

Section 194P
&
Section 194Q

Section 194P- TDS in case of Specified Senior Citizen (Applicable from 01.04.2021)



DEDUCTEE



**SENIOR CITIZEN
(75 YEARS & ABOVE)**



DEDUCTOR



BANK

- ◆ **Rate of TDS**
- ◆ **Conditions**

: At Slab Rate

- : 1. Total Income includes Pension & Interest**
- 2. Declaration is given.**

Section 194Q- TDS on Purchase of Goods (Applicable w. e. f 01.07.2021)



DEDUCTEE



**SELLER
OF GOODS**



DEDUCTOR



**BUYER
OF GOODS PY TURNOVER ₹ 10 CRORE**

- ◆ **Threshold Limit** : In excess of ₹ 5000000
- ◆ **Rate of TDS** : 0.1%
- ◆ **Rate of TDS (No PAN)** : 5%

Section 206C(1H)-TCS on Sale of Goods



Previous Year Turnover
exceeding ₹ 10 Cr

Rate 0.1%

Difference between Section 194Q & Section 206C(1H)

Basis	Section 194Q-TDS on purchase of Goods	Section 206C(1H)-TCS on Sale of Goods
Liable to deduct	Buyer	Seller
Turnover	Previous year turnover/gross receipts of BUYER exceeds ₹ 10 Crore	Previous year turnover/gross receipts of Seller exceeds ₹ 10 Crore
Applicability	1st July 2021	1st October 2020
Threshold Limit	Purchase in excess of ₹ 50 Lakh	Sale in excess of ₹ 50 lakhs
Liability of deduction	Bill or Payment whichever is earlier	At the time of receipt
Rate	0.10%	0.10%
Rate if PAN not available	5%	1%
Not Applicable to	Transactions on which TCS is applicable under 206C other than 206C(1H)	Where TDS has been deducted u/s 194Q this section will not apply
TAN Requirement	Yes	Yes
Return form	26Q	27EQ
TDS Certificate	Form 16A	Form 27D

Analysis of Section 194Q & Section 206C(1H)

Situation - 1

Transaction Value ₹ 55 Lakhs

Buyer

Seller

Turnover ₹ 6 Cr

Section applicable
206C(1H)

Turnover ₹ 12 Cr

Situation - 2

Transaction Value ₹ 55 Lakhs

Buyer

Seller

Section applicable
194Q

Turnover ₹ 12 Cr

Turnover ₹ 6 Cr

Situation - 3

Transaction Value ₹ 55 Lakhs

Buyer

Seller

Section applicable
194Q

Turnover ₹ 12 Cr

Turnover ₹ 12 Cr

Situation - 4

Transaction Value ₹ 55 Lakhs

Buyer

Seller

Not Applicable

Turnover ₹ 6 Cr

Turnover ₹ 6 Cr

Situation - 5

Transaction Value ₹ 45 Lakhs

Buyer

Seller

Not Applicable

Turnover ₹ 12 Cr

Turnover ₹ 12 Cr