



**TCS ON SALE OF GOODS**  
**206C (1H)**  
**(W.E.F. OCTOBER 01, 2020)**



**AAUM & CO.**

---

**CHARTERED ACCOUNTANTS**

# APPLICABILITY OF TCS



**TCS 0.1%**  
~ reduced rate  
0.075% (May 14 '20  
to Mar. 31 '21)

If Buyer's PAN / Aadhar  
not available: **@1%**

Total Sales / Gross receipts  
> 10 crore during Prev. FY

Sales Receipts on GOODS  
ONLY

Per Buyer  
~ check  
each year

Receipt amount /  
Aggregate > 50 Lakhs on  
yearly basis

Sale  
Proceeds  
incl. GST

"Try not to become a man of success.  
Rather become a man of value." – Albert Einstein

# INSTANCES: NO TCS APPLICABLE

Sales, gross receipts, turnover  $\leq$  10 crores

Export of Goods ~ *Deemed export under GST not considered*

Engaged in providing Service

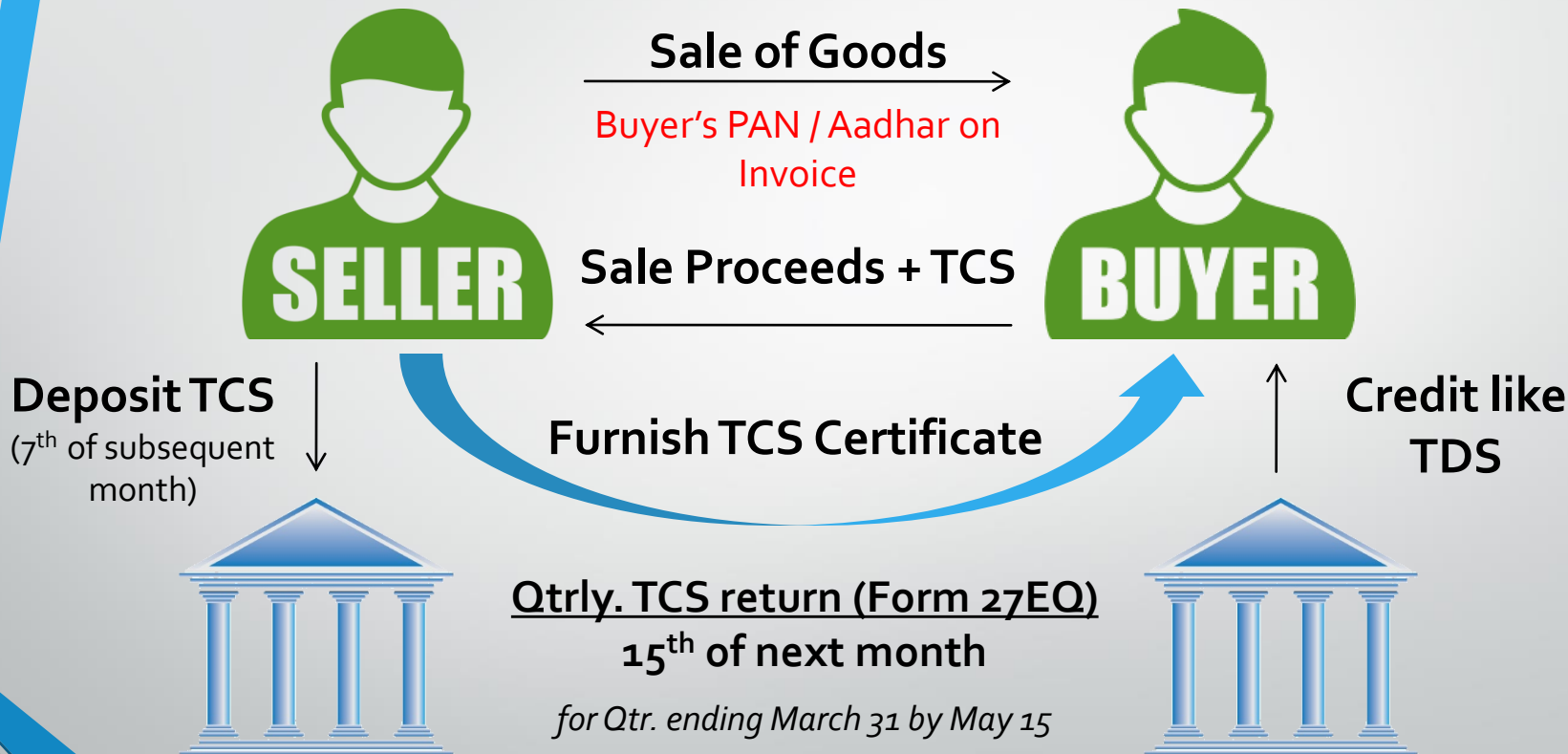
Already Requirement of TDS / TCS

If Buyer - Central / State Govt. / Local authority or Importing goods to India

Trading of securities & commodities at stock exchanges / clearing by clearing corporation, incl. those at IFSC

"Try not to become a man of success.  
Rather become a man of value." – Albert Einstein

# PICTORIAL REPRESENTATION



"Try not to become a man of success.  
Rather become a man of value." – Albert Einstein

# UNDERSTAND THE SCOPE OF LEVY (1/3)

Sr. No.	Seller	TO in FY 19-20	TO in FY 20-21	Buyer	Remarks
1	Mr. X	9 crs.	7 crs.	Mr. Y	✗ TO in <b>Prev. FY</b> < 10 crs.
2	Mr. X	9 crs.	11 crs.	Mr. Y	✗ TO in <b>Prev. FY</b> < 10 crs.
3	Mr. X	11 crs.	15 crs.	Mr. Y (Municipal Corporation)	✗ Buyer excluded
4	Mr. X	11 crs.	15 crs.	Mr. Y (Liable to deduct TDS)	✗ Buyer excluded
5	Mr. X (Vehicle Dealer)	11 crs.	15 crs.	Mr. Y	✗ Seller excluded
6	Mr. X	9 crs.	11 crs.	Mr. Y (outside India)	✗ Transaction excluded

“Try not to become a man of success.  
Rather become a man of value.” – Albert Einstein

# UNDERSTAND THE SCOPE OF LEVY (2/3)

Seller	TO in FY 19-20	TO in FY 20-21	Buyer
Mr. X	11 crs.	15 crs.	Mr. Y

Sr. No.	Sale	Receipt	Amount Recd.	TCS on	Remarks
7	Before Oct. 1	Before Oct. 1	60 Lakhs	Nil	<input checked="" type="checkbox"/> No Receipt in relevant period
8	After Oct. 1	Before Oct. 1	60 Lakhs	Nil	<input checked="" type="checkbox"/> No Receipt in relevant period
9	Before Oct. 1	After Oct. 1	60 Lakhs	10 Lakhs	<input checked="" type="checkbox"/> On Excess amount (60 – 50)
10	After Oct. 1	Before Oct. 1	35 Lakhs	Nil	<input checked="" type="checkbox"/> No Receipt in relevant period
		After Oct. 1	65 Lakhs	50 Lakhs	<input checked="" type="checkbox"/> *On Excess amount i.e. Min of (35+65-50) & 65)

\* Excess amount to be derived yearly basis; limited to receipt post Oct 1, 2020

“Try not to become a man of success.  
Rather become a man of value.” – Albert Einstein

# UNDERSTAND THE SCOPE OF LEVY (3/3)

Seller	TO in FY 19-20	TO in FY 20-21	Buyer
Mr. X	11 crs.	15 crs.	Mr. Y

Sr. No.	Sale	Receipt	Amount Recd.	TCS on	Remarks
11	Before Oct. 1	Before Oct. 1	65 Lakhs	Nil	<input checked="" type="checkbox"/> No Receipt in relevant period
		After Oct. 1	35 Lakhs	35 Lakhs	<input checked="" type="checkbox"/> *On Excess amount i.e. Min of (65+35-50) & 35)

\* Excess amount to be derived yearly basis; limited to receipt post Oct 1, 2020

Sr. No.	Transaction	Amount	TCS on	Remarks
12	Sale - Sep. 15	65 Lakhs	N.A.	<input checked="" type="checkbox"/> No Receipt
	Receipt - Oct. 10	65 Lakhs	15 Lakhs	<input checked="" type="checkbox"/> *On Excess amount (65-50)
	Sales Return - Oct. 15	40 Lakhs	Nil	<b>No reversal in TCS Liability</b>

"Try not to become a man of success.  
Rather become a man of value." – Albert Einstein



# Thank You



**Head Office (HO)** : Office No. 101, Monika, Near Hariniwas Circle, Naupada, Thane (W) – 400 602

**Branch Office (BO)** : B-201, Ananya, Babanrao Kulkarni Marg, Mulund (E) – 400 081



7304933498 /  
7304933499



info@aaumca.com

This updatedesk is general in nature. The analysis in this publication are subject to detailed revalidation. No opinion / decision should be made based on the content of this publication. It may be noted that nothing contained in this publication should be regarded as our opinion and facts of each case will need to be analysed to ascertain applicability or otherwise of the topics covered in this publication. Appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this publication.

“Try not to become a man of success.  
Rather become a man of value.” – Albert Einstein