

TAX DEDUCTION AT SOURCE

⇒ SUMMARY:

I SIDI W₃C₄RF CP
PAYER
RECEIVER

II SECTION-WISE NOTES

III GENERAL NOTES



Part-I : SIDI W₃C₄RF CP

	192	193	194	194A
	S	I	D	I
Threshold	Taxable IFS > Basic Exemp..	<u>Deb. Int.</u> > 5,000 <u>Others</u> Any Amt	> 5,000	<u>Banks/PO</u> > 40,000 <u>Others</u> > 5,000
TDS %	slab Rt.	10%	10%	10%

* 194BA

194BB/B	194C	194D/G/H	194I	194J
W ₃	C	C ₃	R	F PTNR Dir..
>10,000 online game Any Amt:	<u>Single pymt</u> >30,000 ⊗ <u>Agg. pymt</u> >1,00,000	>15,000	>24,000 p.a.	<u>PTNR</u> >30,000 each <u>Dir..</u> Any Amt.
30%	1%/2%	5%*	10%/2%	10%/2%

* 2% 194G/H
W.e.f. 1/10/24

Loot ke Acquire Izzat se Acquire

194 LA	194 IA
C Imm...	P Imm...
>2,50,000 risky	≥50L safe
10%	1%

Rural/urban Ag. land ⊗

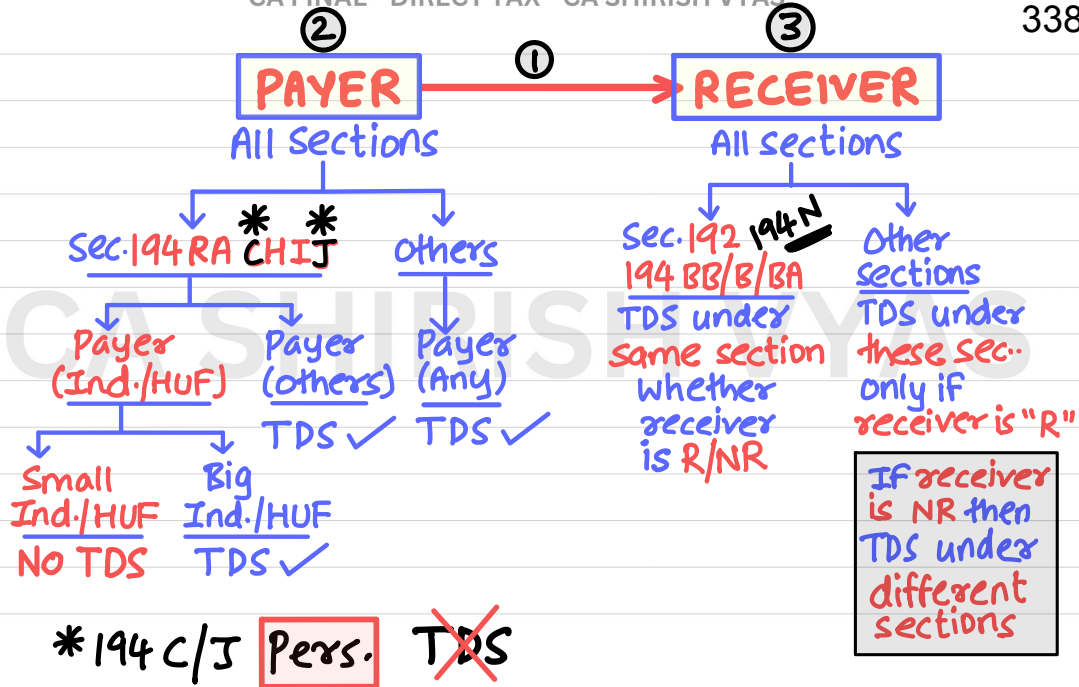
Rural ⊗

Single pymt
>30,000

OR

Agg. pymt
>1,00,000





Payment to

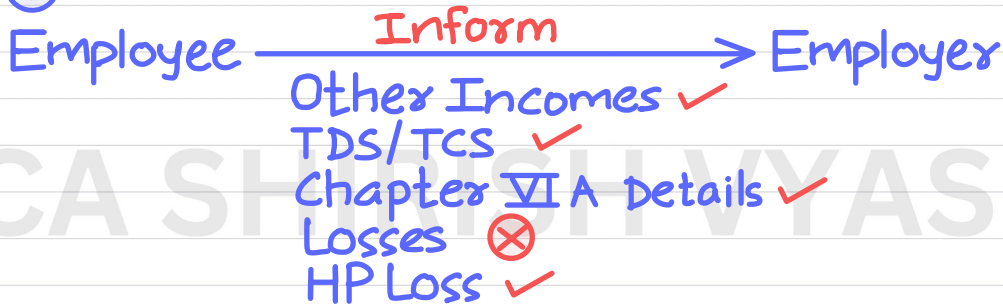
Residents

Non-Residents

192, 193, 194	Different sections (main sec. 195)
TDS on Selected Payments	TDS on All Payments
TDS @ ad-hoc rates	TDS @ Actual Rates
Threshold limits	No Threshold limits
Small Ind/HUF exempted	No one is exempted

Sec. 192 : SALARIES

①



②

Pre-mature w/d from RPF
(< 5 yrs. service)
 $\geq 50,000$ 10% TDS u/s 192A

③

ESOPS
 [Taxable = FMV - IP]

Normally

TDS When
 Allotted

Start-ups

Py || Ay || 48 m *

or
 sale *

or
 leaving *

Earlier | 14 Days |

Sec. 193 : INTEREST ON SECURITIES

- No TDS**
- ① *Marketing* Central/state Govt. securities
Exception: 7.75% STB, 2018
 FR STB, 2020
 > 10,000 (TDS)
 - ② *Trustworthy* LIC/GIC/other Ins. Co. (receiving)

Note ①: Deb. Int. \leq 5,000 (NO TDS)
 Receiver Ind./HUF
 A/c payee chq.

Sec.194 : **DIVIDEND**

① LIC/GIC/other Ins.Co. (receiving)
NO TDS

Note ①: Dividend > 5000
IF Receiver Individual
Other than cash

Note ①:

Bank of Baroda (F.D.)

Andheri
Branch

Malad
Branch

$$\text{Int. } 30,000 + 30,000 = 60,000$$

Agg. if CBS
TDS ✓

Note ②: Senior Citizen threshold 50,000
"Bank / P.O."

Big 6-op.


Sec.194B/BB/BA : **WINNINGS**

① "In kind"

First ensure tax paid - Then release

sec.194C : **CONTRACT**

① "works" contract includes
ABC₂ JL etc...

② 

Bill

Dilip Works	
Material 1L	
Labour 2L	
etc....	
	<u>3L</u>
(+) GST	<u>xx</u>
	<u>xx</u>

(-) TDS

Bill

Dilip Works	
1000 sq.ft	
(x) 300 per sq.ft	
	<u>3L</u>
(+) GST	<u>xx</u>
	<u>xx</u>

(-) TDS

Sec. 194H : **OTHER COMMISSION**

① Share Broker — NO TDS

Sec. 194J : **PTNR Dir...**

① Prof. = MALE FIT Co. + SUP₂ACE₃

② Technical = MTC

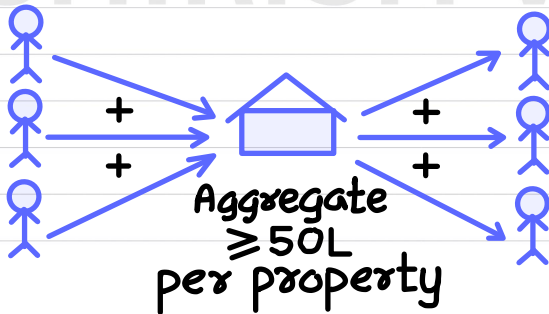
Note ①: sec. 194J — specific
sec. 194C — General

Sec. 194IA : PUR. OF IMM. PROPERTY

① 1% TDS **if** $\left[\begin{array}{l} \uparrow \text{Actual}^* \text{ consideration} \\ \uparrow \text{SDV} \end{array} \right] \geq 50L$

② * including incidental charges

③



OTHER SECTIONS

194K/DA/IB/M/N/O/P/Q/R/S

sec.194K : UTI/MUTUAL FUND INCOME

If $> 5,000$ - 10% TDS

Sec. 194DA : LIFE INSURANCE CLAIM

Life Insurance claim

Recd. on Death

Fully Ex. vls
10(10B)

Recd. on maturity

Small Premium

Fully Ex. vls
10(10B)

Big Premium

Taxable (IFos)
TDS vls 194DA

if amt. paid $\geq 1,00,000$
5%* on Income element

\geq

194IA
 $\geq 50L$

192A
 $\geq 50K$

194DA
 $\geq 1L$

*2% W.e.f. 1/10/24

	Normal	<u>Sp. Disease</u> Handicapped
1/4/12	max. 20%	max. 20%
1/4/13	max. 10%	max. 10%
	max. 10%	max. 15%

$\geq 1/4/23$

or

Annual premium > 5,00,000

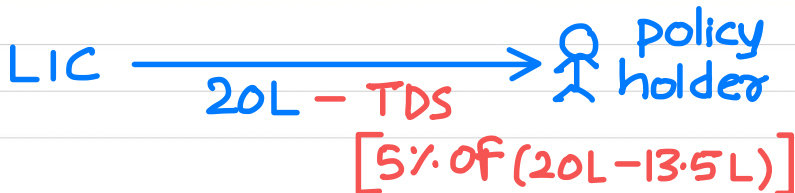
Policy 20L

Annual premium 4.5L
(for 3 yrs.)

Annual premium
4.5L

>

20% of sum assured
4L

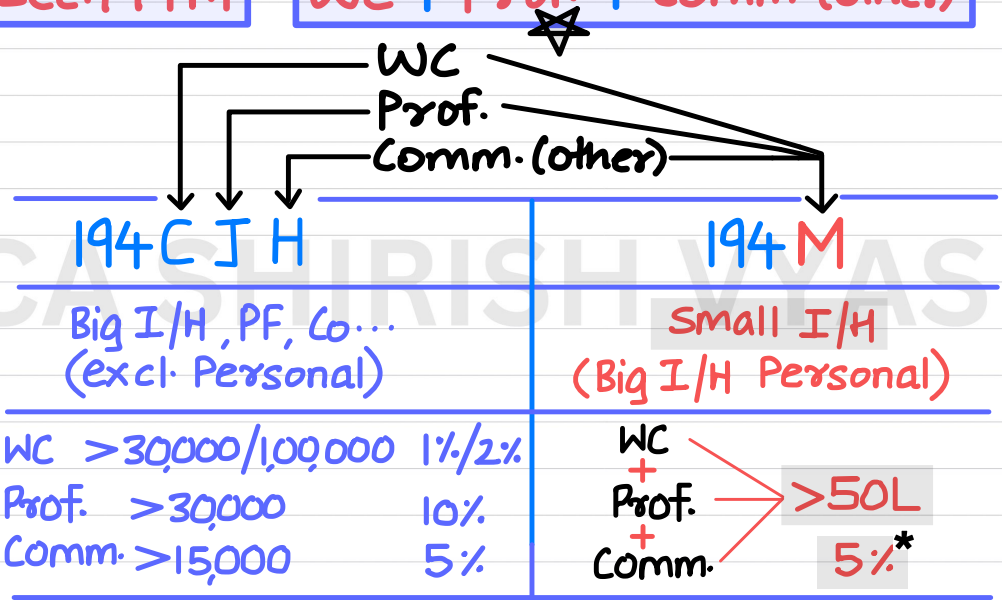


sec.194IB : TDS on RENT

RENT	
sec.194I	sec.194IB
Big I/H, PF, Co...	Small I/H
> 2,40,000 p.a.	> 50,000 p.m.
Any Rent	Imm.. Prop...
10%/2%	5% *

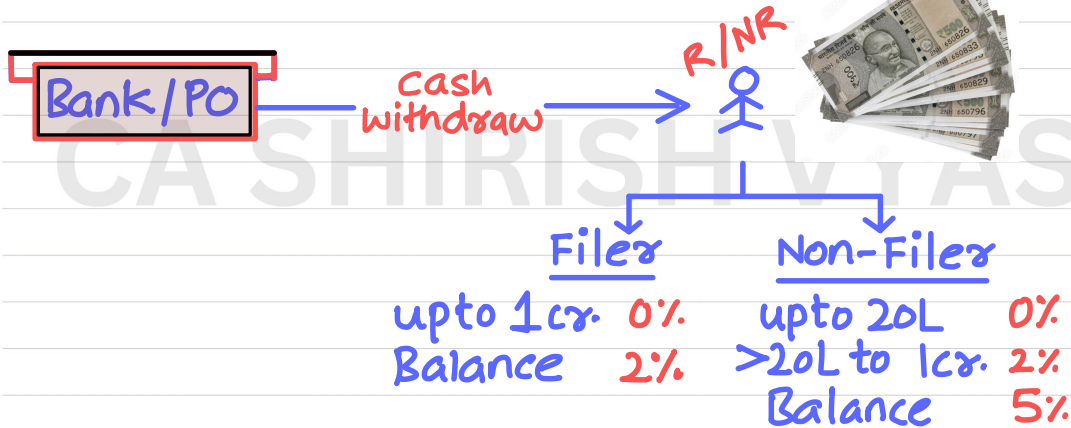
*2% W.e.f. 1/10/24

Sec. 194M : **WC + Prof. + Comm. (other)**

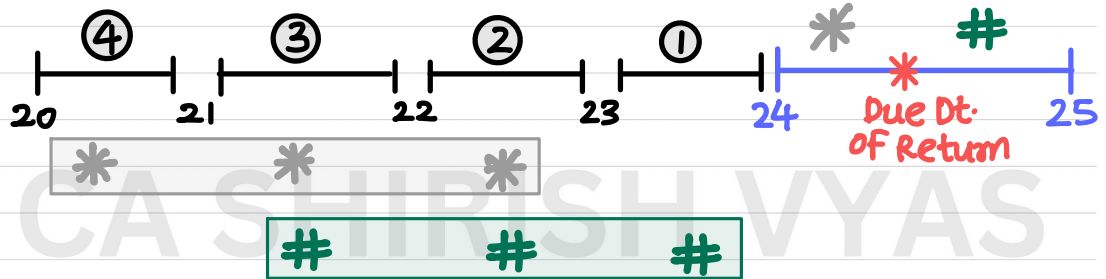


*2% W.e.f. 1/10/24

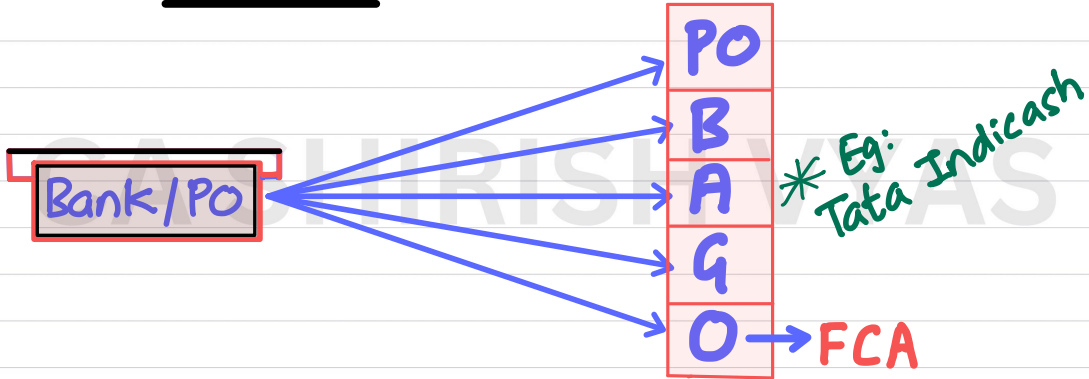
Sec. 194N : TDS ON CASH WITHDRAWAL :



For Co-op Societies → ~~1 crore~~ 3 crores

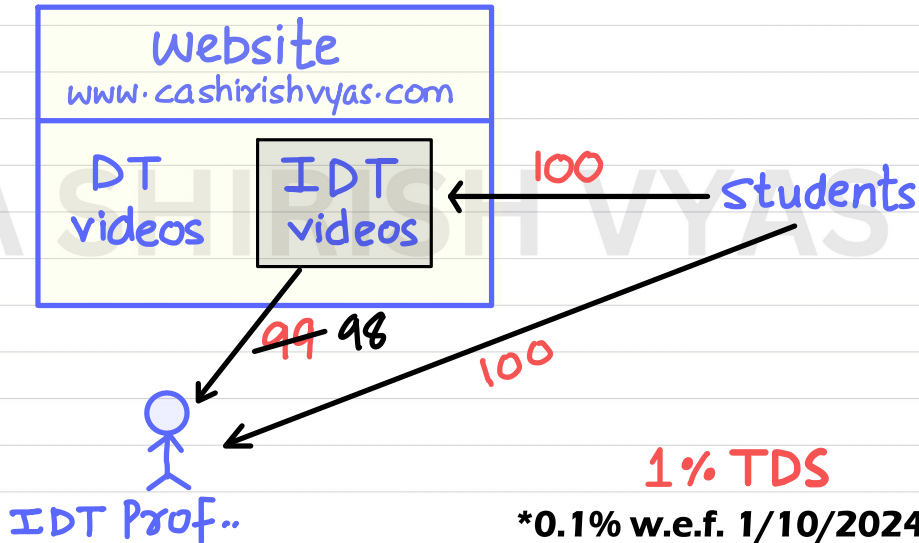


No TDS



Sec. 194-O :

TDS ON ONLINE SALE



Sec.194P : TDS ON PENSION

Senior Citizen ≥ 75 yrs.

pension



Bank

NO other income

TDS - slab Rates

NO need to file Return

Sec. 194Q : TDS ON PURCHASE (GOODS)

T/O > 10 cr.

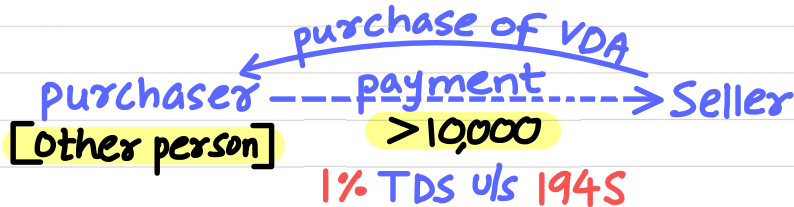
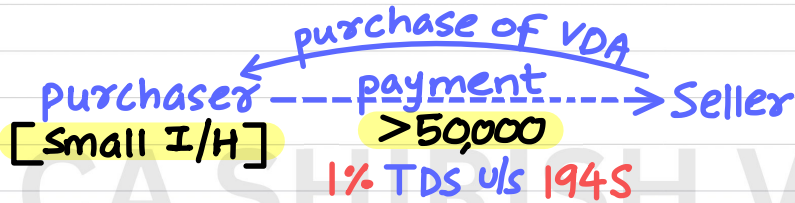


> 50L

0.1% on Excess

Sec. 194R : **BENEFITS/PERQUISITES**
[Business/Profession]

Any person
[excl. small I/H] $\xrightarrow{\text{Benefit/Perq.}} \text{Business Person}$
> 20,000
10% TDS
u/s 194R

sec. 194S : PURCHASE OF V.D.A

VDA
Crypto NFT

Part-III

GENERAL NOTES

- ① When to deduct ?
- ② When to deposit ?
- ③ Failure
- ④ TDS Returns
- ⑤ Sec. 197A
- ⑥ sec. 197
- ⑦ sec. 206AA
- ⑧ sec. 206AB
- ⑨ sec. 40(a)

Creating "Liab"
in Books

- ⑩ SC/HEC
- ⑪ Sec. 198/199
- ⑫ TDS certificate
- ⑬ Sec. 203A: TAN

① WHEN TO DEDUCT ?

When to deduct ?

Normally

Party's A/c
Credited

or

Actual
Payment

Earlier

SWG₂L

Actual
Payment

Sec. 194IB

Party's A/c
Credited (with Rent
of last mnth)

or

Actual
Payment (of Rent
of last mnth)

Earlier

Sec. 194BA

At the end of F.Y. or
At the time of withdrawal during the year
whichever is earlier

② WHEN TO DEPOSIT ?

When to deposit ?

Normally

7th of
next mnth

March

30th
April

194IA/IB/M/S

30 days
(mnth of dedn.)

* Small
I/H

Eg: *earliest*

3/June Rent A/c Dr. 100 90
 party credited To R's A/c ~~100~~
 To TDS payable 10

or

(7th of July)
 By 7th of Next month

25/Aug R's A/c Dr. ~~100~~ 90
 Actual pymt To Bank ~~100~~ 90

TDS payable 10
 To Bank A/c 10

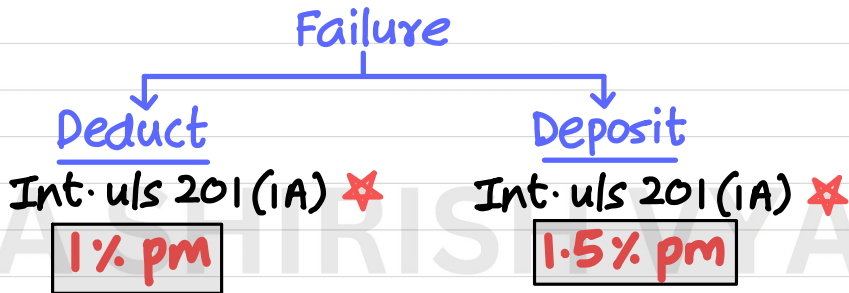
Eg: **Sec.194IB** Rent 1,00,000 pm x 12m

April	Rent	100000	12L	= 1200000
	To Bank	100000	x 20%	x 5%
May	- -		<u>240000</u>	TDS <u>60000</u>
June	- -		↓	
July	- -		TDS	
Aug.	- -			
Sep.	- -			
Oct.	- -			
Nov.	- -			
Dec.	- -			
Jan.	- -			
Feb.	- -			

↓ restricted to 1,00,000

March Rent 1,00,000 40,000
 To Party's A/c ~~1,00,000~~
 To TDS payable 60,000

③ FAILURE TO DEDUCT/DEPOSIT



from deductible to deducted

from deducted to deposited

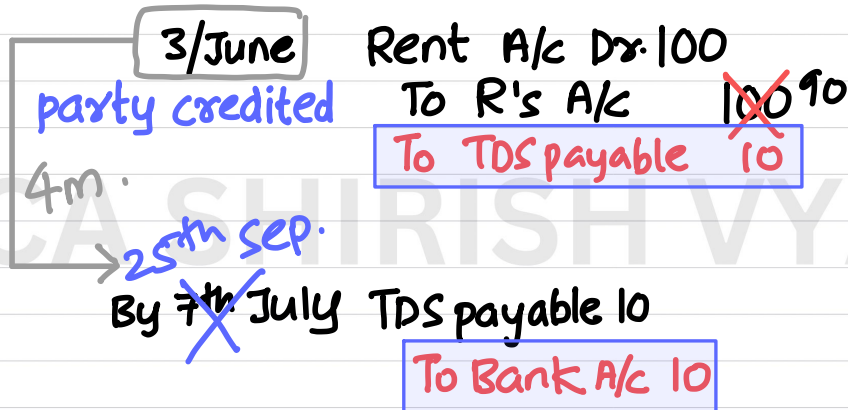
Penalty u/s 271C

Amt. of TDS

Prosecution u/s 276B

3m - 7yrs.

Example on Late Deposit



$$\text{Int. on late dep. u/s 201(1A)} = \frac{10}{\text{TDS}} \times 1.5\% \times 4\text{m}^{\star}$$

Example on Late Dedn.

3/June Rent A/c Dr. 100
 party credited To R's A/c 100

23/Aug. R's A/c Dr. 10
 Deduct To TDS payable 10

13/oct. TDS payable Dr. 10
 Deposit To Bank 10

$$\text{Int.} = 10 \times 1\% \times 3\text{m.}$$

(TDS) pm. Jun
Jul
Aug.

$$\text{Int.} = 10 \times 1.5\% \times 2\text{m.}$$

(TDS) pm. ~~3m.~~
~~Aug.~~
 Sept.
 Oct.

④ TDS RETURNS:

<u>Quarter</u>	<u>Due Date</u>		<u>Pen. u/s</u>
A/m/Jun 30	1m July 31	1 month pay + file	271 H
J/A/Sep 30	1m Oct. 31		min. 10,000
O/N/Dec. 31	1m Jan. 31		to
J/F/Mar. 31	2m May 31		max 1,00,000

Late filing fees u/s 234E ₹ 200 per day

(max. TDS)

Salary	24Q	194 IA	194 IB	194m	194S
General	26Q	26QB	26QC	26QD	26QE
NR	27Q				

⑤ sec.197A: NO TDS on DR₂I₃M

I/H



⑥ sec.197: NO/LOW TDS on Any Income

All



Bada IA Bada IB 194 N and PRS

⑦ Sec. 206AA: NO PAN / WRONG PAN

min. 20% TDS* *1940/Q 5%

⑧ Sec. 206AB: TDS (NON-FILER)

(+) Preceding yr. — Return not filed
 Preceding yr. — TDS + TCS $\geq 50,000$

Double Rate or 5% [High]

⇒ Exception:

Sec. 192, 192A, 194 B, BB, BA, IA, IB, LBC, M, N, S, NR w/o PE

192/192A

BIL MNS

NR w/o PE

⑨ Sec. 40(a) : EXP. SUBJECT TO TDS :

Eg: 31/7/25

	1/4/24	31/3/25	Due date of filing return	31/3/26
		TDS Deducted	TDS Deposited	
Allowed (PY 24-25)		✓	✓	
30%/100% Disallowed (PY 24-25)		✓	⊗	30%/100% Allowed in the Yr. of Deposit of TDS
30%/100% Disallowed (PY 24-25)		⊗ Party o/s		30%/100% Allowed in the Yr. of Deposit of TDS
30%/100% Disallowed (PY 24-25)		⊗ Party paid		30%/100% of Allowed in the yr. in which TDS is deemed to be deposited i.e. Yr. in which receiver files return

3/June Advt. Dr. 100
 To Bank 100

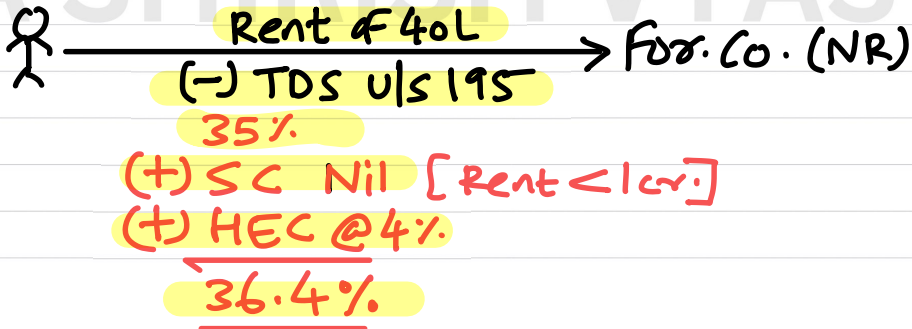
Int. = Amt. of TDS (Re.1)
 (X) 1:1 P.M.
 (X) period upto deducted
 (Deductible 3/June/24 to 29/July/25)

⑩ SC/HEC

TDS @ Ad-hoc Rates - Ignore SC/HEC

TDS @ Actual Rates - Consider SC/HEC

[Salary / Pension / Winnings / NR]



⑪ sec. 198/199:

Receiver of income — Show **GROSS** ← **sec. 198**

Receiver of income — Get **CREDIT** ← **sec. 199**

⑫ TDS Certificate:

payee $\xrightarrow{\text{TDS Certificate}}$ Receiver

Form 16

Form 16A 16B 16C 16D 16E

194 194 194 194

IA IB M S*

⑬ Sec-203A: TAN

