

DIRECT TAX NEWSFLASH

TDS/TCS rate chart for F.Y.2025-2026 onwards:

TDS/TCS rates applicable for F.Y.2025-26 including amendments as proposed vide Finance Bill 2025 along with effective dates are as under:

Section	Nature of payment	Existing Threshold limit	Proposed Threshold limit	TDS rate		New rates/Threshold limit applicable with effect from
				With PAN	Without PAN	
192	Salary	As per the Tax Slabs under old regime or under new regime Section 115BAC	No change	Avg rate	Higher of: Rates in force or 20%	-
192A	Premature withdrawal from EPF	INR 50,000	No change	10%	20%	-
193	Interest on securities	GOI 8% Savings (Taxable) Bonds 2003 or 7.75% Savings (Taxable) Bonds 2018 or Floating Rate Savings Bonds, 2020(Taxable) or any other security of Central/State Govt. as the Central Govt. may by notification in official gazette specified in this behalf- INR 10,000 Debentures if paid by account payee chq – INR 5,000 Other securities – No Limit	INR 10,000	10%	20%	01.04.2025

194	Dividend	<ul style="list-style-type: none"> • INR 5,000 to resident shareholder paid by any mode other than cash. • No threshold limit if paid in cash i.e. any amount paid in cash is liable for TDS. 	<ul style="list-style-type: none"> • INR 10,000 to resident shareholder paid by any mode other than cash. • No threshold limit if paid in cash i.e. any amount paid in cash is liable for TDS. 	10%	20%	01.04.2025
194A	Interest other than interest on security	<ul style="list-style-type: none"> • Bank deposit/ banking co-operative society deposits/ post office deposit: Others- INR 40,000 Senior Citizen - INR 50,000 • Deposits other than above: INR 5,000 	<ul style="list-style-type: none"> • Bank deposit/ banking co-operative society deposits/ post office deposit: Others- INR 50,000 Senior Citizen- INR 1,00,000 • Deposits other than above: INR 10,000 	10%	20%	01.04.2025
194B	Winning from lotteries	Aggregate of amounts exceeding INR 10,000 during the financial year.	INR 10,000 in respect of a single transaction.	30%	30%	01.04.2025
194BA	Winning from online games	Nil	No change	30%	30%	
194BB	Winnings from horse race	Aggregate of amounts exceeding INR 10,000 during the financial year.	INR 10,000 in respect of a single transaction.	30%	30%	01.04.2025
194C	Payments to contractors/ sub-contractors	Single: INR 30,000 Aggregate annual limit: INR 1,00,000	No change	Ind/HUF- 1% Others- 2%	20%	-

194C	Payment to Transporter covered u/s 44AE who submits declaration in prescribed format with Powning less than 10 goods carriages)	No threshold limit	No change	NIL	20%	-
194D	Insurance Commission	INR 15,000	INR 20,000	When recipient is: Domestic Company- 10% Other than Domestic Company- 2% (Earlier rate was 5%)	20%	01.04.2025
194DA	Payment of life insurance not exempted u/s 10(10D) [TDS to be deducted on Amount matured less Premium paid]	INR 1,00,000	No change	2%	20%	-
194E	Payment to NR Sportsmen (including athlete), entertainer (not a citizen of India) or NR Sports Association	No threshold limit	No change	20%	30%	-
194EE	Payment of National Saving Scheme	INR 2,500	No change	10%	10%	
194G	Commission on sale of lottery ticket	INR 15,000	INR 20,000	2%	20%	01.04.2025
194H	Payment of commission or brokerage	INR 15,000	INR 20,000	2%	20%	01.04.2025
194I	Payment of Rent	INR 2,40,000	INR 50,000 per month or part of a month	P&M- 2%, Land/Building/Furniture - 10%	20%	01.04.2025

194IA	Payment for Purchase of immovable property (other than agricultural land)	Threshold limit: Higher of Sale Consideration or Stamp Duty Value (No TDS to be deducted if sale consideration and Stamp Duty Value, are both less than INR 50,00,000)	No change	1%	20%	-
194IB	Rent (payable by an individual or HUF not covered u/s 194I)	Threshold limit INR 50,000 per month or part of month. Tax to be deducted for the last month of the previous year or the last month of tenancy if property vacated during year (TDS not to exceed amount of rent payable at time of deduction)	No change	2%	20%	-
194IC	Payment of monetary consideration under Joint Development Agreements	No threshold limit	No change	10%	20%	-

194J	Professional Fees, Technical Services, Royalty, etc	INR 30,000	INR 50,000	Professional fees to call centre- 2%; Fees for Technical Services-2%; Royalty in the nature of consideration for sale,distribution or exhibition of cinematographic films- 2% Others- 10%	20%	01.04.2025
194K	Payment of any income in respect of Unit of Mutual Fund as per Section 10(23D), Unit from administrator OR Unit from specified company, excluding income in the nature of Capital Gains	INR 5,000	INR 10,000	10%	20%	01.04.2025

194LA	Payment of compensation or enhanced compensation on compulsory acquisition of certain immovable property (other than agricultural land)	INR 2,50,000	INR 5,00,000	10%	20%	01.04.2025
194LB	Income by way of interest from infrastructure debt fund (Non-resident or foreign company)	No threshold limit	No change	5%	20%	-
194LBA(1)	Income from units of business trust - referred to in sec 115UA, of nature of Section 10(23FC)/(23FCA) paid to resident	No threshold limit	No change	10%	20%	-
194LBA(2)	Income from units of business trust - referred to in sec 115UA, of nature of Section 10(23FC) paid to non-resident or foreign company	No threshold limit	No change	10(23FC)(a)- 5% 10(23FC)(b)- 10%	20%	-
194LBA(3)	Income from units of business trust - referred to in sec 115UA, of nature of Section 10(23FCA) paid to non-resident or foreign company	No threshold limit	No change	30%	-	-
194LBB	Investment fund paying an income to a unit holder (other than income exempt u/s 10(23FBB))	No threshold limit	No change	Payee is Resident-10% Payee is Foreign Co.- 40% Payee is Non-Resident other than Foreign Co.- 30%	Higher of:TDS rate as per Act or Rates in Force or 20%	-

194LBC	Income in respect of investment in securitisation trust	No threshold limit	No change	Payee is Resident: Ind/HUF- 10%(Earlier rate was 25%) Others- 10%(Earlier rate was 30%) Payee is Non-Resident:Foreign Co.- 40% Other than Foreign Co.- 30%	Higher of: TDS rate as per Act or Rates in Force or 20%	01.04.2025
194LC	Payment of interest by an Indian Co or a business trust in respect of money borrowed in foreign currency under a loan agreement or by way of issue of long-term bonds	No threshold limit	No change	5% For LTB and RDB listed on RSE in IFSC- 4% Where money borrowed from a source outside India by issuing LTB and RDB issued on or after 01.04.2023 listed on RSE in IFSC- 9%	20%	-
194LD	Payment of interest on rupee denominated bond of an Indian Company or Government securities or municipal debt securities to a Foreign Institutional Investor or a Qualified Foreign Investor	No threshold limit	No change	5%	20%	-
194M	Payment for carrying out any contractual work, commission, brokerage, professional service (Not falling u/s 194C, 194H, 194J or 194D)	INR 50,00,000	No change	2%	20%	-

194N	<p>Cash withdrawal in excess of INR 1 crore during previous year from one or more account by a person</p> <ul style="list-style-type: none"> with a banking company, or a post office with a co-operative society, 	<p>INR 1,00,00,000 if no default is made on filling of Return;</p> <p>INR 20,00,000 if a person default in filling of return for all previous 3 AYs</p> <p>INR 3,00,00,000 if no default is made on filling of Return;</p> <p>INR 20,00,000 if a person default in filling of return for all previous 3 AYs</p>	No change	<p>2%</p> <p>In case of ITR defaulter:</p> <ul style="list-style-type: none"> 2% from 20 lacs to 1 cr 5% on sum exceeding 1 cr <p>2%</p> <p>In case of ITR defaulter:</p> <ul style="list-style-type: none"> 2% from 20 lacs to 3 cr 5% on sum exceeding 3 cr 	20%	
194O	Applicable for E-Commerce operator for sale of goods or provision of services facilitated by it through its digital or electronic platform	<p>Individual/HUF- INR 5,00,000 (If PAN or Aadhar Number has been furnished such Ind/HUF and sales does not exceeds 5 lacs, no TDS is required to be deducted)</p> <p>Others- No threshold limit</p>	No change	0.1%	5%	-
194P	Deduction of tax by Specified Banks in case of specified Senior Citizens	Total income as computed after allowing deductions under chapter VI-A and rebate under section 87A	No change	As per rates in force	-	-
194Q	Purchase of goods from a Resident	Aggregate value of goods INR 50,00,000	No change	0.1%	5%	-
194R	Payment of any benefit or perquisite to a Resident (whether convertible into money or not)	INR 20,000	No change	10%	20%	-
194S	Payment for transfer of virtual digital asset to a Resident	<p>Ind/HUF- INR 50,000 (Where having business/professional income, then sales/turnover is less than 1cr/50 lacs respectively)</p> <p>Others- INR 10,000</p>	No change	1%	20%	-

194T	Payment of salary, remuneration, interest, bonus or commission by partnership firm to partners	INR 20,000	No change	10%	20%	01.04.2025
195	Any sum paid to NR (not being a company/Foreign Company)	No threshold limit	No change	Avg rates as applicable	As per Act	-
196A	Income paid to non-resident or foreign company, in respect of units of MF or UTI	No threshold limit	No change	20%	20%	-
196B	Income from units (including LTCG on transfer of such units) to an offshore fund	No threshold limit	No change	<ul style="list-style-type: none"> Income from units referred to in clause (i) of sec. 115AB (1)- 10% LTCG arising from transfer of units referred to in sec. 115AB, which takes place before 23.07.2024-10% LTCG arising from transfer of units referred to in sec. 115AB, which takes place on or after 23.07.2024- 12.5% 	20%	-
196C	Income from foreign currency bonds or GDR of an Indian company (including LTCG arising from such securities) to a non-resident	No threshold limit	No change	<ul style="list-style-type: none"> Income by way of interest or dividends in respect of bonds or Global Depository Receipts referred to in sec. 115AC- 10% LTCG arising from transfer of such bond or Global Depository Receipts referred to in sec. 115AC, which takes place before 23.07.2024- 10% LTCG arising from transfer of such bond or Global depository Receipts referred to in sec. 115AC, which takes place on or after 23.07.2024- 12.5% 	20%	-

196D	Income of foreign Institutional Investors from securities (not being capital gain arising from such securities payable to FII) has furnished the tax residency certificate	No threshold limit	No change	Payable to FII -20% Payable to specified fund - 10%	20%	-
206C(1)	Alcoholic Liquor for human consumption	No threshold limit	No change	1%	5%	-
206C(1)	Sale of Tendu Leaves	No threshold limit	No change	5%	10%	-
206C(1)	Sale of Timber or any other forest produce (not being tendu leaves) obtained under a forest lease	No threshold limit	No change	2% (Earlier rate was 2.5%)	5%	01.04.2025
206C(1)	Sale of Timber obtained by any mode other than under a forest lease	No threshold limit	No change	2% (Earlier rate was 2.5%)	5%	01.04.2025
206C(1)	Sale of Scrap	No threshold limit	No change	1%	5%	-
206C(1)	Sale of Minerals - being coal or lignite or iron ore	No threshold limit	No change	1%	5%	-
206C(1C)	Granting of License, lease, etc of Parking lot/ Toll Plaza/Mining and Quarrying	No threshold limit	No change	2%	5%	-
206C(1F)	Sale of motor vehicles or any other goods, as may be specified by the Central Government by notification in the Official Gazette,	INR 10,00,000	No change	1%	5%	-
206C(1G)	LRS for education financed by loan from financial institution referred in Sec 80E	Upto INR 7 Lacs Amount in excess of INR 7 lacs	No TCS applicable	NIL No TCS (Earlier rate was 0.5%)	Nil No TCS (Earlier rate was 5%)	01.04.2025

206C(1G)	LRS for Medical treatment/education (other than financed by loan)	Upto INR 7 Lacs Amount in excess of INR 7 lacs	Upto INR 10 Lacs Amount in excess of 10 lacs	NIL 5%	- 10%	01.04.2025
206C(1G)	LRS for other purposes	Upto INR 7 Lacs Amount in excess of 7 lacs	Upto INR 10 Lacs Amount in excess of 10 lacs	NIL 20%	- 20%	
206C(1G)	Purchase of Overseas tour program package	Upto INR 7 Lacs Amount in excess of 7 lacs	Upto INR 10 Lacs Amount in excess of 10 lacs	5% 20%	10% 20%	
206C(1H)	TCS by seller (turnover exceeds 10 cr) on sale of goods/services to buyer	Sale consideration exceeding INR 50,00,000 (other than exports)	No change	0.1%	1%	Section will not applicable w.e.f 01.04.2025
206AB	TDS on non-filers of ITR	No threshold limit applicable. Provisions not applicable where payment already subjected to sections 192, 192A, 194B, 194BA, 194BB, 194-IA, 194-IB, 194LBC, 194M or 194N of the Act.	Higher of: <ul style="list-style-type: none"> Twice the rate specified in act; Twice the rates in force 5% 	Higher of the two rates provided in this section and in section 206AA of the Act		Section will not applicable w.e.f. 01.04.2025
206CCA	TCS on non-filers of ITR	No threshold limit applicable.	Higher of: <ul style="list-style-type: none"> Twice the rate specified in act; 5% (Provided that the rate of TCS under this section shall not exceed 20%)	Higher of the two rates provided in this section and in section 206CC of the Act		Section will not applicable w.e.f. 01.04.2025

Contact Details

3rd Floor, MJ Tower,
55, Rajpur Road,
Dehradun - 248001

T: +91.135.2743283, +91.135.2747084

E: info@vkalra.com

W: www.vkalra.com



Follow us on



Become a VKC Insight subscriber by mailing us at kmt@vkalra.com

© 2025 Verendra Kalra & Co. All rights reserved.

This publication contains information in summary form and is therefore intended for general guidance only. It is not a substitute for detailed research or the exercise of professional judgment. Neither VKC nor any member can accept any responsibility for loss occasioned to any person acting or refraining from actions as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.