

TDS/ TCS PROVISIONS W.E.F. 01.07.2021 ON PURCHASE / SALE OF GOODS

IN CASE OF EVERY PURCHASE TRANSACTION OF								
Scrap, forest produce, liquor, coal, iron ore, etc covered u/s 206C(1) for business use ? <i>(Applicable on Individuals/HUFs only if last year business turnover including GST > Rs 1 Crore / 10 Crores or 50 lakh for professionals)</i>	Any Motor vehicle (includes all two-wheelers > 25cc) (including old/used) cost >= Rs 10 lakhs in retail for business or personal use ?	Other Goods (if no other TDS/TCS) including Personal as well as Capital Goods, Software and Shares (not traded on exchanges) <i>[will also include wholesale buying of Motor Vehicles]</i>						
Pay TCS u/s 206C(1) to seller	Pay TCS @ 1% u/s 206C(1F) to seller	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; padding: 5px;">Is last F.Y. turnover including GST (as per Sec 145A of Income Tax Act) > Rs 10 Crores ?</td> </tr> <tr> <td style="width: 50%; text-align: center; padding: 5px;">YES</td> <td style="width: 50%; text-align: center; padding: 5px;">NO</td> </tr> <tr> <td style="padding: 5px;">Deduct TDS @ 0.1% u/s 194Q on amount credited or paid to seller in the year exceeds Rs 50 lakhs. No TCS by Seller</td> <td style="padding: 5px;">Seller may collect TCS @ 0.1% u/s 206C(1H) if payments made by you in the year exceeds Rs 50 lakhs</td> </tr> </table>	Is last F.Y. turnover including GST (as per Sec 145A of Income Tax Act) > Rs 10 Crores ?		YES	NO	Deduct TDS @ 0.1% u/s 194Q on amount credited or paid to seller in the year exceeds Rs 50 lakhs. No TCS by Seller	Seller may collect TCS @ 0.1% u/s 206C(1H) if payments made by you in the year exceeds Rs 50 lakhs
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Deduct TDS @ 0.1% u/s 194Q on amount credited or paid to seller in the year exceeds Rs 50 lakhs. No TCS by Seller	Seller may collect TCS @ 0.1% u/s 206C(1H) if payments made by you in the year exceeds Rs 50 lakhs							

IN CASE OF EVERY SALE TRANSACTION OF								
Scrap, forest produce, liquor, coal, iron ore, etc covered u/s 206C(1) for business use ? <i>(Applicable on Individuals/HUFs only if last year business turnover including GST > Rs 1 Crore / 10 Crores or 50 lakh for professionals)</i>	Any Motor vehicle (includes all two-wheelers > 25cc) (including old/used) cost >= Rs 10 lakhs in retail for business or personal use ?	Other Goods (if no other TDS/TCS) including Personal Goods, Software and Shares (not traded on exchanges) <i>[will also include wholesale of Motor Vehicles]</i>						
Collect TCS u/s 206C(1) from buyer	Collect TCS @ 1% u/s 206C(1F) from buyer	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; padding: 5px;">Is last F.Y. turnover including GST (as per Sec 145A of Income Tax Act) > Rs 10 Crores ?</td> </tr> <tr> <td style="width: 50%; text-align: center; padding: 5px;">YES</td> <td style="width: 50%; text-align: center; padding: 5px;">NO</td> </tr> <tr> <td style="padding: 5px;">Collect TCS @ 0.1% from buyer u/s 206C(1H) if payments in the year exceeds Rs 50 lakhs and buyer is paying without TDS deduction</td> <td style="padding: 5px;">Buyer may deduct TDS @ 0.1% u/s 194Q if amount credited or paid to you in the year exceeds Rs 50 lakhs</td> </tr> </table>	Is last F.Y. turnover including GST (as per Sec 145A of Income Tax Act) > Rs 10 Crores ?		YES	NO	Collect TCS @ 0.1% from buyer u/s 206C(1H) if payments in the year exceeds Rs 50 lakhs and buyer is paying without TDS deduction	Buyer may deduct TDS @ 0.1% u/s 194Q if amount credited or paid to you in the year exceeds Rs 50 lakhs
Is last F.Y. turnover including GST (as per Sec 145A of Income Tax Act) > Rs 10 Crores ?								
YES	NO							
Collect TCS @ 0.1% from buyer u/s 206C(1H) if payments in the year exceeds Rs 50 lakhs and buyer is paying without TDS deduction	Buyer may deduct TDS @ 0.1% u/s 194Q if amount credited or paid to you in the year exceeds Rs 50 lakhs							

REMEMBER

1. Sec 206AA and 206CC - **if PAN not provided** - under all TDS sections rate is 20% except TDS u/s 194Q where rate is 5% and under all TCS sections where rate is 5%.
2. Sec 206AB and 206CCA - **if PAN is in specified person list** as downloaded from ITD portal than TDS/TCS shall be at twice the rate or 5%, whichever is higher.
3. **TDS u/s 194Q to be deducted on amount excluding GST shown separately in invoice except in case of advance payments where TDS is to be deducted whole amount including GST.**
4. TCS u/s 206C(1H), where applicable, is to be collected on receipt of payment and hence it is to be collected on amount including GST.
5. **No TDS u/s 194Q / 206C(1H) on electricity / shares traded at recognised exchanges as per Circular No. 13/2021 dated 30.06.2021.**