



मुंबई पोर्ट ट्रस्ट  
Mumbai Port Trust



संपदा अनुभाग,  
तिसरा माला, विजयदीप,  
शूरजी वल्लभदास मार्ग, बॅलार्ड इस्टेट,  
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Mumbai - 400 001.

No. EM/ASG/HF-310/ 898

3 JUL 2021

CIRCULAR

To,  
Lessees/Tenants/Licensees

Sub: Implementation of Special Provision of Section 206AB  
and Section 206CCA of Income Tax Act w.e.f. 01.07.2021.

Ref: CBDT Circular No. 11 of 2021 dated 21<sup>st</sup> June, 2021.

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Finance Bill 2021 has incorporated new Section 206AB and Section 206CCA under Income Tax Act, 1961 which provides for the higher rate of TDS and TCS respectively for the deductee, who do not file their Income Tax Returns for both the two assessment years relevant to the two previous years which are immediately before the previous year in which tax is required to be deducted or collected. **The Sections 206AB and Section 206CCA is applicable from 1 July, 2021.**

The gist of the provisions are as follows:

1. As per Section 206AB, where any assessee makes any payment to a specified person, the TDS deducted will be higher of five percent or double the rate as specified in the Act.
2. As per Section 206CCA, where any assessee receives any amount from specified persons, the TCS deducted will be higher of five percent or double the rate as specified in Act.

**The specified persons:**

- i. The specified person is a person who has not filed the returns of income for both of the **two assessment years relevant to the two previous years** which are immediately before the previous year in which tax is required to be deducted or collected, as the case may be.
- ii. Further the time limit for filing tax return under sub-section (1) of **Section 139 of the Act has expired for both these assessment years.**
- iii. There is another condition that aggregate of tax deducted at source and tax collected at source in his case is **rupees fifty thousand or more in each of these two previous years.**
- iv. Specified person **shall not include a non-resident** who does not have a permanent establishment in India.

2. Section 206AB of the Act would apply on any sum or income or amount paid or payable or credited, by a person (herein referred to as Deductor) to a specified person. However, this section shall not apply where the tax is required to be deducted under section



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192(TDS on Salary), 192A (TDS on Premature withdrawal of EPF), 194B (TDS on winning from lottery), 194BB (TDS on winning from horse races), 194LBC (TDS by securitization trust) or 194 n (TDS on cash withdrawal of the Act.

The proposed TDS rate in this section is higher of the followings rates:-

- \* **twice the rate** specified in the relevant provision of the Act; or
- \* **twice the rate or rates in force; or**
- \* the rate of **five percent**

3. **Scope of Section 206CCA**

Section 206CCA of the Act would apply on any sum or amount received by a person (herein referred to as collectee) from a specified person.

The proposed TCS rate in this section is **higher** of the following rates:-

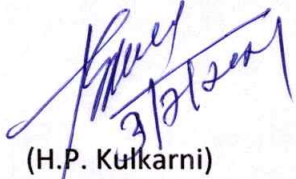
- \* **twice the rate** specified in the relevant provision of the Act; or
- \* the rate of **five percent**

4. This information is required to be sought every year in the month of March to ascertain the rate of TDS for the respective party.

5. In case you are not eligible to file return of income as per the Act in the mentioned previous period, you have to submit CA certificate certifying the said fact within 15 days.

6. The declaration made by MbPT in accordance with Section 206AB/206CCA of Income Tax Act 1961 and ITR for AY 2019-2020 & AY 2020-2021 is now available on the website of the Port, [www.mumbaiport.gov.in](http://www.mumbaiport.gov.in) main page.

7. Please see "Compliance check for Section 206AB & 206CCA" on Income Tax website.

  
(H.P. Kulkarni)  
Estate Manager (I/c)