

**TDS on purchase of goods u/s.194Q of Income Tax Act 1961 w.e.f. 1st  
July 2021**

New Income Tax TDS Section 194Q-TDS on purchase of goods is effective from 01.07.2021, wherein few consumers are liable to deduct 0.1% on CC bills raised by TANGEDCO (PAN: AADCT4784E).

Such consumers attracting TDS deduction u/s.194Q has to submit a declaration to the Circle in Annexure-A for billing with 194Q deduction. If such declaration is not received by us, we shall continue to collect TCS on sale of electricity.

The value for the purpose of TDS u/s.194Q shall not include Wheeling charges, Banking charges and TANTRANSCO's income viz. Transmission charges, Scheduling and system operating charges, Operation & Maintenance charges etc.

The present applicability of 206C(1H) will continue for the consumers who are not covered u/s.194Q. Such consumers need to submit a declaration for having filed Income Tax Returns of Assessment Year 2019-20& 2020-21 along with a commitment to file Income Tax returns for Assessment Year 2021-22 within due date to avoid higher rate of TDS @ 5% (Annexure-B).

## **Annexure-A**

### **Declaration for Deduction of Tax under Section 194Q**

This is to declare that pursuant to Section 194Q of the Income Tax Act, 1961, .....(Name of the Company) shall deduct TDS @ 0.1% of the amount paid/credited to **Tamil Nadu Generation and Distribution Corporation Limited** on account of purchase of electricity, subject to fulfilment of conditions as specified in Section 194Q, for the Financial Year 2021-22 and onwards, with effect from 1<sup>st</sup> July, 2021. TDS will not be deducted on wheeling charges and banking charges and on TANTRANSCO's income viz. Transmission charges, Scheduling and system operating charges, Operation & Maintenance charges etc.

Accordingly, we request TANGEDCO not to collect TCS under section 206C(1H) from us. Any consequence of non-compliance of Section 194Q shall be borne by us. It is also ensured that Form 16A TDS certificate will be issued to TANGEDCO on quarterly basis.

**SIGNATURE OF AUTHORISED SIGNATORY**

**Annexure-B**

**Declaration pursuant to Section 206CCA**

This is to declare that we have filed the Return of Income (ROI) under the relevant provisions of the Income Tax Act, 1961 for the Assessment Year 2019-20 and 2020-21 (FY 2018-19 and FY 2019-20) and we shall file the ROI for Assessment Year 2021-22 (Financial Year 2020-21) within the due date as per the provisions of the said Act.

Permanent Account No. (PAN) of our Company/Firm/Individual is .....The details of Return of Income filed are as below:

S. No	Assessment Year	Acknowledgement No	Date of Filing
1	2019-20	_____	_____
2	2020-21	_____	_____

**SIGNATURE OF AUTHORISED SIGNATORY**