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Office of the Registrar

कुलसचिव कार्यालय

(Annual Accounts & Balance Sheet)

(वार्षिक लेखा एवं तुलन पत्र)

Ref. No.:- IIT(BHU)/Annual A/cs./2021-22/ 7372

Date:- 29.10.2021

1-11

NOTICE

Subject: Section 206AB and Section 194Q of Income Tax Act., 1961 w.e.f. 1<sup>st</sup> July, 2021 in the Institute.

In continuation to the Notice NO. IIT(BHU)/Annual A/cs./2021-22/2732 dated 16.07.2021 on the subject cited above, Institute's empaneled C.A. has further informed the following regarding deduction of TDS under Section 194Q as under:-

"194Q is a new section of Income Tax Act., 1961 and is applicable for those vendors/suppliers whose TDS is not being deducted under any other Section of Income Tax Act., 1961 as amended from time to time."

In view of above, all bill drawing authorities of various Departments/Schools/Units are requested to take necessary action for deduction of TDS under Section 206AB & 194Q.

In this connection, a copy of aforementioned section is attached for necessary action.

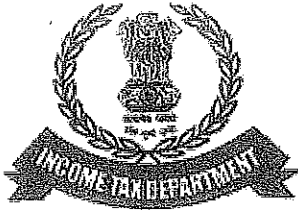
  
Joint Registrar (Accounts)

Copy forwarded for information and necessary action to the following:-

1. All the Deans
2. All the Prof. In-charges
3. All the Heads/Coordinators/Departments/Schools/Centres
4. The Chairman, IWC
5. The Chairman, Senate Library Committee
6. The Chairman, IIT - Cafeteria
7. The Chairman, Council of Wardens
8. The Chairman, Web Management & E-mail Services Committee with request to kindly place this circular on the Institute Website (Intranet).
9. The Chief Councillor - Gymkhana
10. The Coordinator, GTAC
11. All Admin. Wardens - Hostels
12. The In-charge UGD/IDD/IMD/ PT-I
13. Joint Registrar/ Deputy Registrar/ All the Assistant Registrars
14. P.S to the Director
15. P.A to the Registrar

**Indian Institute of Technology (Banaras Hindu University)**

  
Joint Registrar (Accounts)



# Income Tax Department

Government of India

Insertion of new **section 206AB**.

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

**206AB.** *Special provision for deduction 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 deducted at source under the provisions of Chapter XVIIIB, other than **section 192**, 192A, 194B, 194BB, 194LBC or 194N on any sum or income or amount paid, or payable or credited, by a person (hereafter referred to as deductee) to a specified person, the tax shall be deducted at the higher of the following rates, namely:—

- (i) at twice the rate specified in the relevant provision of the Act; or
- (ii) at twice the rate or rates in force; or
- (iii) at the rate of five per cent.

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

(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 deducted, 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.



# Income Tax Department

Government of India

## 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.