

Indian Institute of Technology Delhi

Industrial R & D Unit

No. IITD/IRD/M-10/ 12976)

Date: 8 /07/2019

Subject: Tax Deduction at Source (TDS) under Consultancy Jobs and Sponsored Research Projects

As per past practice, IIT Delhi was exempted from the **Tax Deduction at Source (TDS)** in respect of payment received under Consultancy Jobs /Sponsored Research Projects.

Now, rules regarding this exemption have been modified. Consequently client organisation(s) of the respective consultancy are levying TDS amount (@ 10% normally) from the total consultancy charges.

In view of the above, it has been decided by the Competent Authority, that henceforth TDS amount shall be debited from the Consultancy Charges till further notice.

We are discussing with top administration in IT Department to resolve this matter.

An example of the budget is given on overleaf of this page.

(Asstt. Registrar)
Indl. Res. & Development

- 1 All Heads of Deptts./Centres/Schools . This may be circulated amongst the concerned CIs/Pis in your Deptts./Centres for information and necessary action
- 2 A.R. (IRD) Accounts
- 3 Secy. to Dean (R&D) : for email to all faculty members
- 4 IRIS Administrator : For needful in consultation with concerned SDA.
- 5 Mr. S.K. Bansal, SDP through Head ACSS

CC: (1) Dean (R&D)
(2) Assoc. Dean (R&D)
(3) CW -Genl. (in)

EXAMPLE for Type 'B' JOB

If Net Consultancy Charges are : Rs. 20,000.00

Total Charges payable from the client are Rs. 20,000+ GST @ 18% = **23,600/-**

If client deduct TDS @ 10% i.e. 2000=00 the budget will be as under in job :

S.No.	Budget Head	Amount (in rupees)
1	Expenses (in case)	Nil
2	Fee	9,000=00
3	Instt. Ohs (100% of Fee)	9,000=00
4	Charges Received	18,000=00
	TDS (deducted by client)	2,000=00
5	Total Charges	20,000=00
6	GST	3,600=00
7	Gross Amount	23, 600=00

EXAMPLE for Type 'A' JOB

S.No.	Budget Head	Amount (in rupees)
1	Expenses (in case)	Nil
2	Fee	12,000=00
3	Instt. Ohs (50% of Fee)	6,000=00
4	Charges Received	18,000=00
	TDS (deducted by client)	2,000=00
5	Total Charges	20,000=00
6	GST	3,600=00
7	Gross Amount	23, 600=00

Kindly note that Consultancy Charges will be treated as Rs.18,000/- excluding TDS in the above instant.