

CA Inter – Chapter 11: TDS, TCS, Advance Tax (Summary)

1. TDS – Tax Deducted at Source

TDS is deducted by the payer before making specified payments like salary, interest, commission, rent, etc. Deduct at the time of payment or credit, whichever is earlier.

Key Sections & Rates:

- 192 – Salary – Avg Rate
- 192A – EPF Withdrawal > ₹50,000 – 10%
- 194 – Dividends > ₹5,000 – 10%
- 194A – Interest – 10%
- 194B/BA/BB – Lottery/Online gaming/Horse race – 30%
- 194C – Contractors – 1%/2%
- 194D – Insurance Commission – 5%/10%
- 194DA – LIC Maturity – 5%/2%
- 194H – Commission/Brokerage – 5%/2%
- 194I – Rent – 2%/10%
- 194IA – Immovable Property – 1% on > ₹50L
- 194J – Prof./Tech./Royalty – 2%-10%
- 194N – Cash Withdrawal – 2%-5%
- 194Q – Purchase of Goods – 0.1% if > ₹50L
- 194R – Perquisites (non-salary) – 10%

Special Provisions:

- 206AA – Higher TDS (20%) if PAN not provided
- 206AB – Higher TDS (5% or double rate) for non-filers

2. Advance Tax

Required if tax liability ≥ ₹10,000; Exempt for senior citizens (not in business/profession)

Due Dates:

- 15 June – 15%
- 15 Sept – 45%
- 15 Dec – 75%
- 15 Mar – 100%

For 44AD/44ADA (presumptive): Full amount by 15 Mar

Interest:

- 234A: Delay in filing – 1% per month
- 234B: Shortfall in Advance Tax – 1% per month
- 234C: Deferment – based on % shortfalls per date

3. TCS – Tax Collected at Source

Applies on sale of certain goods/services.

- 206C(1): Alcohol, Forest Produce, Minerals – 1%–5%
- 206C(1F): Motor Car Sale > ₹10L – 1%
- 206C(1G): Foreign Remittance > ₹7L – 5%-20%
- 206C(1H): Sale of Goods > ₹50L – 0.1%

Higher TCS Rates:

- 206CC: No PAN – 5% or double
- 206CCA: Specified person – 5% or double

Effective Compliance:

- PAN must be furnished.
- TDS/TCS return filing mandatory.
- Non-compliance results in interest/penalty.