

TDS RATES APPLICABLE FOR FINANCIAL YEAR 2021-22 (A.Y. 2022-23)

Section	Nature of Payment	Threshold Limit for deduction tax	Rate of TDS applicable for the period or Basic Cut off (Individual /Company and others New Rate %)				Summary
			Individual	Company	Other	If No Pan or Invalid PAN (Rate)	
192	Salary	<i>As per Slab [Please note that no Change in Slab Rates have been introduced for FY 2021-22]</i>	<i>Slab Rates</i>	<i>Slab Rates</i>	-	30	<i>Option to choose between new and old tax slab regime for salaried employees</i>
192-A	Premature withdrawal from Employee Provident Fund (Payment of accumulated balance of provident fund which is taxable in the hands of an employee)	Rs. 50000.00	10	NA	NA	20	<i>TDS provisions u/s 192A will be applicable when withdrawal of accumulated balance in Recognized Provident Fund is to be included in the total income</i> 10% in case of Resident and 10.40% in case of Non- Resident
193	Interest on securities	Rs.2500.00	10	10	-	20	<i>Threshold limit for interest paid on debentures is Rs. 5,000. Threshold limit for interest on 7.75% GOISavings (Taxable) Bonds 2018 is Rs.10,000.</i>
194	Dividend other than the dividend as referred to in Section 115-O	Rs. 5000.00	10	10	-	20	<i>This amendment proposes to amend second proviso to section 194 of the Act to further provide that the provisions of section 194 i.e. TDS on dividend shall also not apply to dividend income credited or paid to a business trust by a special purpose vehicle or payment of dividend to any other person as may be notified.</i> <i>This means that no TDS needs to be deducted to AIF Category III also.</i>
194-A	Interest other than interest on securities – Banks Time deposits, Recurring deposit and Deposit in Co-op Banks	<ul style="list-style-type: none"> • Senior Citizen Rs.50000.00 • Others Rs.40000.00 	10	-	-	20	
194-B	Income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	Rs. 10000.00	30	30		30	<ul style="list-style-type: none"> • 30% in case of Resident Indians and Domestic Companies • 31.2% in case of Non Resident and Foreign Companies

194-BB	<i>Income by way of winnings from horse races</i>	Rs. 10000.00	30	30		30	<ul style="list-style-type: none"> • 30% in case of Resident Indians and Domestic Companies • 31.2% in case of Non Resident and Foreign Companies
194-C	<i>Payment to Contractors</i>	<ul style="list-style-type: none"> • Single payment : Rs.30,000 • Aggregate payment: Rs.100000 	1	2		20	
194-C	<i>Contract – Transporter not covered under 44AE</i>	<ul style="list-style-type: none"> • Single payment : Rs. 30,000 • Aggregate payment: Rs. 75000 	1	2		20	TDS is to be deducted at the rate of 2.0% if the payee is an AOP or BOI. TDS is not applicable on payment to Contractor engaged in plying, hiring or leasing of goods carriages, where such contractor owns 10 or less goods carriages during the Financial Year and furnishes amend definition of “work” to include purchase of raw material from associate of the customer. The word Associate shall have the same relations as stated u/s 40A(2)(b).
194-D	<i>Insurance commission</i>	Rs 15000.00	5	10	-	20	<ul style="list-style-type: none"> • 10%: If deductee is domestic Company • 5%: In any other case
194-DA	<i>Payment in respect of life insurance policy, the tax shall be deducted on the amount of income comprised in insurance pay-out</i>	Rs. 100000	5	5	-	20	Section 194DA is not applicable in case of amount is exempt u/s 10(10D) i.e. the Sum is received at the time of maturity of policy or Death benefit received. Form 15G/15H can be given wherever applicable.
194-E	<i>Payment to non-resident sportsmen/sports association</i>		20	20	-	20	The rate of TDS shall be increased by applicable surcharge and Health & Education Cess.
194-EE	<i>Payment in respect of deposit under National Savings scheme</i>	Rs 2500.00	10	10	-	20	<ul style="list-style-type: none"> • Resident Indians & Domestic Companies – 10% • Non Resident – 10% + Cess + Surcharge (If Applicable)
194-EE	<i>Payment on account of repurchase of unit by Mutual Fund or Unit Trust of India</i>		20	20	-	20	Resident Indians & Domestic Companies – 20% Non-Resident – 20% + Cess + Surcharge (If Applicable)
194-G	<i>Commission on sale of lottery tickets</i>	Rs 15000.00	5	5	-	20	Threshold Limit of Rs. 15,000 on Commission, etc., on sale of lottery tickets, the 5%, 5.20%, 5% and 5.20% will be applicable on resident Indians, Non-Resident Indians, Domestic Companies, and Foreign Companies respectively.
194-H	<i>Commission or brokerage</i>	Rs 15000.00	5	5	-	0	The Threshold Limit is Rs.15,000 for the Commission or brokerage 5% TDS will be applicable

							on resident Respectively.	Indians	and	Domestic	Companies
194-I	RENT										
	194-I(a) Plant & Machinery	Rs. 240000.00	2	2	-	20					
	194-I(b) Land or building or furniture or fitting	Rs. 240000.00	10	10	-	20					
194-IA	Transfer of certain immovable property other than agriculture land	Rs 50,00,000.00	1	1	-	20					The Threshold Limit is Rs.50,00,000 for the payment on transfer of certain immovable property other than agricultural land 1% applicable on resident Indians and Domestic Companies Respectively.
194-IB	Payment of Rent by Individuals or HUF not liable for Tax Audit	Rs. 50,000 per month	5	-	-	20					The Threshold Limit is Rs.50,000 per month for the Payment of rent by an individual or HUF not liable to tax audit and 5% TDS is applicable on resident Indians.
194-IC	Payment of monetary consideration under Joint Development Agreements	-	10	10	-	20					
		Fees for professional or technical services.									
		If recipient is engaged in business of operation of call Centre	Rs.30000	2	2	-	20				
194-J	Fees for professional or technical services:	If sum is payable towards fees for technical services (other than professional services)									
		In all other cases	Rs.30000	10	10	-	20				
											<p>The Threshold Limit of Rs.30,000 on Any sum paid by way of:</p> <p>Cases,</p> <ul style="list-style-type: none"> ➤ Wherein, the payee is engaged in the business of the operation of Call Centre only, 2% TDS is applicable on resident Indians and Domestic Companies respectively. ➤ Fee for technical services, 2% TDS is applicable on resident Indians and Domestic Companies respectively. ➤ Professional royalty where such royalty is in the nature of consideration for sale, distribution or exhibition of cinematographic film 10% TDS is applicable on resident Indians and Domestic Companies respectively. ➤ In case of fees for any other professional

								<p>Services 10% TDS is applicable on resident Indians and Domestic Companies respectively.</p> <p>➤ In case the payee fails to furnish PAN 20% TDS is applicable on resident Indians and Domestic Companies respectively.</p>
194-K	Payment of any income in respect of Units of Mutual fund as per section 10(23D) or Units of administrator or from a specified company	-	10	10	-	20	Units of Mutual Fund have been specified under section 10(23D) of Income Tax Act, 1961. "Administrator", "specified company" and "specified undertaking" are specified u/s 2 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002.	
194-LA	TDS on compensation for compulsory acquisition of immovable Property	Rs. 2,50,000.00	10	10	-	20	No tax will be deducted if payment is made in respect of any award or agreement which has been exempted from levy of income-tax u/s 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.	
194-LBA(1)	Business trust shall deduct tax while distributing, any interest received or receivable by it from a SPV or any income received from renting or leasing or letting out any real estate asset owned directly by it, to its unit holders	-	10	10	-	20	Interest payment from a SPV and Distribution of dividend by a Business Trust, to Resident unit holders shall be liable for TDS @ 10% . Whereas, in case of Non-Resident payee, TDS on dividend shall be @ 10% & that on interest payment shall be @ 5% .	
194-LBA(2)	Distribution of, any interest received or receivable from SPV by Business trust	-					The TDS at the rate of 5.20% is applicable on Non-resident Indians and foreign company in the case of business trust shall deduct tax while distributing any interest income received or receivable by it from a SPV to its unit holders	
194-LBA(3)	Distribution of, any income received from renting or leasing or letting out any real estate asset owned directly by Business trust	-					The TDS at the rate of 31.20% and 41.60% is applicable on Non-resident Indians and foreign company respectively.	
194-LB	Payment of interest on infrastructure debt fund to Non Resident	-	5	5	-	20	The TDS at the rate of 5.20% is applicable on Non-resident Indians and foreign company in the case of Payment of interest on infrastructure debt fund.	
194-LBB	Investment fund paying an income to a unit holder [other		10	10	-	30	The TDS at the rate of 10% , 31.20% , 10% , and 41.60% will be applicable on resident Indians, Non-	

	<i>than income which is exempt under Section 10(23FBB)]</i>						Resident Indians, Domestic Companies and foreign companies respectively.	
194-LBC	<i>Income in respect of investment made in a securitization trust (specified in Explanation of section 115TCA)</i>		25	10	-	30	The TDS at the rate of 25%, 31.20%, 10%, and 41.60% will be applicable on resident Indians, Non- Resident Indians, Domestic Companies and foreign companies respectively.	
194-M	<i>Payment of commission, brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct TDS under section 194C, 194H, or 194J.</i>	Rs.50,00,000.00	5	5	-	20	The threshold Limit of Rs.50,00,000 payment of commission, brokerage, contractual fee, professional fee to a resident person by an Individual or a HUF who are not liable to deduct 5% TDS by the resident Indians and Domestic Companies respectively.	
194-N	Cash withdrawal					20	If a person defaults in filing of return: 20 lakhs	2%: In general if cash withdrawn exceeds Rs. 1 crore
							If no default is made in filing of return: Rs 1 crore	2%: If assesses has not furnished return for last 3 assessment years and cash withdrawn exceeds Rs. 20 lakhs but does not exceed Rs. 1 crore
								5%: If assesses has not furnished return for last 3 assessment years and cash withdrawn exceeds Rs. 1 crore
194-O	<i>Applicable for E-Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform.</i>	Rs.5,00,000.00	1	1	-	20	The Threshold Limit is Rs.5, 00,000 for the Applicable for E-Commerce operator for sale of goods or provision of service facilitated by it through its digital or electronic facility or platform. The TDS at the rate of 1% will be applicable on resident Indians and Domestic Companies respectively.	
194-Q	<i>Purchase of goods (applicable w. e .f (01.07.2021)</i>	Rs 50,00,000.00	0.10	0.10	-	-	<u>Budget Update</u> A new section 194Q is proposed to be inserted to	

							<p>Provide for deduction of TDS by person responsible for paying any sum to any resident for purchase of goods @ 0.1%.</p> <p>The Threshold Limit is Rs.50,00,000 applicable when total sales or gross receipts or turnover from the business carried on exceeds Rs. 10 Crores during the financial year immediately preceding the financial year in which the purchase of goods is Carried out.</p>
195	Payment of any other sum to a Non-resident						<ul style="list-style-type: none"> • The TDS at the rate of 20.80% is applicable on income from investments made by aNRI. • The TDS at the rate of 10.40% is applicable on income from long-term capital gains under Section 115E for a NRI • The TDS at the rate of 10.40% is applicable on Income from long-term capital gains. • The TDS at the rate of 15.60% is applicable on Short-term capital gains under Section 111A • The TDS at the rate of 20.80% is applicable on any other income from long-term capital gains • The TDS at the rate of 20.80% is applicable on Interest payable on money borrowed in foreign currency • The TDS at the rate of 10.40% is applicable on Income from royalty payable by the Government or an Indian concern. • The TDS at the rate of 10.40% is applicable on Income from royalty other than that which is payable by the Government or an Indian concern. • The TDS at the rate of 10.40% is applicable on Income from fees for technical services payable by the Government or an Indian Concern.

							<ul style="list-style-type: none"> The TDS at the rate of 31.20% is applicable on Any other source of income
194-P	TDS on Senior Citizen above 75 Years						<p><u>Budget Update</u> <i>Relaxation for senior citizen from filing ITR (Subject to Tax Deduction under Section 194P) [AY 2021-22]</i></p> <p><i>It is proposed to insert a new section 194P to the Act, which proposes to provide relief to the senior citizens of the age of 75 years or above from the compliance of section 139 of the Act, which provides for filing of return of income.</i></p> <p><i>A senior citizen of the age of 75 year or above is not required to file the return of income, if the following conditions are satisfied –</i></p> <ul style="list-style-type: none"> ➤ <i>The senior citizen is resident in India and of the age of 75 or more during the previous year;</i> ➤ <i>He has only pension income and may also have interest income from the same bank (specified bank – to be notified by the CG) in which he is receiving his pension income;</i> ➤ <i>He shall be required to furnish a declaration to the specified bank. The declaration shall be containing such particulars, in such form and verified in Such manner, as may be prescribed.</i>
206-AB	TDS on non-filers of ITR						<p><i>The TDS on non-filers of ITR at higher rates This section shall not apply where the tax is required to be deducted under sections 192, 192A, 194B, 194BB, 194LBC or 194N of the Act. The Resident Indian are liable to pay twice the rate specified in the relevant provision of the Act; or twice the rate or rates in force; or the rate of 5%. It is noteworthy, after considering Cess at the rate of 4% and shall be increased by applicable surcharge.</i></p>