

Revision in TCS on LRS Transactions from 1st April 2025

As per the approved Finance Bill for FY 2025-26, below changes has been introduced effective 1st April '25 with reference to collection of Tax at Source (TCS) on forex withdrawals/remittances under LRS (Liberalised Remittance Scheme) by Resident Individuals.

The annual threshold limit for TCS collection by authorized dealers from remittances made under the Liberalised Remittance Scheme (LRS) and sellers of overseas tour packages is increased from Rs 7 lakhs to Rs. 10 lakhs.

TCS is not applicable on LRS transactions for overseas education purpose, if the source of funds for the amount being remitted is from education loan obtained from a specified institution as defined in section 80E.

Removal Of Higher TCS For Non-Filers of Income Tax Returns.

Sr No	Purpose of Remittance abroad	New TCS rate (w.e.f. 1st April 2025)	
		Normal PAN	Inoperative PAN
i.	LRS for education purpose, if the amount being remitted is from education loan obtained from a specified institution	NIL	NIL
ii.	LRS for the purpose of education, other than (1) above (or) for the purpose of medical treatment.	Upto 10 Lakh: NIL Above 10 Lakhs: 5%	Upto 10 Lakh: NIL Above 10 Lakh: 10%
iii.	Any other purpose under LRS	Upto 10 Lakh: NIL Above 10 Lakh: 20%	Upto 10 Lakh: NIL Above 10 Lakh: 20%
iv.	Overseas tour packages	Upto 10 Lakh: 5% Above 10 Lakh: 20%	Upto 10 Lakh: 10% Above 10 Lakh: 20%

Note:

1. Threshold limit of Rs. 10 lakhs per FY for LRS as mentioned in point no. (i), (ii) & (iii) is a combined limit on all categories of LRS payments, through all modes of payments, regardless of the purpose.
2. Threshold limits as mentioned in point no. (i), (ii) & (iii) are remittances/forex drawls availed under LRS across all Authorised Dealers (ADs).
3. LRS remittance processed by the Bank as an Authorised Dealer towards air travel ticket booking or hotel booking by a resident individual customer would be subject to TCS as per the rate provided as mentioned in point no. (3) of the above table.
4. (*) Threshold limit for Rs. 10 lakhs per FY for purchase of Overseas tour program package is independent of the threshold limit mentioned in point no.(i).

Definition of Inoperative PAN:

As per Section 139AA, every person who has been allotted PAN as on the 1st day of July, 2017, and who is eligible to obtain Aadhaar number, should link Aadhaar number with PAN allotted on or before 31-03-2022. In case of failure to link the Aadhaar number, PAN allotted to the person shall be made inoperative after the date so notified.

For any further queries/ assistance, please contact your Relationship Manager or nearest HDFC Bank Branch.