

# KNOWLEDGE OUTLOOK

-An In-house journal of R. N. Goyal & Co.

## TCS PROVISIONS (INCLUDING AMENDMENTS AS PER FINANCE ACT, 2020)

## TCS PROVISIONS APPLICABLE FOR F.Y.2020-2021

Every seller who sells the specified goods as prescribed by Income tax act shall collect TCS from the buyer at prescribed rates and deposit the same in the account of Income Tax Department. The TCS shall be collected as mentioned in the following table.

Section	Nature	Rate
206C (1)	Sale of Certain Goods Like: <ul style="list-style-type: none"><li>• Alcoholic Liquor for Human Consumption</li><li>• Scrap</li><li>• Minerals (coal, lignite, iron-ore)</li></ul>	1%
206C (1C)	<ul style="list-style-type: none"><li>• Tendu Leaves</li></ul>	5%
206C (1C)	<ul style="list-style-type: none"><li>• Timber obtained under a forest lease or other mode</li><li>• Any other forest produce not being a timber or tendu leave</li></ul>	2.5%
206C (1C)	Grant of license/lease; Contractual Agreement, Transfer of Right or Interest in any <ul style="list-style-type: none"><li>• parking lot</li><li>• toll plaza</li><li>• mine/quarry; to any other person (other than public sector) for business purposes</li></ul>	2%
206C (1F)	Sale of the motor vehicle of the value exceeding Rs. 10 lakh whether payment is received by cheque or by any other mode	1% (on each sale)

Section	Nature	Rate
206C (1G)(a) <b>w.e.f</b> <b>01.10.2020</b>	Every person being an authorised dealer, who receives an amount, or an aggregate of amounts, of seven lakh rupees or more in a financial year for remittance out of India from a buyer, under the Liberalised Remittance Scheme of the Reserve Bank of India	5% on sum exceeding Rs. 7 Lakhs; 10% in Non PAN/Aadhaar Case; 0.5% in cases where the amount is remitted for the purpose of pursuing education through a loan obtained from any financial institutions
206C (1G)(b) <b>w.e.f</b> <b>01.10.2020</b>	Every person being a seller of an overseas tour program package, who receives any amount from a buyer, being the person who purchases such package	5% 10% in Non PAN/Aadhaar Case;
206C (1H)* <b>w.e.f</b> <b>01.10.2020</b>	Sale of any goods [except goods on which TCS is applicable as per Section 206C(1), 206C(1F) and 206C(1G)] the consideration of which exceeds fifty lakh rupees in any previous year (Applicable for only those sellers whose total sales, gross receipts or turnover from business exceeds 10 crore rupees during the immediately preceding financial year.)	0.1% 1% in Non PAN/Aadhaar Cases

\* No such TCS is to be collected, if the seller is liable to collect TCS under other provision of section 206C such as sec 206C(1), 206C(1F) and 206C(1G) or the buyer is liable to deduct TDS under any provision of the Act and has deducted such amount.

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