

# Learning of today's session

## **TDS basics**

What is TDS, how it work,  
what is the flow of TDS

## **e-TDS filing**

Filing process of e-TDS return  
viz Form 24Q, 26Q, 26QB etc.

## **Provision of TDS**

Section-wise analysis of  
applicability of TDS

## **Corrections in returns**

Online and offline process of  
TDS returns

# TDS basics

- **What is TDS?**
  - **Who is deductor and deductee?**
  - **Disallowance of expenses**
  - **Non-Compliance effects – Penalty and Interest**
-

# TDS basics

## **Deductor / Payer shall-**

- **Deduct TDS**
- **Pay TDS in time generally 7<sup>th</sup> day of succeeding month, from March to 30<sup>th</sup> April**
- **File TDS return quarterly in Form 24Q/26Q/27Q**
- **Issue TDS Certificate in form 16/16A etc.**

## **Deductee / Payee shall-**

- **Check TDS Credit in its Form 26AS**
- **Take credit of TDS in its ITR**
- **If TDS excess of Tax payable, claim refund**
- **Retain TDS Certificate in form 16/16A etc.**

## TDS process flow

**Deductor  
(Payer) shall**

- **Deduct and pay TDS**
- **File TDs return & issue TDS certificate**

**Deductee  
(Payee)**

- **Check Form 26AS**
- **Claim TDS in ITR**

**Income tax  
department**

- **Check TDS credit claim with form 26AS**
- **Either allow or create demand**

# TDS basics

- Governed under chapter XVII-B
- S. 192 to S. 196B – TDS rate & limit
- S. 197 for lower TDS Certificate
- S. 197A – No TDS by furnishing Form 15G/15H in some cases
- S. 198 – TDS deducted is Income
- S. 199 – TDS credit for deductee
- S. 200 – Duty of person to deposit TDS which is deducted
- S. 200A – Processing of statement
- S. 201 – Consequences of failure to deduct or pay TDS
- S. 203 – Certificate for tax deduction
- S. 203A -TAN No
- S. 203AA – furnishing statement



## Section 192- TDS on Salary

<b>Payer</b>	<b>Employer – Anyone – R/NR/FC etc.</b>
<b>Payee</b>	<b>Employee - Anyone</b>
<b>Rate</b>	<b>Two option – new and old regime</b>
<b>Limit</b>	<b>Slab-wise tax rate</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>Old Regime – Standard deduction + Other Income reported by employee + No loss except house property – Chapter VI-A deduction</b></li><li>▪ <b>New regime – No Standard deduction, exemption like HRA etc. and Chapter VI-A deduction, but lower slab Rate</b></li><li>▪ <b>If there if salary from two companies or job change – at the time of filing ITR there will be liability to pay Tax as TDS, to avoid this employee can give any one company, the details of Salary from other &amp; that company will deduct TDS</b></li></ul>

## Section 192A- TDS on EPF withdrawal

<b>Payer</b>	Any person (employer or trust) and Payee/Employee – Anyone
<b>Payee</b>	Any person (R+NR)
<b>Rate</b>	10% for resident and <b>Surcharge, HEC will be added in NR</b>
<b>Limit</b>	Rs. 50,000 or more, but no need to deduct TDS on exempt amount
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ In case of no PAN – Max marginal rate 30%+37%surcharge + HEC 4% = 42.744%</li><li>▪ SPF - maturity amount exempt</li><li>▪ RPF - maturity /retirement amount <b>exempt if 5 years continuous services</b></li><li>▪ URF- Taxable</li></ul>

## Section 193 - TDS on Interest on Security

<b>Payer</b>	<b>Any person</b>
<b>Payee</b>	<b>Resident</b>
<b>Rate</b>	<b>10%</b>
<b>Limit</b>	<b>Exceeding Rs. 5,000 or Rs. 10,000 as explained below</b>
<b>Other Points</b>	<p><b>No TDS in some cases,</b></p> <ul style="list-style-type: none"><li>▪ <b>If Public company – Interest on Debenture to Ind+HUF – upto Rs. 5000 - account payee cheque</b></li><li>▪ <b>Security in demat format</b></li><li>▪ <b>If Interest given to LIC/GIC/Any insurance company</b></li><li>▪ <b>Govt. security Interest <b>except</b> 8% saving taxable bond 2003 issued, 7.75% taxable saving Bond 2018 – more than Rs. 10,000 RBI will deduct TDS</b></li><li>▪ <b>Section 54EC – PFAC + IRFC – Bond Interest</b></li><li>▪ <b>Other bonds not relevant</b></li></ul>



## Section 194- TDS on Dividend

<b>Payer</b>	<b>Domestic company</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>10%</b>
<b>Limit</b>	<b>Exceeding Rs. 5,000/-</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>Only at the time of payment</b></li><li>▪ <b>Payment to LIC/GIC/Any insurance company – No TDS</b></li><li>▪ <b>SPV to business trust – No TDS</b></li></ul>

## Section 194A - TDS on Other than Securities

<b>Payer</b>	<b>Individual and HUF with PY TO&gt;1 Crs. in business or TO&gt;50L in profession + any other person</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>10%</b>
<b>Limit</b>	<ul style="list-style-type: none"><li>▪ <b>Bank, Co-Op Society &amp; Post office to SC – Rs. 50,000/-</b></li><li>▪ <b>Bank, Co-Op Society &amp; Post office to Any other – Rs. 40,000/-</b></li><li>▪ <b>Other cases – Rs. 5,000/-</b></li></ul>

## Section 194A - TDS on Other than Securities

### Other Points

- But if payer is Bank, Co-Op Bank, Post office – upto 40k....bank-wise limit not branch wise....if separate bank – no TDS
- Saving bank Int. – No TDS – whatever is the Interest amount
- Int. on IT refund – No TDS
- Int. to partner on capital – No TDS
- Zero coupon – No TDS - amount received on maturity
- If Interest paying to bank, Co-Op Bank, FI, LIC, GIC, UTI, Insurance company – No TDS, **but NBFC loan int. – TDS will be there**
- Co-Op society to another Co-op society or member – **No TDS** – if PY TO is less than Rs. 50 Crs.

## Section 194B – TDS on winning from lottery card gaming etc & 194 BB Horse racing

<b>Payer</b>	<b>Any person</b>
<b>Payee</b>	<b>Any person (R+NR)</b>
<b>Rate</b>	<b>30%</b>
<b>Limit</b>	<b>Exceeding Rs. 10,000/-</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>If prize is in installment – TDS will be at the time payment of each installment</b></li><li>▪ <b>If winning is in cash and kind both – before releasing prize, payer will ensure payee paid the tax</b></li></ul>

## Section 194C – TDS on Contract

<b>Payer</b>	Individual and HUF with PY TO>1 Crs. in business or TO>50L in profession + any other person
<b>Payee</b>	Resident
<b>Rate</b>	If payee is Individual & HUF – 1%, else – 2%
<b>Limit</b>	Exceeds 30,000/- in single contract or Exceeding Rs. 1L yearly
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ Transport – declaration of below 10 vehicles – <b>NO TDS</b></li><li>▪ Work contract – labour work includes carpenter, agency, advertising, online advertisement, carriage of goods and passengers by any mode of transport <b>other than by railway</b> like courier, transport, catering, Job work</li><li>▪ if supply price of material and labour mentioned than only on job else on total amount</li></ul>

## TDS on Commission

	TDS on 194D Insurance commission	TDS on 194G Lottery agent commission	TDS on 194H Other commission
Payer	Any person	Any person	Individual and HUF with PY TO>1 Crs. in business or TO>50L in profession + any other person
Payee	Any person resident	Any person	Any person resident
Rate	5%	5%	5%
Limit	Exceeding Rs. 15,000/-	Exceeding Rs. 15,000/-	Exceeding Rs. 15,000/-
Other Points	<ul style="list-style-type: none"> <li>▪ Security commission – No TDS</li> <li>▪ Vodafone to shop – commission <b>liable for TDS</b> by Vodafone as still control by Vodafone</li> <li>▪ Court to vendor – stamp paper – SC – no control of court – <b>No TDS</b></li> <li>▪ Sales target achievement – ITC/Sony etc. – <b>No TDS</b></li> </ul>		

## Section 194DA – TDS on LIP Maturity

<b>Payer</b>	<b>Any person</b>
<b>Payee</b>	<b>Any person resident</b>
<b>Rate</b>	<b>5% on <b>Income component</b>, not on full maturity amount</b>
<b>Limit</b>	<b>Maturity amount <b>Rs. 1L or more</b></b>

## Section 194E – TDS on NR sport person, NR Sport association, NR entertainer

<b>Payer</b>	<b>Any person</b>
<b>Payee</b>	<b>NR &amp; Non-Citizen of India mentioned above</b>
<b>Rate</b>	<b>20% + Surcharge if applicable &amp; HEC 4%</b>
<b>Limit</b>	<b>Any amount</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>Game in India</b></li><li>▪ <b>Advertising</b></li><li>▪ <b>Articles</b></li><li>▪ <b>No TDS on match referee, umpire etc. under this section</b></li></ul>



## Section 194I – TDS on Rent

<b>Payer</b>	<b>Individual and HUF with PY TO&gt;1 Crs. in business or TO&gt;50L in profession + any other person</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>Building, Land, Office and furniture – 10%</b> <b>Machinery or plant or equipment – 2%</b>
<b>Limit</b>	<b>Exceeding Rs. 2.40L yearly</b>

## Section 194I – TDS on Rent

### Other Points

- **No TDS** for joint if below limit per person
- **Full TDS** if Premises + furniture...but rate differences
- Refundable deposit – no TDS as no Income
- Non-refundable deposit – Yes
- Arrear of Rent – Yes, in the year in which paid
- Advance rent – Yes, on advance **as payment or credit whichever is earlier**
- Payee – No requirement that person should be owner
- Rent income head of that person – Irrelevant
- Upfront lease payment / Premium – 99 years lease – **No TDS** as per CBDT circular
- Indus Tower Ltd – Tower rent – 2% as equipment
- One Transport company to another transport – 194C if driver, petrol is of service provider, else 194I

## Section 194IA – TDS on Immovable Property Acquire/ Purchase

<b>Payer</b>	Any person (Buyer)
<b>Payee</b>	Resident person (Seller)
<b>Rate</b>	1% of consideration or Stamp duty value whichever is higher (Recent amendment)
<b>Limit</b>	Rs. 50L or more
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ Consideration – Rs. 48L or SDV Rs. 52L, TDS – <b>on 52L</b></li><li>▪ Purchase from builder – Cost Rs. 45L + Parking + Development + Society charges + Any other charges like club membership or electricity etc. = <b>on entire amount</b></li><li>▪ Joint Rs. 90L paid to two seller (A) Rs. 45L and (B) Rs. 45L =&gt; <b>Yes, TDS will be there</b>...even If seller is more than one</li><li>▪ TAN <b>not</b> required – you can file return PAN to PAN – in form 26QB</li><li>▪ Within 30 days of next month</li></ul>

## Section 194IB – Payment of rent by certain Individual or HUF

<b>Payer</b>	<b>Individual or HUF</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>5%</b>
<b>Limit</b>	<b>Exceeding Rs. 50000 per month</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>Deduction in last month of PY or last month of tenancy</b></li><li>▪ <b>No TAN required</b></li><li>▪ <b>In absence of PAN if TDS required with higher rate – TDS shall not exceed rent of last month of PY or tenancy</b></li></ul>

## Section 194J – TDS on Professional / Technical Fees / Royalty/NCF/Director fees other than in the nature of Employment

<b>Payer</b>	<b>Individual and HUF with PY TO&gt;1 Crs. in business or TO&gt;50L in profession + any other person</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<ul style="list-style-type: none"><li>▪ <b>Call Centre – 2%</b></li><li>▪ <b>Technical fees - 2%</b></li><li>▪ <b>Royalty Fees – S&amp;D and exhibition of movie – 2% but other royalty – 10%</b></li><li>▪ <b>All other professional Fees, Director fee – 10%</b></li></ul>
<b>Limit</b>	<b>Exceed Rs. 30,000 yearly, but director fees no limit even in Rs 1/-</b>

## Section 194J – TDS on Professional / Technical Fees / Royalty/NCF/Director fees other than in the nature of Employment

### Other Points

- Limit is different for all nature  
Eg.- If we pay someone – Professional fees of Rs. 25k & Royalty of Rs. 25k – **So NO TDS**
- Ind and HUF pays Royalty or NCF – **No TDS**, even if TO > Rs. 1 Crs. in business or Rs. 50L in professional
- Personal purchase – like payment to doctor etc. – **No TDS**
- Purchase of Software directly – TDS –Yes, But if software is subsequent sale – without any modification and declaration that TDS already deducted - **NO TDS**, CBDT circular

## Section 194K – TDS on Income in respect of Units

<b>Payer</b>	<b>Any person (like UTI/MF)</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>10%</b>
<b>Limit</b>	<ul style="list-style-type: none"><li>▪ <b>Exceeding Rs. 5,000 in a year</b></li><li>▪ <b>No TDS - if the income is of the nature of capital gains</b></li></ul>

## Section 194LA – TDS on Compensation on compulsory acquisition of Immovable property

<b>Payer</b>	<b>Any person</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>10%</b>
<b>Limit</b>	<b>Exceeding Rs. 2.5L</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>At the time of payment</b></li><li>▪ <b>No TDS – Urban/Rural Agricultural land in India</b></li></ul>



## Section 194M – TDS on Contract / Commission & Brokerage/ Professional Fees

<b>Payer</b>	<b>Individual/HUF – not covered u/s 194C, 194H and 194J</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>5%</b>
<b>Limit</b>	<b>Exceeding Rs. 50L in a year</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>• <b>No TAN required</b></li><li>• <b>Form 26QD challan cum return</b></li><li>• <b>30 days from the end of month</b></li></ul>

## Section 194N – TDS on Cash withdrawal

<b>Payer</b>	<b>Bank, Post office, Co-Op Bank</b>
<b>Payee</b>	<b>Any person</b>
<b>Rate</b>	<b>2%</b>
<b>Limit</b>	<b>Exceeding Rs. 1 Crs.</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>Difference – excess amount only not on entire amount</b></li><li>▪ <b>For Non-filer – Last 3 PY ITR not filed + 139(1) return date passed</b><ul style="list-style-type: none"><li>- <b>Rs 20L limit – Rs. 1 Crs = 2%</b></li><li>- <b>Exceeding Rs. 1 Crs = 5%</b></li></ul></li><li>▪ <b>No TDS-</b><ul style="list-style-type: none"><li>- <b>if withdrawal by Govt, Bank, Co-Op Banks, Credit Co-op Soc., Post office etc.</b></li><li>- <b>Withdrawal by Cash replenishment agency</b></li><li>- <b>Withdrawal by ATM operator like Vakrangree etc.</b></li><li>- <b>APMC/Reg commission agent/trader withdraws cash to pay farmers for agricultural product</b></li><li>- <b>Money exchanger like western union</b></li></ul></li></ul>

## Section 194O – E-Commerce operator to e-commerce participants

<b>Payer</b>	<b>E- commerce operator like Amazon / Flipkart etc.</b>
<b>Payee</b>	<b>Resident E-commerce participant (seller of goods / services)</b>
<b>Rate</b>	<b>1% of gross value of sale or services or both</b>
<b>Limit</b>	<b>No limit</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>No need to deduct TDS, if</b><ul style="list-style-type: none"><li>- E-commerce participant is Individual / HUF</li><li>- Gross value of sale / services – not exceed Rs. 5L in PY</li><li>- Furnishes PAN or Aadhar to e-commerce operator</li></ul></li> <li>▪ <b>If Tax deducted in S.194O or not deducted if within limit – No TDS in any other section</b></li> <li>▪ <b>Separate transaction like advertising which is not related to sale of goods – than TDS will be under respective section</b></li></ul>

## Section 194P – TDS in case of specified senior citizen

<b>Payer</b>	<b>Bank</b>
<b>Payee</b>	<b>Resident senior citizen above 75 years</b>
<b>Rate</b>	<b>Slab Rate</b>
<b>Limit</b>	<b>Slab</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ He is getting pension and Bank Interest in <b>same bank</b></li><li>▪ No other Income</li><li>▪ Declaration in form 12BBA, No income except pension or Bank Interest</li><li>▪ Can opt <b>new or old regime</b> after considering whether to take benefit of chapter VI-A and rebate S.87A</li></ul>

## Section 194Q – TDS on purchase of goods

<b>Payer</b>	Any person (Buyer) with <b>PY TO exceeding Rs. 10 Crores</b>
<b>Payee</b>	Resident person (Seller)
<b>Rate</b>	0.1% of sum <b>excess</b> of Rs. 50L
<b>Limit</b>	Amount in excess of Rs. 50L
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>TDS not</b> required<ul style="list-style-type: none"><li>- If TDS deductible under any other section</li><li>- If TCS collectible u/s 206C other than S. 206C(1H)</li></ul></li><li>▪ If TDS u/s 194Q or u/s 206C(1H) than <b>TDS to be deducted u/s 194Q</b></li><li>▪ If TDS u/s 194Q or u/s 1940 than <b>TDS to be deducted u/s 1940</b></li><li>▪ If PAN of payee not available – TDS will be <b>5%</b></li><li>▪ <b>CBDT Circulars</b> – If share purchased – S. 1940, 194Q and 206C(1H) not applicable</li></ul>

## Section 194Q – TDS on purchase of goods

### Other Points

- **TDS will not be there on IDT like GST, VAT, Excise etc. if separately mentioned, but on advance on full amount as we don't know the bifurcation**
- **If Purchase return – No TDS return simply adj. TDS in future amount**
- **If Non-resident buyer – No TDS, except PE in India and its related to that PE**
- **If seller is income is exempt u/s 10(23A), 10(44)..for example our CA institute - No TDS if sells books etc.**
- **First year of incorporation – No TDS, as TO in PY was NIL**
- **Only Business turnover to added to determine, no other like sale of fixed assets etc.**
- **No TDS – if seller is CG or SG, but PSU – TDS yes**

**Section 194R – Any benefit or perquisite, whether converted into money or not, arising from business or profession (w.e.f. 01/07/2022)**

<b>Payer</b>	<b>Individual and HUF with PY TO&gt;1 Crs. in business or TO&gt;50L in profession + any other person</b>
<b>Payee</b>	<b>Resident person</b>
<b>Rate</b>	<b>10%</b>
<b>Limit</b>	<b>Exceeding Rs. 20,000</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>Wholly in kind or partly in money and partly in kind and if cash not sufficient then same logic section 194B- lottery</b></li><li>▪ <b>No need to check whether it is taxable in the hands of recipient, even if capital nature like car – TDS applicable</b></li><li>▪ <b>No need of TDS before July 22, but to calculate limit it will be included</b></li></ul>

## Section 194R – Any benefit or perquisite, whether converted into money or not, arising from business or profession (w.e.f. 01/07/2022)

### Other Points

- **Sale discount, cash discount and rebate to customer – No TDS**
- **No TDS if there is buy 5 get 1 offer**
- **Free sample – TDS yes**
- **TDS applicable if**
  - **Incentive in cash or kind**
  - **Sponsors trip to recipient and its relative upon achieving target**
  - **Free ticket for an event**
  - **Medicine sample free to medical practitioner**  
**Eq. Sunpharma giving free sample to Doctor A employee of Nanawati hospital – Sunpharma will deduct TDS of Nanawati.**
  - **If Doctor A is consultant of Nanawati – Sunpharma directly can deduct TDS of Doctor A**
  - **If benefits provided to Govt entity like govt Hospital not carrying in business - **No TDS****



## Section 194R – Any benefit or perquisite, whether converted into money or not, arising from business or profession (w.e.f. 01/07/2022)

### Other Points

- Calculation of Value (**without GST**) -
  - If provider purchased – than purchase price
  - If provider manufactured – than Price that charges to customers
  - In any other case- FMV of benefit / perquisite
- Product given to social media influencer for advertising – if retained by that influencer – **Yes, TDS**
- Travelling bill not in the name of client but paying client paying this – **Yes, TDS**
- Waiver/settlement of loan of bank, Co-Op bank, NBFC, Public company engaged in long term loan or ARC – **No TDS**
- Embassy, a high commission, legation, commission, consulate and the trade representative of a foreign state – **No TDS**
- Issue of bonus share and in case of right issue by widely held company to all shareholder – **No TDS**

**Section 194R – Any benefit or perquisite, whether converted into money or not, arising from business or profession (w.e.f. 01/07/2022)**

**Other  
Points**

- Expenses for dealer /business conference would **not be considered as benefit / perquisite**, if conference is for-
  - New product launch
  - Discussion how our product is better than other
  - Obtaining order from dealers/customers
  - Teaching sale techniques
  - Addressing queries
  - Reconciliation of accounts with dealer / customers

**Section 194R – Any benefit or perquisite, whether converted into money or not, arising from business or profession (w.e.f. 01/07/2022)**

**Other Points**

Expenses for conference **would be considered as benefit / perquisite, if**

- Exp for leisure trip or leisure component even if it is incidental to conference
- Exp incurred for family members accompanying person attending conference
- Exp of conference – beyond before and after one day of conference stay
- If **not possible to allocate** benefit/perquisite reasonable to each participant and that benefit provider may **optionally choose to not claim** expenses – **No need to deduct TDS** u/s 194R and will **not be treated** as assessee in default

## Section 194S – TDS on transfer of virtual digital assets

<b>Payer</b>	<b>Any person</b>
<b>Payee</b>	<b>Resident</b>
<b>Rate</b>	<b>1%</b>
<b>Limit</b>	<b>Exceeding Rs. 50000 paid by specified person or Rs. 10000 for others</b>
<b>Other Points</b>	<ul style="list-style-type: none"><li>▪ <b>Specified person</b><ul style="list-style-type: none"><li>- Individual or HUF below Rs. 1 Cr business TO or Rs. 50L professional TO</li><li>- Individual or HUF not having Income under business head</li></ul></li><li>▪ If consideration is not in cash, or in exchange of other VDA, then before releasing consideration deductor ensure tax has been paid</li><li>▪ If section 1940 or 194S both playing then – <b>TDS u/s 194S</b></li></ul>

## Other section related to TDS of NR

Section	Nature	Payer	Payee	Rate
194LB	Int from Infra Bond	Infrastructure debt fund u/s 10(47)	NR/FC	5% + SC+HEC
194LC	Int on money borrowed in foreign currency under loan agreement or issue of long term bonds or rupee denominated bonds	Indian company / business trust	NR/FC	5% + SC+HEC
194LD	Int on RDB of Indian company or Govt Sec or municipal debt security	Any person	FII/QFI	5% + SC+HEC
195	Any sum payable to NR/FC	Any person	NR/FC	Rate in force or DTAA rate
196A	TDS on Income in respect of Units	Any person (MF)	NR/FC	20% + SC+HEC
196B	TDS on Income or LTCG u/s 115AB	Any person	Offshore fund	10% + SC+HEC
196C	TDS on Int or dividend on bonds/GDR u/s 115AC or LTCG thereon	Any person	NR	10% + SC+HEC

# Misc. Provisions

## Section 196

- **No TDS** - if payment to Govt., RBI, Statutory corporation, MF, New Pension trust etc.

## Section 197A

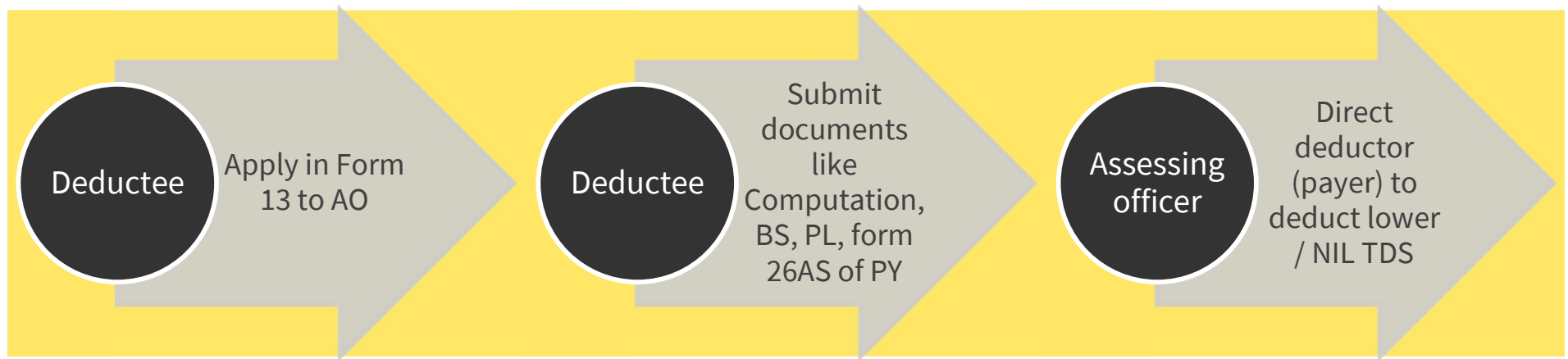
- **No TDS** - if declaration in form 15G/H
- For income u/s 192A, 193, 194A, 194D, 194DA, 194I, 194K etc. stating that income is not exceeding basic exemption
- Can't work if income beyond exemption limit

## CBDT clarification

- **No TDS** - if GST on services if separately indicated in invoice

# Misc. Provisions

## Section 197 – Lower TDS deduction



- Can apply u/s like 192, 193, 194A, 194C, 194H, 194I 195 and few more
- Prospective, not retrospective
- Granted for period specified in the Certificate

## Misc. Provisions

S. 198	TDS is income <b>except</b> TDS u/s 192(1A) on non-monetary Income which is exempt and TDS on cash withdrawal u/s 194N
S. 199	TDS credit available to person whose income its deducted <b>except</b> <ul style="list-style-type: none"><li>• Clubbing provision – other can claim</li><li>• Tax paid by employer from own pocket on Non-monetary perks – employee can take credit</li></ul>
S. 200A	TDS intimation by CPC, Bangalore on the basis of TDS statement filed to make adj for arithmetical errors or incorrect claim apparent on record, Interest or fee u/s 234E
S. 234E	Late Fees – Rs. 200 per day for delay after due date max upto TDS amount
S. 271H	Penalty of Rs. 10k to Rs. 1L if TDS/TCS return furnished with incorrect information or beyond 1 year after prescribed date



## TDS/TCS payment due dates

TDS deducted/TCS collected month	TDS due date	TCS due dates
April to Feb	7 <sup>th</sup> of next month	7 <sup>th</sup> of next month
March	<b>30<sup>th</sup> April of next FY</b>	7 <sup>th</sup> April of next FY

- For TDS u/s 194IA, 194IB, 194IC or 194M – **Date of payment** cum return filing is within 30 days from the end of month

- Form 26QB, 26QC or 26QD without TAN

## Misc. Provisions

S.  
201(1)

- Assessee in default, if TDS **not deducted** or TDS deducted but **not paid**
- Exception if payee taken into income, paid taxes, filed ITR and CA certificate
- Interest on late deduction or late payment
- Late deduction – 1% per month or part thereof from the **date deductible to TDS deducted**
- Late payment – 1.5% per month or part thereof from the **date deducted to TDS paid**
- For example:
  - TDS of Rs. 1L was deducted on 31<sup>st</sup> Jan. 2023
  - Due date of payment is 7<sup>th</sup> of Feb, 2023
  - TDS actually paid on 8<sup>th</sup> Feb, 2023So there is delay of 1 day

How much will be Interest → **It will be so 2 months full and Int. rate @ 1.5% which comes to Rs. 3000/-**

## Misc. Provisions

<b>S. 221</b>	<ul style="list-style-type: none"><li>▪ If a taxpayer is treated as an assessee in default</li><li>▪ AO may levy penalty upto 100% of tax not paid</li><li>▪ No penalty is levied if proves to AO that the default was for good and sufficient reason</li></ul>
<b>S. 271C</b>	<ul style="list-style-type: none"><li>▪ Penalty for non-deduction/non payment of TDS – 100% of tax not deducted or paid</li></ul>
<b>S. 40(a)(ia)</b>	<ul style="list-style-type: none"><li>▪ Disallowance of 30% of sum payable to resident person</li><li>▪ Exception If Payee – filed ITR u/s 139(1), taken into income this payment, paid taxes and CA certificate in form 26A....this will also apply not to treat assessee in default u/s 201</li><li>▪ u/s 40(a)(i) – payable to NR/FC or outside India – 100% disallowance</li></ul>

## Misc. Provisions

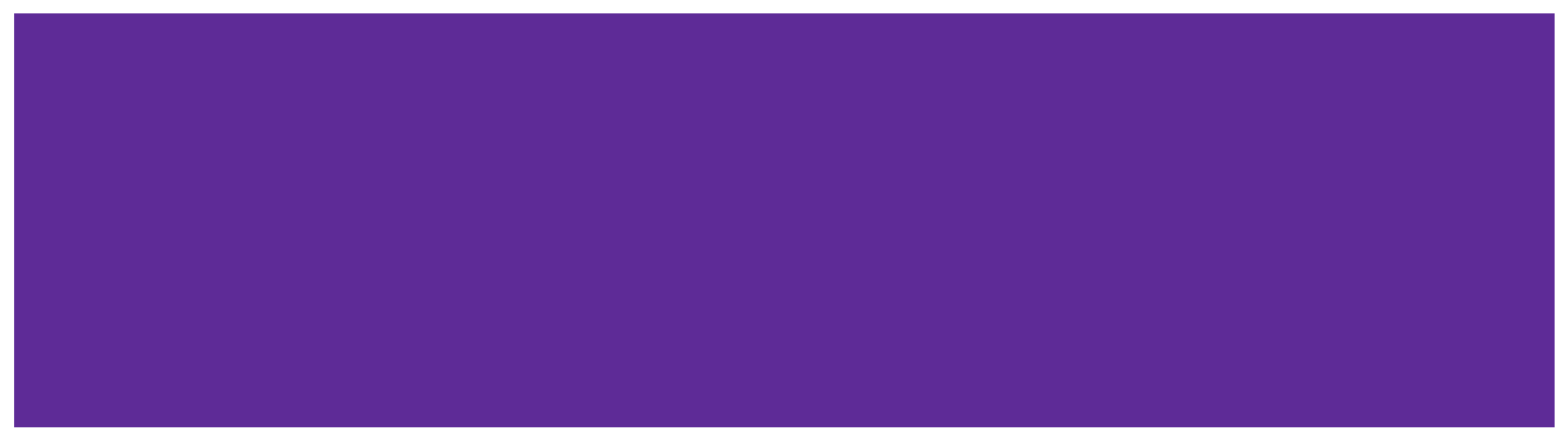
### S. 206AB

- **Non-filer – TDS rate will be higher of twice normal rate or 5%**
  - **Non-filer – ITR not filed and date already passed & TDS+TCS is exceeding Rs. 50000/- in that PY**
  - **Not applicable - Section 192/192A/194B/193BB/194IA/194IB/194LBC/194N**
  - **Not applicable - NR payee not having PE**
  - **Details available for non-filer in Income tax portal**
  - **If PAN/Adhar not furnished – TDS rate will be higher of rate or 20% u/s 206AA**

## Misc. Provisions

- **General timing of TDS deduction - Credit or payment whichever is earlier**
- **7 Exception to timing and TDS will be deducted on actual basic-**
  - 192 – Salary
  - 192A - EPF
  - 194B/BB - Winnings
  - 194DA - LIP maturity
  - 194LA - Compensation
  - 194N - Cash withdrawal
  - 194 - Dividend
- **TDS rate – 1%/2%/5%/10%/20% - all rate flat except Except NR / Foreign company + Salary = Surcharge if app + HEC @ 4%**
- **Payee will give PAN to payer, else u/s 206AA – TDS higher of 20% or rate**
- **TDS rates - <https://contents.tdscpc.gov.in/en/tds-2022-2023.html>**

# **E-TDS filing process**



## TDS or TCS statement/return due dates

Quarterly	TDS due date	TCS due dates
Q1	31 <sup>st</sup> July	15 <sup>th</sup> July
Q2	31 <sup>st</sup> Oct	15 <sup>th</sup> Oct
Q3	31 <sup>st</sup> Jan	15 <sup>th</sup> Jan
Q4	31 <sup>st</sup> May	15 <sup>th</sup> May

- For TDS u/s 194IA, 194IB, 194IC or 194M – Date of payment cum **return filing** is within 30 days from the end of month
- Form 26QB, 26QC or 26QD without TAN

# Types of TDS return

## Form 24Q

- Salary TDS return
- TDS Certificate in Form16

## Form 26Q

- Other than Salary TDS return
- TDS Certificate in Form16A

## Form 27Q

- Interest, Dividend or other sum payable to non-resident
- TDS Certificate in Form16A

## Form 26QB

- Challan cum return u/s 194IA
- Purchase of Immovable Property
- TDS Certificate in Form16B

## Form 26QC

- Challan cum return u/s 194IB
- Rent paid by specific Individual or HUF
- TDS Certificate in Form16C

## Form 26QD

- Challan cum return u/s 194M
- Payment to resident contractor and professional by specific Individual or HUF
- TDS Certificate in Form16D



# e-TDS filing

Return Preparation Utility or data structure available on NSDL for e-TDS

Use format and prepare data

Sample excel format for Form 26Q



Files verified by using File validation utility(FVU)

If error – generate report

Else generate .fvu file and ZIP file



Offline or online both can file TDS return

Take .fvu file in pen drive with signed form 27A and submit at TIN centre

Login Income tax portal using TAN and password, upload TDS zip file with DSC or OTP

## e-TDS filing

### **Preparing TDS return format and rpu utility**

<D:\Knowledge Park\Income Tax\TDS seminar>

### **Csi file**

<https://tin.tin.nsdl.com/oltas/index.html>

### **Filing TDS return online**

<https://www.incometax.gov.in/iec/foportal/>

### **Download Protean Return Preparation Utility**

<https://www.protean-tinpan.com/downloads/e-tds/eTDS-download-regular.html>

### **Tutorial for e-TDS filing**

[https://www.protean-tinpan.com/downloads/e-tds/JAVA\\_RPU\\_e-Tutorial\\_Version\\_1.7.pdf](https://www.protean-tinpan.com/downloads/e-tds/JAVA_RPU_e-Tutorial_Version_1.7.pdf)

## e-TDS filing - Correction

### **Trace portal**

<https://www.tdscpc.gov.in/app/auth/welcome.xhtml>

### **Useful for**

- Issuing TDS Certificate
- Requesting justification report
- Adding challan in statement
- Requesting conso file required for offline correction
- Online correction in statement like adding
- Application u/s 197 for lower TDS certificate

## e-TDS filing – Online correction

**Online correction on trace portal after login**

**<https://www.tdscpc.gov.in/app/auth/welcome.xhtml>**

**Correction can be done**

- **Challan correction if mismatched**
- **Add challan in the statement**
- **Pay 220, interest, levy, late filing**
- **Request for overbooked challan (move deductee row from challan)**
- **PAN correction**
- **Add/Modify deductee details**
- **Personal information**
- **Add or delete salary details**

## **e-TDS filing – Offline correction**

- **Login on trace portal**
- **Add challan in the statement**
- **Request and download consolidated file**
- **Download .csi file**
- **Run TDS rpu utility and select correction**
- **Import consolidated file**
- **Do correction like correcting PAN, personal information, add/delete deductee etc.**
- **Run utility for validation**
- **Either file .fuv file with Form 27A at TIN center or file zip file online on IT portal**