



**INDIAN INSTITUTE OF TECHNOLOGY KANPUR**  
**Finance & Accounts Section**

**GST**  
**No.: IITK/Accts/CA/2017-18/472**  
**November 02, 2017**

**Sub: Applicability of Tax Deduction at Source (TDS)**

I am directed to inform that as per section 194J of Income Tax Act, 1961, any person who is responsible for paying to a resident any sum by way of:

- a. fees for professional services, or
- b. fees for technical services, or
- c. royalty, or
- d. any sum referred to in clause (va) of section 28,

shall, at the time of credit of such sum to the account of the payee or at the time of payment, deduct an amount equal to ten per cent of such sum as income-tax on income comprised by way of professional or technical services.

Provided that no deduction shall be made under this section where the amount of such sum or the aggregate of the amounts of such sums credited or paid or likely to be paid or credited during the financial year does not exceed Rs. 30,000/-.

2. Further, it is also clarified under section 195 (1) of Income Tax Act, 1961 that any person responsible for paying to a non-resident, not being a company, or to a foreign company, any interest or any other sum chargeable under the provisions of this Act (not being income chargeable under the head "Salaries") shall, at the time of credit of such income, deduct income-tax thereon at the rates in force.

3. According to Section 206AA, any person entitled to receive any sum or income or amount, on which tax is deductible, shall furnish his Permanent Account Number to the person responsible for deducting such tax failing which tax shall be deducted at the higher of the following rates, namely:

- i. at the rate specified in the relevant provision of this Act; or
- ii. at the rate or rates in force; or
- iii. at the rate of twenty per cent.

4. In view of the foregoing, thesis honorarium paid to foreign nationals and other persons who are not employees of the Institute is subject to TDS under section 195 of the Income Tax Act, 1961 and the tax is to be deducted at the prescribed rates before making payments. Jt. Registrar (DOAA) may therefore ensure the following details are sought from all thesis examiners and shared with F&A Section:

**(i.) for residents:**

- a) Permanent Account Number (PAN)

**(ii.) for non-residents:**

- a) Name, email ID, contact number.
- b) Address in the country outside India.
- c) A certificate of his being resident in any country outside India from the government of that country if the law of that country provides for issuance of such certificate [Tax Residency Certificate i.e. TRC].



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- d) Tax Identification Number in that country and in case of non-availability of unique number on the basis he is identified by that government.

[Above documents specified in Rule 37BC to Income Tax Rules, specified in notification issued by CBDT dated 24<sup>th</sup> June, 2016, New Delhi.]

5. Jt. Registrar (S&P) is required to insert the following clause in all the purchase orders: *Tax deduction at source (TDS) as per applicable law, may apply on payments made against this Purchase Order (PO).* For further details in this regard, please contact Ms. Harsha Gupta, Email ID- caharshaguptaknp@gmail.com. No telephonic queries on this subject will be entertained.

6. This is issued with the approval of Director.



(Vinod Malik)

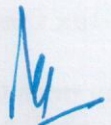
Asst. Registrar (F&amp;A-II)

**To:**

1. DOAA/ DORD/ DOSA/ DORA
2. Chairman GATE/Chairman JEE
3. Jt. Registrar (DOAA)
4. Jt. Registrar (S&P)

## Copy to:

1. Director- for kind information please.
2. Dy. Director
3. DOFA/DOIP
4. Finance Officer
5. Registrar
6. Jt. Registrar (F&A)
7. AR (F&A-I)
8. AR (Internal Audit)



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Webmaster - for posting at Finance/  
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Office Orders link pl.

Sh. Mohanty - for info.