



JADAVPUR UNIVERSITY  
Kolkata-700 032

Ref. No.: REC/N/ 220 R/2013

Date: 26<sup>th</sup> June 2013

CIRCULAR

Sub.: Exemption under section 10(23C)(iiab) of the Income Tax Act vis-A-vis Non-deduction of Income Tax at source

The Central Board of Direct Taxes, Ministry of Finance, Government of India, New Delhi vide Circular No.4/2002 dated 16<sup>th</sup> July 2002 has clarified that in case of those funds or authorities or bodies, by whatever name called, whose income is unconditionally exempt under section 10 of the Income-tax Act and who are structurally not required to file return of income as per section 139 of the Income-tax Act there would be no requirement for tax deduction at source since their income is anyway exempt under the Income-tax Act.

The University comes under section 10(23C)(iiiab) of the Income Tax Act i.e. under Sl.No. (ix) on page 2 of the CBDT circular dated 16<sup>th</sup> July 2002. The excerpts of Section 10(23C)(iiiab) of the Income Tax Act reads as under:

*(iiiab) any University or other educational institution existing solely for educational purposes and not for purposes of profit, and which is wholly or substantially financed by the government:*

The Director of Income Tax (Exemptions), Kolkata has confirmed that the University comes under Section 10(23C)(iiiab) of the Income Tax Act vide letter No. DIT(E)/U/S.10(23C)(iiiab)/2013-14/1<01/634 dated 24<sup>th</sup> May 2013.

In view of the above, it is to state that the Income of the University is fully exempt from Income Tax Under Section 10(23C)(iiiab) of the Income Tax Act. Some of departments/ centers of the University are doing project work and also rendering services to various agencies, including Industries, towards consultancy and testing jobs and R&D activities, whereby University is receiving payments. Where in a few cases remittances are being made by some agencies/entities, after deduction of Income tax at source. All such agencies/entities are hereby instructed to stop deduction of such tax henceforth, as per confirmations from the appropriate authority as above.

As pointed out above, there is no scope for tax deduction at source by the agencies/entities in view of the exemption status of University, under section 10(23C)(iiiab) of the Income Tax Act. In view of the foregoing, it is requested to kindly ensure that no tax to deducted at source on the transactions! services rendered.

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REGISTRAR

Encl.: A copy of the letter of Director of Income Tax (Exemptions), Kolkata dated 24.5.2013

To,

All Concerned