TDS - Tax Deduction at Source

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Section	Section and Nature of Payment	Deductor	TIME OF DEDUCTION	TDS Rates for payment made to **Indian Resident**	TDS Rates for payment made to **NR**	Remarks
192	Salaries	Any Person	At the time of Payment	Average rates as applicable	Average rates as applicable	
192A	Payment of accumulated balance due to an employee	Trustee of EPF scheme	Earlier of Credit or Payment	**10%** Premature withdrawal from EPF above **Rs.50000/-**	**10%**	
193	Interest on Securities/ Debentures NO TDS on SG/CG securities. **Saving Taxable Bond 2018 TDS rate 7.5%**	Any Person	At the time of Payment	**10%**	NA	
	NO TDS on SG/CG securities					
194	Dividends (other than listed Companies)			**10%**	NA	
194A	Interest other than "Interest on securities"	Any Person {Except Individual of HUF (other than Audited)}	Earlier of Credit or Payment	**10%** Interest (Banks/Co-Operative Society/deposit with post office) above **Rs.40000 PA**	NA	**Prepared By Deepak Varshney**
				10% Interest (Others)above **Rs.5000**/-PA		
				10% senor Citizens above **Rs.50000/-PA**		
194B	Interest by way of winning from lotteries, crossword puzzles, games etc.	Any Person	At the time of Payment	**30%** in case of payment in excess of **Rs.10,000 PA**	**30%**	
194BB	Income by way of winning from horse race	Any Person	At the time of Payment	**30%** in case of payment in excess of **Rs. 10,000 PA**	**30%**	
194C	Payment to contractor/ subcontractor	Any Person {Except Individual of HUF (other than Audited)}	Earlier of Credit or Payment	**1%** (Indv/HUF) **2%** (Body Corporate) Single Transaction **Rs. 30000** During the **F.Y. 1 Lakh**	NA	
194D	Insurance Commission	Any Person	At the time of Payment	**5%** in case of payment in excess of **Rs. 15,000 PA**	NA	
194DA	Any sum paid to a resident under a life insurance policy 5% on Amount Received from Insurance claim less insurance premium paid	Any Person	At the time of Payment	**5%** in case of payment in excess of Rs. **100,000 PA**	NA	
194E	Payment to non- resident sports association		Earlier of Credit or Payment	**20%**	**20%**	
194EE	Payment in respect of deposits under National Savings Scheme		At the time of Payment	**10%** in case of payment in excess of **Rs. 2500 PA**	**10%**	
194F	Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India		At the time of Payment	**20%**	**20%**	

194G	Commission etc. on sale of lottery	Any Person	Earlier of Credit or Payment	**5%** in case of payment in excess of **Rs. 15,000 PA**	**5%**	
194H	Commission or brokerage	Any Person {Except Individual of HUF (other than Audited)}	Earlier of Credit or Payment	**5%** in case of payment in excess of **Rs. 15,000 PA**	NA	
194I	Rent on plant and machinery	Any Person {Except Individual of HUF (other than Audited)}	Earlier of Credit or Payment	**2%** in case of payment in excess of **Rs. 240,000 PA**	NA	
	Rent on land, building, houses, offices, flats, residential apartments, furniture and fittings			**10%** in case of payment in excess of **Rs. 240,000 PA**	NA	
194I A	Payment on transfer of certain immovable property other than agricultural land from resident (Amount includes all charges)	Any Person	Earlier of Credit or Payment	**1%** in case of payment in excess of **50 Lakh PA**	NA	
194I B	Rent by Individual / HUF (wef 01.06.2017)	Any Person	Earlier of Credit or Payment	**5%** in case of payment excess of **Rs.50000/PM**		
194I C	Payment under Specified Agreement (Joint Development Agreement)	Any Person	Earlier of Credit or Payment	**10%**		
194J	Professional Fees / Technical Fees /Royalty /Director Sitting Fees/Non Compete Fees etc.	Any Person	Earlier of Credit or Payment	**10%** in case of payment excess of **Rs.30000/PA**	NA	
	Payment to Call Centre Operator (wef 01.06.2017			**2%** in case of payment excess of **Rs.30000/PA**		
194LA	Payment of compensation on acquisition of certain immovable property	Any Person	At the time of Payment	**10%** in case of payment excess of **Rs.250000/PA**	NA	
194LB	Payment of interest on infrastructure debt fund (NO TDS Compensation received under RFCTLARR Act (wef 01.04.2017)	Any Person	At the time of Payment	NA	**5%**	
194LBA(1)	Business trust shall deduct tax while distributing, any interest received by it from SPV or from renting or leasing out any real estate asset owned by it	Any Person	At the time of Payment	**10%**	NA	
194LBA(2)	Business trust shall deduct tax while distributing any interest received by it from SPV to its unit holders	Any Person	At the time of Payment	NA	**5%**	
194LBA(3)	Business trust shall deduct tax while distributing any income received by it from renting or leasing out any real estate asset owned directly by it to its unit holders	Any Person	At the time of Payment	NA	**30%**	**Prepared By Deepak Varshney**
194LBB	Investment fund paying an income to a unit holder	Any Person	Earlier of Credit or Payment	**10%**	**30%**	
194LBC	Income in respect of investment made in securitization trust	Any Person	Earlier of Credit or Payment	Individuals & HUF - **25%** Residents -**30%**	**40%**	
194 LC	Payment of interest by an Indian Company in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds	Any Person	Earlier of Credit or Payment	**5%**	**5%**	

194LD	Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or Qualified Foreign Investor including long term infrastructure bonds	Any Person	Earlier of Credit or Payment	**5%**	**5%**	
194M	Effective from 1st September 2019 –Individual or HUF responsible for paying any resident for carrying out any work in pursuance of a contract or by way of fees for professional services during a financial year.	Individual or HUF	Earlier of Credit or Payment	**5%** in case of payment in excess of Rs. **50,00,000 PA**		
194N	Effective from 1st September 2019 –Banking company or a co-operative society or post office paying any sum in cash in excess of **INR 1 Crore** to any person from an account maintained by the recipient.	Banking company or a co-operative society or post office	Earlier of Credit or Payment	**2%** in case of payment in excess of **Rs. 1,00,00,000 PA**		**Prepared By Deepak Varshney**
195	Other sum (payable to non Resident)					
	a) Income in respect of investment made by a Non-resident Indian Citizen			**20%**	**20%**	
	b) Income by way of long-term capital gains referred to in Section 115E in case of a Non-resident Indian Citizen			**10%**	**10%**	
	c) Income by way of long-term capital gains referred to in sub-clause (iii) of clause (c) of sub-section (1) of Section 193			**10%**	**10%**	
	d) Income by way of short-term capital gains referred to In Section 111A			**15%**	**15%**	
	e) Any other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of Section 10]			**20%**	**20%**	
Prepared By Deepak Varshney	f) Income by way of interest payable by Government or an Indian concern on money borrowed or debt incurred by Government or the Indian concern in foreign currency (not being income by way of interest referred to in Section 194LB or Section 194LC			**20%**	**20%**	**Prepared By Deepak Varshney**
	Any other income			**30%**	**30%**	

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Interest on non-deduction/ non-payment of TDS:
As per Sec. 201(1A) of the Income-tax Act, 1961, if the Assesse does not deduct the whole or any part of the TDS or after deducting fails to pay the TDS as required by or under the Act, then the Assesse is liable to pay simple interest on the amount of such TDS, for every month or part of a month, at the rate of:

1% from the date on which such TDS was **deductible** up to the date on which such TDS is deducted; and
1.5% from the date on which such TDS was **deducted** up to the date on which such TDS is paid
Late filing Levy:
As per Sec 234E of Income tax Act 1961, where a person fails to deliver or cause to be delivered a statement within the time prescribed in sub-section (3) of section 200 or the proviso to sub-section (3) of section 206C, he shall be liable to pay, by way of fee, a sum of **Rs 200 for every day** during which the failure continues, maximum to the amount of tax deducted.

Due dates for filing of e-TDS returns & issue of TDS certificates:
a) In respect of any other TDS (other than TDS u/s. 194-IA):

Quarter	Period	Due Date for filing of e-TDS Return	Due Date for issuing TDS certificate [in Form no. 16A]
Q-1	1st April to 30th June	31st July	15th August
Q-2	1st July to 30th September	31st October	15th November
Q-3	1st October to 31st December	31st January	15th February
Q-4	1st January to 31st March	31st May	15th June

b) In respect of TDS u/s 194IA
i) A challan-cum-statement in Form No.26QB is to be filed within 30 days from the end of the month in which the deduction is made

ii) TDS certificate in Form no.16B is to be issued to the payee within 15 days from due date of furnishing statement in Form no. 26QB
c) In respect of TDS u/s 194IB
i) A challan-cum-statement in Form No.26QC is to be filed within 30 days from the end of the month in which the deduction is made

ii) TDS certificate in Form no.16C is to be issued to the payee within 15 days from due date of furnishing statement in Form no. 26QC

Section 206AA:- Below are the applicable TDS rates when the deductee has provided its PAN number to the deductor. In case PAN of deductee is not updated, the deductor must deduct TDS at higher of the following rates:
a) the rate as prescribed in the Act;
b) at the rate mentioned din the Finance Act; or
c) at the rate of 20%.
* SHEC shall be added on the TDS on all Income for Non Resident.
* SHEC shall be added on the TDS on salary only for Resident NR.

Section 206A:- Electronic Filing of statement of transaction on which tax has been deducted
Any banking co. or Cooperative society paying resident income **> 40000** by way of income shall shall prepare such statement
Penalty Rs. 100 for each day.

Section 197:- Certificate for No/Lower deduction of TDS.

Section 271H:- Penalty for incorrect information or failure to furnish statement **Rs. 10,000 to Rs. 1,00,000.**
Penalty is mandatory and cannot be waived
No penalty if filed Quarterly Return before expiry of **1 year** from the time prescribed for filing the quarterly return.

Section	Nature of Payment	TCS Rate (%)
206C	Scrap	**1**
206C	Tendu Leaves	**5**
206C	Timber obtained under a forest lease or other mode	**2.5**
206C	Any other forest produce not being a timber or tendu leave	**2.5**
206C	Alcoholic Liquor for human consumption	**1**
206C	Parking Lot, Toll Plaza, Mining and Quarrying	**2**
206C	Minerals, being coal or lignite or iron ore (applicable from July 1, 2012)	**1**
206C	Sale of motor vehicle **by retailers** of the value exceeding **Rs. 10 Lacs** (wef 01.06.2016) Motor vehicle clause not applicable on Central Government, a State Government, an embassy, a High Commission, Legation, Commission, Consulate and the Trade Representation of a foreign State; Local Authority; a Public Sector Company which is engaged in the business of carrying passengers (wef 01.04.2017)	**1**
206C	Bullion if consideration (excluding any coin / article weighting 10 grams or less) exceeds Rs. 2 Lakhs	**1**
206C	TCS on sale in cash of any goods (other than bullion/jewelry)	**1**
206C	TCS on providing of any services (other than Ch-XVII-B)	**1**
206CC TCS Rates without PAN:- Double of TCS rate as above or 5%, whichever is higher Not apply to NR who do not have Permanent Establishment in India.		

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