



वैज्ञानिक तथा औद्योगिक अनुसंधान परिषद्
Council of Scientific and Industrial Research

अनुसंधान भवन 2 रफी मार्ग नई दिल्ली 110001
Anusandhan Bhawan, 2 Rafi Marg, New Delhi-110001

No. 13-4(164)/20-21/S&P/Policy

Date: 12.10.2021

From:

Joint Secretary (Admn)

To

**The Directors/Heads of all the National Labs/Instts of CSIR
Hqrs/Complex/Centers/Units**

Sub:

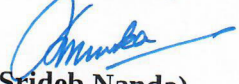
Applicability of Section 194 Q of Income Tax Act 1961 to CSIR

Madam/Sir,

Finance Act 2021 has introduced a new Section 194Q in the Income Tax Act 1961 (Copy attached). This section stipulates that any buyer who is responsible for paying any sum to any seller for purchase of any Goods of the value or aggregate of such value exceeding Rs fifty lakh in any previous year shall deduct TCS as stipulated therein.

In this regard, a doubt had arisen whether this section was applicable to CSIR. The matter has been referred to IFD, CSIR. IFD has clarified with the approval of FA CSIR that the Section 194Q of the Income Tax Act, 1961 is **not** applicable to CSIR. Therefore, no TCS is chargeable on CSIR under Section 194Q.

Yours faithfully,


(Srideb Nanda)

Controller of Stores & Purchase

Enclosure: As above

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1. Head IT Division, with a request to get this OM uploaded to the website & Policy Repository
2. Office Copy

Insertion of new section 194Q.

54. After section 194P of the Income-tax Act, the following section shall be inserted with effect from the 1st day of July, 2021, namely:—

'194Q. *Deduction of tax at source on payment of certain sum for purchase of goods.*—(1) Any person, being a buyer who is responsible for paying any sum to any resident (hereafter in this section referred to as the seller) for purchase of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, shall, at the time of credit of such sum to the account of the seller or at the time of payment thereof by any mode, whichever is earlier, deduct an amount equal to 0.1 per cent of such sum exceeding fifty lakh rupees as income-tax.

Explanation.—For the purposes of this sub-section, "buyer" means a person whose total sales, gross receipts or turnover from the business carried on by him exceed ten crore rupees during the financial year immediately preceding the financial year in which the purchase of goods is carried out, not being a person, as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein.

(2) Where any sum referred to in sub-section (1) is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such credit of income shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.

(3) If any difficulty arises in giving effect to the provisions of this section, the Board may, with the previous approval of the Central Government, issue guidelines for the purpose of removing the difficulty.

(4) Every guideline issued by the Board under sub-section (3) shall, as soon as may be after it is issued, be laid before each House of Parliament, and shall be binding on the income-tax authorities and the person liable to deduct tax.

(5) The provisions of this section shall not apply to a transaction on which—

- (a) tax is deductible under any of the provisions of this Act; and
- (b) tax is collectible under the provisions of section 206C other than a transaction to which sub-section (1H) of section 206C applies.'