

## TCS (Tax Collected at source)

The Government of India vide Finance Act, 2020 has amended section 206C of the Income Tax Act, 1961 (the Act). Pursuant to the amendment, effective from 01 October 2020 foreign remittances made under Liberalised Remittance Scheme (LRS) will require Tax collection at Source (TCS).

The TCS rate and threshold limit are tabulated below:

LRS Purpose	Applicable TCS
Remittance out of education loan obtained from financial institution*	<b>0.5%</b> of the remittance amount where aggregate amount under LRS exceeds ₹7 lakhs during the financial year
Remittance for purchase of overseas tour program package	<b>5%</b> of the remittance amount
Other LRS purposes	<b>5%</b> of the remittance amount where aggregate amount under LRS exceeds ₹7 lakhs during the financial year

\*Financial institution as defined under section 80E of the Act

### Important Information

- TCS amount will be recovered from your account.
- TCS once deducted cannot be refunded by the bank in case of any return of Transaction or remittances.
- Credit of TCS amount may be available while filing the return of income
- If you have already applied TDS, a declaration confirming that TDS has been paid along with the tax paid challan and form 15CA/CB will have to be furnished. In such a case, TCS would not apply
- Quarterly certificates for the TCS collected will be made available for customers in their registered email ID or couriered to their registered mailing address.