification)
2. Payment by broadcaster/ Telecaster:
- a. For production of content as per their specifications
  - b. For acquiring rights of already produced content (194C not applicable)
3. Any payment made for personal purposes shall not attract 194C

**Example:**

1) XYZ, a partnership firm having a turnover of 40 lakh in P.Y. 2023-24, paid Mr. X for job work, Rs. 200000. Determine the amount of TDS

**Solution:**

The turnover limit of 1 crore will not be applicable for XYZ since it is a partnership firm. Hence, it is required to deduct TDS U/S 194C

Applicable rate = 1 %

Therefore, Amount of TDS = 2000

**Example:**

2) Mr. X whose turnover was Rs. 40 lakhs in P.Y. 2023-24 received a amount of Rs. 200000 from Mr. Y whose turnover in P.Y. 2023-24 was 4 cr. Determine the TDS

**Solution.**

Since, turnover of Mr. Y in P.Y. 2023-24 is more than 1 Cr it is required to deduct TDS for work contract @ 1%

Therefore, TDS = 2000

The turnover of 40 lakhs of Mr. X will have no relevance whatsoever



## 194D: COMMISSION TO INSURANCE AGENT

| Deductor          | Deductee       | Threshold Limit | Rate of TDS | Time of Deduction                                              |
|-------------------|----------------|-----------------|-------------|----------------------------------------------------------------|
| Insurance Company | Residents only | >15000/-        | 5 %         | At the time of Payment<br>or<br>Credit<br>whichever is earlier |

## 194DA: ANY SUM RECEIVED UNDER LIFE INSURANCE.

| Deductor          | Deductee       | Threshold Limit                              | Rate of TDS                                                                                                        | Time of Deduction                                              |
|-------------------|----------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Insurance Company | Residents only | >15000/-<br>(only if not exempt u/s 10(10D)) | <u>Upto 30-09-24</u><br>5 %<br><i>(Maturity Amount Minus (-) Premium Paid)</i><br><br><u>w.e.f: 01-10-24</u><br>2% | At the time of Payment<br>or<br>Credit<br>whichever is earlier |

## 194G: COMMISSION ON SALE OF LOTTERY

| Deductor   | Deductee   | Threshold Limit | Rate of TDS                                                     | Time of Deduction      |
|------------|------------|-----------------|-----------------------------------------------------------------|------------------------|
| Any Person | Any Person | >15000/-        | <u>Upto 30-09-24</u><br>5 %<br><br><u>w.e.f: 01-10-24</u><br>2% | At the time of Payment |

**194 H: ALL OTHER COMMISSION OR BROKERAGE**

| Deductor                                                                                                                                                                                                                                   | Deductee       | Threshold Limit    | Rate of TDS                                                                   | Time of Deduction                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 1) All ( <i>Except Indv. &amp; HUF</i> )<br><br>2) Indv./HUF only if it's<br><b>Turnover form Business &gt; Rs. 1 crore</b><br><i>or</i><br><b>Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | Residents Only | <b>&gt;15000/-</b> | <u>Upto 30-09-24</u><br><b>5 %</b><br><br><u>w.e.f: 01-10-24</u><br><b>2%</b> | At the time of <b>Payment</b> <i>or</i> <b>Credit</b> whichever is earlier |

**194 I: RENT**

| Deductor                                                                                                                                                                                                                                   | Deductee       | Threshold Limit              | Rate of TDS                                                                             | Time of Deduction                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 1) All ( <i>Except Indv. &amp; HUF</i> )<br><br>2) Indv./HUF only if it's<br><b>Turnover form Business &gt; Rs. 1 crore</b><br><i>or</i><br><b>Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | Residents Only | <b>&gt;240000/- in a F.Y</b> | <u>Plant &amp; Machinery</u><br><b>2 %</b><br><br><u>All Other Assets</u><br><b>10%</b> | At the time of <b>Payment</b> <i>or</i> <b>Credit</b> whichever is earlier |

**Notes:**

1. TDS will be deducted in case when the property/ plant and machinery are sublet (i.e the payee need not be the owner of the asset)
2. Payment made by any person to cold storage owners by way of cooling charges shall not attract the provisions of 194I.  
However, since such arrangement is of contractual nature hence provision U/S 194 C will be applicable
3. No TDS U/S 194I on Remittance of Passenger Service Fees (PSF) by airline co. to airport operator.

4. No TDS u/s 194I in case of Lump-sum lease payment / one-time upfront lease charges which is not adjustable against periodic rent. Since it is not the nature of rent
5. TDS to be deducted only on the income component. No TDS shall be deducted on the service tax/ GST component.

## **194 J: FEES FOR PROFESSIONAL/ TECHNICAL FEES *or* ROYALTY *or* DIRECTOR'S REMUNERATION *or* NON-COMPETE FEES**

| Deductor                                                                                                                                                                                                                                    | Deductee       | Threshold Limit                                                                                                                          | Rate of TDS                                                                        | Time of Deduction                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 1) All ( <i>Except Indv. &amp; HUF</i> )<br><br>2) Indv./HUF only if it's <b>Turnover from Business &gt; Rs. 1 crore</b><br><br><i>or</i><br><b>Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | Residents Only | <b>&gt; 30000</b> for each item of:<br>a. P.F/T.F<br>b. Royalty<br>c. Non-compete fees<br><br><b>No limit</b> for Directors remuneration | <b>10%</b><br><i>(in some cases 2 %)</i><br><br><b>For clarity see chart below</b> | At the time of <b>Payment</b><br><i>or</i><br><b>Credit</b><br>whichever is earlier |

### **Note:**

1. The threshold limit of Rs. 30000 is for individual type of income (i.e no TDS will be deducted in case amount is paid below 30000 even though the aggregate payment exceeds 30000)
2. In case, the payee is in the business of operating a call center only TDS rate will be 2%
3. In case, amount is paid as royalty in the nature of consideration for sale, distribution, exhibition of cinematographic films (cinema), TDS rate will be 2%.
4. Any technical service, which has no component of professional service, the TDS rate will be 2%

The above points are summarized below

| SL No. | Particulars                                                        | Rate | Limit    |
|--------|--------------------------------------------------------------------|------|----------|
| 1      | Technical Service (Not professional service)                       | 2%   | >30000   |
| 2      | Professional service by call center (payee)                        | 2%   | >30000   |
| 3      | Any other professional service                                     | 10%  | >30000   |
| 4      | Royalty for sale, distribution, exhibition of cinematographic film | 2%   | >30000   |
| 5      | All other Royalty                                                  | 10%  | >30000   |
| 6      | Director's remuneration (not fall under 192)                       | 10%  | No limit |
| 7      | Non-compete fees                                                   | 10%  | 30000    |

**Note 2:** TPAs (Third Party Administrator's) who are making payment on behalf of insurance companies to hospitals for settlement of medical/insurance claims etc. under various schemes including cashless schemes are liable to deduct tax at source under section 194J on all such payments to hospitals etc. This is because the services rendered by hospitals to various patients are primarily medical services and, therefore, the provisions of section 194J are applicable to payments made by TPAs to hospitals etc.

## 194 IA : SALE OF IMOVABLE PROPERTY

| Deductor   | Deductee       | Threshold Limit                            | Rate of TDS | Time of Deduction                                              |
|------------|----------------|--------------------------------------------|-------------|----------------------------------------------------------------|
| Any Person | Residents Only | <u>Consideration or SDV</u><br>> 50,00,000 | 1%          | At the time of Payment<br>or<br>Credit<br>whichever is earlier |

## Note:

1. No TDS in case where there is n transfer of agricultural land
2. No TDS in case sec 194 LA is applicable
3. TDS to deducted on consideration or SDV whichever is higher
4. *It is clarified, with effect from 01.10.2024, that where there is more than one transferor or transferee in respect of any immovable property, then the consideration shall be the aggregate of amount paid or payable by all the transferees to the transferor or all the transferors for transfer of such immovable property.*

### 194 K : INCOME ON UNITS OF MUTUAL FUND (OTHER THAN DUE TO C.G.)

| Deductor   | Deductee       | Threshold Limit                       | Rate of TDS | Time of Deduction                                                                   |
|------------|----------------|---------------------------------------|-------------|-------------------------------------------------------------------------------------|
| Any Person | Residents Only | <b>&gt; 5,000</b><br>IN Agg. In a F.Y | <b>10 %</b> | At the time of <b>Payment</b><br><b>or</b><br><b>Credit</b><br>whichever is earlier |

### 194 LA : TRANSFER OF IMMOVABLE PROPERTY ON A/C OF COMPULSORY ACQUISITION (OTHER THAN AGRI. LAND)

| Deductor   | Deductee       | Threshold Limit                          | Rate of TDS | Time of Deduction             |
|------------|----------------|------------------------------------------|-------------|-------------------------------|
| Any Person | Residents Only | <b>&gt; 2,50,000</b><br>IN Agg. In a F.Y | <b>10 %</b> | At the time of <b>Payment</b> |

**194 IB : RENT ( where 194 I is N.A)**

| Deductor                                                                                                                                                                                                                                             | Deductee       | Threshold Limit                               | Rate of TDS                                                                                                                   | Time of Deduction                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| All persons on whom 194 I is not applicable<br><i>f.i.e</i> Indv./HUF only if it's<br><b>Turnover form Business &lt; Rs. 1 crore</b><br><i>or</i><br><b>Gross Receipt from Profession &lt; Rs. 50 Lakhs in the Preceding Financial Year (P.F.Y)}</b> | Residents Only | <b>&gt; 50,000 per month or part there of</b> | <b><u>Upto</u></b><br><b><u>30-09-24</u></b><br><b>5 %</b><br><br><b><u>w.e.f:</u></b><br><b><u>01-10-24</u></b><br><b>2%</b> | Earlier of<br><br>March of every F.Y<br><b>or</b><br>last month of tenancy |

**Note:**

- 1) The last amount of TDS to be deducted from the last month's rent shall not exceed the amount of rent for the last month.

**194 M : TDS on Commission or Brokerage/ Professional fees/ T.F/ R/ NCF o r Contract ( where 194 H, J & C is Not Applicable)**

| Deductor                                                                                                                                                                                                                                                    | Deductee       | Threshold Limit                        | Rate of TDS                                                                                                                   | Time of Deduction                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| All persons on whom 194 H, J & C is not applicable<br><i>f.i.e</i> Indv./HUF only if it's<br><b>Turnover form Business &lt; Rs. 1 crore</b><br><i>or</i><br><b>Gross Receipt from Profession &lt; Rs. 50 Lakhs in the Preceding Financial Year (P.F.Y)}</b> | Residents Only | <b>&gt; 50,00,000 in Agg. In a F.Y</b> | <b><u>Upto</u></b><br><b><u>30-09-24</u></b><br><b>5 %</b><br><br><b><u>w.e.f:</u></b><br><b><u>01-10-24</u></b><br><b>2%</b> | At the time of <b>Payment</b><br><b>or</b><br><b>Credit</b><br>whichever is earlier |

**Note:**

In case, both of the sections 194 M and 194 C/ 194 H/ 194 J becomes applicable, then the latter will be valid.

## 194 N : CASH WITHDRAWAL

| Deductor                                                             | Deductee | Threshold Limit                                                                                                                                                                                | Rate of TDS                                                | Time of Deduction      |
|----------------------------------------------------------------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------|
| 1) Banking Co.<br>2) Co-op Bank engaged in banking<br>3) Post office | Resident | <u>in case recipient is Co-operative Society</u><br><b>&gt; 3 Cr</b><br><br><u>in all other cases</u><br><b>&gt; 1 Cr</b><br><i>(in aggregate during the FY from one or more A/c of Payee)</i> | <b>2%</b><br><br><i>on the amount exceeding the Limit.</i> | At the time of Payment |

### Notes:

- In case, the payee has not filed the return for **all of the 3 P.P.Y's** within the due date in such a case the threshold limit will decrease to 20 lakhs (As below)

| Limit                 | Rate |
|-----------------------|------|
| <= 20 lakhs           | 0%   |
| > 20 lakhs and <= 1Cr | 2%   |
| > 1 Cr                | 5%   |

### 2. Exceptions

No TDS shall be deducted u/s 194 N in the following cases

- Cash is paid to/ withdrawn **by government**
- Cash is paid to a **banking co./ co-op society**
- Cash is paid to/ withdrawn by **banking correspondent**
- Cash is paid to/ withdrawn by **white label ATM's for replenishment of ATM's run by them**
- Cash is paid to/ withdrawn **by commission agent/ trader** under Agriculture Producers Marketing Committee (APMC) provided he has intimated the fact that the cash will be withdrawn during the year for the limited purpose of paying the farmers.

**194 P : PENSION + INTEREST BY BANKS IN CASE OF SENIOR CITIZENS > 75 YEARS**

| Deductor            | Deductee                                                                                                                             | Threshold Limit                                            | Rate of TDS  | Time of Deduction                                                   |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------|---------------------------------------------------------------------|
| Only schedule banks | Resident indv. whose age $\geq 75$ years + his income consist only:<br>a) Pension from bank<br>b) Int. on SB & FD A/c from that bank | Basic exemption of<br><b>300000</b><br>or<br><b>500000</b> | Average Rate | At the time of <b>Payment</b> or <b>Credit</b> whichever is earlier |

**Note:** In case TDS is deducted U/s 194 P, then such senior citizen is **NOT REQUIRED** to file his return of income.

**194 Q: PURCHASE OF GOODS**

| Deductor                                                                                                 | Deductee   | Threshold Limit                                                     | Rate of TDS                                                    | Time of Deduction                                                   |
|----------------------------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|
| Any person<br><b>Turnover from Business &gt; Rs. 10 crore</b><br>in the Preceding Financial Year (P.F.Y) | Any Person | <b>Purchase value of Goods (Excl. GST)</b><br><b>&gt; 50,00,000</b> | <b>0.10 %</b><br><br><i>on the amount exceeding the Limit.</i> | At the time of <b>Payment</b> or <b>Credit</b> whichever is earlier |

**Note:**

- 1) This section is required to be read with TCS section of 206 C(1H)
- 2) In case both the sections( i.e 194Q & 206C(1H) becomes applicable the liability U/s 194Q will prevail



**194 R: BENEFIT BY WAY OF PERQUISITE**

| Deductor                                                                                                                                                                                                                                   | Deductee   | Threshold Limit   | Rate of TDS | Time of Deduction                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------|-------------|----------------------------------------------------------------------------------------------------------------|
| 1) All ( <b>Except Indv. &amp; HUF</b> )<br><br>2) Indv./HUF only if it's<br><b>Turnover form Business &gt; Rs. 1 crore</b><br><b>or</b><br><b>Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | Any Person | <b>&gt; 20000</b> | <b>10%</b>  | At the time of <b>Payment</b> <b>or</b> <b>Credit</b> whichever is earlier (But before such benefit is tranf.) |

**Notes:**

1. One time loan waiver will be considered as perquisite/ benefit and TDS shall be deductible U/s 194 R. However , if such loan waive is provided by following persons then no TDS:
  - a. Public Financial Institutions, Schedules Banks, Cooperative Banks
  - b. State-Financial Corporations
  - c. Deposit taking NBFC
  - d. Systemtically Important non-deposit taking NBFC
  - e. Registered Asset reconstruction company.

**2. Valuation of Perquisite:**

- a. General Rule → FMV of the benefit given
- b. If asset is purchased and then given → Purchase price of such asset
- c. If asset is manufactured → manufacturing cost or price charged to its customers for such asset
- d. There will be no perquisite or benefit in case of BONUS ISSUE/ RIGHT ISSUE by the co.

### OTHER IMPORTANT POINTS RELATING TO TDS

#### Consequence of non-furnishing of PAN :

{sec 206 AA}

In case, the deductee does not furnish his PAN number to the deductor, the deductor is liable to deduct TDS @ higher of

- The rate prescribed in the Act (Eg: @ MMR for sec 192 A)
- The actual rate in force
- At **20%** (5% in case of 194Q)

#### Certificate for deduction fo TDS at lower rate or at 0%

{sec 197}

- Sections applicable: 192, 193, 194, 194A, 194C, D, G, H, I, J, K, LA, M, O , **Q (w.e.f 1-10-24)**
- Procedure:**  
*The assessee can make an application to the assessing officer (AO) for deduction of tax at a lower rate or for non deduction of tax*
- Responsibility of AO:**  
*If AO is satisfied that his total income justifies lower deduction/ non deduction, he may give a certificate as such*
- Responsibility of Deductor:**  
*In case AO, issue a certificate under this section, a deductor/ payee shall deduct income tax (TDS) at such lower rate as specified in the certificate or deduct no tax.*

#### Submission of declaration for no deduction of TDS

{sec 197A}

- **Sub-section (1):** Applicable for 194 & 194EE
- **Sub-section (1A):** Applicable for 192A, 193, 194A, D, DA, I, & K  
*In both the above cases, the deductee can submit a declaration to the deductor for non-deduction of TDS, only if his tax liability on his estimated income is NIL*
- **Sub-section (1C):** Applicable for sec 192A, 193, 194, 194A, D, DA, EE, I & K  
+  
For resident individuals whose age is  $\geq 60$  years  
+  
The deductee can submit declaration for non-deduction of tax (TDS) only if his tax liability on estimated income is NIL

- **Sub-section (2):**

On receipt of declaration, the deductor is required to furnish such declaration by **7th of the next month** in which such declaration is received by him to

- a. Principal Chief Commissioner **or**
- b. Chief Commissioner **or**
- c. Principal Commissioner **or**
- d. Commissioner

## TAX COLLECTION AT SOURCE (TCS)

### 206 C (1) : GENERAL ITEMS

| Deductor                                                                                                                                                                                                                   | Deductee                                                                                                                                                                                                                                                                                         | Threshold Limit | Rate of TDS                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) All ( <i>Except Indv. &amp; HUF</i> )<br><br>2) Indv./HUF only if it's <b>Turnover form Business &gt; Rs. 1 crore</b> <b>or Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | Any Person <b>except:</b><br>a. Public sector Co, C.G, S.G<br>b. Embassy, Consulate, High Commission<br>c. Any buyer who buys for personal consumption<br>d. Any resident who buys for<br>i. Purpose of manufacturing<br>ii. Processing of article or thing or<br>iii. Production of electricity | NIL             | <b>1% in case of</b><br>a. Alcoholic liquor for human consumption : 1%<br>b. Scrap: 1%<br>c. Minerals (coals, iron ore/ lignite): 1%<br><br><b>2.5 % in case of</b><br>d. Timber under forest lease 2.5%<br>e. Timber under any other mode: 2.5%<br>f. Any other forest product except timber and tendu leaves: 2.5%<br><br><b>5 % in case of</b><br>g. Tender leaves: 5% |

### 206 C (1C) : GRANT OF LEASE / LICENCE / TRANSFER OF RIGHT OF PARKING LOT or TOLL PLAZA or MINE/QUARY

| Deductor   | Deductee   | Threshold Limit | Rate of TDS |
|------------|------------|-----------------|-------------|
| Any Person | Any person | NIL             | 2%          |

**206 C (1F) : SALE OF MOTOR CAR OR OTHER NOTIFIED GOODS**

| Deductor                                                                                                                                                                                                                       | Deductee                                                                                                                         | Threshold Limit                | Rate of TDS                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------|
| 1) All <b>(Except Indv. &amp; HUF)</b><br><br>2) Indv./HUF only if it's <b>Turnover form Business &gt; Rs. 1 crore</b><br>or<br><b>Gross Receipt from Profession &gt; Rs. 50 Lakhs</b> in the Preceding Financial Year (P.F.Y) | All <b>except:</b><br>a. CG & SG<br>b. Embassy<br>c. Local Authority<br>d. Public Sector Co. engaged in passenger transformation | <b>&gt; 10 lakh</b><br>Per car | <b>1 %</b><br><br><b>(Also applicable in case of car used for purpose purpose )</b> |

**206 C (1G) : FOREX REMITANCE or PURCHASE OF OVERSEAS TOUR PACKAGE**

| Deductor                                                                  | Deductee                                                                                                                                                                                                                                                                                            | Threshold Limit                                                                            | Rate of TDS                                                                                  |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 1) An authorized dealer of FOREX<br>2) Any seller of foreign tour package | Any Person <b>except:</b><br>a. CG & SG<br>b. Embassy<br>c. High Commission<br>d. Legation<br>e. Consulate<br>f. Trade representative of foreign country<br>g. Non resident, if he does not have a permanent establishment in India<br>h. If Buyer is liable to deduct TDS under any other section. | <b>&gt; 7 lakh</b><br><br><b>NIL</b><br>In some cases<br><br>(see Chart below for clarity) | <b>20 %</b><br><br><b>0.5 % &amp; 5 % in some cases</b><br><br>(see Chart below for clarity) |

| S. No. | Amount and purpose of remittance                                                                                                                   | Threshold Limit | Rate of TCS                                                                                 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------|
| (i)    | Where the amount is for purchase of an overseas tour programme package                                                                             | NIL             | <p><b><u>5%:</u></b><br/>Upto 7 Lakh</p> <p><b><u>20 %:</u></b><br/>In excess of 7 lakh</p> |
| (ii)   | Where the amount is remitted outside India -                                                                                                       | 7 lakh          |                                                                                             |
|        | (a) for the purpose medical treatment                                                                                                              |                 | <p><b><u>5 %:</u></b><br/>In excess of 7 lakh</p>                                           |
|        | (b) for the purpose of Education                                                                                                                   |                 |                                                                                             |
|        | - If amount remitted is out of a loan obtained from any financial institution as defined in section 80E, for the purpose of pursuing any education |                 | <p><b><u>0.5 %:</u></b><br/>In excess of 7 lakh</p>                                         |
|        | - For all other situation of education                                                                                                             |                 | <p><b><u>5 %:</u></b><br/>In excess of 7 lakh</p>                                           |
|        | (c) where the amount is remitted for the purpose other than mentioned in (a) & (b) above                                                           |                 | <p><b><u>20 %:</u></b><br/>In excess of 7 lakh</p>                                          |

## 206 C (1H) : AMOUNT RECEIVED AS CONSIDERATION FOR SALE OF GOODS

| Deductor                                                                                                                                                                       | Deductee                                                                                                                                                                                                                | Threshold Limit | Rate of TDS                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------|
| Any person<br><b>Turnover from Business &gt; Rs. 10 crore</b><br>in the Preceding Financial Year (P.F.Y)<br>(Except if he already liable to collect TCS in above sub-sections) | Any Person except:<br>a. CG & SG<br>b. Embassy/ High Commission/ Legation/ Consulate/ Trade representative of foreign country<br>c. Any Person Importing Goods in India<br>d. If Buyer is liable to deduct TDS u/s 194Q | > 50 lakhs      | 0.10%<br>on excess of 50 lakhs<br><br><i>(only on the amount received incl. GST)</i> |

## OTHER IMPORTANT POINTS RELATING TO TDS

### Consequence of non-furnishing of PAN :

In case, the collectee does not furnish his PAN number to the collector, the collector is liable to deduct TCS @ higher of

- Twice the rate of TCS **or**
- At 5% (1 % in case of 194Q)

## ADVANCE TAX, TDS & TCS

### Procedural points relating to TDS & TCS

Due date of **Payment** of TDS Deducted / TCS collected to Government

| Months       | Due Date                           |
|--------------|------------------------------------|
| April to Feb | 7 <sup>th</sup> of Next Month      |
| March        | 30 <sup>th</sup> April of next F.Y |

Due date of **Return Filing** of TDS Deducted / TCS collected to Government

| Quarter       | TDS                   | TCS                   |
|---------------|-----------------------|-----------------------|
| April to June | 31 <sup>ST</sup> July | 15 <sup>th</sup> July |
| July to Sept  | 31 <sup>st</sup> Oct  | 15 <sup>th</sup> Oct  |
| Oct to Dec    | 31 <sup>st</sup> Jan  | 15 <sup>th</sup> Jan  |
| Jan to March  | 31 <sup>st</sup> May  | 15 <sup>th</sup> May  |