

Applicability and Procedure of TDS covered U/s 192 to Section 194 under the Income Tax Provisions



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In regards to the ultimo of proper safeguard of the government revenue and also to receive Tax in regular manner the Central Government has fixed a mechanism as suggested and implemented to deduct tax by the payer at the time of generation of income or credit of income in favour of the beneficiary inspite of payment of advance tax as well as self-assessment tax after fixation of estimated income by the Assessee. Such chapter on TDS is well applicable to

major assesses just in the nature of forceful deduction of income tax based on the volume and quantum of the transactions as recorded. Such deductions are generally been made on the basis of the nature of income. The vast process of deduction is being made with the specific deduction rate and also over specific threshold limit. For the prompt understanding the under noted summery may be considered as the functional procedure hereon.

Section	Nature of Income	Time of deduction	Threshold limit	Rate
192	Income from Salary Source: Transaction between the relationship of employer and Employee	Monthly- at the time of payment	The threshold limit initiates in the first month of the F.Y., provided the estimated yearly net taxable salary exceeds the non -taxable limit.	Estimated tax is computed as per usual rate structure of an Individual. Thereafter such estimated tax is amortised within the available number of months of the F.Y.
192A	Payment of accumulated balance due under the Employees' Provident Fund Scheme, 1952, to Employees which is taxable in their hand	When any amount of payment or aggregate amount of payment exceeds Rs.50.000/-	Rs.50.000/-	10%,30% if PAN is not available



Section	Nature of Income	Time of deduction	Threshold limit	Rate
193	Interest on securities a) any debentures or securities for money issued by or on behalf of any local authority or a corporation established under the Central, State or Provincial Act; b) any debentures issued by a company where such debentures are listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder; c) any security of the Central or State Government; d) interest on any other security	At the time of credit or payment, whichever is earlier	Threshold limit is Rs. 10,000/- However Rs.5,000/- In case of Debentures	10%, 20% if PAN is not available
194	Dividend other than the dividend as referred to in Section 115O	Before making payment to shareholder, other than dividend declared U/s. 115O, when amount exceeds Rs.2,500/-	Rs.5,000/-	10%, 20% if PAN is not available
194A	Interest other than interest on Securities	At the time of credit or payment, whichever is earlier	Rs.5,000/-, Rs. 40,000/- in case of interest credited by bank	10%, 20% if PAN is not available
194B and 194BB	Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort and Income by way of winnings from horse races	At the time of credit or payment, whichever is earlier	Rs. 10,000/-	30% whether PAN is available or not
194BA	Winning from online games	At the time of credit or payment, whichever is earlier	As per Notification	Such rate as may be prescribed



Section	Nature of Income	Time of deduction	Threshold limit	Rate
194C	Objects for Payment to Contractor or Sub Contractor	At the time of credit or payment, whichever is earlier,	Contract amount on single occasion is Rs. 20,000/- or the total contract amount during the F.Y. 1,00,000/-	1% for individual and HUF (20% if PAN is not available) 2% for Other Assessee (20% if PAN is not available)
194D	Insurance Commission	At the time of credit or payment, whichever is earlier	Rs.15,000/-	5%,(20% if PAN is not available)
194DA	Payment under life insurance policy (including Bonus)	At the time of repayment of Insurance Policy	Total amount during the whole F.Y. Rs.1,00,000/-	5%, (20% if PAN is not available)
194E	Payment to Non-Resident Sportsmen or Sports Association	At the time of credit or payment, whichever is earlier	NIL	20% in all cases
194EE	Payment in respect of deposit under National Savings scheme (NSS)	At the time of credit or payment, whichever is earlier	Rs.2,500/-	10%, (20% if PAN is not available)
194F	Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India	At the time of credit or payment, whichever is earlier	NIL	20% in all cases
194G	Commission on sale of lottery tickets	At the time of credit or payment, whichever is earlier	Rs.15,001/-	5%,(20% if PAN is not available)
194H	Commission or brokerage	At the time of credit or payment, whichever is earlier	Rs.15,000/-	5%,(20% if PAN is not available)
194I	Rent	At the time of credit or payment, whichever is earlier	Rs.2,40,000/-	10% on Rental Income applicable to land, building and furniture (20% if PAN is not available)
194IA	Payment on transfer of certain immovable property other than agriculture land	At the time of credit or payment, whichever is earlier	Rs.50 lac (Transaction price or stamp duty value whichever is higher)	1%,(20% if PAN is not available)



Section	Nature of Income	Time of deduction	Threshold limit	Rate
194IB	Rent payable by an individual or HUF not covered U/s 194I	At the time of credit of rent, for the last month of the previous year or the last month of tenancy if the property is vacated during the year, as the case may be, to the account of the payee or at the time of payment thereof whichever is earlier.	Rs.50,000/- P.M.	5% even if the assessee is not covered under the Tax Audit Regime U/s 44AB
194IC	Payment of Consideration (not being in kind) under Joint Development Agreement or other similar agreement	At the time of credit or payment, whichever is earlier	NIL	10%, (20% if PAN is not available)
194J	Professional services includes technical services, Royalty, Remuneration/ fee/ commission to a director or for not carrying out any activity in relation to any business for not sharing any know-how, patent, copyright etc.	At the time of credit or payment, whichever is earlier	Rs.30,000/-	10%, 2% in case of payments received or credited to a payee, engaged only in the business of operation of call center
194K	Income in respect of units from Mutual Funds to a resident	At the time of payment	Rs.5,000/-	10%,(20% if PAN is not available)
194LA	Payment on compensation or acquisition of certain immovable property other than agricultural land	At the time of credit or payment, whichever is earlier	Rs.2,50,000/-	10%, (20% if PAN is not available)
194LB	Payment of interest on infrastructure debt fund to non-resident or foreign company	At the time of credit or payment, whichever is earlier	NIL except income covered U/s 10(47)	5%, (20% if PAN is not available)
194LBA	Certain income from units of a business trust to resident and non-resident	At the time of credit or payment, whichever is earlier	Such income on which tax is payable	5% to non-resident and 10% to others provided PAN is available and (20% if PAN is not available)
194LBB	Income from investment fund paying an income to a unit holder [other than income which is exempt under Section 10(23FBB)]	At the time of credit or payment, whichever is earlier	Such income covered U/s 115UB on which tax is payable	10%, (20% if PAN is not available) to a resident, Rate at force for non-resident



Section	Nature of Income	Time of deduction	Threshold limit	Rate
194LBC	Income in respect of investment in securitisation trust.	At the time of credit or payment, whichever is earlier	Such income on which tax is payable U/s 115TCA	25% For Residents individual or HUFs and 30% For other Residents 40% For Non Residents Companies and 30% For Non Residents other than Company
194LC	Payment of interest by an Indian Company or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds (including long-term infrastructure bond)	At the time of credit or payment, whichever is earlier	Any income	5% (20% if PAN is not available) 4% for long term infrastructure bond issued in between July 2012 till Sep 14 9% long term bond/ infrastructure bond issued in between Oct 2014 till June 2023
194LD	Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor	At the time of credit or payment, whichever is earlier	Any income	5% (20% if PAN is not available), provided the rate of interest shall not be exceed the rate as prescribed by the Central Government
194M	Payment made by an individual or HUF for any works or activities covered U/s 194C but not liable to deduct tax U/s 194C,194D or U/s 194H or U/s194J due to not covered U/s 44AB	At the time of credit or payment, whichever is earlier	Rs.50 lac	5% (20% if PAN is not available)
194N	Payment of certain amount in cash	At the time of payment	Rs.1 Crore Rs. 3 Crore if recipient is a co-operative society	2% in normal occasion, if return of Income is not filled by the payee for all of the three F.Y. for which due date of filing is expired the rate of TDS is 2% for withdrawals up to one crore and thereafter 5% after Rupees one crore.
194O	Payment of certain sums by e-commerce operator to e-commerce participant	At the time of credit or payment, whichever is earlier	Rs.5 lac	1%



Section	Nature of Income	Time of deduction	Threshold limit	Rate
194P	Payment to the specified senior citizen having age of seventy five years or more by Banker	At the time of credit or payment, whichever is earlier	Maximum amount not chargeable to tax after consideration of all deductions under Chapter VIA and Rebate U/s 87 of the Act thereon	Tax is computed as per usual rate structure
194Q	Purchase of goods or payment thereof to the seller having composite value of Rs.50,00,001 or more by the deductor whose annual turnover in the preceding year exceeds Rs.10 Crore	At the time of credit or payment, whichever is earlier	Rs. 50 lac	0.1% (5% if PAN is not available)
194R	Value of benefit or perquisites in respect of business or profession	At the time of credit or payment, whichever is earlier	Rs. 20,000/-	10% (20% if PAN is not available)
194S	Payment on transfer of virtual digital assets	At the time of credit or payment, whichever is earlier	Rs.50,000/- for the deductor whose turnover during the preceding year is up to Rs.1 crore for business or Rs.50 lac for Profession else Rs. 10,000/-,	1% (20% if PAN is not available)

