

## Tds 193 Introduction On Securities Lecture-4

Certainly, here are short notes on TDS Section 193 related to securities:

1. **Overview:** Section 193 of the Income Tax Act, 1961, governs the deduction of Tax Deducted at Source (TDS) on income earned from securities.
2. **Applicability:** TDS under Section 193 applies to interest earned on securities such as debentures, bonds, government securities, and other fixed-income instruments.
3. **TDS Rate:** The TDS rate under Section 193 varies based on the type of security and the nature of the recipient. For example, the TDS rate for resident individuals and Hindu Undivided Families (HUFs) is different from that for other entities like companies.
4. **Nature of Income:** The income earned from securities can be in the form of interest or coupon payments. TDS is deducted on such income at the time of credit or payment, whichever is earlier.
5. **Exemptions:** Certain securities may be exempt from TDS under specific circumstances, such as government securities or securities held in dematerialized form.
6. **Threshold Limit:** There is generally no threshold limit for TDS deduction under Section 193. However, individuals can submit Form 15G/15H to the payer to declare that their income is below the taxable limit.
7. **Tax Residency:** The tax residency status of the recipient determines the applicable TDS rate. Different rates may apply to residents and non-residents.
8. **Compliance:** Payers of interest on securities are responsible for deducting TDS and depositing it with the government within the prescribed timelines. They must also furnish TDS certificates to the recipients.
9. **Impact on Investors:** TDS reduces the net income earned from securities and affects the overall returns for investors.
10. **Tax Implications:** Recipients of income from securities must include the gross amount of interest in their income tax returns and claim credit for the TDS deducted.

These points provide a brief overview of TDS Section 193 concerning income earned from securities.