



Dhariwal Industries Private Limited (Division Manikchand Packaging)

Regd. & Corporate Office : " Manikchand House"
100-101, D. Kennedy Road, Pune - 411 001.
Tel. +91-020-26057099 (8 Lines) Fax : +91-020-26057377.
E-mail : mplpnq@manikchandgroup.com
CIN No. U28999PN1988PTC049549

25th June, 2021

TO WHOMSOEVER IT MAY CONCERN

TDS under newly introduced section 194Q & 206AB of the Income Tax Act, 1961

You may be aware that under section 194Q of the Income Tax Act, 1961 as introduced in the Finance Act 2021, Since our gross turnover in F.Y. 2020-2021 exceeds Rs. 10 Crores w.e.f. 1st July we are liable to deduct TDS @ 0.1% on purchase of goods (Excluding GST) of the aggregate value exceeding Rs. 50 lakhs in the current FY 2021-22

In case TDS u/s 194Q becomes applicable, TCS u/s 206C(1H) will not apply. For your information, the relevant extract from Section 194Q is set out below -

"194Q. Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax.

Explanation—For the purposes of this sub-section, "buyer" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

In view of the above, w.e.f. 01-July-2021 do not charge TCS u/s. 206C(1H) on purchase of goods by us. We will deducting TDS u/s 194Q @ 0.10% on all such purchases the aggregate value exceeding 50 lakhs in current FY 2021-2022.

Therefore you are requested to give us a declaration to this effect as per Annexure-'A' attached to this letter

Yours faithfully,
For Dhariwal Industries Private Limited
(Division Manikchand Packaging)


Lahuraj Gadankush
Accounts Officer