



भिलाई इस्पात संयंत्र BHILAI STEEL PLANT

REVISED AFTER CLARIFICATION BY CBDT IN CIRCULAR NO.20 OF 2021

Date-29.12.2021

To,
Dear Customers,

Intimation regarding the new provisions of sections 194Q of Income Tax Act, 1961, after the clarification issued by CBDT in circular 20/2021.

Section 194Q – TDS on Purchase of Goods by buyer/customers

1. As per section 194Q of the Act, TDS is required to be deducted at the rate of 0.1% on purchase of goods by eligible buyers (whose total sales, gross receipts or turnover from the business exceeds INR 10 Crores during the previous financial year) at the time of credit or payment (whichever is earlier) for purchases made in excess of INR 50 Lakhs from a resident seller during a financial year.

Provisions of section 194Q shall not apply to the transaction on which

- Tax is deductible under any other section of this Act; and
- Tax is collectible under Section 206C other than section 206C (1H) of this Act.

As per clarification issued by circular number 20 of 2021 following changes will be made;

Interpretation and application in the prospective of SAIL/Bhilai Steel Plant and its customers/buyers **w.e.f 01/January/2022.**

a) Sale of Products other than Scrap, Iron Ore and Coal, the customer, if liable, may deduct TDS under section 194Q and has to intimate to BSP about the TDS deduction made and file income tax TDS return & issue TDS certificate to BSP as per the Income Tax Act.

However, if Customer is not liable to deduct TDS u/s 194Q or is liable to deduct TDS u/s 194Q but has not deducted, BSP will collect TCS u/s 206C(1H).

b) Sale of Scrap, Iron Ore and Coal, which are subject to TCS under section 206C (1), BSP will continue to recover TCS U/s 206C (1) @ 1% and customer should not deduct TDS under section 194Q.

However, if customer files declaration in form 27C, BSP will not deduct TCS u/s 206C(1) and the customer has to deduct tax u/s 194Q @0.1%.

c) For the period of 01.07.2021 to 31.12.2021, Bhilai Steel Plant has remitted TDS u/s 194Q to Metal Junction which has deposited the same to Govt of India as per Circular 13 of 2021. Hence there would be no liability for 194Q from 01.07.2021 to 31.12.2021.

Please feel free to reach out to Mr Abhishek Rathore, email-Id abhishekrathore@sail.in, in case you need any clarifications or have any questions. Look forward to your kind support.

Thanking you

Yours faithfully,

For & on behalf of Bhilai steel Plant,

A K Sahoo
A K Sahoo 29/12/2021

DGM (Finance-Sales)

Acknowledgement of Amount Deposited to BSP A/C

Customer Code	
Customer Name	
Amount Deposited	
TDS Deducted	
Total Amount	
UTR No/ Ref No	
Date	
TAN	
PAN	

Declaration

TDS deducted will be deposited to income tax department on stipulated time and TDS certificate (digitally signed) will be provided after filing of TDS Return.

Authorised Signatory

Company Seal

Sale of Product	Form 27	TDS Deducted/Not Deducted	Tax Code & rate of Tax	Posting type
Sale of Scrap,Iron ore,Coal	Form 27 given	Yes	Tax code 27 exemption applicable	DOTCS Tax code 27, TDS Tab
Sale of Scrap,Iron ore,Coal	Form 27 given	No	Tax code 27 exemption applicable	DOTCS
Sale of Scrap,Iron ore,Coal	Form 27 not given	No	Tax code 41 TCS @1% Applicable	DOTCS
Sale of Products other than Scrap,Coal,Iron Ore	N.A	Yes	Tax code 42 TCS @0.1% Applicable	DOGN & TDS Tab
Sale of Products other than Scrap,Coal,Iron Ore	N.A	NO	Tax code 42 TCS @0.1% Applicable	DOTCS