

E-NEWSLETTER

TDS RATE CHART FOR 2021-2022

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During the last financial year due to the Covid-19 pandemic, the rates of TDS was reduced by 25% in the special economic package announced by the Honorable Finance Minister,. However, most of the organizations have considered it as the new rates and still continue to follow the same rates. This newsletter is being released to clarify the doubts pertaining to the rates of TDS. Such reduced rates were applicable only upto 31st March, 2021 and the old rates have again come into force from 01st April, 2021. The rate chart for FY 2021- 22 is given below for quick reference.

Sl. No.	Section	Nature of Payment	Basic Limit for Deduction	Old Rates (till 13 th May, 2020)
1	192	Salaries	As per income tax slab applicable to individuals	Rate as per the income tax slab
2	192A	Premature withdrawal from Employee Provident Fund	Rs. 50,000	10%
3.	193	Interest on Securities	No limit prescribed	10%
4.	194A	Interest other than interest on securities	Rs. 40,000 (only for individuals)	10%
5.	194A	Interest on Bank Deposits i.e. both fixed and recurring	Rs. 40,000 (for individuals) Rs. 50,000 (for senior citizens only)	10%
6.	194C	Payment to Contractors	Rs. 30,000 – single transaction Rs. 1,00,000 – aggregate in a year	1% in case of individuals/HUF 2% in case of others
7.	194I (a)	Rent – Land, Building and Furniture & Fittings	Rs. 2,40,000	10%
8.	194I (b)	Rent – Plant, Machinery and Equipments	Rs. 2,40,000	2%
9.	194IA	Transfer of certain immovable property other than agricultural land	Rs. 50,00,000	1%
10.	194J	Professional Fees for technical services (software maintenance, engineering services etc...)	Rs. 30,000	2%
11.	194J	Professional Fees in all other cases (audit fees, lawyer fees etc.....)	Rs. 30,000	10%
12.	194K	Payment of any income in respect of units of mutual fund as per Section 10(23D)	No limit prescribed	10%
13.	194N	Cash withdrawal from accounts maintained with a banking company or cooperative society engaged in the business of banking or a post-office (for those who have not filed their ITRs for previous 3 years and time period for such filing have also expired)	Up to Rs. 20 Lacs More than 20 Lacs but less than 1 Crore More than 1 Crore	NIL 2% 5%
14.	194N	Cash withdrawal from accounts maintained with a banking company or cooperative society engaged in the business of banking or a post-office (in all other cases)	More than Rs. 1 Crores	2%

Note: The above TDS Rate chart has been compiled keeping in mind only those sections which are more relevant in case of charitable organizations and NGOs.