

# TCS applicability on Purchase Orders

## **Example of an IISc Case:**

M/s. Emerson Process Management Chennai Pvt Ltd has delivered material against Purchase order SAP PO No:4200019309 dated 23.7.2020 for INR 9,76,500/ (including the GST). We were informed by Emerson Process Management Chennai Pvt Ltd that from 1st October 2021 government has introduced TCS charges in the invoice of 0.075%. As a result, M/s Emerson Process Management Chennai Pvt Ltd has raised final invoice for INR 9,77,232.39 (including the TCS @ 0.075% of INR 732.39/-). We are not able to process the invoice in SAP portal on account of the mismatch between the PO value and final invoice value.

## **Issue Resolution:**

In all such cases, the Department who made the Purchase and has the Invoice, may please go ahead, and park the invoice in SAP for the Purchase order value, and submit the invoice to F&A or CSSP depending upon which accounting unit the P.O. pertains to.

The issue of TCS will be dealt with appropriately in the concerned accounting Unit.

At F&A/CSSP, TCS amount will be credited to a separate TCS Asset GL account and then paid to the vendor.