

Subject: Declaration/Information for deduction or collection of tax at source u/s 194Q and 206C(1H) of the Act.

The provision of section 194Q and 206C(1H) are applicable on sale of Goods. As a result, the provision is applicable to sale of water and not on services. So, TDS/TCS shall be applicable on water charges only and not on other charges. (E.g. Service Charges, Drainage, EPSC etc...)

MIDC having PAN **AAACM3560C** hereby inform you that our total sales/gross receipt/turnover during financial year 2020-21 was more than INR 10 Crore. Therefore, provisions of Section 206C(1H) are applicable for the purpose of collection of tax at source on receipt of sale consideration of goods purchased by you during the current financial year on the amount exceeding Rs.50 lacs. In relation to compliance with above provisions we require following information / declaration from you: –

1. As you know that w.e.f 01.07.2021 Section 194Q is applicable. In case you are liable to deduct tax under section 194Q of the Act, tax will not be collectible by MIDC under section 206C(1H) of the Act w.e.f. 01.07.2021.

Please submit declaration that you are liable to deduct tax at source under section 194Q of the Act from payment of purchase consideration to be made / credited to us at the time of payment of water bill. On receipt of above confirmation, we will not be taking any action for collection of tax at source as per section 206C(1H) of the Act, otherwise we will be collecting tax from you as per above Section.

2. You are also requested to intimate us for your Permanent Account Number if not submitted earlier to MIDC. In case you fail to provide your PAN, tax will be collected at the rate of 1 percent instead of 0.1 percent in terms of Section 206CC of the Act.
3. Further, you are also required to provide the declaration that you have filed your returns of income for previous 2 assessment years as per section 139(1) at the time of water bill payment. Otherwise tax is required to be collected at the rate of 5 percent in terms of Section 206CCA of the Act.

Please download user manual from following link while making online payment.

https://services.midcindia.org/MIDC_eBillPay/test_ebillPay/TDC_TCS_Deduction_User_Manual.pdf

Thanks & Regards

Authorized Signatory