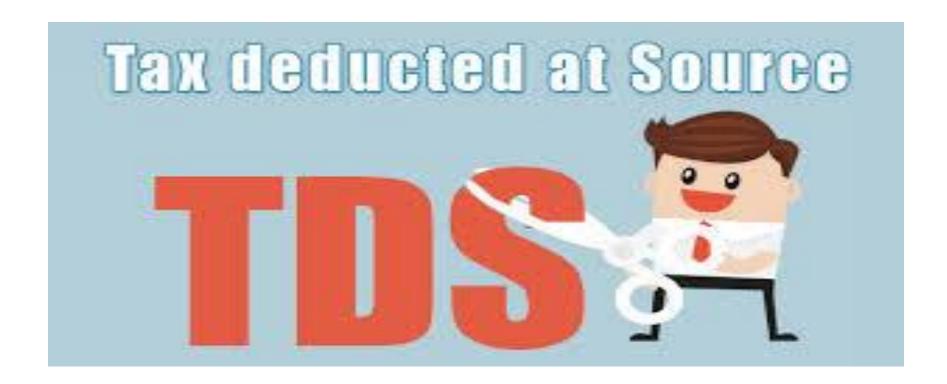


SESSION ON TDS SECTIONS 194E, 194E, 194F, 194G,194H,194M





Section-194E

TDS on Payments to Non-resident sportsmen or sports associations

SECTION 194 E

TDS ON PAYMENT TO NON- RESIDENT SPORTSMEN/ SPORTS ASSOCIATION

PERSONS LIABLE TO DEDUCT TDS U/S 194E

Any person making payment of income referred to in **section 115BBA** of Income Tax Act, 1961 to the following persons shall be liable to deduct TDS:-

A Non resident sportsman(including an athlete)

An Entertainer who is not a citizen of India.

A non- resident sports association / institution.

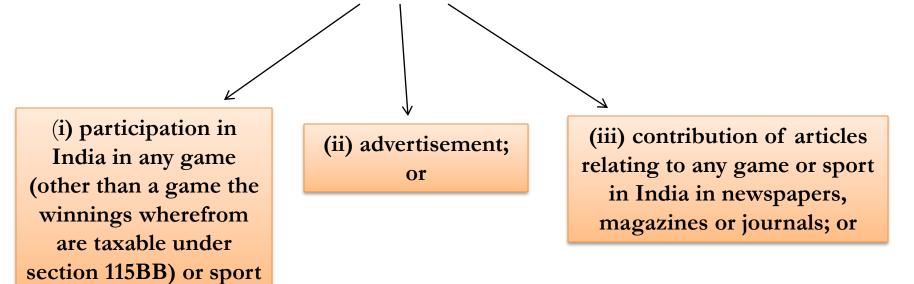
PAYMENTS REFFERED TO IN SECTION 115BBA

Where the total income of an assessee,-

being a sportsman (including an athlete),

who is not a citizen of India and is a non-resident

includes any income received or receivable by way of --



includes any amount guaranteed to be paid or payable to such association or institution in relation to any game (other than a game the winnings wherefrom are taxable under section 115BB) or sport played in India,

being an entertainer

who is not a citizen of India and is a non-resident

includes any income received or receivable from his performance in India

TIME OF DEDUCTION OF TDS UNDER SECTION 194E

When this section gets attracted in a given transaction, deductor is required to deduct TDS within earlier of the following dates —

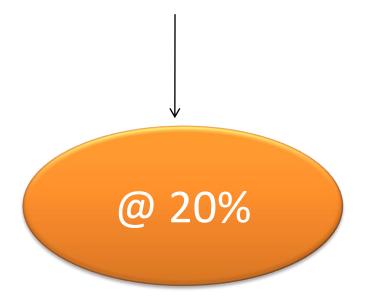
At the time of payment in cheque, draft, cash or any other mode

OR

At the time of credit of the income to the account of the recipient

RATE AT WHICH TDS UNDER SECTION 194E IS TO BE DEDUCTED

Deductor liable to deduct TDS under section 194E is required to deduct TDS



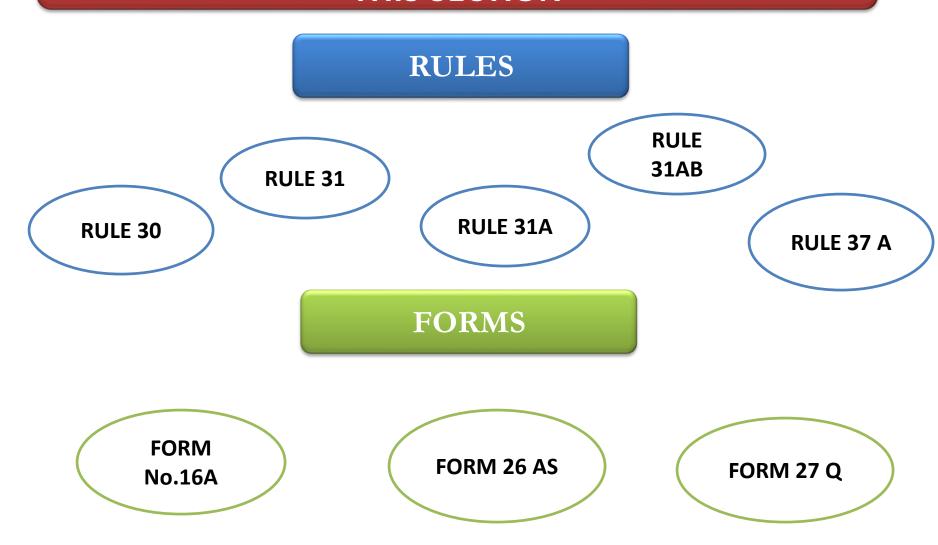
TDS RETURN FILING U/S 194E

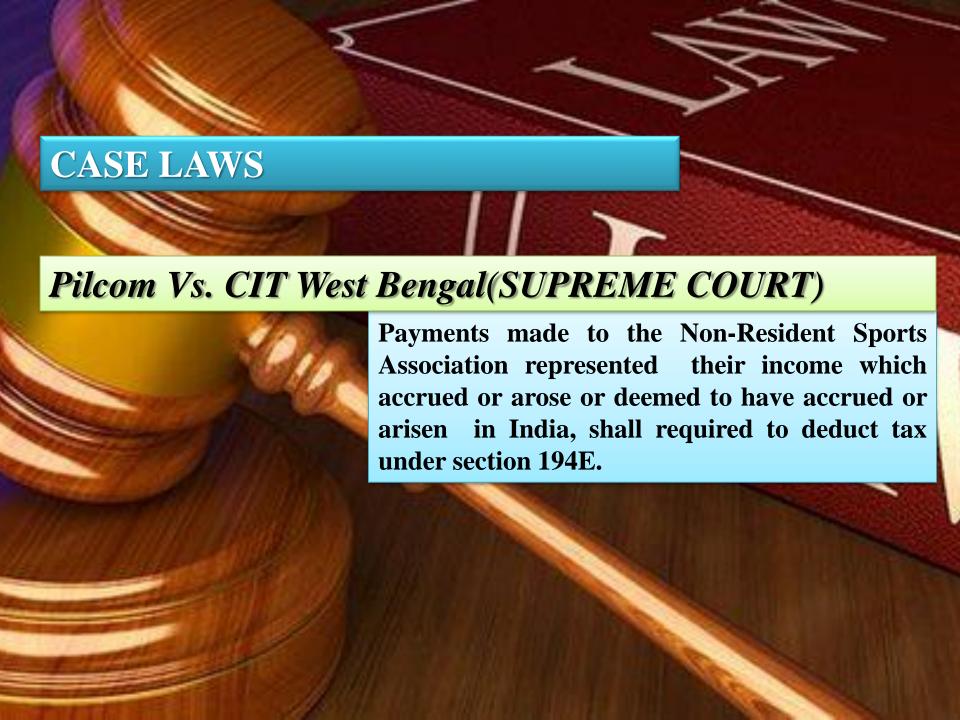
The Deductor, under section 194E of the Income Tax Act, 1961, is required to furnish TDS return in Form 27Q

FORM 27Q IS TO BE FILED QUARTERLY

Provisions of section 203 of the Income Tax Act, 1961 makes it mandatory for the Deductor to issue the TDS certificate to the payee. The Deductor deducting TDS under section 194E is required to furnish TDS certificate in Form 16A

RELEVANT RULES AND FORMS FOR THE PURPOSE OF THIS SECTION









SECTION 194EE

PAYMENTS IN RESPECT OF DEPOSITS UNDER NATIONAL SAVINGS SCHEME, ETC.

PERSON LIABLE TO DEDUCT TDS U/S 194EE

PAYMENT TO ANY PERSON ANY AMOUNT
REFERRED TO IN Clause (a) Of Sub-section (2) Of Section
80CCA

CLAUSE (a) of Sub section (2) of Section 80CCA

Where any amount-

STANDING TO THE CREDIT OF THE ASSESSEE

UNDER THE **NATIONAL SAVINGS SCHEME** IN RESPECT OF WHICH A DEDUCTION HAS BEEN ALLOWED UNDER SUB SECTION (1)

TOGETHER WITH THE INTEREST ACCRUED ON SUCH AMOUNT

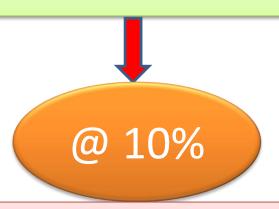
IS WITHDRAWN IN WHOLE OR PART IN ANY PREVIOUS YEAR.

TIME OF DEDUCTION OF TDS UNDER SECTION 194EE



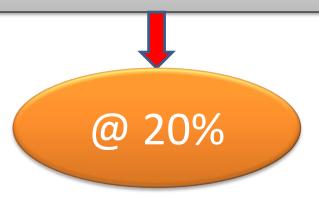
AT THE TIME OF PAYMENT

RATE AT WHICH TDS UNDER SECTION 194EE IS TO BE DEDUCTED

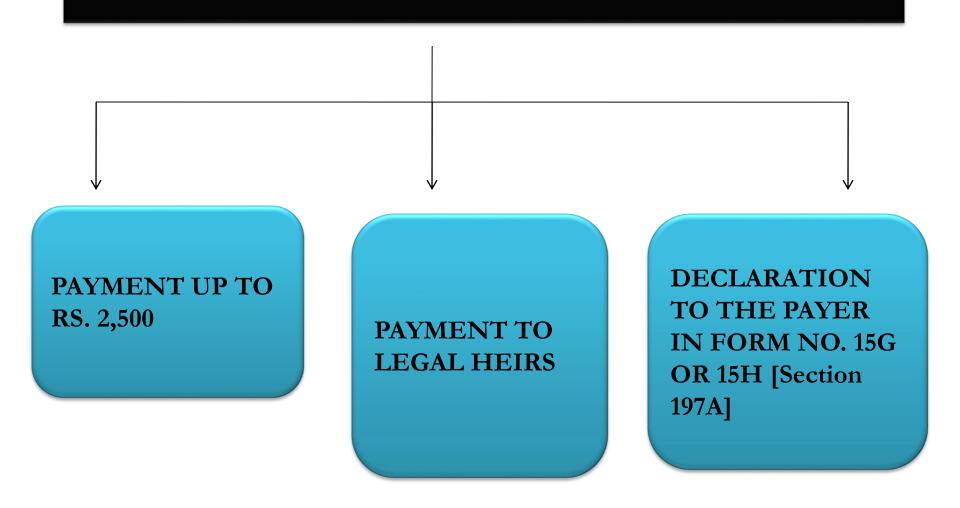


The rate is 7.5% for transactions from 14 May 2020 until 31 March 2021.(COVID PERIOD)

If the recipient does not furnish his PAN to the deductor, tax will be deducted



WHEN NO TDS IS DEDUCTIBLE UNDER SECTION 194EE



TDS RETURN FILING U/S 194EE



The Deductor, under section 194EE of the Income Tax Act, 1961, is required to furnish TDS return in Form 26Q

RELEVANT RULES AND FORMS FOR THE PURPOSE OF THIS SECTION



SECTION 194F — PAYMENT ON ACCOUNT OF REPURCHASE OF UNITS BY MUTUAL



SECTION 194F

PAYMENTS ON ACCOUNT OF REPURCHASE OF UNITS BY MUTUAL FUND OR UTI

PERSON LIABLE TO DEDUCT TDS U/S 194F



MUTUAL FUNDS or UTI IS LIABLE TO DEDUCT TDS ON

PAYMENT TO ANY PERSON ANY AMOUNT
REFERRED TO IN Subsection (2) of section 80CCB

SECTION 80 CCB (2)



Amount which is invested by the assessee in the units being issued under a plan formulated under the Equity Linked Savings Scheme.

The amount so invested has been allowed as a deduction, however, the amount invested (whole or part) is returned back to the assessee by the Fund / Trust either by way of repurchase of the units or on the termination of the plan

TIME OF DEDUCTION OF TDS UNDER SECTION 194F



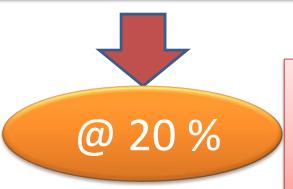
AT THE TIME OF MAKING PAYMENT OF THE REQUISITE AMOUNT

TIME OF DEPOSIT OF TDS WITH THE GOVERNMENT



within a period of 7 days from the end of the month in which TDS is deducted. However, the TDS deducted in the month of March is to be deposited on or before 30th April.

RATE AT WHICH TDS UNDER SECTION 194F IS TO BE DEDUCTED



The rate is 15% for transactions from 14 May 2020 until 31 March 2021.(COVID PERIOD)

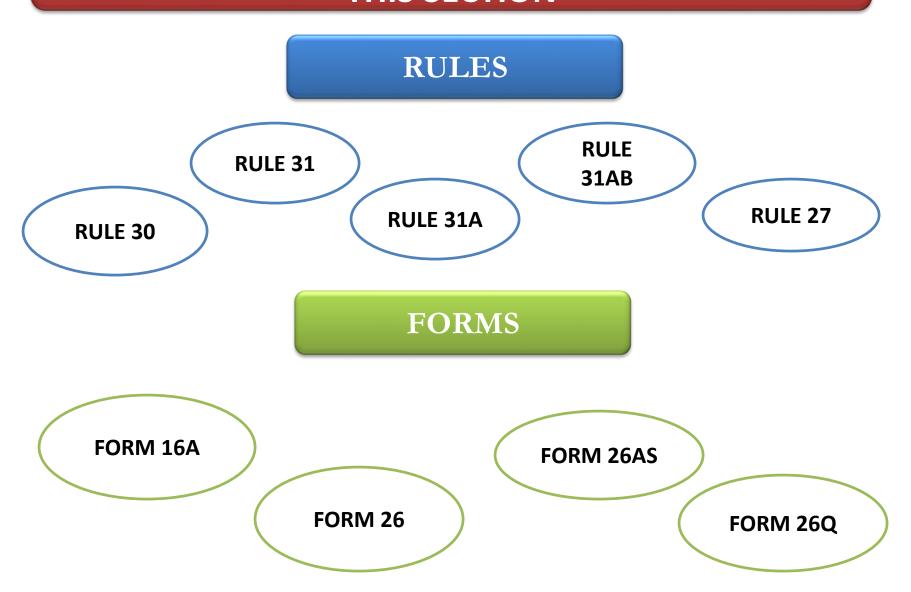
There is no exemption limit provided under section 194F

CATEGORY OF PAYEE



Individuals And HUF

RELEVANT RULES AND FORMS FOR THE PURPOSE OF THIS SECTION



SECTION 194 G



TDS on Commission on the sale of lottery tickets



SECTION 194G

COMMISSION ON SALE OF LOTTERY TICKETS

PERSON LIABLE TO DEDUCT TDS U/S 194G



person, who is paying any income by way of

commission

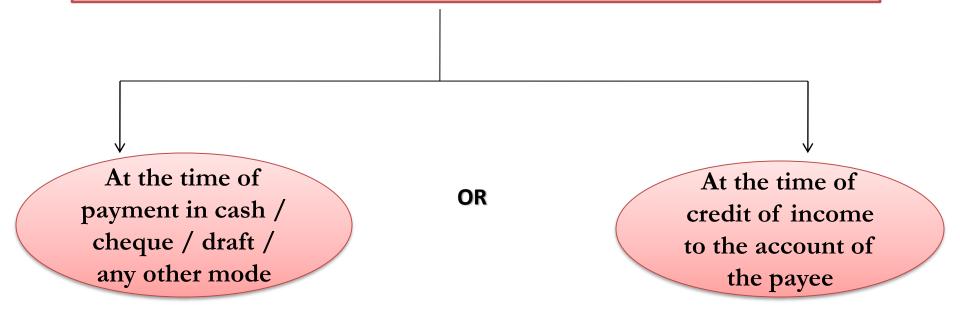
remuneration

prize on lottery tickets to the person who has been stocking / distributing / purchasing / selling the lottery tickets

TIME OF DEDUCTION OF TDS UNDER SECTION 194G



the Deductor is required to deduct TDS within earlier of the following prescribed dates –



RATE AT WHICH TDS UNDER SECTION 194G IS TO BE DEDUCTED

@ 5%

The rate is 3.75% for transactions from 14 May 2020 until 31 March 2021.(COVID PERIOD)

It should be noted that no surcharge, education cess or SHE cess shall be levied on the said rate of 5%.

If the recipient does not furnish his PAN to the deductor, tax will be deducted

@ 20% MAXIMUM MARGINAL RATE

EXEMPTION LIMIT U/S 194 G



Liable to deduct TDS under section 194G only if the income amount exceeds INR 15,000

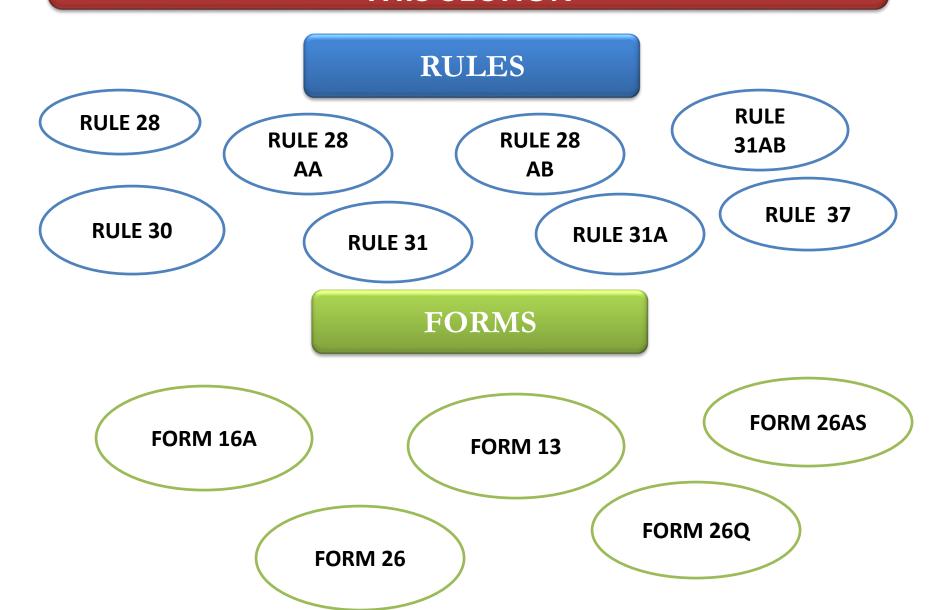
Provision of lower / NIL TDS deduction



The payee can, by filing an application in **Form no. 13**, request the assessing officer for lower TDS deduction or NIL / no TDS deduction. If the payee receives the appropriate certificate from the Assessing Officer, the Deductor would **deduct TDS at a lower rate or NIL rate**, as directed

However, **section 206AA(4)** states that **no certificate** for lower / NIL deduction shall be granted **unless the application** contains the **Permanent Account Number (PAN)** of the applicant

RELEVANT RULES AND FORMS FOR THE PURPOSE OF THIS SECTION



CONSEQUENCES A DEDUCTOR WOULD FACE IF HE FAILS TO DEDUCT TDS OR AFTER DEDUCTING THE SAME FAILS TO DEPOSIT IT TO THE GOVERNMENT'S ACCOUNT

Disallowance of expenditure

- section 40(a)(i)
- section 40(a)(ia)
- Section 58(1A)

Levy of interest

section 201

Levy of Penalty

• section 271C

Prosecution

• Section 276 B

SECTION 194H

TDS ON COMMISSION AND BROKERAGE



APPLICABILITY

Individuals and Hindu Undivided Family who were covered under section 44AB are also required to deduct TDS. However, From FY 2020-21, individual and HUF whose turnover from business is above Rs. 1 crore or gross receipts from profession are above Rs. 50 lakh are also required to deduct TDS.

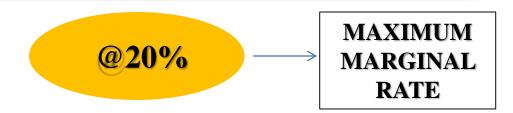
RATE AT WHICH TDS UNDER SECTION 194G IS TO BE DEDUCTED

@5%

The rate is 3.75% for transactions from 14 May 2020 until 31 March 2021.(COVID PERIOD)

It should be noted that no surcharge, education cess or SHE cess shall be levied on the said rate of 5%.

If the recipient does not furnish his PAN to the deductor, tax will be deducted



NON-APPLICABILITY

- □ No deduction shall be made under this section in a case where the amount or the aggregate amounts of such income to be credited or paid during the financial year does not exceed INR 15,000.
- ☐ The Person can make an application to the assessing officer under section 197 for deduction of tax at NIL rate or at a lower rate.



TIME LIMIT FOR DEPOSITING IN TDS

❖ Tax Deducted during the month of April to February is to be deposited on or before the 7th of next month. Tax Deducted in the month of March is to be deposited on or before 30th April.

FOR EXAMPLE:

Tax deducted on 25 April is to be deposited on or before 7th May and tax deducted on 15 march is to be deposited on or before 30 April.



CASE LAWS

Kotak Securities Limited Vs. Dy. Commissioner of Income Tax TDS Circle 2(1) (ITAT Mumbai)

When bank issues bank guarantee on behalf of assessee, there is no principal-agent relationship between bank and assesse. So, assessee is not required to deduct TDS.

CIT vs. Mother Dairy India Ltd.

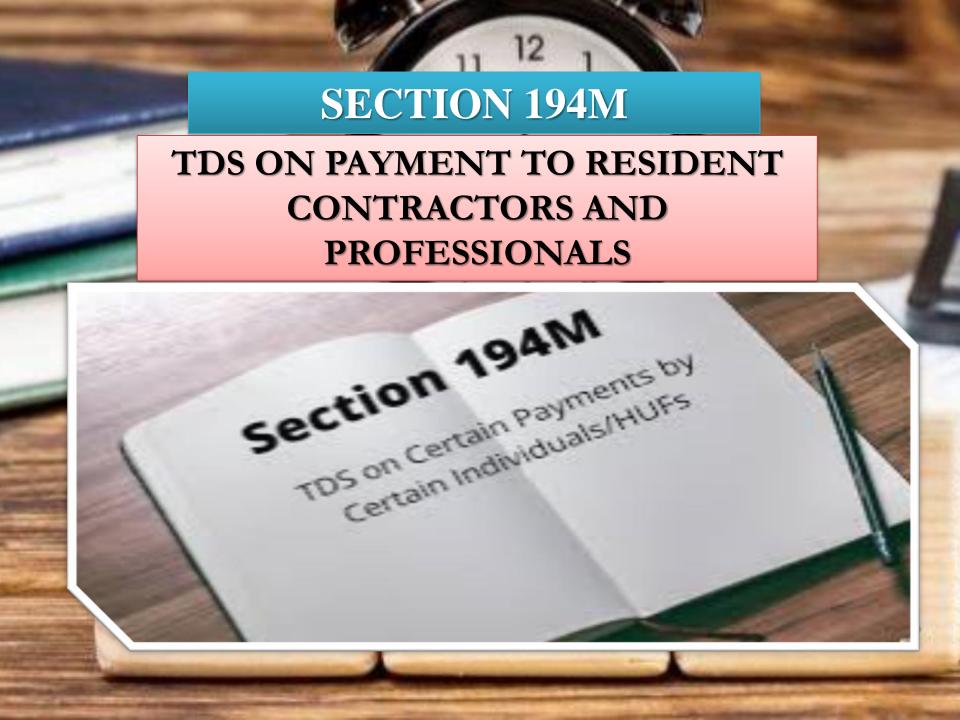
Commission paid by Mother Dairy to concessionaires who sell milk of assessee from booths owned by assessee not liable to TDS under section 194H as principle-agent relationship is missing.

CIT vs. Singapore Airlines Ltd.

Assessee-airlines issued tickets to its travel agents at a concessional price, transaction between assessee and travel agents was that of principal-to-principal and difference in price was discount and therefore, such transaction would not fall with ambit of section 194H.

Tube Investments of India Ltd. v. ACIT[2009] 223 CTR 99 (MAD).

Where assessee, a manufacturer of bicycles, was giving trade incentive to dealers, if dealers were selling goods at price for which they were purchasing from company, such trade incentive would amount to commission for purpose of section 194H.



APPLICABILITY

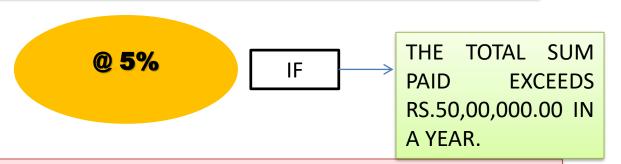
An individual and/or Hindu undivided family (HUF) has to deduct tax at source under Section 194M. Such individuals and HUF must not be required to get their books of accounts audited. Books of Accounts are required to be audited if total turnover or receipts of a business exceed Rs. 1 crore or where receipts of a profession exceed Rs. 50 lakh.

IT SHOULD BE NOTED THAT NO TDS UNDER SECTION 194M IS APPLICABLE TO THE ASSESSEE IF THEY WERE CODUCTING AUDIT REFERRED UNDER SECTION 44AD.



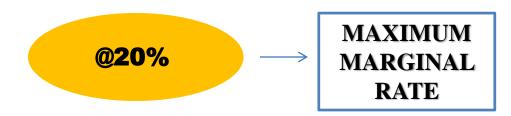
Payments to non-residents are not covered under this section.

RATE AT WHICH TDS UNDER SECTION 194M IS TO BE DEDUCTED



The rate is 3.75% for transactions from 14 May 2020 until 31 March 2021.(COVID PERIOD)

If the recipient does not furnish his PAN to the deductor, tax will be deducted





TIME LIMIT FOR DEPOSITING IN TDS

If the amount is deducted in March – on or before April 30 of the next financial year.

FOR EXAMPLE:

if the amount has been deducted in March 2020, then the TDS will be deposited to the department by 30 April 2021.

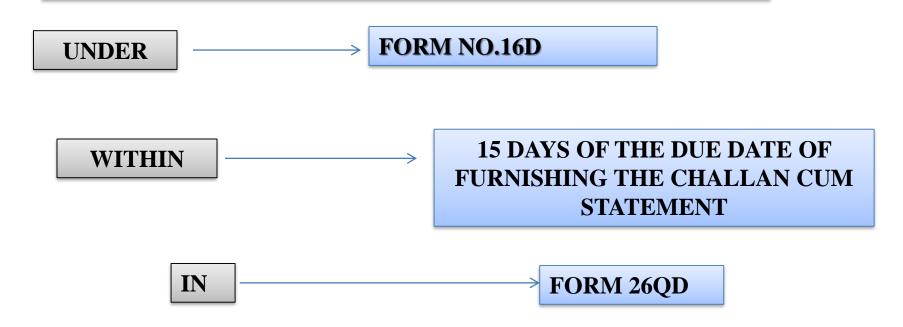
In any other month – within seven days from the end of the month in which the tax deduction is made.

FOR EXAMPLE:

if the amount has been deducted paid in the month of September 2020, then the TDS will be deposited to the department by 7 October 2020.

CERTIFICATE OF TAX DEDUDCTED UNDER SECTION 194M

THE PERSON WHO DEDUCTS TAX UNDER SECTION 194M SHALL FURNISH A CERTIFICATE:



SPECIAL POINTS TO BE NOTED:

If the Assesse required to get Books of Accounts audited, TDS deduction is applicable as per Section 194C and 194J. The individual and/or HUF who have to deduct TDS under Section 194C (TDS on payment to a contractor) and 194J (TDS on payment on professional fees) do not have to deduct tax at source under Section 194M.

The individual or HUFs who has to deduct tax can pay the tax to the government by quoting his or her PAN only. Not required to get a tax deduction account number (TAN) for TDS deduction.

TDS amount will be deducted on the earlier of the following dates:

- At the time of credit of the amount.
- At the time of payment by cash or by the issue of a cheque or draft.

THANK YOU!

