

# INDIA BUDGET

## 2024

### A SYNOPSIS

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## OVERVIEW- DIRECT TAX

1. For the new tax regime (Section 115BAC)
  - a. Slab rates are revised.
  - b. Increase in Standard deduction to INR 75,000 and increase in deduction from the family pension to INR 25,000.
  - c. 80CCD NPS contribution limit for employers in the private sector raised to 14% from 10% of the employee's basic salary.
2. Foreign companies tax rate is reduced from 40% to 35%.
3. For simplifying the procedures and administrative burden it is proposed to merge two exemption regimes for charitable trust and transited to the second regime in a gradual manner.
4. Income from letting out residential house property shall be chargeable under the head "Income from House Property".
5. Increase in the limit of remuneration to working partners of a firm allowed as deduction.
6. A new presumptive taxation regime under Section 44BBC will be introduced for non-residents operating cruise ships. Also, income from lease rentals for a foreign company will be exempt under Section 10(15B) if both the foreign company and the cruise ship operator have the same holding company.
7. Transfer of a capital asset under a gift or will, or by an irrevocable trust, by an individual or HUF will not be considered a transfer as per section 47(iii).
8. Indexation available u/s 48 is proposed to be removed for calculation of any LTCG which is presently available for property, gold and other unlisted assets.
9. Section 56(2)(viib) provisions shall not apply from AY 2025-26, i.e. excess consideration received for issue of shares as compared to the FMV shall not be chargeable to tax as income from other sources.
10. Section 80G is amended to provide deduction of any sums paid as donations to the National Sports Development Fund set up by the Central Government.
11. Safe harbor rules expanded to reduce litigation and provide certainty in international taxation.
12. Allow the Transfer Pricing Officer to handle specified domestic transactions not directed to him by the Assessing Officer.
13. For Listed Securities holding period is proposed to be 12 months and for all other assets it should be 24 months.

14. STCG u/s 111A increased to 20% from 15% and LTCG for all assets is 12.5%.
15. Exemption of gains upto 1.25 lakh for LTCG u/s 112A on STT paid equity shares, units of equity-oriented fund and business trust.
16. Income from buyback of shares shall be taxable and treated as dividend in the hands of shareholders who received the payment.
17. In search cases, the time limit is reduced from ten to six years before the year of search.
18. Return filed after condonation of delay be assessed up to 12 months after the end of the financial year in which the return was filed.
19. Aadhaar Enrolment ID-based Permanent Account Number holders must give their number by a specified date. The option to quote an Aadhaar Enrolment ID instead of a number is discontinued.
20. Assessment can be reopened beyond three years upto five years from the end of Assessment Year only if the escaped income is ₹ 50 lakh or more.
21. TCS collected/ TDS deducted to be allowed while computing tax to be deducted on salary income of the employees.
22. Rationalization of TDS rates for Section 194D, 194DA, 194G, 194H, 194-IB, 194M is reduced to 2%.
23. TDS on sale of immovable property threshold of INR 50 lakh is on aggregate of all amounts paid by the sellers for such immovable property.
24. For 194O payment to e-commerce operators TDS @ 1% is reduced to 0.1%.
25. Payment of salary, remuneration, commission, bonus and interest to any account including capital account of the partner will attract TDS @10% for aggregate amounts more than INR 20,000.
26. An assessee can consider a deduction for income tax paid outside India as income for income tax purposes, which can be credited against the tax due under the Act.
27. Decriminalize late payment of tax deducted at source (TDS), if the TDS payment is made before the time prescribed for filing the TDS statement.
28. Time limit of 6 years introduced for filing correction statement for TDS Returns.
29. TCS on expenditure incurred for purchase of luxury goods of value exceeding INR 10 lakh @ 1%.
30. Section 206C will have higher interest rate of 1.5% for every month or part of month where tax is collected but not deposited.

31. The ITAT appeal may be submitted within two months of the month in which the order is conveyed to the assessee or Principal Commissioner or Commissioner.
32. Section 271FAA would penalize failure to comply with Automatic Exchange of Information due diligence.
33. Section 271H penalties are waived if the person establishes that the statement was filed within one month of the due date after paying TDS/TCS with fees and interest.
34. To empower Commissioner (Appeals) to set aside ex-parte assessment orders.
35. STT on F&O transactions is increased from 0.0625% to 0.1% and 0.0125% to 0.02%.
36. Monetary limits for filing direct taxes, excise and service tax related appeals in Tax Tribunals, High Courts and Supreme Court increased to ₹60 lakh, ₹2 crore and ₹5 crore respectively.
37. Equalization levy of 2 per cent withdrawn.
38. All remaining services of Customs and Income Tax including rectification and order giving effect to appellate orders to be digitalized over the next two years.
39. Non-reporting of small foreign assets has penal consequences under the Black Money Act. Such non-reporting of movable assets up to ₹ 20 lakh is proposed to be de-penalized.
40. Vivad se Vishwas Scheme, 2024 for settlement of pending appeals to be introduced.
41. Comprehensive review and simplification of Income Tax Act announced. New Law to be framed and tabled in next 6 months.

## **OVERVIEW- INDIRECT TAXES & POLICY MEASURES**

1. Reduction in maximum amount of pre-deposit for filing appeals.
2. Mandatory filing of monthly returns by TDS deductors, even with no deductions.
3. Prohibition of refund for unutilized input tax credit on zero-rated supplies where such goods are subject to export duty.
4. Limited applicability to demands upto the FY 2023-24 and new provisions prescribed under section 74A from FY 2024-25 onwards.
5. For facilitating MSMEs, propose to reduce the turnover threshold of buyers for mandatory onboarding on the TREDIS platform from Rs. 500 crores to Rs. 250 crores.
6. The services of the centre for processing accelerated corporate exit (c-pace) will be extended for voluntary closure of LLPs to reduce the closure time.
7. Appropriate changes to the IBC, reforms and strengthening of the Tribunal and Appellate Tribunals will be initiated to speed-up insolvency resolution.
8. Under internship opportunities in top companies (5<sup>th</sup> scheme under the prime minister's package) companies will be expected to bear the training cost and 10 per cent of the internship cost from their CSR funds.

## **BUDGET HIGHLIGHTS - DIRECT TAX**

### **Proposed Changes to Rates of Income-Tax for Assessment Year 2025-26 (New Regime)**

For the assessment year 2025-26, the following rates under sub-section (1A) of section 115BAC of the Act shall be applicable:

| <b>Sl. No.</b> | <b>Total income</b>                 | <b>Rate of tax</b> |
|----------------|-------------------------------------|--------------------|
| 1              | Upto Rs. 3,00,000                   | Nil                |
| 2              | From Rs. 3,00,001 to Rs. 7,00,000   | 5%                 |
| 3              | From Rs. 7,00,001 to Rs. 10,00,000  | 10%                |
| 4              | From Rs. 10,00,001 to Rs. 12,00,000 | 15%                |
| 5              | From Rs. 12,00,001 to Rs. 15,00,000 | 20%                |
| 6              | Above Rs. 15,00,000                 | 30%                |

### **Clarification on chargeability of income from let out residential house property (Section 28)**

Income from letting out residential house property or part of the house will be chargeable under "Income from house property" instead of "Profits and gains of business or profession."

Effective from assessment year 2025-26 onwards.

### **Increase in Remuneration Limit for Working Partners allowed as deduction (Section 40)**

Section 40 of the Income Tax Act disallows certain amounts when computing income under "Profits and Gains of Business or Profession". Currently, sub-clause (v) of clause (b) limits the deductible remuneration paid to working partners, provided it is authorized by the partnership deed, as follows:

- On the first Rs. 3,00,000 of book profit or in case of a loss: Rs. 1,50,000 or 90% of the book profit, whichever is higher.
- On the balance of the book profit: 60%.

### **Proposed Amendment**

From the assessment year 2025-26 onwards, it is proposed to increase the deductible limit of remuneration to working partners as follows:

- On the first Rs. 6,00,000 of book profit or in case of a loss: Rs. 3,00,000 or 90% of the book profit, whichever is higher;
- On the balance of the book profit: 60%.

Effective from assessment year 2025-26 onwards.

### **Amendment of Section 47 (Transfer of a capital asset under a gift or will)**

Section 47(iii) is proposed to be amended - only transfer of a capital asset under a gift or will or by an irrevocable trust by an individual or HUF will not be considered a transfer. Thus, gifts made by a company will be subject to capital gains tax.

Effective from April 1, 2025, for assessment year 2025-26 onwards.

### **Sunset of the provision of Section 56(2)(viib) [Angel Tax abolished]**

Provision for taxing consideration received by a company, not being publicly held, for the issue of shares exceeding the fair market value will not apply from assessment year 2025-26.

Effective from April 1, 2025, for assessment year 2025-26 onwards.

### **Increase in amount allowed as deduction to non-government employers and their employees for employer contribution to National Pension Scheme (NPS) referred in section 80CCD**

- **Amendment to Section 36 (1)(iva):** Increase in deduction limit for employer contributions to pension schemes from existing 10% to 14% of the employee's salary.
- **Amendment to Section 80CCD (2):** Employee deduction for non-government employer contributions not exceeding 14% the of salary. Applicable if the employee's salary is taxed under section 115BAC (1A).

Effective from April 1, 2025, for assessment year 2025-26 onwards.

### **Increase in Standard Deduction and deduction from family pension for new regime under section 115BAC(1A)(ii)**

- **Section 16(ia):** Standard deduction increased to Rs. 75,000 from Rs. 50,000.
- **Section 57(ia):** Deduction for family pension increased to Rs. 25,000 from Rs. 15,000.

Effective from April 1, 2025, for assessment year 2025-26 onwards.



## Capital Gains Taxation

- **Holding Period:**

Only two holding periods for determining capital gains. Amendment is proposed in clause (42A) of section 2 of the Act.

| Asset Type        | Holding Period for Long Term | Holding Period for Short-Term |
|-------------------|------------------------------|-------------------------------|
| Listed Securities | More than 12 months          | Upto 12 months                |
| All other Asset   | More than 24 months          | Upto 24 months                |

Holding period for determining long term capital gains on bonds, debentures, gold reduced from 36 to 24 months and for unlisted shares and immovable property period of holding remains 24 months.

- **Short-term capital gains** – STCG on STT paid equity shares and units of equity-oriented mutual funds and business trusts will now be taxed at 20% rather than 15%. Other short-term capital gains shall continue to be taxed at applicable rate.
- **Long-term capital gains under provisions of various sections of the Act:**
  - Long-term gains from financial and non-financial assets are subject to a 12.5% tax rate.
  - The proposed increase in the exemption ceiling from ₹ 1 lakh to ₹ 1.25 lakh for capital gains on STT paid equity shares, units of equity-oriented mutual funds, and business trusts.
  - Indexation removed for calculation of long-term capital gains on property, gold, and other unlisted assets.
  - Unlisted bonds and debentures shall continue to be taxed at applicable rates.

In Sections 115AD, 115AB, 115AC, 115ACA, and 115E are amended to align with the new tax rates on long-term and short-term capital gains.

These proposals are proposed to be given effect immediately i.e. with effect from the 23<sup>rd</sup> of July, 2024.

## Rationalization of Charitable Trusts and Institutions

It is proposed that approval based exemption for charitable trusts under Section 10(23C) is to be sunset and merged into the exemption scheme under Sections 11 to 13.

The Principal Commissioner/Commissioner is now authorized to condone trusts or institutions' delays in filing registration applications for reasonable causes.

Timelines for disposing of applications filed by charitable trusts for the renewal of regular registration or the conversion of provisional registration to regular registration have been extended to six months from the end of the quarter in which the application was received by the PCIT/CIT.

A new Section 12AC is inserted to facilitate the merger of approved/registered charitable trusts with other trusts or institutions with similar objectives without imposing exit tax.

These amendments will take effect from the 1st day of October, 2024.

### **Determination of Arm's Length Price for Specific Domestic Transactions in Proceedings Before Transfer Pricing Officer**

It is proposed that Transfer Pricing Officer (TPO) empowered to deal with Specified Domestic Transactions (SDTs) that have not been referred to him by the Assessing Officer (AO) and/or for which an audit report under section 92CE has not been submitted.

### **Tax on distributed income of domestic company for buy-back of shares**

It is proposed that the amount paid by a domestic company for the acquisition of its own shares be recognized as a dividend in the hands of shareholders who received payment from such a buy-back of shares and be subject to income tax at the applicable rates. Expenses cannot be deducted from dividend income when calculating income from other sources. The cost of acquiring the bought-back shares would result in a capital loss for the shareholder because these assets had been extinguished. If a shareholder makes a capital gain from the selling of shares, they can claim their initial cost of acquisition for all shares, including those bought back and eventually sold. The following steps will be taken to calculate the capital loss:

- (i) the value of the consideration of shares under buy-back will be considered to be nil for the purpose of computing the capital loss.
- (ii) the capital loss on buy-back will be allowed to be computed as the value of the consideration (nil) less the cost of acquisition.
- (iii) the capital loss will be allowed to be carried forward as a capital loss, which can subsequently be set off against the consideration received on sale, thereby reducing the capital gains to this extent.

These amendments will take effect from the 1st day of October, 2024, and will accordingly apply to any buy-back of shares that takes place on or after this date.

### **Introduction of Block assessment for search cases**

It is proposed to implement a new scheme of block assessment for search cases. The proposed block period is six preceding years plus the period up to the date of the search's conclusion. The total income for the block period is proposed to be taxed at a rate of 60%.

A penalty on the undisclosed income of the block period, as determined by the Assessing Officer, shall be levied at 50% of the tax payable on such income. However, no penalty shall be levied if the assessee discloses the undisclosed income in the return furnished in response to the search and pays the tax along with the return.

Time limit for completing the block assessment of the searched assessee shall be twelve months from the end of the month in which the last authorization for search under Section 132, or requisition under Section 132A, was executed or made. For any other person, the time limit for completing the block assessment shall be twelve months from the end of the month in which the notice under Section 158BC, pursuant to Section 158BD, was issued to such person.

These amendments will take effect from the 1st day of September, 2024.

### **Removing the option to quote Aadhaar Enrolment ID instead of number**

It is proposed that every person who receives a permanent account number based on Aadhaar application form Enrolment ID must notify Aadhaar on or before a specified date. It is proposed to discontinue the quoting of Aadhaar Enrolment ID in place of Aadhaar number

This amendment will take effect from the 1st day of October, 2024.

### **Ease in claiming credit for TCS collected/TDS deducted by salaried person (Sec 192)**

While computing the TDS on salary payment, it is proposed that employer can consider TCS/ TDS credit as declared by the employee. This can help in avoiding cash flow issues for the employee.

This amendment will take effect from the 1st day of October, 2024.

### **Reduction in rate of TDS in various sections**

It is proposed to reduce rate of TDS from 5% to 2% u/s 194DA (Payment in respect of LIC), 194G (Commission on sale of lottery tickets), 194H (Commission/ brokerage), 194-IB (Payments of Rent by individual), 194M (Payment of certain sum by certain individual/ HUF).

This amendment will take effect from the 1st day of October, 2024.

### **Reduced rate of TDS on payments by e-commerce operator to the participants (Sec 194O)**

The proposed reduction in the TDS rate under Section 194-O on payments made by e-commerce operators to e-commerce participants is from 1% to 0.1%.

The amendment will take effect from 1st day of October 2024.

### **Introduction of Section 194T on making payment to partner by the Firm**

A new section 194T has been inserted to introduce TDS at the rate of 10% on payment of salary, remuneration, interest, bonus or commission by partnership firm to partners, if total payments exceeds Rs. 20,000/- in a financial year.

The amendment will take effect from 1st day of April 2025.

### **Extending the scope for lower deduction / collection certificate of tax at source**

Application for reduced deduction/collection certificate of tax for section 194Q (TDS on payment for purchase of goods) and sub-section (1H) of section 206C is proposed.

The amendments will take effect from the 1st day of October, 2024.

### **Inclusion of taxes withheld outside India for purposes of calculating total income**

It is proposed that Income tax paid outside India by way of deduction, for which an assessee is allowed a credit against the tax payable under the Act, is deemed to be income received for the purpose of computing the income of the assessee.

The amendment will take effect from the 1st day of April, 2025.

### **Time restriction for TDS/TCS statement corrections**

It is proposed to provide that no correction statement shall be delivered after the expiry of six years from the end of the financial year in which the TDS/TCS statement are respectively required to be delivered.

The amendment will take effect from the 1st day of April, 2025

### **Widening the scope of TCS on luxury goods**

Amendment has been made in section 206C(1F) to introduce TCS at 1% on goods (other than motor vehicle) as may be specified by the central government by notification, of the value exceeding 10 lakhs.

The amendment will take effect from 1st day of April 2025.

### **Amendment proposed in Section 276B**

No prosecution under section 276B if the deductor has deposited TDS before the due date prescribed for filing the TDS statement of the quarter.

The amendments will take effect from the 1st day of October, 2024.

### **Reducing the time-limit for which reassessment can be done and rationalization of the provisions**

It is proposed that an assessment cannot be reopened after three years from the end of the assessment year, unless the escaped income is Rs 50 lakh or more. In such case, the maximum period for reopening would be five years from the end of the assessment year. Even in search cases, a time limit of six years before the year of search, as against the existing time limit of 10 years, is proposed

### **Introduction of Vivad se Vishwas Scheme, 2024**

It is proposed to implement a new mechanism for settling pending appeals. It is proposed to begin operations on a specific date. The final date for the scheme is also proposed to be announced.

### **Amendment to include Black Money Act, 2015 for obtaining tax clearance certificate**

Section 230(1A) specifies that no person domiciled in India shall leave India unless he obtains a certificate from the income-tax authorities stating that he has no liabilities under the Income-tax Act, 1961. The scope of this provision is proposed to be extended so that no liability should be outstanding from such a person leaving India under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015

### **Black Money Act, 2015**

In order to facilitate the recovery of liabilities under the Act from seized assets, it is proposed that the Section 132B of the Income-tax Act, 1961 be amended to include a reference to the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

The threshold limit for reporting the value of foreign assets (excluding immovable property) in the Income Tax Return has been increased from Rs. 5 lakh to Rs. 20 lakh.

The amendments will take effect from the 1st day of October, 2024.

### **Prohibition of Benami Property Transactions Act, 1988**

It is proposed that benamidar be granted immunity from penalty and prosecution in exchange for full and accurate disclosure. Additionally, it is proposed that the time limits for property attachment and reference to the adjudicating authority be rationalized.

### **Submission of statement by liaison office of non-resident in India**

It is proposed to provide for a penalty on failure of submission of annual statement within the due period. The failure to furnish statement may attract a penalty of one thousand rupees for every day for which the failure continues, if the period of failure does not exceed three months; and one lakh rupees in any other case. A new section 271GC is proposed to be inserted in this regard. However, this penalty shall not be leviable if the assessee proves that there was reasonable cause for the said failure. It is proposed to amend section 273B to provide for this.

These amendments will take effect from the 1st day of April, 2025.

### **Applications for Advance Rulings moved from Authority of Advance Rulings may be withdrawn before 31.10.2024**

Section 245Q is amended to allow withdrawal of applications by October 31, 2024, for transferred cases before BAR (from AAR) where no order under Section 245R(2) has been passed. The Board for Advance Rulings may reject the application as withdrawn by December 31, 2024, upon receipt of a withdrawal request.

## BUDGET HIGHLIGHTS - INDIRECT TAX (GST)

### *Amendments effective from the date to be notified*

1. Un-denatured extra neutral alcohol or rectified spirit used in manufacture of alcoholic liquor is proposed to be kept out of the purview of the tax.
2. Amendments are proposed to empower the government to regularize non-levy or short levy of taxes due to any general practice prevalent in trade.
3. Amendments are proposed to provide that no refund of unutilised input tax credit shall be allowed in cases of zero rated supply of goods where such goods are subjected to export duty.
4. The maximum amount of pre-deposit for filing appeal with authorities are reduced as:-

| Authority           | Current Pre-deposit requirement                         | Proposed Pre-deposit requirement                 |
|---------------------|---|--|
| Appellate Authority | Rs 25 crore - Central tax                               | 20 crore - Central tax                           |
| Appellate Tribunal  | 20% with a maximum amount of Rs. 50 crore - Central tax | 10% with a maximum of Rs. 20 crore - Central tax |
|                     | Rs 100 crore Integrated Tax                             | Rs 40 crore - Integrated Tax                     |

The time limit for filing appeals before the Appellate Tribunal is also proposed to be modified with effect from 1<sup>st</sup> August, 2024 to avoid the appeals from getting time barred, on account of Appellate Tribunal not coming into operation.

5. Section 16 of the CGST Act is amended to provide that in respect of an invoice or debit note for the Financial Years 2017-18, 2018-19, 2019-20 and 2020-21, the registered person shall be entitled to take input tax credit in any return under section 39 which is filed up to November 30, 2021.

However where the tax has been paid or the input tax credit has been reversed, no refund of the same shall be admissible. *(to be made effective from the 1st day of July, 2017).*

6. Section 17 of the CGST Act is amended to restrict the non-availability of input tax credit in respect of tax paid under section 74 only for demands upto Financial Year 2023-24.

7. Section 39 of the CGST Act is amended to mandate the electronic furnishing of return for each month by the registered person required to deduct tax at source, irrespective of whether any deduction has been made in the said month or not.
8. Section 70 of the CGST Act is amended to enable an authorised representative to appear on behalf of the summoned person before the proper officer in compliance of summons issued by the said officer. Hence, summoned person or his authorised representative shall be bound to attend.
9. The applicability of Section 73 & 74 of CGST Act has been restricted for determination of tax pertaining to the period upto the Financial Year 2023-24, w.r.t. tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised.
10. A new section 74A has been inserted in the CGST Act, to provide for determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised for any reason pertaining to the Financial Year 2024-25 onwards.

It also provides the limitation period for issuing demand notices and orders in respect of demands from the Financial Year 2024-25 onwards, irrespective of whether the charges of fraud, wilful misstatement, or suppression of facts are invoked or not, while keeping a higher penalty, for cases involving fraud, wilful misstatement, or suppression of facts.

11. Many sections of CGST Act have been amended so as to incorporate a reference to the new section 74A.
12. Section 109 of CGST amended to empower the Government to notify GST Appellate Tribunal to handle anti-profiteering cases.
13. A new section 128A is inserted in CGST Act, so as to provide for conditional waiver of interest and penalty in respect of demand notices issued under section 73 of the said Act for the Financial Years 2017-18, 2018-19 and 2019-20, except the demand notices in respect of erroneous refund.
14. Section 140 of the CGST Act is amended to enable availment of the transitional credit of eligible CENVAT credit on account of input services received by an Input Services Distributor prior to, on or after, the appointed day, for which invoices were also received prior to the appointed date.
15. Schedule III of CGST Act is amended to provide that the following shall be treated as neither supply of goods nor supply of services -



- (a) activity of apportionment of co-insurance premium by the lead insurer to the co-insurer for the insurance services jointly supplied by the lead insurer and the co-insurer, to the insured, provided that the lead insurer pays the tax liability on the entire amount of premium paid by the insured.
- (b) Services by insurer to reinsurer, consideration for which gets adjusted with the reinsurance premium, subject to the condition that entire GST liability is discharged by reinsurer.

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*Disclaimer: This is for private circulation only. Every effort has been made to provide the correct information for the facility of our clients. Specific advice/clarification should be obtained in case there is any doubt relating to the proposed amendments.*

| TDS RATE CHART FOR FINANCIAL YEAR 2024-25 |  |  | Payment made to         |                                    |
|---|--|--|-------------------------|------------------------------------|
|   |  |  | Resident Individual/HUF | Resident other than Individual/HUF |
|   |  |  | Rate                    | Rate                               |
| Section                                   | Nature   | Threshold Limits   |                         |                                    |
| 193                                       | Interest on Securities   | Payment exceeds Rs. 10,000/- & in case of debentures Rs. 5,000/- during the financial year   | 10                      | 10                                 |
| 194                                       | Dividend   | Payment exceeds Rs. 5,000/- during the financial year  | 10                      | 10                                 |
| 194A                                      | Interest from a Banking Company  | Payment exceeds Rs. 40,000/- during the financial year except for senior citizens. For Senior Citizens, threshold limit is Rs. 50,000/-  | 10                      | 10                                 |
|   | Other Interest   | Payment exceeds Rs. 5,000/- during the financial year  | 10                      | 10                                 |
| 194B                                      | Winning from Lotteries   | Aggregate of payments exceeds Rs. 10,000/- during the financial year   | 30                      | 30                                 |
| 194BA                                     | Winning from online Gamings (Applicable with effect from 1st July, 2023) | Amount of net winnings comprised in withdrawal   | 30                      | 30                                 |
| 194BB                                     | Winning from horse race  | Aggregate Payment exceeds Rs. 10,000/- during the financial year   | 30                      | 30                                 |
| 194C                                      | Payment to Contractors/Sub-Contractors or Advertisement                  | Payment exceeds Rs. 30,000/- per contract or aggregate of payments exceeds Rs. 100,000/- during the financial year   | 1                       | 2                                  |
| 194C                                      | Contractors/ Sub- contractors in transport business                      | A person who is not owning more than 10 goods carriage at any time during the previous year and furnished a declaration to this effect along with his PAN then No TDS otherwise TDS applicable as per prescribed rates | 1                       | 2                                  |
| 194D                                      | Insurance Commission*  | Payment exceeds Rs. 15,000/- during the financial year   | 2                       | 2                                  |
| 194H                                      | Commission/ Brokerage  | Payment exceeds Rs. 15,000/- during the financial year   | 2                       | 2                                  |
| 194DA                                     | Payment in respect of life insurance policy                              | Maturity proceed exceeds Rs. 1,00,000  | 2                       | 2                                  |
| 194G                                      | Commission on sale of lottery tickets                                    | Payment exceeds Rs. 15,000   | 2                       | 2                                  |
| 194I                                      | Rent of land, building or furniture                                      | Rent exceeds Rs. 2,40,000/- per land lord during the financial year  | 10                      | 10                                 |
| 194I                                      | Rent of plant, machinery or equipment                                    | Rent exceeds Rs. 2,40,000/- during the financial year  | 2                       | 2                                  |
| 194IB                                     | Rent paid by Individual or HUF (other than covered under tax audit)      | Rent exceeds Rs. 50,000/- p.m. during the financial year (TDS can be deducted one time at the year end)  | 2                       | N/A                                |
| 194J                                      | Fees for Professional Services including director fees**/Royalty         | Total fees exceed Rs. 30,000/- during the financial year   | 10                      | 10                                 |
| 194J                                      | Fees for Technical Services  | Total fees exceed Rs. 30,000/- during the financial year   | 2                       | 2                                  |

|  |   |  |   |   |
|--|---|--|---|---|
| 194IA  | Transfer of certain immovable properties (other than agricultural land)   | Actual Sale consideration or Stamp Duty Value whichever is higher if total payment exceed Rs. 50 Lacs  | 1   | 1   |
| 194M   | Payment to Contractors/Sub- contractors or for Fees for Professional Services by Individual & HUF.                        | Total payment exceed Rs. 50 Lacs   | 2   | 2   |
| 194O   | Payment of certain sums by e- commerce operator to e- commerce participant  | On gross amount of sale of goods or provision of services or both (in case of individual/ HUF total sale/ consideration exceeds Rs. 5 Lacs)  | 0.1   | 0.1   |
| 194Q   | Payment for purchases by any person to seller   | On Purchases of goods of more than 50 Lakh rupees by person having more than 10 crore turnover/gross receipts/total sales from the business carried on by him during the financial year immediately preceding the financial year in which the purchase of goods is carried out | 0.1   | 0.1   |
| 194R   | Payment to Resident for any amount of benefit or perquisites arising from business or profession by Responsible person*** | On the value or aggregate of value of such benefit or perquisite if the value or aggregate of value of such benefit or perquisite exceeds 20,000 rupees.   | 10  | 10  |
| 194S   | Payment to Resident on transfer of virtual digital assets   | On transfer of virtual digital asset to Specified Person exceeding 50,000 rupees/ other than specified person exceeding 10,000 rupees  | 1   | 1   |
| 194T   | Payment to partner by the firm  | Payment of salary, remuneration, interest, bonus or commission by partnership firm to partners, if aggregate amount of payments during the financial year exceeds Rs. 20,000/-   | 10  | 10  |
| 206C(1F) (TCS on purchase of luxury goods)       | For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institution.     | Value exceeding 10 lakhs   | 1   | 1   |
| 206C(1G) (TCS on purchase of foreign remittance) | For the purpose of any education, if the amount being remitted out is a loan obtained from any financial institution.     | 7 lacs   | 0.5   | 0.5   |
| 206C(1G) (TCS on purchase of foreign remittance) | For the purpose of education, other than above or for the purpose of medical treatment.                                   | 7 lacs   | 5   | 5   |
| 206C(1G) (TCS on purchase of foreign remittance) | For the purpose of overseas tour package  | No Threshold   | 5 percent till Rs 7 lakh, 20 percent thereafter | 5 percent till Rs 7 lakh, 20 percent thereafter |
| 206C(1G) (TCS on purchase of foreign remittance) | Any other case  | 7 lacs   | 20  | 20  |

|  |                              |  |   |   |
|--|------------------------------|--|---|---|
| 206C(1H)<br>(TCS on sale of goods)   | Sale by seller to any person | On Sale of goods of more than 50 Lakh rupees by person having more than 10 crore turnover/gross receipts/total sales from the business carried on by him during the financial year immediately preceding the financial year in which the sales of goods is carried out | 0.1   | 0.1   |
| General  | Non-filing of ITR            | Person who has not filed the return of income for past one year and aggregate of TDS/TCS for the aforesaid person is Rs 50,000 or more.  | Twice the Rate of TDS/TCS or 5% whichever is higher | Twice the Rate of TDS/TCS or 5% whichever is higher |
| * No TDS on insurance agent if the Form 15G/15H filed.   |                              |  |   |   |
| ** 2% TDS will be applicable instead of 10% on payment to Call Centres   |                              |  |   |   |
| *** "Person responsible for providing" means the person providing such benefit or perquisite, or in case of a company, the company itself including the principal officer thereof.   |                              |  |   |   |
| **** Specified person includes:<br>(i) An Individual or a Hindu undivided family, whose total sales, gross receipts or turnover from the business does not exceed one crore rupees or fifty lakh rupees in case of profession during the financial year immediately preceding the financial year in which such virtual digital asset is transferred.<br>(ii) An individual or a Hindu undivided family, not having any income under the head "Profit and gains of business or profession." |                              |  |   |   |
| Further in case of a transaction where tax is deductible under section 194-O along with the proposed section 194S, then the tax shall be deducted under section 194S.  |                              |  |   |   |
| <b>Note 1</b> The rate of TDS will be applicable @ 20% or the rates specified in the relevant provision of the Act, whichever is higher where the PAN/Aadhar is not quoted by the deductee except for Section 194O wherein TDS will be deducted@5% .   |                              |  |   |   |
| <b>Note 2</b> The rate of TDS will be applicable @ 20% or the rates specified in the relevant provision of the Act, whichever is higher where the PAN is not quoted by the deductee except for Section 194Q wherein TDS will be deducted@5% .  |                              |  |   |   |
| <b>Note 3</b> In case of non-furnishing of PAN/Aadhar by collectee, TCS will be charged at twice of the normal rate applicable or 1% , whichever is higher   |                              |  |   |   |
| <b>Note 4</b> TDS rate on section 194D at the rate 2 % would be effective from 01-04-2025 & Section 194DA, 194G, 194H,194IB,194M,194O would be effective from 01-10-2024   |                              |  |   |   |

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