



## Varaiya and Shah LLP

Chartered Accountants

### Tax Alert

#### **SUB: Clarification as regards TDS/TCS (Income tax) for F.Y.2021-22**

##### **I. Re: TDS**

For Financial year (F.Y.) 2020-21, TDS and TCS rates were reduced by 25%. But in respect of payment of expenditure occurring from 1<sup>st</sup> April, 2021, the original rates of TDS and TCS will apply.

##### **Eg. TDS payment from:**

Contractual payment: For Firm/Company 2% and For individual/HUF 1%

Professional fees/Royalty-10%

Commission – 5%

Interest on loan – 10%

##### **II. Re: TCS**

Sale of scrap 1%

TCS on sale of goods 0.1%(when sales to a party exceeds Rs. 50 lacs)

##### **III. From 1<sup>st</sup> July, 2021, new provision (s.194Q)**

for TDS from payment of purchases @0.1% will apply. We will give you detailed information in this regard later.

Thanking You,

We, at Varaiya & Shah LLP

Date: 14<sup>th</sup> April, 2021

#### **Varaiya & Shah LLP**

315, "The Jewel", 3rd Floor,  
Next to Roxy Cinema,  
Mama Parmanand Marg,  
Opera House, Mumbai – 400 004.  
Tel No.: 022 4970 6690\91\92  
Email: admin@vnsca.co.in

