

Sonakshi JhunjhunwalaSunil Jhunjhunwala

Sec. 194A applies with threshold limit of Rs. 40,000 if interest is paid under Mahila Samman Savings Certificate: CBDT: Notification No. 27/2023, dated 16th May, 2023 Section 194A of the Income-tax Act provides for deduction of tax at source (TDS) at the rate of 10% from interest, other than interest on securities, paid or payable to a resident person. The tax shall be deducted at the time of payment or credit, whichever is earlier. Further, tax is required to be deducted only if the aggregate amount of interest credited or paid to the payee in respect of time deposit during the financial year exceeds the threshold limit prescribed under section 194A(3) of the Act. Sub-clause (c) of clause (i) of Section 194A(3) of the Act provides the threshold of Rs. 40,000 in case