



**TDS & TCS on Purchase/Sale of Goods**

<b>Basis of distinction</b>	<b>TDS on purchase of goods [Section 194Q]</b>	<b>TCS on Sale of goods [Section 206C(1H)]</b>
Who is liable for deduction/collection	Buyer is liable to deduct the tax	Seller is liable to collect the tax
Turnover limit of deductor or collector	The total sales, gross receipts or turnover of the <b>buyer from the business should exceed Rs. 10 crores</b> during the financial year <b>immediately preceding the financial year in which</b> such goods are purchased	The total <b>sales, gross receipts or turnover of the collector from the business should exceed Rs. 10 crores during the financial</b> year immediately preceding the financial year in which such goods are sold
Threshold limit of purchase/sale	<b>If the value of purchase exceeds Rs. 50 lakhs</b>	<b>If the value of sales exceeds Rs. 50 lakhs</b>
Rate	0.10%	0.10%
Amount on which tax to be deducted/collected	On the amount of purchase in excess of Rs. 50 lakhs	On the amount of sale consideration in excess of Rs. 50 lakhs
Time of deduction/collection	At the time of credit or payment, whichever is earlier	At the time of receipt
Preference to be given	Purchaser is first liable to deduct the tax if the transaction could be subject to both provision	Seller shall be liable to collect the tax only if the purchaser is not liable to deduct the tax or purchaser failed to deduct tax
Applicability	From 1st July 2021	

<b>Particulars</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Turnover of Seller	12,00,00,000	6,00,00,000	12,00,00,000
Turnover of Buyer	6,00,00,000	12,00,00,000	12,00,00,000
Sale of goods	2,00,00,000	2,00,00,000	2,00,00,000
Sales consideration paid during the year	1,00,00,000	1,00,00,000	1,00,00,000
Who is liable to deduct or collect tax?	Seller	Buyer	Buyer
Rate of Tax	0.10%	0.10%	0.10%
Amount on which tax to be deducted or collected	50,00,000	1,50,00,000	1,50,00,000
Tax to be deducted or collected	5,000	15,000	15,000