



## **TDS Rate Chart for FY 2015-16**

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# Tax Deducted at Source (“TDS”) Rates

| Section | Nature of Payment   | When to deduct   | Rate of TDS   |
|---------|---|--|---------------|
| 192     | Salary  | TDS to be deducted on a monthly basis from the salary payment, where the estimated annual salary of the employee exceeds the basic exemption limit applicable to individuals | Average rates |
| 192A    | Payment of accumulated balance due to employees from Employees’ Provident Fund Scheme, 1952 | When the amount of payment or aggregate amount of payment exceeds <b>INR 30,000</b>  | 10%           |
| 193     | Interest on securities  | At the time of credit or payment, whichever is earlier, when the amount exceeds <b>INR 5,000</b>   | 10%           |

# TDS Rates

| Section | Nature of Payment                                      | When to deduct  | Rate of TDS |
|---------|--|---|-------------|
| 194     | Dividends  | Before making payment of dividend to shareholder, other than dividend on which dividend distribution tax has been paid u/s 115-O, when the amount of dividend exceeds <b>INR 2,500</b>                                    | 10%         |
| 194A    | Interest other than 'interest on securities'           | At the time of credit or payment, whichever is earlier, when the amount exceeds <b>INR 5,000</b> . However, limit is <b>INR 10,000</b> in case of interest credited by banks including co-operative banks to its members. | 10%         |
| 194B    | Winnings from lottery, cross word puzzles or card game | At the time of payment, when the amount exceeds <b>INR 10,000</b>   | 30%         |
| 194BB   | Winnings from horse race                               | At the time of payment, when the amount exceeds <b>INR 5,000</b>  | 30%         |

# TDS Rates

| Section | Nature of Payment                        | When to deduct  | Rate of TDS   |
|---------|--|---|---|
| 194C    | Payment to contractors / sub-contractors | <ul style="list-style-type: none"> <li>At the time of credit or payment, whichever is earlier, when the amount of a single contract exceeds <b>INR 30,000</b> or the aggregate of the amount of contracts during the whole year exceeds <b>INR 75,000</b></li> <li>In case of payment to contractor who is into plying, hiring and leasing goods carriage and who owns <b><u>ten or less goods carriage</u></b>, no TDS shall be deducted, if such contractor furnishes PAN and also gives declaration for the goods carriage owned by him</li> </ul> | <ul style="list-style-type: none"> <li>Individual / HUF- 1%</li> <li>Others - 2%</li> </ul> |

# TDS Rates

| Section | Nature of Payment                           | When to deduct   | Rate of TDS |
|---------|---|--|-------------|
| 194D    | Insurance Commission                        | At the time of credit or payment, whichever is earlier, when the amount exceeds <b>INR 20,000</b>                            | 10%         |
| 194DA   | Payment in respect of Life Insurance Policy | At the time of payment, when the amount of payment or the total amount of payment during the year exceeds <b>INR 100,000</b> | 2%          |
| 194H    | Payment of Commission or Brokerage          | At the time of credit or payment, whichever is earlier, when the amount exceeds <b>INR 5000</b>                              | 10%         |

# TDS Rates

| Section | Nature of Payment  | When to deduct  | Rate of TDS   |
|---------|--|---|---|
| 194-I   | Rent   | At the time of credit or payment, whichever is earlier, when the amount of rent exceeds <b>INR 180,000</b>  | <ul style="list-style-type: none"> <li>• 2%- Rent for Plant or machinery or equipment</li> <li>• 10%- Rent for land or building or furniture or fittings</li> </ul> |
| 194-IA  | Payment on transfer of certain immovable property other than agriculture land. - | At the time of credit or payment, whichever is earlier, when the consideration for transfer of immovable property is more than <b>INR 50 lacs</b> | 1%  |

# TDS Rates

| Section | Nature of Payment   | When to deduct  | Rate of TDS |
|---------|---|---|-------------|
| 194J    | <p>Fees for –</p> <ul style="list-style-type: none"><li>• Professional services;</li><li>• Technical services;</li><li>• Royalty;</li><li>• Remuneration / fees / commission to a director;</li><li>• For not carrying out any activity in relation to any business;</li><li>• For not sharing any know-how, patent, copyright etc.</li></ul> | At the time of credit or payment, whichever is earlier, when the amount exceeds <b>INR 30,000</b> | 10%         |

# TDS Rates

| Section | Nature of Payment   | When to deduct  | Rate of TDS |
|---------|---|---|-------------|
| 194LA   | Payment of compensation or enhanced compensation on account of compulsory acquisition of immovable property(other than agricultural land) | Payment or aggregate of payments to the resident during the year exceeds <b>INR 200,000</b> | 10%         |
| 194LB   | Payment of interest on infrastructure debt fund to non resident or foreign company  | At the time of credit or payment, whichever is earlier                                      | 5%          |



# TDS Rates

| Section | Nature of Payment   | When to deduct   | Rate of TDS  |
|---------|---|--|--|
| 194LBA  | Payment of distributed income to resident unit holder by a business trust and Payment of distributed income to non resident unit holder by a business trust     | At the time of credit or payment, whichever is earlier | <ul style="list-style-type: none"><li>• Resident - 10%</li><li>• Non-resident - 5%</li></ul> |
| 194LBB  | Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor | At the time of credit or payment, whichever is earlier | 10%  |

# TDS Rates

| Section | Nature of Payment   | When to deduct   | Rate of TDS       |
|---------|---|--|-------------------|
| 194LC   | Payment of interest by an Indian Company or a business trust to a non-resident/foreign company in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds including long-term infrastructure bonds | At the time of credit or payment, whichever is earlier | Non-resident - 5% |
| 194LD   | Payment of interest on rupee denominated bond of an Indian Company or Government securities to a Foreign Institutional Investor or a Qualified Foreign Investor   | At the time of credit or payment, whichever is earlier | 5%                |

# TDS Rates

| Section | Nature of Payment   | When to deduct   | Rate of TDS        |
|---------|---|--|--------------------|
| 115A    | Royalty or Fees for Technical services in case of non-residents | Where the total income of the non-resident includes any income by way of 'royalty or fees for technical services' in India | Non-resident - 10% |

# Notes

- **No TDS on Service tax** - As per **CBDT Circular 01/2014 dated 13/01/2014**, TDS is not applicable on service tax portion if service tax is shown separately;
- If the payment is made to a person (including non-resident) whose receipts are subject to TDS, such person shall mandatorily furnish his PAN to the deductor, failing which the deductor shall deduct the TDS at **higher** of the following rates-
  - i. The applicable rate prescribed in the Act or;
  - ii. The rate mentioned in the Finance Act or;
  - iii. 20%.
- In case of interest payment by co-operative banks to its members, the TDS provision is applicable from 01 June 2015.
- Surcharge on tax is not deductible at source in case of resident individuals / HUF / firm / AOP / BOI / domestic company, in respect of payment of income other than salary.

# Notes

- Surcharge on TDS is applicable at the rate of **12 percent** on payments made to non-resident (other than company), if payment is in excess of **INR 1 Crore**;
- In case of companies other than domestic companies, surcharge of **2 percent** shall be levied if the total income exceeds **INR 1 Crore** but does not exceed **INR 10 Crore**. Surcharge at the rate of **5 percent** shall be levied if the total income of the company exceeds **INR 10 Crore**.
- Surcharge on TDS on salary at the rate of **12 percent** is applicable if taxable salary is more than **INR 1 Crore**.

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**Thank You**

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