

TDS APPLICABILITY ON PURCHASE OF GOODS (194Q)& & TCS ON SALES OF GOODS (206C(1H))

Illustrative Guide on its Applicability

Scenario	Purchases before 01-07-2021	Purchases on or after 01-07-2021	Amount on which TDS shall apply
(I)	60 L	20 L	20 L
(II)	20 L	40 L	10 L
(III)	70 L	-	-
(IV)	-	60 L	10 L

Note: In Scenario (I), since the threshold limit of Rs. 50 Lacs has crossed before the effective date of implementation of this section, hence provisions shall apply on all transactions effected on or after the effective date.

Interplay of Section 194Q AND Section 206C(1H)

Illustrative Guide on Sec. 194-Q and Sec. 206C (1H)

Turnover FY 20-21		Transaction Value		Applying Section	Amount on which 0.1% shall apply
Buyer	Seller	Upto 01- 07-2021	On or after 01-07-2021		
5 Cr	5 Cr	20 Lacs	80 Lacs	N/A	NIL
2 Cr	2 Cr	70 Lacs	30 Lacs	N/A	NIL
7 Cr	20 Cr	30 Lacs	70 Lacs	206C(1H)	50 Lacs
7 Cr	20 Cr	70 Lacs	30 Lacs	206C(1H)	50 Lacs
20 Cr	7 Cr	30 Lacs	70 Lacs	194-Q	50 Lacs
20 Cr	7 Cr	70 Lacs	30 Lacs	194-Q	30 Lacs
20 Cr	20 Cr	30 Lacs	70 Lacs	194-Q	50 Lacs
20 Cr	20 Cr	70 Lacs	30 Lacs	206C(1H) 194- Q	20 Lacs 30 Lacs
20 Cr	20 Cr	70 Lacs	70 Lacs	206C(1H) 194- Q	20 Lacs 70 Lacs
20 Cr	20 Cr	30 Lacs	30 Lacs	194-Q	10 Lacs
20 Cr	20 Cr	30 Lacs	NIL	N/A	NIL
20 Cr	20 Cr	NIL	30 Lacs	N/A	NIL
20 Cr	20 Cr	70 Lacs	NIL	206C(1H)	20 Lacs
20 Cr	20 Cr	NIL	70 Lacs	194-Q	20 Lacs