


Shiv & Associates
Chartered Accountants

Latest Income Tax Updates

September 2020



1

Upcoming Due Dates

2

TCS on Foreign Remittance and Tour Packages

3

TCS on Sale of Goods

4

TDS on E-commerce Operators



Upcoming Due Dates

Sep

30

*Last Date to File/ Revise Income
Tax Return for F.Y. 2018-19*

Oct

7

*Payment of TDS for Sep
2020*

31

*Filing of Tax Audit Report
for F.Y. 2019-20*



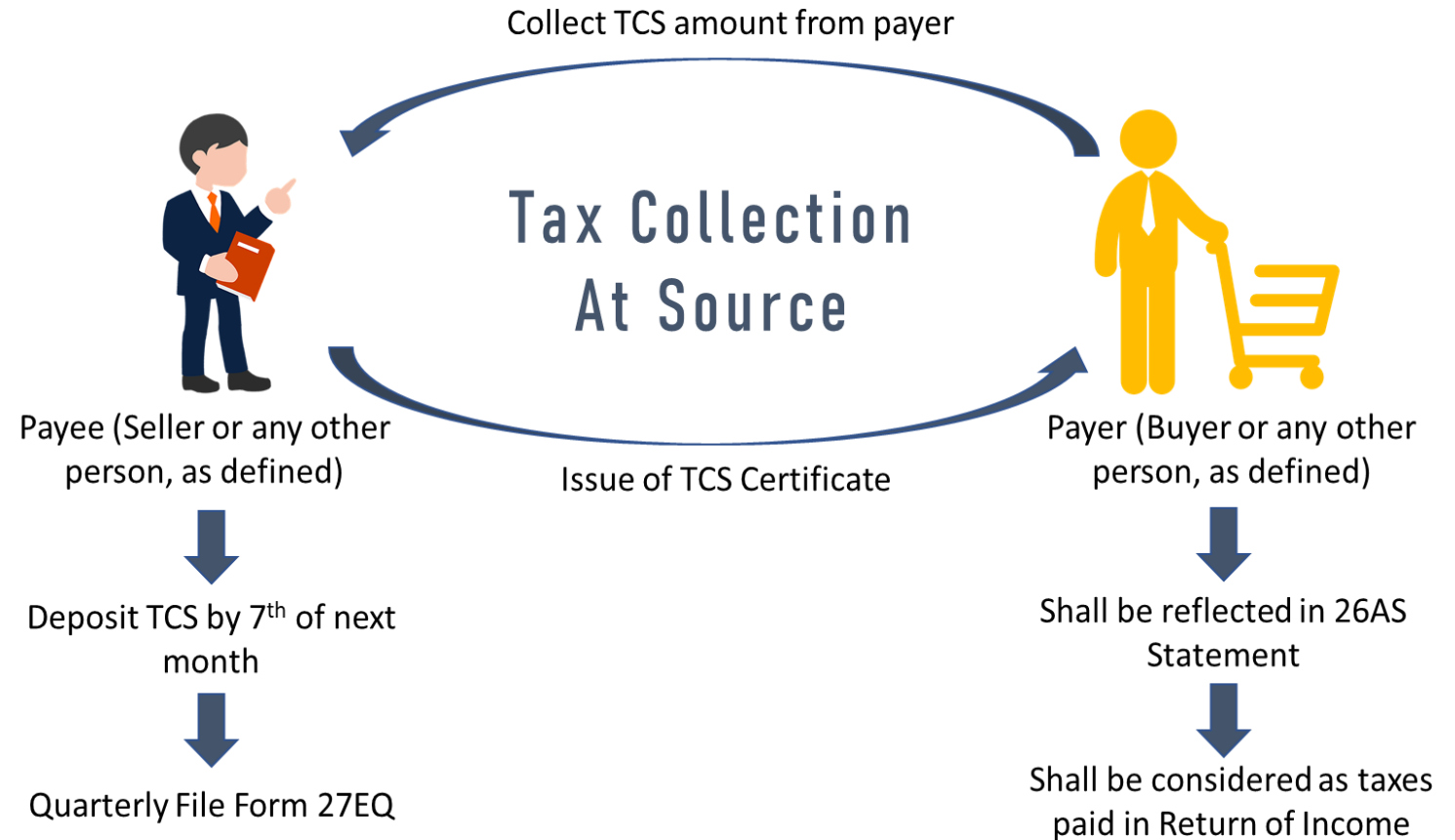
New TCS Provisions: Applicable w.e.f. Oct 1, 2020

Concept of TCS is similar as that of TDS except

- Instead of payer deducting the amount, payee collects an additional amount and deposit it to the government.
- Payer can claim credit of amount paid in its Return of Income

Scope enhanced by Finance Act, 2020 to cover:

- Foreign Remittances
 - Foreign Tour Packages
 - Sale of Goods in excess of Rs. 50 lakhs
- New Provisions to become effective from Oct 1, 2020



T.C.S. on Foreign Remittance & Tour Packages

	TCS on Foreign Remittance through Liberalised Remittance Scheme (LRS)	TCS on Overseas Tour Packages
To be Collected by	Authorized Dealer of Foreign Exchange	Tour Package Seller
To be Collected from	Person remitting amount outside India under LRS	Buyer of Overseas Tour Package
Applicability Threshold	Applicable only on aggregate value in excess of Rs. 7 lakhs in a Financial Year	No limit
T.C.S Rate	5% 0.5%- where remittance is out of proceeds from education loan from financial institutions. (where no PAN/ Aadhar- 10%)	5% (where no PAN/ Aadhar- 10%)
Time of Collection	At the time of receipt or when debited in books, whichever is earlier	
Not Applicable in case of	<ul style="list-style-type: none">• Where TDS already deducted• Central Government, State Government, Embassies and Local Authorities	



	TCS on Sale of Goods
To be Collected by	Sellers having Turnover exceeding Rs. 10 crores in Financial Year preceding the Sale of Goods
To be Collected from	Any buyer from whom consideration is received for sale of goods exceeding Rs. 50 lakhs in any Financial Year
Applicability Threshold	Applicable only on receipts in excess of Rs. 50 lakhs in a Financial Year
T.C.S Rate	0.075%- 1/Oct/20 to 31/Mar/21 0.1%- 1/Apr/21 onwards (1%- where no PAN/ Aadhar provided by buyer)
Time of Collection	At the time of receipt of sales consideration



Provision Not Applicable

On Supply of Services

On Export of Goods

Where Buyer is Central Government, State Government,
Local Authority, Embassy or High Commission

Where TDS already been deducted by buyer (e.g. Works
Contract)

Where TCS applicable under any other provision (e.g. Scrap
Sale, Car Sale)



Applicability

- Provisions also applicable on sales made before 1st Oct, 2020 but consideration received on or after 1st Oct, 2020.
- Value of Rs. 50 lakhs has be considered on cumulative basis for each seller for the whole Financial Year w.e.f. 1st April. However, TCS shall be applicable only on value exceeding Rs. 50 lakhs on receipts on/after Oct 1, 2020.

Case	Receipts from 1.4.20 to 30.9.20	Receipts from 1.10.20 to 31.3.21	TCS to be collected on
I	40 lakhs	20 lakhs	10 lakhs
II	60 lakhs	20 lakhs	20 lakhs
III	60 lakhs	0	0



As introduced by Finance Act, 2020, e-commerce sellers shall be subject to TDS by e-commerce operators w.e.f. Oct 1, 2020

To be Deducted by	E-commerce operators (resident /non-resident) (such as Amazon, Flipkart, Uber, Urban Company, etc.)
To be deducted from	E-commerce participants/ sellers (resident)
Applicability Threshold	Applicable where gross value of sales/ services > Rs. 5 lakhs in a Financial Year
T.D.S Rate	0.75%- 1/Oct/20 to 31/Mar/21 1%- 1/Apr/21 onwards (5%- where no PAN/ Aadhar provided by buyer)
Time of Deduction	At the time of payment or credit given in books of account, whichever is earlier
Note	No TDS shall be deducted on transactions where TDS under this provision has already been deducted.





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