यूनियन बैंक ऑफ इंडिया भारत सरकार का उपक्रम Union Bank of India A Government of India Undertaking

TAXATION CELL/ टैक्सेशन सेल - Finance & Accounts/ वित्त एवं लेखा

Information Circular No – 07004 **4th April 2025**

Sub: TDS & TCS provisions under Income TAX Act 1961-For AY 2026-27 (FY 2025-26) w.e.f. 01/04/2025

Tax Deducted at Source (TDS) and Tax Collection at Source(TCS) is a mandatory obligation on the part of Bank under the Income Tax Act, 1961, the provisions of which is to be adhered to in strict compliance.

The Finance Act 2025 has introduced changes in TDS & TCS threshold limits, rate etc. Details are as follows w.e.f. 01/04/2025.

A.) TDS rate on payment to resident are as follows:

Section No	Nature	Threshold for payment during FY (in Rs.)	Payment to (Resident)		No PAN	Non-Filer
			Individual or HUF	Others		
192	Income from Salaries	Basic exemption limit of employee	Normal Slab Rate	NA	Higher of 20% or Slab Rates	-
192A	Accumulated Provident Fund (Premature EPF withdrawal)	50,000	10%	NA	20%	-
193	Interest on Securities / Debentures	Debentures-5,000 10000 -other Securities	10%	10%	20%	-
194	Dividend	Rs 10,000/-	10%	10%	20%	-
194A	Interest (Other than interest on securities)	50,000- for Banks (Individual & other than individual) / 1,00,000 for Banks (Senior citizens)	10%	10%	20%	-
194C	Payment to Contractors	30,000/- Single Payment. 1,00,000/-Full Year	1%	2%	20%	-

Section No	Nature	Threshold for payment during FY (in Rs.)	Payment to (Resident)		No PAN	Non-Filer
			Individual or HUF	Others		
194D	Payment of Insurance Commission	20000	**2%**	**10%**	**20%**	**-**
194H	Commission or Brokerage	20000	**2%**	**2%**	**20%**	**-**
194 I	(a) Rent on plant and machinery	50,000 per month or part of the month*	**2%**	**2%**	**20%**	**-**
	(b)Rent of Land, Building or Furniture		**10%**	**10%**		**-**
194J	Professional Fess	50000	**10%**	**10%**	**20%**	**-**
	Technical Fees		**2%**	**2%**		**-**
194J 1(ba)	w.e.f. 01 .07.2012, Any remuneration /fees/commission to a director of a company, other than those on which tax is deductible under section 192.	-	**10%**	**10%**	**20%**	**-**
194 LA	Compensation on transfer of certain immovable property other than agricultural land (w.e.f. 01 .06.2013)	5,00,000	**10%**	**10%**	**20%**	**-**
194N	Cash withdrawal from Bank Account in excess of Rs. 20 lakh - in case of a person who has <u>not filed</u> the returns for preceding 3 years (w.e.f. 01 .07.2020)	20,00,000 to 1,00,000,000	**2%**	**2%**	**20%**	**-**
	Cash withdrawal from Bank Account in excess of Rs. 100 lakh -in case of a person who has <u>not filed</u> the returns for preceding 3	1,00,00,000	**5%**	**5%**	**20%**	**-**

Section No	Nature	Threshold for payment during FY (in Rs.)	Payment to (Resident)		No PAN	Non-Filer
			Individual or HUF	Others		
	years(w.e.f. 01.07.2020)					
	in case of Cash withdrawal from others a person who has filed the returns for preceding 3 years (w.e.f. 01 .07.2020)	1,00,00,000	**2%**	**2%**	**20%**	-
	Cash withdrawal from Bank Account of co-op societies engaged in banking business.	3,00,00,000	**2%**	**2%**	**20%**	-
194P	Payment of pension or interest to specified senior citizens of age 75 years or more	Basic exemption limit of senior citizens or super senior citizens	**Normal Slab Rate**	**NA**	**Higher of 20% or Slab Rates**	-
194Q	Purchase of Goods	50,00,000	**0.10%**	**0.10%**	**5%**	-
194R	Benefit of perquisite in respect of Business or profession.	20,000	**10%**	**10%**	**20%**	-
206C(1)	TCS on SCRAP SALE	No threshold	**1%**	**1%**	**5%**	-
206C(1G)	TCS on Remittance out of India under LRS (Liberalized Remittance Scheme) for **Education & medical purpose**	10,00,000	**5%**	-	**10%**	-
206C(1G)	TCS on Remittance out of India under LRS(Liberalized Remittance Scheme) for **Education, where source of fund is educational loan from any Financial**	No limit	**0%**	-	-	-

Section No	Nature	Threshold for payment during FY (in Rs.)	Payment to (Resident)		No PAN	Non-Filer
			Individual or HUF	Others		
	Institution u/s 80E					
206C(1G)	TCS on Remittance out of India under LRS(Liberalized Remittance Scheme) for **Overseas tour programme package,**	0.00	**5% up to 10.00 Lakhs, 20% above 10.00 Lakhs**	**-**	**20%**	**-**
206C(1G)	TCS on Remittance out of India under LRS(Liberalized Remittance Scheme) for **any other purpose**	10,00,000	**20%**	**-**	**20%**	**-**

If amount of rent is more than 50,000.00 per month then TDS will be applicable @10.00%.

B.) TDS rate on payment to Non-resident are as follows:

Section No	Nature	Threshold for payment during FY	No PAN	Payment to (Non-Resident)	
				Individual or HUF	Others
192	Income from Salaries	Nil	**Normal Slab rate**	**Normal Slab rate**	**NA**
192A	Accumulated Provident Fund	NIL	**30%**	**10%**	**NA**
194EE	Payment in respect of deposits under National Savings Scheme	Nil	**20%**	**10%**	**10%**
195*	a.) Income in respect of investment made by a Non-resident Indian Citizen	Nil	**N.A.**	**20%**	**NA**

Section No	Nature	Threshold for payment during FY	No PAN	Payment to (Non-Resident)	
				Individual or HUF	Others
	b.) Interest payable on money borrowed by the government or Indian concern in foreign currency	Nil	**N.A.**	**20%**	**20%**
	c.)Income by way of fees for technical services payable in pursuance of an agreement	Nil	**N.A.**	**20%**	**50% (If agreement is made before 01.04.1976) & 20% (If agreement is made after 01.04.1976)**
	d.)Any other income Interest (Other than interest on securities)	Nil	**N.A.**	**30%**	**40%**

The rate of TDS shall be increased by applicable surcharge and Health & Education Cess @ 4%.

C. Tax rate Slabs for Individual under New Tax v/s Old Tax Regime are summarized below:

(i) New Tax Regime (Default Tax Regime): Applicable for Individual U/s 115BAC (Both Resident & Non-Resident irrespective of Age).

Income Tax Slab for New Tax Regime (Default Tax Regime) are summarized below:

Total Income	Tax Rate	Tax liability (Rs.)
Upto Rs.400000	Nil	Nil
Rs.400001 to Rs.800000	5%	(Total Income - 4,00,000)*5%
Rs.800001 to Rs.1200000	10%	20,000 + (T.I. - 8,00,000)*10%
Rs.1200001 to Rs.1600000	15%	60,000 + (T.I.- 12,00,000)*15%
Rs.1600001 to Rs.2000000	20%	120,000 + (T.I. - 16,00,000) * 20%
Rs.2000001 to Rs.2400000	25%	2,00,000 + (T.I. - 20,00,000) * 25%
>Rs. 2400000	30%	3,00,000 + (T.I. - 24,00,000) * 30%

Permissible Deductions/Incentives in New Tax Regime to salaried employees are mentioned below:

Section	Nature	Allowable Limit
10(10)	Gratuity	Rs.20 lakh
10(10A)	Commutation of Pension	1/3 rd of Pension
10(10AA)	*Leave Encashment*	*Upto Rs.25 lakh*
16(ia)	*Standard Deduction*	*Upto Rs.75,000/-*
80CCD(2)	Employer Contribution to National Pension Scheme (NPS)	14% Salary (Basic+DA)
87A	Rebate	Rs.60,000/- or Tax Liability whichever is lower for Resident Individuals with Taxable Income upto Rs.12,75,000/- (including standard deduction of Rs. 75000/-)

Surcharge rate applicable for different taxpayers are mentioned in table below:

Income Limit	Surcharge rate on Income Tax
Less than Rs.50.00lacs	Nil
Rs.50.00lacs to Rs.1.00Crs	10%
Rs.1.00Crs to Rs.2.00Crs	15%
Rs.2.00Crs to Rs.5.00Crs	25%
More than Rs.5.00Crs	25%

Health and Education Cess at the rate of 4%, on the amount of Income Tax plus Surcharge if applicable.

(ii) Old Tax Regime:

Income Tax Rates in case of Old Tax Regime in case of Individuals are summarized below:

Individual Resident and Non-Resident below 60 years	Senior Citizens (Resident)		Tax Rate
	60 years and above & below 80 years	**80 years & above**	
Upto Rs.2.50 lakh	Upto Rs.3 lakh	Upto Rs.5 lakh	Nil
>Rs.2.50 lakh but ≤ Rs.5 lakh	>Rs.3 lakh but ≤ Rs.5 lakh	-	5%
>Rs.5 lakh but ≤ Rs.10 lakh			20%
> Rs.10 lakh			30%

No major changes have been proposed in the concession/deduction permitted in the old Tax Regime.

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D. Change in 15G & H Threshold exemption limit under New Regime :

- For Form 15G – Rs. 4,00,000/-
- For Form 15H – Rs. 12,00,000/-

Further, As per section 139AA of the Income Tax Act, every individual who has been allotted a permanent account number (PAN) as on the 1st day of July, 2017, and who is eligible to obtain an Aadhaar number, shall mandatorily link their Aadhaar and PAN till 30th June 2023.

Otherwise, such PANs which are not linked with AADHAAR (These Pans are known as INOPERATIVE PAN) will be charged by higher rate of TDS, **which is 20.00% or as per slab rate whichever is higher. Higher TDS will be deducted till the PAN AADHAAR linkage update in the system.**

Deduction of higher TDS u/s 206AB & higher TCS u/s 206CC has been revoked. Hence, there is no higher TDS deduction / TCS collection due to Non filing of ITR, however u/s 194N impact of non-filing will be effective as earlier.

Branches/Offices are advised to take note of the above information and ensure strict compliance to avoid customers/vendors grievances & penalty from Income Tax Department.

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