



ELAN



NEW BEGINNING!!!

**SICASA
MANGALORE**

**SEPTEMBER
2019 EDITION**

CONTENTS

- 1.FROM THE
CHAIRMAN'S DESK**
 - 2.POSTS & ARTICLES**
 - 3.ACTIVITY REPORT**
 - 4.PHOTO GALLERY**
 - 5.QUOTE**
- 

FROM THE CHAIRMAN'S DESK



Dear Friends,

We have completed one busy season of ITR filing and we got a temporary relief due to extension of due dates for GST Annual returns and Audit. Now we are stepping into next season of completing our tax audits and company audits. In this regard, SICASA Mangaluru has organised a one day seminar on 06th of September covering tax audit topics and sessions by eminent Chartered Accountants from Mangaluru. I request all the students to take benefit of these sessions and participate in large numbers to motivate our SICASA team to organise more such events in near future.

Our team is striving hard to conduct various activities for the students. To improve the knowledge as well as presentation and communication skills our team organises study circle meets under the guidance of professional members. Our team has organised study circle in the every week in a month. I request students to come forward and participate in these activities.

Mangaluru Branch of SIRC of ICAI is conducting crash courses and mock tests before the examinations on half yearly basis. Please use this opportunity to improvise your examination skills and take guidance from experts in their respective subjects.

Finally, I wish to congratulate the recently qualified members who have cleared their final examination as well as students who have come closer to become members by passing IPCC exams.

I Sign off for the month with a quote from Albert Einstein:

“Imagination is more important than knowledge”

Yours sincerely,

CA Prasanna Shenoy Mangalpady

Chairman

Team SICASA Mangalor_e

ELAN POSTS

&

ARTICLES



TDS ON IMMOVABLE PROPERTY U/S 194-IA OF INCOME TAX ACT, 1961

Before coming on the main article, let's understand why there is a need of invoking such provisions of section 194-IA under income tax act, 1961.

There is a great need and importance of invoking such provisions in income tax so as to curb the circulation and flow of black money in India. Many Real Estate dealers cast their transactions in such a way so as to avoid taxation and mostly transactions are done in cash so as to hide money trail i.e. cash transactions are easy to hide but the same transactions if any routed through banking channels ;then there are less possibilities of concealing that transactions. Moreover, there is also a provision that debars the seller to take consideration in cash exceeding 2,00,000/- INR in respect of such transaction .

Now coming on to main article , let's discuss the provision. Language of section 194-IA as per Bare act,

(1) Any person, being a transferee, responsible for paying (other than the person referred to in section 194LA) to a resident transferor any sum by way of consideration for transfer of any immovable property (other than agricultural land), shall, at the time of credit of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to one per cent of such sum as income-tax thereon.

(2) No deduction under sub-section (1) shall be made where the consideration for the transfer of an immovable property is less than fifty lakh rupees.

(3) The provisions of section 203A shall not apply to a person required to deduct tax in accordance with the provisions of this section.

Explanation.—For the purposes of this section,—

(a) "agricultural land" means agricultural land in India, not being a land situate in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of section 2;

(b) "immovable property" means any land (other than agricultural land) or any building or part of a building"

Jest of the abovementioned section

Applicability – Applies to all types of person (being transferee) as defined u/s 2(31) and all resident transferor.

Applies to all types of immovable property except agricultural land. (being defined in part 'a' of Explanation to section 194-IA).

1) Person deducting the tax is not required to obtain TAN no.

TDS is required to be made only if consideration exceeds 50 lakhs INR.

2) Time of deduction of tax:

Tax shall be deducted at the time of credit of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier.

3) Rate of TDS:

Tax shall be deducted at the rate of 1%.

4) What if PAN is not furnished by the deductee

Section 206AA, as inserted with effect from 1-4-2010, provides as under:

Every person whose receipts are subject to deduction of tax at source (i.e., the deductee) shall furnish his PAN to the deductor.

If such person does not furnish PAN to the deductor, the deductor will deduct tax at source at higher of the following rates:

(a) the rate prescribed in the Act;

(b) at the rate in force, i.e., the rate mentioned in the Finance Act; or

(c) at the rate of 20 %.

Where the PAN provided to the deductor is invalid or does not belong to the deductee, it shall be deemed that the deductee has not furnished his PAN to the deductor and above provisions shall apply accordingly.

Let's understand it by way of an example

Example No. 1

Suppose there was an immovable property owned by Pushp Kumar Sahu whose market value is 5 Crores INR. The said property was sold by Pushp Kumar Sahu to Mr. Uday Kumar Sahu at a consideration of 5.5 Crores, now there is a liability on Mr. Uday to deduct tax @ 1% of the said consideration i.e. 5,50,000/- and the same should be paid to the credit of the Central Government within a period of thirty days from the end of the month in which the deduction is made and shall be accompanied by a challan-cum-statement in Form No. 26QB.

Note: After filing Challan cum statement 26QB, Deductor requires to issue Form 16B (TDS Certificate) to the deductee.

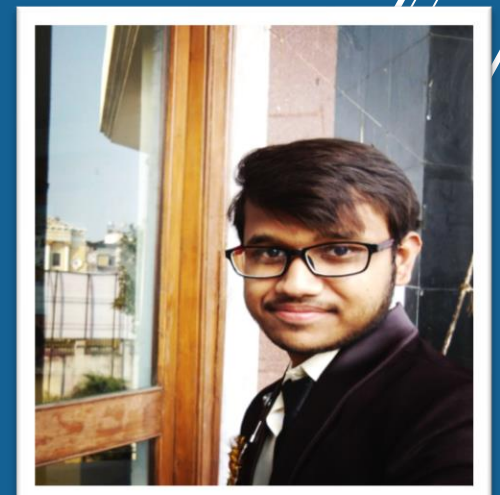
Example No. 2

Suppose there were three brothers named *Pushp, Mohit and Rishab*, they are co-owners of a immovable property. They sold that property to *Laxminayaran & associates* (partnership firm) at a consideration of 1.45 Crores. Now the question arises that whether the *laxminarayan & associates* needs to deduct TDS on such consideration.

Answer is no, as property is owned by three persons, individual consideration per person does not exceed 50 lakh INR, therefore no requirement for TDS u/s 194-IA.

Reliance can be placed on the judgment passed by the Delhi Bench of the Income Tax Appellate Tribunal in case of Vinod Soni and others (Taxpayers)

Happy Reading
Regards
Pushp Kumar Sahu
Reg No. CRO0553317



ACTIVITY REPORT

Sl.No	Activity	Date	No of Students
1.	Interaction with SIRC Chairman CA Jomon K George organized for orientation students	07-07-2019	80
2.	ITT- Morning & Afternoon Batch	9-8-2019 to 31-8-2019	27
3.	Orientation	12-8-2019 to 23-8-2019	40
4.	Indoor Sports Event	15-8-2019	180
5.	SFM Fast Track Course	18-8-2019 to 25-8-2019	24
6.	FR Fast Track Course	28-8-2019 to 04-9-2019	12
7.	ITT	31-8-2019 to 18-9-2019	35

PHOTO GALLERY



STUDY CIRCLE

PRESENTED BY: Shrutha P Jain & Swarna Gowri Joshi M

GUIDED BY : CA Akshay Shetty

TOPIC: GST E-Way Bill

NEW SICASA COMMITTEE



Installation ceremony of SICASA Committee members for the year 2019-20 was held on 07th of August 2019 in the presence of SIRC Chairman CA Jomon K George



Mr. Siddarth Kamath
pursuing his articleship at
Kamath & Rao, Chartered
Accountants, Mangaluru has
won the Elocution
Competition at SIRC level &
he will be representing
Southern Region at a national
level.

73RD INDEPENDENCE DAY CELEBRATION AT ICAI BHAWAN, PADIL



**FLAG HOISTING CEREMONY WAS LEAD BY THE CHIEF GUEST
CAPT. M AMARNATH SUMATHI**

INDOOR SPORTS EVENT



**SHUTTLE
BADMINTON**

CARROM





ARM WRESTLING



CHESS



MINUTE TO WIN IT



ARTICLES INVITED FOR ELAN

Articles invited from students for inclusion in the forthcoming issues of Mangalore-SICASA e-magazine "ELAN". The Articles should be received at our end latest by 25th of every month for which Articles to be published. Students should note that, the articles is original in all respects and does not infringe any copyright, and that, same has not been published elsewhere or has not been sent for publication. All correspondences in this regard should be mailed to mangaloresicasa@gmail.com with full name, contact details, registration number and a photo. For further queries contact mangaloresicasa@gmail.com

PRESENTATIONS / SPEAKERS INVITED FOR STUDY CIRCLES / SEMINARS

Speakers / Presentations invited from students for Study Circles / Seminars to be organised at Mangalore-SICASA in forthcoming months. Topics covered in Study Circles / Seminars are, relevant topics of Companies Act 2013, topics under Ind AS, topics under Direct tax taxability/deductions etc, topics wrt filing of Income Tax Returns/ TDS returns, topics wrt GST updates, topics under ICDS etc. Students should note that, the presentation is original and does not infringe any copyright, and that, the same has not been presented elsewhere or has not been sent for presentation. All correspondences in this regard should be mailed to mangaloresicasa@gmail.com with full name, contact details, registration number and a photo..

—Regards, Team SICASA

**THE DAY YOU PLANT THE SEED
IS NOT THE DAY YOU EAT THE FRUIT**

BE PATIENT

BE HUMBLE

AND NEVER GIVE UP!!

DO FOLLOW US

Sicasamangalore



Sicasa Mangalore



mangalore-icai.org

KEEP
WAITING
FOR
NEXT
ELAN



PLEASE DO SEND YOUR

FEEDBACKS & ARTICLES TO

mangaloresicasa@gmail.com