

NIRMITI PRECISION PVT. LTD.

Plot No. A-35/2, NICE Area, MIDC, Satpur, Nashik-422007 (India)
Ph.: +91 (0253) 2351505, 2351815 Telefax:+ 91 (0253) 2354794
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CIN - U 31900MH2007 PTC 170560



To,

Our Valuable Business Partner

Sub: Regarding change in compliance due to insertion of new sections under Income Tax Act.

Dear Sir/ Madam,

We, **Nirmiti Precision Pvt Ltd.**, having PAN **AACCN5131C** 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 at 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 value paid / credited exceeding rupees 50 lacs during the current financial year.

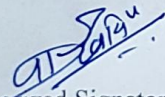
Since we are liable to deduct tax at source under section 194Q of the Act, you may ensure not to take any action to collect tax at source under section 206C(1H) of the Act w.e.f. 01.07.2021, in case provisions of section are applicable to you considering your amount of turnover and our purchases being more than rupees 50 lacs.

You are also requested to intimate your Permanent Account Number. In case you fail to provide your PAN, tax will be deducted at the rate of 5 percent instead of 0.1 percent in terms of Section 206AA of the Act.

Further, you are also required to confirm whether 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 the rate of 5 percent in terms of Section 206AB of the Act.

You may send to us your declaration in the enclosed draft on or before 30.06.2021 to enable us to take note of same and modify our accounting software accordingly. In case your declaration is not received by us by the above date, we will modify our software to deduct tax at the rate of 5 percent and it would be difficult for us to take corrective action to reduce the rate during the current financial year.

For Nirmiti Precision Pvt Ltd.


Authorized Signatory
Vishnu Jadhav
Accounts Finance Manager

