

Shri M Ajit Kumar, Chairman
Central Board of Indirect Taxes and Customs
New Delhi

Dear Sir,

Greetings from THE PLASTICS EXPORT PROMOTION COUNCIL!

This has reference to the recent amendment in Income tax act brought in by Budget 2020, wherein para "206C(1H) states that **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 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:

The said provision on sale of goods does not distinguish between domestic sales and export sales. This means that Tax is required to be collected when sale consideration received from export of goods. Further, while referring above highlighted para it is understood that the said provision is made for local buyer only (within India) because the documents called are PAN or Aadhar number. But there is no clarity whether it is applicable to exporters or not as the **Exclusions from Buyer list does not reflect "Exporter"**.

In view of the above, we request you to pass necessary clarification exempting exporter from TCS.
With warm regards,

Chairman
(Ravish Kamath)

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