

NDA Update – No TCS on sale of goods under Section 206C(1H) w.e.f. 01-04-2025

With effect from 01.04.2025, taxpayers are **not** required to collect tax at source on sale of goods under Section 206C(1H).

Thus, your ERP system will need modification so as to ensure that no tax is collected at source under the referred Section with effect from 01.04.2025.

Provisions of Section 206C(1H)

(1H) Every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, other than the goods being exported out of India or goods covered in sub-section (1) or sub-section (1F) or sub-section (1G) shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 0.1 per cent of the sale consideration exceeding fifty lakh rupees as income-tax:

Provided that if the buyer has not provided the Permanent Account Number or the Aadhaar number to the seller, then the provisions of clause (ii) of sub-section (1) of section 206CC shall be read as if for the words "five per cent", the words "one per cent" had been substituted: