



Mahanadi Coalfields Limited
At/PO.JagrutiVihar, Burla,
(A Subsidiary of Coal India Limited)
Dist. Sambalpur – 768020 (Orissa)

Ref. No. MCL/M&S/SA/2021-22/ 376

DT: 05.07.2021

NOTICE – Clarification regarding applicability of Section 194Q

In respect of section 194Q of Income Tax Act 1961, inserted with effect from 1st July 2021 pertaining to deduction of tax at source on payment of certain sum for purchase of goods, this is to inform all buyers of coal from MCL that since the provision of Section 206 C(1) pertaining to Tax Collected at Source is mandatorily applicable on sale of coal from MCL, therefore the provisions of this section i.e. Section 194Q shall not apply as per the Clause (b) of sub-section 5 of the said Section. This will remain valid even if buyer has taken exemption under sub-section 1 A of the Section 206C.

Therefore, all buyers of coal are advised to submit full coal value and not to deduct TDS u/s 194Q as the same is not applicable.

General Manager, M&S

A. Gupta
MCL HQ, Burla 5/7/21

Copy to:

- DT (OP), MCL.
- D (F), MCL.
- GM (M&S), CIL.
- GM (Finance), MCL.
- GM (System), MCL- to please hoist this Notice on MCL's website.
- Area General Manager(s), All Areas, MCL.
- All sectional Heads, M&S Dept. MCL Burla.