



Mahanadi Coalfields Limited
At/PO.JagrutiVihar, Burla,
(A Subsidiary of Coal India Limited)
Dist. Sambalpur – 768020 (Orissa)

Ref. No. MCL/M&S/SA/2021-22/ 395

DT: 05.07.2021

NOTICE – Regarding Section 206CCA

This is to inform all buyers of coal from MCL that Section 206CCA of Income Tax Act 1961 (copy enclosed) shall be applicable with effect from 1st July 2021 pertaining to Special provision for collection of tax at source for non-filers of income-tax return. Therefore, all the “specified person” as defined in the given section are advised to deposit coal value considering the higher rate of tax collected at source as defined in the given section i.e. 5% at present instead of 1%.

Encl.: As above.

General Manager, M&S

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MCL HQ, Burla 3/7/21

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Copy to:

- DT (OP), MCL.
- D (F), MCL.
- GM (M&S), CIL.
- GM (Finance), MCL.
- GM (System), MCL- to please hoist this Notice on MCL's website.
- Area General Manager(s), All Areas, MCL.
- All sectional Heads, M&S Dept. MCL Burla.

Insertion of new section 206CCA.

58. After section 206CC of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2021, namely:—

206CCA. Special provision for collection of tax at source for non-filers of income-tax return.—

(1) Notwithstanding anything contained in any other provisions of this Act, where tax is required to be collected at source under the provisions of Chapter XVII-BB, on any sum or amount received by a person (hereafter referred to as collectee) from a specified person, the tax shall be collected at the higher of the following two rates, namely:—

(i) at twice the rate specified in the relevant provision of the Act; or

(ii) at the rate of five per cent.

(2) If the provisions of section 206CC is applicable to a specified person, in addition to the provisions of this section, the tax shall be collected at higher of the two rates provided in this section and in section 206CC.

(3) For the purposes of this section "specified person" means a person who has not filed the returns of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be collected, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and the 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:

Provided that the specified person shall not include a non-resident who does not have a permanent establishment in India.

*Explanation.—*For the purposes of this sub-section, the expression "permanent establishment" includes a fixed place of business through which the business of the enterprise is wholly or partly carried on.