

Digital Transformation on New TAX TDS SAP S/4HANA and ECC

Complying with new TDS Tax rules on Payment for purchase goods effective from 1-July-2021

After section 194P of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2021 '194Q. Deduction of tax at source on payment of certain sum for purchase of goods

Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax.

Explanation.—For the purposes of this sub-section, "buyer" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

Where any sum referred to in sub-section (1) is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account

of the payee and the provisions of this section shall apply accordingly.

If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and the person liable to deduct tax.

The provisions of this section shall not apply to a transaction on which—
tax is deductible under any of the provisions of this Act and tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.

High Level Scope

1. Notes Implementation - BASIS, ABAP, FI & SD
2. Configurations - Finance
3. One Enhancements
4. BADI Activation for Section Code
5. PAN Number Update in Vendor Master
6. Threshold Limit Update in Vendor Master
7. ONE Smart form Change - Purchase Order

Project Prerequisites

The following points are prerequisite from Customer to fulfill the project implementation scope

Activity

- Upgraded SAP System Access
- PAN Number of Vendors to be updated in Vendor Master
- Threshold Value to get updated in Vendor Master

Modules Involved

- BASIS
 - FI
- ABAP
 - SD

Project Duration:

SAP TDS 194Q - 2 Weeks
SAP 206AB - 5 Days

Project Cost:
SAP TDS 194Q NOTES
Implementation
INR 200000

SAP 206AB SAP Notes
Implementation
INR 50000

Terms:
50% advance along with PO
50% End of Go-Live Phase

