



Subject: Intimation regarding Collection of TCS / Deduction of TDS on sale / purchase of goods and receipt of services in accordance with provisions of the Income-tax Act, 1961 ("Act")

Dear Sir,

This has reference with new section 194Q of Income Tax Act, 1961 inserted vide finance Bill 2021 which will be effective dated 1st July 2021. As per this new section the **purchaser of goods is required to deduct tax @ 0.1 % if the purchaser having total turnover more than Rs. 10 crores during immediately preceding Financial Year. TDS to be deducted on value of purchase of goods exceeding Rs. 50 lakhs. Since BMR HVAC Limited having turnover exceeding Rs. 10 Crore in FY 2020-2021, BMR is under obligation to deduct tax on purchase of goods exceeding Rs. 50 Lakh in a financial year.**

Higher rate of TDS will be applicable if PAN is not provided or ITR not filed for two consecutive preceding financial year - Section 206AB of the Act (Applicable on all goods and services)

As per section 206AB of the Act, a higher rate of TDS/ TCS is applicable if a person has not filed income-tax return for both two preceding years immediately prior to the previous year in which tax is required to be deducted within the time limit prescribed under section 139(1) of the Income-tax Act, 1961 and aggregate of TDS and TCS is Rs. 50,000 or more in each of these two preceding years. Hence a declaration is requested along with acknowledgement of return of previous two years along with Invoice to avoid high rate of TDS/ TCS for all services and goods.

Our Details: -

PAN NO - AABCH9456K

Acknowledgement number for FY2018-19 **608243481300920**.

Acknowledgement number for FY2019-20 **125566751070121**.

Corporate Office Address:

BMR HVAC Limited

Vatika Mindscapes, Tower -B, 7th Floor, Sector – 27D, Faridabad (Haryana) - 121003

Email: - jhawar.r@baglagroup.com