

To,
Valued Supplier's of Gupta Power Infrastructure Ltd

Sub: Regarding change in compliance due to insertion of new sections under Income Tax Act. Deduction of TDS u/s 194Q and non-applicability of TCS u/s 206C (1H) of Income Tax Act.

Dear Sir / Madam,

We, Gupta Power infrastructure Ltd , having PAN (**AAACG9210B**) hereby inform you that our total sales/gross receipts/turnover from Business during FY 2020-21 has been more than Rs.10 Crore. Therefore, provisions of Section 194Q inserted in the Income Tax Act vide **Finance Act 2021** with effect from 01.07.2021 are applicable to our company. Hence, we shall be deducting tax at source as per provisions of above section from purchase consideration paid/ credited on or after 01.07.2021 to you against supplies made by you at the rate 0.1 percent of purchase consideration paid / credited exceeding rupees 50 lakhs during the current financial year.

Since, we are liable to deduct tax at source under section 194Q of the Act, you shall not collect tax at source under section 206C (1H) of the Act w.e.f. 01.07.2021, in case transaction exceeding rupees 50 lakhs.

Further, you are also required to confirm that in your case amount of TDS/TCS was Rs.50,000/- or more in previous years relevant to Assessment Years 2019-20 and 2020-21 and you have filed your returns of income for these assessment years according to section 139(1), otherwise tax is required to be deducted at a higher rate in terms of Section 206AB of the Act.

Further, as per Rule 114AAA, higher of TDS/TCS will be applicable in case PAN and AADHAR is not linked. This is applicable only in case of Individual.

You may send to us your declaration in the enclosed draft on or before 28.06.2021 to enable us to take note of same and modify our accounting software accordingly. In case we do not receive your declaration by the above date, we will modify our software to deduct tax at the higher rate and it would be difficult for us to take corrective action to reduce the rate during the current financial year.

Further, we confirm that Gupta power infrastructure Ltd has filed its Income Tax Return for the previous year 2018-19 & 2019-20. You may accordingly ensure that in case of applicability of Tax deduction u/s 194Q, TDS is deducted @ 0.1% on all purchases from us. The status of return of Income filed by Gupta Power Infrastructure Ltd is as under: –

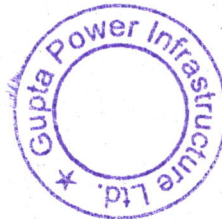
Assessment year	Acknowledgement No.	Filing Date
AY 2019-20	246612971311019	31.10.2019
AY 2020-21	263339451150221	15.02.2021

Important to note here, that any financial loss which Gupta power infrastructure ltd would incur, due to said non-compliance at your end, will have to be indemnified by you. We, therefore, look forward to your full cooperation in the process.

Thanks,

For Gupta Power Infrastructure Ltd


Authorized Signatory



GUPTA POWER INFRASTRUCTURE LIMITED

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