



**KRESTON**  
SGCO



# TCS on sale of goods

New section 206C(1H): TCS on sale of goods (applicable w.e.f. 01-10-2020)

## New section 206C(1H): TCS on sale of goods (applicable w.e.f. 01-10-2020)

A new TCS provision u/s. 206C(1H) shall come into effect w.e.f. 1st October 2020 as follows–

1. A Seller who **receives consideration for sale of any goods in India** of value or aggregate of value more than Rs. 50 Lakhs in a year is **required to collect TCS @ 0.10% on the amount exceeding Rs. 50 lakhs**. The liability to collect TCS shall arise only at the time of receipt of consideration.
2. The Hon'ble FM, in her press conference, had reduced the rates of TDS/TCS by 25% in respect of certain specified payments/receipts [including amounts covered u/s. 206C(1H) ] for the tax to be deducted or collected between 14-05-2020 till 31-03-2021. **Consequently, for the period 01-10-2020 till 31-03-2021, TCS on the amounts covered u/s. 206C(1H) would be applicable at reduced rate of 0.075%**. However, in respect of TCS to be collected after 31-03-2021 on amounts covered u/s. 206C(1H), TCS rate would be 0.10%.
3. The due date for depositing TCS is the 7th of next month. Every person who is collecting TCS is required to submit a Quarterly TCS Return in Form-27EQ. The due dates for filing of TCS returns are as follows: -

Quarter	Due date
Q1: Apr to June	15th of July
Q2: July to Sep	15th of October
Q3: Oct to Dec	15th of January
Q4: Jan to Mar	15th of May

4. **Exceptions to the above provision –**
  - a. Where the turnover, total sales or gross receipts of the seller does not exceed Rs. 10 crores in the financial year immediately preceding the financial year in which the sale of goods is carried out.
  - b. If the buyer is required to deduct TDS on purchase of such goods under any other provisions of the Act and TDS has been deducted.
  - c. Goods already covered under the existing provisions governing TCS eg. Scrap sales, Alcohol liquor, motor vehicle, etc.
  - d. If the buyer is one of the following –
    - i. CG/ SG/Local Authority/ an Embassy / High Commission / Consulate & the representation of foreign states
    - ii. Importer of goods
5. Non availability of PAN or Aadhar No. of the buyer shall attract TCS at a rate of 1%.

\*\*\*\*\*



---

## MUMBAI

4A, Kaledonia-HDIL,  
2nd Floor, Sahar Road,  
Near Andheri Station,  
Andheri (East),  
Mumbai - 400069,  
E: +91 22 6625 6363  
E: [businessmum@krestonsgco.com](mailto:businessmum@krestonsgco.com)

---

## NEW DELHI

No. 402,  
Arunachal Building,  
19 Barakhamba  
Road,  
New Delhi - 1100001  
M: +91 1141251489  
E: [businessdel@krestonsgco.com](mailto:businessdel@krestonsgco.com)

---

## BENGALURU

GR Plaza IV floor  
433, 17th cross,  
Sector IV, HSR Layout  
Bengaluru - 560102  
M: +91 80 25725432  
E: [businessblr@krestonsgco.com](mailto:businessblr@krestonsgco.com)

---

## KOCHI

5A, Oxford Business Centre,  
Sreekandath Road,  
Ravipuram,  
Kochi - 682016  
M: +91 4842383133  
E: [businesskochi@krestonsgco.com](mailto:businesskochi@krestonsgco.com)

[www.krestonsgco.com](http://www.krestonsgco.com)

GET IN TOUCH