TDS CHART
Rates, Limits & Provisions

Sect.	Type of Payment	Rate	Threshold Limit	Deductor	Deductee	Remarks
192	Salaries	AVERAGE RATE		Any Employer	Any Employee	----------
193	Intreest on Securities	10%	Any payment made	Any Person	Any Resident	1. No TDS, if : a) securities issued by a company held in Demat Form; b) Interest payable to individual/HUF in a financial yr. is upto Rs.5000 in the following cases : - Listed co.s issues debentures primarily in physical form & such debentures are listed on the stock exch.or - Listed co.s issues debentures whether in physical form or demat form & if such debentures are not listed; c) Int. is payable by Cental/ State Govt. Securities. d) Payee = LIC/GIC/Other Insurance Company.
194	Dividend	10%	Rs.2500 p.a. (only for the payment made by A/c payee chq. to indiv.)	Domestic Company	Any Resident	Section focuses to make TDS on Deemed Dividend taxable u/s 2(22)(e) of the Income Tax Act,1961, as dividend u/s 115-O is exempt in the hands of Shareholders (ie., payee) u/s 10(34).
194A	Interest other than Interest on Securities i) Bank Interest ii) Interest on Motor Accident Claim iii) Other Int. [Bank Interest includes Interest on Deposit with Coop. Soc. Banks & Post Office]	 10% 10% 10%	 Rs.10000 p.a. Rs.50000 p.a Rs.5000 p.a.	Any Person u/s 2(31) [Subject to Note 1]	Any Resident	1. Interest includes any amount for arranging the funds or other charges in respect of the money borrowed, eg : Processing Fees. 2. No TDS on interest If- a) paid by bank other than time deposits; b) paid by firm to its partners; c) paid by Government under Income Tax/Wealth Tax Act; d) paid to Banks, Government Co.s/Agencies, Financial Institutions (if incorporated under any Central / State/ Provincial Act), Insurance Co. d) paid by Co-operative society to its members or any other co-operative society. 3. Difference between Issue price & Redemption Value of Zero Coupon Bonds doesn't constitutes interest for 194A. 4. During the pendency of Litigation where the amount is deposited on directions of the court, Bank shall : - deduct TDS; - issue TDS certificate in the name of depositor/seperate certificate for joint depositors.
194B	Winning from Prizes, Lottery or Crossword	30%	Rs.10000 p.a	Any Person u/s 2(31)	Any Person u/s 2(31)	If winnings is in kind then the deductor before realising such winnings shall ensure that such amount of tax has been deposited.

194BB	Winning from Horse Race	30%	Rs.5000 p.a.	Any Person u/s 2(31)	Any Person u/s 2(31)	----------------
194C	Payment to Contractor/ Sub-Contractor (includes paym. for all types of 'Work') If payment made to : i) Individual/HUF ii) Others	 1% 2%	Rs.30000 (per contract) Rs.75000 (aggregate of all contracts during a F.Y.)	Any Person u/s 2(31) [Subject to Note 1]	Any Resident	1. Section includes all types of 'Work' for the purpose of TDS deduction, except as covered u/s 192, 194D, 194G, 194H, 194I, 194J. 2. No TDS on payments: a) made by Individual/HUF excl. for personal purposes(even though was subject to tax audit in the preceding F.Y.). b) made to Travel Agents (provided such payment shall not be made for chartering an Aircraft). c) made to a tansporter of goods on furnishing his PAN to the payee; 3. For composite contracts (ie.,where invoice value includes the material as well as the service component) : - goods amt. seperately mentioned in invoice : TDS on (Invoice Value-Material Cost) - goods amt. not seperately mentioned in invoice : TDS on Invoice Value 4. 'Works' shall : - *include* manufacture or supplying a product as per the requirement or specification of customer by *using material purchased from such customer* ; - *not include* manufacture or supplying a product as per requirement or specification of customer by *using material purchased from person other than such customer.*
194D	Insurance Commission	10%	Rs.20000 p.a.	Any Person u/s 2(31)	Any Resident	----------------
194E	Payment to Non-Resident Sportsmen or Sports Association or Entertainer	20%	Any payment made u/s 115 BBA	Any Person u/s 2(31)	Non - Resident	----------------
194G	Commission on Sale of Lottery Tickets	10%	Rs.1000 p.a.	Any Person u/s 2(31)	Any Resident	----------------
194H	Commission or Brokerage	10%	Rs.5000 p.a.	Any Person u/s 2(31) [Subject to Note 1]	Any Resident	1. No TDS on : a) Comm./Brok. on transactions of securities; b) discounts (ie., any concession allowed on sale of goods or provision of service). **2. Discounts allowed on supply of Sim Cards & Recharge Coupons by a telecom company to its distributors under prepaid scheme will be treated as commission to attract TDS liability u/s 194H [Vodafone Essar Cellular Ltd. v. ACIT (TDS) 332 ITR 255 (2011) (Kerla)].**

194I	Rent on : i) Plant & Machinery ii) Other Tangible Assets (like Land, Building, Furn. & Fittings)	 2% 10%	Rs.180000 p.a.	Any Person u/s 2(31) [Subject to Note 1]	Any Resident	1. For the purpose of deduction of TDS, Rent includes: - Non refundable Deposits; - Advance Rents; - Deposits adjustible against future liability; - Warehouse Charges; but, excludes: - Refundable Deposites, for which no adjustm. can be made; - Rent payment of intangibles (covered u/s 194J). 2. TDS on Hotel Rooms should not be made u/s 194I, unless there is Tie-up with the hotel or rooms are periodically earmarked by the payee. 3. Rent v/s Contract: - Whenever there is confusion between Rent & Contract following test shall be applied: a) if other exp. are bear by Tenant-Rent (liable u/s194I) b) if other exp. are bear by Owner-Rent (liable u/s194C) [Justify the above in the lights of an illust. 'Rent-a-Cab'] - Cold Storage Charges will be covered u/s 194C & not u/s 194I as the agreement between cold storage owner & its customer is basically contactual in nature. 4. Rent v/s Service : Whenever there is confusion between Rent & Service eg: Building + Furniture + Know-how given on rent in a single contract. Examine the dominant intension for making contract.
194IA	**Compensation on Transfer of certain Immovable Prop. other than Agricultural Land (w.e.f. 01.06.13)**	**1%**	**Rs.5000000 p.a**	**Any Person u/s 2(31)**	**Any Person u/s 2(31)**	**1. In order to avoid genuine hardship upon the deductor, deductor is not mandatorily required to possess a TAN.** **2. For payment of such tax Form No. 26QB is prescribed, instead of Challan No. / ITNS 281, being a challan cum statement for filing return.** **3. After deducting the TDS, Form No.-16B is required to be issued to the seller.** **4. TDS to be made on payment basis & not on credit basis.** **5. In case of more than 1 buyer or 1 seller, where purchase price or sale price as the case may be is less than Rs.50 lacs, but the aggregate of all transactions exceeds Rs.50 lacs, section 194IA will be attracted.**
194J	Fees for : -Professional or -Technical Serv. / Royalty / Non-Compete Fee u/s 28(va) / **Director's Sitting Fees**	10%	Rs.30000 p.a.	Any Person u/s 2(31) [Subject to Note 1]	Any Resident	1. No TDS if : a) such sum is paid exclusively for personal purposes by an individual/member of HUF (even though was subject to tax audit in the preceding F.Y.). b) such sum is paid by a non reside, not having any agent/ business connection/permanent establishment in India to any CA/Lawyer/Advocate/Solicitor. (However is required to furnish the Qtrly. Statement). **2. No threshold limit for Director's Sitting Fees & will cover** any pament made to director other than those on which tax is deductible u/s 192.

						3. CBDT has notified services rendered by followings as the professional services : 1)Sports Person; 2)Umpires & Referees; 3)Anchors; 4)Coaches; 5)Trainers; 6)Team Physicians; 7)Event Managers;8)Sports Communists; 9)Commentators. 4. Section 9 has been amended to include the 'computer software' as a royalty & therefore TDS will be attracted on sale of computer software except where : - the software is acquired in a susequent transfer & the transferor has transferred the software without any modification ; or - tax has been previously deducted on such software u/s 194J or 195.
194LA	Payment for Compensation on Compulsory Acquisition of any Immovable Property	10%	Rs.200000 p.a.	Any Person u/s 2(31)	Any Resident	No TDS, if property is an agricultural land.
194LB	Payment made by Infrastructure Debt Fund towards Interest	5%	Any payment made u/s 115A(1)	Infrastructur Debt Fund covered u/s 10(47)	Forg. Co. or Non-Res.	----------------
194LC	Payment made by Infrastructure Companies towards Interest	5%	Any Payment made for Interest u/s 115A(1)	Infrastructur Companies	Forg. Co. or Non-Res.	1. Loan / Bonds must be issued on or after 01.07.2012, but, before 01.07.2015. 2. Moneys should be borrowed in foreign currency. 3. Interest Rate & Loan/Band tenure should be approved by Central Govt.
195	Other sums to Non Residents (like Interest, etc. except Salary)	Rates in Fin. Budgt every year	Any payment made	Any Person u/s 2(31)	Forg. Co. or Non-Res.	1. TDS only to be made, if income is taxable in India & only on such portion being taxable in India. 2. Whichever provisions being more beneficial to assessee ie., either DTAA or Domestic Provisions, TDS shall be made with such provisions.
196B	LTCG on Units / Mutual Fund u/s 10(23D) to Non Residents	10%	L.T.C.G. as refeerd u/s 115AB	Any Person u/s 2(31)	Offshore Fund	1. No TDS on : (a) Income on units reffered u/s 115AB, exempt u/s 10(35); (b) L.T.C.G. on units exempt u/s 10(38).
196C	Interest Income/ LTCG on FCCBs/ GDRs/ Bonds of PSUs	10%	Any Payment made w.r.t. Intt. or L.T.C.G. on Bonds & GDR u/s 115AC	Any Person u/s 2(31)	Non Resident	1. No TDS on dividend income received on G.D.R.s, being exempt u/s 10(34).
196D	Investment Inc. on Securities	20%	Any Payment made u/s 115AD	Any Person u/s 2(31)	Notified FIIs	1. No TDS on LTCG/STCG on transfer of securities u/s 115AD.

Notes :

1. For the purpose of sections 194C, 194H, 194A, 194J & 194I, Individual/HUF should only make TDS if were covered u/s 44AB during the preceding previous year (ie., whose Gross Receipts or Turnover exceeds Rs. 100 Lacs (for Business) or Rs.25 Lacs(for Profession), during preceding previous Year).

2. TDS shall be made on Payment or Credit whichever is earlier, in respect of the sections 193, 194A, 194C, 194D, 194E, 194G, 194H, 194I, 194J, 194LB, 194LC, 195, 196B, 196C & 196D

3. The amount which is subject to TDS liability, though being credited to any account, even under Suspense a/c will deemed to be credited to the account of the payee.

4. Expense will be disallowed, if TDS not made u/s 193, 194C, 194H, 194A, 194J & 194I or if made & not yet deposited, u/s 40(a)(ia).

5. TDS u/s 192, 194A, 194G & 194H can be deposited on the quarterly basis also on the prior approval by department.

6. No Surcharge & Cess will be levied, w.e.f. 01/04/2009. However, TDS made w.r.t. payments made to non-resident will be liable for levy of Education Cess & Secondary & Higher Education Cess.

7. TDS will be deducted on amount inclusive of Service Tax, except in case of TDS on Rent.

8. TDS Rate applicable, in case of non availiabilty of PAN is 20% or Actual Rate whichever is higher from F.Y. 2010-11 u/s 206AA.

9. Interest will be charged to payee on failure to deduct or pay , whole or any part of tax as follows :-
   - 1 % per month or part of month, on the amount of such tax, from the date on which such tax was deductible to the date on which such tax is actually deducted.
   - 1.5 % per month or part of month, on the amount of such tax, from the date on which such tax is deducted to the date on which such tax is actually paid [Sec 201(1A)].

10. Last Dates for :
    a) Deposition of TDS without late interest :
       - TDS made from April to February - 7th of following month in which TDS made ;
       - TDS made in March - 30th of April .
    b) Deposition of TDS for getting expenditure to be allowed in the same previous year :
       - TDS made from April to February - 31st March (i.e., Balance Sheet Date) ;
       - TDS made in March - 30th September (i.e., Last Date of Filing of Income Tax Return).
    c) Deposition of Quartely TDS Returns (without Penalty) :
       - For I, II & III Quarters - 15th of the following month from the end of Quarter
         (However, the above relevant due dates for I,Ii & III Qtrs. for the govt. deductor is 31st instead of 15th) ;
       - For IV Quarters - 15th of May.

11. TDS certificates to be issued mandatorily, w.e.f. 01st April, 2012 in Form 16A or 16B(for TDS u/s 194IA) generated & downloaded online through TIN Central System (ie., from website 'www.tdscpc.gov.in') with a unique TDS Certificate No. (except Form 16), with the digital signatures & shall be issued quarterly within 15 days of filling of quarterly statements u/s 203.
    [However, in case of Salary, Certificate to be issued upto 31st May from the end of the relevant previous year].

12. TDS mandatorily required to be deposited electronically in the following cases : [Sect. 200]
    a) Company;
    b) Tax Audit Assessee

13. Relief from TDS can be availed by the assessee u/s 197 (Dept. approval for lower or no deduction) & 197A (Self declaration only for no deduction of TDS in FORM 15H & 15G, if the income is below B.E.L.) :
- Relief u/s 197 - w.r.t. all sections except 194B, 194BB, 194E, 194LB, 196B, 196C & 196D.
- Relief u/s 197A - w.r.t. 193, 194 & 194A.

14. Deductor will be allowed to adjust excess TDS deposited in any quarter of a F.Y., within anyother quarter of the same F.Y. However, if can't be adjusted during the same F.Y., payer shall be allowed refund for the same.
Provided :
- Credit of that excess amount has not been claimed by the deductee;
- Deductor has not allowed TDS certificate to the deductee for the excess amount;
- Deductee is a resident.
- Refund has claimed within 2 years(with the approval of Additional CIT(TDS)) from the end of the F.Y. in which the TDS was deductible.
[Excess TDS = TDS deposited - TDS deductible]

15. No TDS on Interest or Dividends or Other sums payable to followings as specified u/s 196 :
1. Government ;
2. Reserve Bank of India ;
3. Mutual Funds ;
4. Corporation established under any Central act whose Income is exempt from Tax.

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