

TO WHOMSOEVER IT MAY CONCERN

Date: 14-Jun-2021

**DECLARATION IN RELATION TO NEWLY INSERTED SECTION 194Q OF
INCOME TAX ACT, 1961**

Section 194Q of the Income Tax Act, 1961 requires deduction of Tax at Source (TDS) @ 0.1% on purchase of goods subject to the buyer meeting a specified threshold limit with effect from 1st July 2021. Correspondingly, it is also provided that, where TDS under the section 194Q is deductible and is so deducted by the buyer, Tax Collection at Source (TCS) under section 206C (1H) shall not be applicable to the seller on sale of goods.

In this regard, we, Lakshmi Machine Works Limited (LMW/Company), having PAN No. AAACL5244N situated at SRK Vidyalaya Post, Periyanaickenpalayam, Coimbatore 641020, hereby declare

- a. that the turnover of the Company during the financial year 2020-21 is more than Rs. 10 Crores.
- b. LMW shall with effect from 1st July 2021, be obligated to deduct Tax at Source under Section 194Q at the rate of 0.10% or (higher rate depending upon declaration furnished by you) on value of advance payment/purchase being made from an individual supplier during the Financial Year 2021-22 exceeds Rs. 50 Lakhs.
- c. In such a case, Tax Collection at Source (TCS) under section 206C(1H) shall not be applicable to the Seller on Sale of Goods.

Where the TDS deduction will be made as per Section 194Q of the Income Tax Act, 1961, LMW agrees to deposit such TDS and share the TDS Certificate with all of its suppliers on whose account tax has been deducted within the permitted timeline under the provisions of the Income Tax Act, 1961.

LMW agrees to indemnify, defend and hold its suppliers harmless from and against, any and all losses (including but not limited to taxes, interest and penalty) suffered or incurred, directly or indirectly by them as a result of any misrepresentation or inaccuracy of information provided by it, or on account of any failure by it to perform or comply with obligations under this Declaration.

For Lakshmi Machine Works Limited



Authorized Signatory