

Rashtriya Chemicals and Fertilizers Limited

(A Government of India Undertaking)

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राष्ट्रीय केमिकल्स एण्ड फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

साथ बढ़ें समृद्धि की ओर

9th Floor, "PRIYADARSHINI", Eastern Express Highway, Sion, Mumbai - 400 022.

नववी मंजिल, "प्रियदर्शिनी," इस्टर्न एक्सप्रेस हाईवे, सायन, मुंबई - 400 022.

दूरध्वनी/Tel.(Off.): (022) 2552 3102/ 2552 3233 • फैक्स/Fax : 2404 5043

सीआईएन/CIN : L24110MH1978GOI020185 • वेबसाइट/Website :www.rcfltd.com

RCF/CF/TDS-194Q/01

14th June 2021

Subject: New TDS Provision under Section 194Q of Income Tax Act, 1961

Dear Customer,

This refers to the "New TDS Provisions", you would be aware that the Finance Act, 2021, introduced following TDS/ TCS provisions:

1. Section 194Q - TDS on Purchase of Goods:

The new section 194Q (introduced vide the Finance Act, 2021) imposes requirement to **deduct tax at source @ 0.1% on the purchase of goods from resident seller** subject to meeting the specified thresholds (Value exceeding Rs.50 Lacs at present), provided under the said section. Correspondingly, it is also provided that, where TDS under the above section 194Q is deductible and is so deducted, the tax collection at source (TCS) under section 206(1 H) shall not be applicable to the seller on sale of goods.

The aforesaid provision is effective from 1 July 2021 and is applicable to all payments/ credits for purchase of goods from such date by a purchaser whose total sales, gross receipts or turnover **exceed Rs.10 Crore** during the immediately preceding financial year.

Having regard to the above, kindly **confirm if your turnover exceeds INR 10 crore** during immediate previous financial year and TDS under Section 194Q will be deducted (**Refer Annexure A**).

OR

If your turnover **does NOT** exceed INR 10 crore during immediate previous financial year then no TDS under section 194Q will be deducted (**Refer Annexure B**)

2. Section 206AB/206CCA for TDS/TCS:

The Finance Act, 2021 has enacted new provisions viz. section 206AB/206CCA of the Income Tax Act ('Act'), which mandates payer/collector to deduct TDS/ collect TCS on payments/collection at penal rate where following cumulative conditions are satisfied:

- The person has not filed income-tax return for either of the past two financials years ('FY') immediately prior to the year in which taxes are required to be deducted/ collected, within the time limit of filing the return as per section 139(1); and

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- The aggregate TDS and TCS of such payee is Rs. 50,000 or more in each of these two previous years.

The prescribed penal rate in case of satisfaction of the aforesaid conditions is

- (i) twice the normal applicable rate of TDS/TCS, or
- (ii) 5%, whichever is higher.

In view of above, We, **Rashtriya Chemicals and Fertilizers Limited** have our registered office at Priyadarshani, Eastern Express Highway, Sion, Mumbai - 400022. We hereby make the **declarations** in **Annexure C** in relation to certain provisions (206AB & 206CCA) under Income Tax Act, 1961, i.e. confirmation of PAN and Income Tax Return Filing details for the purpose of determining Tax Deduction at Source rate.

3. Linking of PAN with Aadhaar (applicable for individual and proprietor):

This is to inform you that the linking of Permanent Account Number (PAN) with Aadhaar has been made mandatory for individual assessee, vide the Ministry of Finance Notification. number 37 | 2017, F. No. 370133 | 6 | 2017-TPL dated May 11, 2017.

Last date of linking of PAN with Aadhaar has been extended from time to time and as per the latest press release dated, March 31, 2021, the last date for such linking has been extended till June 30, 2021.

Consequently, if PAN is not linked with Aadhaar by June 30, 2021, such PAN will become inoperative from July 01, 2021. Accordingly, in such cases TDS | TCS will have to be deducted | collected at a rate higher than prescribed rate under section 206AA and Section 206CC of the Income Tax Act, 1961.

In view of the above, we request you to get your PAN linked with Aadhaar immediately (if not linked).

Kindly provide the declarations (Annexure A or Annexure B) as applicable along with Annexure D on or before 20th June 2021 on email ID rcftds@rcfltd.com to comply with the provision of 194Q/206CCA of the Income Tax Act, 1961.

For Rashtriya Chemicals and Fertilizers Limited


Authorized Signatory

Annexure – A
(ON LETTER HEAD)

TO WHOMSOEVER IT MAY CONCERN

We, < **Customer Name and Code** > have our registered office at <customer registered office>. We hereby make the following declarations in relation to certain provisions (194Q) under Income Tax Act, 1961.

- 1) That our turnover for PAN <Customer PAN number> in FY 20-21 is greater than INR 10 crore (ten cores only).
- 2) That TDS will be deducted by us at applicable rate @0.1% (at present) from July 1, 2021.
- 3) That we will be provide the detailed statement towards TDS deducted and deposited on a monthly basis.
- 4) That we will be deducting TDS under section 194Q of Income Tax Act, 1961 under our TAN Number <customer TAN Number>.
- 5) Declaration pursuant to section 206CCA enclosed as per Annexure D
- 6) Any consequence of non- compliance of Section 194Q shall be borne by us.

Accordingly, we request Rashtriya Chemicals and Fertilizers Limited not to collect TCS under section 206C (1H) from us.

We state the above information is true and correct.

For <customer name>

Authorised signatory

Name –

Designation –

E-mail ID –

Contact No -

Date -

Annexure – B
(ON LETTER HEAD)

TO WHOMSOEVER IT MAY CONCERN

We, < **Customer Name and Code** > have our registered office at <customer registered office>. We hereby make the following declarations in relation to certain provisions (194Q) under Income Tax Act, 1961.

- 1) That our turnover for PAN <**Customer PAN number**> in FY 20-21 is **lesser** than INR 10 crore (ten cores only). Hence, TDS will **NOT** be deducted by us.
- 2) We confirm that, company may collect TCS under section 206C(1H) on sales made to us at applicable rate.
- 3) Copy of the documentary proof of linking of PAN with AADHAAR (screenshot) enclosed, only in case of proprietor.
- 4) Declaration pursuant to section 206CCA enclosed as per Annexure D

We state the above information is true and correct.

For <customer name>

Authorised signatory

Name –

Designation –

E-mail ID –

Contact No -

Date -

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Annexure – C

TO WHOMSOEVER IT MAY CONCERN

Reference: Communication on section 206AB of the Income Tax Act, 1961.

Subject: Confirmation of PAN and Income Tax Return Filing details for the purpose of determining Tax Deduction at Source rate.

Dear Sir/Madam,

We "**Rashtriya Chemicals and Fertilizers Limited,**" do hereby provide the following information to you for the purpose of determining the TDS rate for any sum or income or payment made or credited to our account during the FY 2021-22, for the purpose of section 206AB of the Income Tax Act, 1961.

Further we confirm that we have filed our Income Tax return of last two previous years and provide below the acknowledgement number for your references.

Sr. No.	Particular	Number
1	PAN	AAACR2831H
2	ITR Acknowledgement number FY 2018-19.	759771091281120
3	ITR Acknowledgement number FY 2019-20.	253552651120221
4	Whether sum of TDS & TCS is more than INR 50,000 for the previous year 2019-20 & 2020-21.	Yes

The proof of status of returns filed from the Income tax website is attached herewith;

We state the above information is true and correct.

For Rashtriya Chemicals and Fertilizers Limited

Authorized Signatory

Annexure – D

Declaration pursuant to Section 206CCA

Customer Code: _____

Customer Name: _____

Customer PAN: _____

This is to declare that we have filed the Return of Income 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.

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		

Documentary proof (Screen Shot) for above income tax return filling enclosed.

Accordingly, we request Rashtriya Chemicals and Fertilizers Limited not to apply provisions of Section 206CCA to us.

For <customer name>

Authorised signatory

Name –

Designation –

E-mail ID –

Contact No -

Date -