



KEI Industries Limited

BRUGG CABLES
Well connected.

KEI is under Technical Collaboration Agreement with
BRUGG to manufacture EHV cables up to 220kV

Registered and Corporate Office: D-90, Okhla Industrial Area Phase-1, New Delhi-110020 CIN No. : L74899DL1992PLC051527
Tel: 011-26818840/8642/0242, Fax: 26817225, 26811959 E-mail: epc@kei-ind.com, Website: www.kei-ind.com

To,

17th June'2021

Business Partners of "KEI Industries Ltd."

Sub: Deduction of TDS as per section 194Q wef 1st July 2021

Dear Sir,

The Finance Act 2021 has introduced a new section 194Q which will be effective from 1st July 2021 and we "KEI INDUSTRIES LIMITED" bearing PAN "AAACK0251C" and TAN "DELK05368G", being an *eligible buyer* (having turnover more than 10 Crore during the FY 2020-21), would be required to deduct tax at source at the rate of 0.1% on credit or payment of the sum in excess of Rs. 50 Lakh towards purchases made from you on or after 01st July, 2021. The threshold of Rs. 50 Lakh has to be calculated with reference to the financial year i.e., from 01st April 2021.

As per section 206C(1H), the seller of goods would not be liable to collect the TCS, if TDS is required to be deducted on such transaction under any provisions of the Income Tax Act and the said tax has been deducted.

On this transaction, the buyer shall have the first obligation to deduct TDS u/s 194Q. If he does so, the seller will not have any obligation to collect the TCS under Section 206C(1H).

It may kindly be noted that since the provisions of section 194Q will be applicable on us hence, there will be no requirement on the part of seller to charge TCS on such sale of goods

Hence, we need a declaration from you if, value of supplied goods exceeds Rs. 50 Lakh during F.Y. 2021-22, you will not charge TCS under section 206C (1H). Kindly also note that TCS provision will not be applicable if receipt during the year is less than Rs 50 lakh.

As per the section 206AB, the rate of TDS will be 5% if Supplier did not file the Income tax return of last two years.

Further, you are also requested to intimate us your PAN and Income Tax Return filing status of two years in attached format with the copy of the income tax return, required under section 206AB/206CCA enabling us to not deduct Tax at accelerated rate.

Kindly submit the data asap.

Thanking you in advance,

For KEI Industries Limited

Authorized Signatory

