



PUNE BRANCH OF WICASA OF ICAI

**The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)**

NEWSLETTER

Issue No. 6 - June 2019
(Subscribers copy not for sale)



Miss. Neha Bhagat,
Secretary
Pune Branch of WICASA of ICAI.

Hello, my dear professional colleagues, we are in the middle of exams and results of CA Final and CA Intermediate exams. Exams are completed recently and we are waiting for results. I wish that the results of this attempt would meet the expectations of all students, parents and teachers.

The last month was a very busy one, despite of having exams for all three levels of the course. The month started on a very positive note with “Public speaking and presentation power techniques” seminar. The month was full of learning with over sessions on GST, Bank Audit, Income Tax, etc. But apart from learning inside the seminar hall, we also arranged Industrial Visit to “Mapro Food Park” at Wai, Mahabaleshwar and Educational visit to “Jarandeshwar Fort” Satara. The inside and outside learning experience was very beautiful to witness. With many young and intelligent students, we visited Mapro Food Park and understood the process of making fruit pulps, chocolates, tasty syrups and many other yummy products. The joy was doubled as Satara Branch of WICASA joined us in the event with their team and over 40+ students. Altogether it was a really great experience.

Our Pune is a city which is blessed with so many good things and one of those good things is the “*Waari*” which is a tradition of Maharashtra. All *Waarkari's* go to Pandharpur from Alandi and they have their stay in Pune. We, following our many year's tradition, this year also distributed breakfast and other useful things to *Waarkari's* and the whole event became a source of happiness for everyone. Following all these events, we ended the month on a healthy note by organizing sports event for students. The response recorded for the sports was really notable, as exams were just over. All and all very good and exciting month ended after many fun activities, learnings and some social commitments.

At the end, I would just like to wish best luck to all students whose results are to be announced.

Thank you !!



Pushp Kumar Sahu
CRO0553317

“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,

1) 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).

- i. Person deducting the tax is not required to obtain TAN no.
- ii. 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:

- i. the rate prescribed in the Act;
- ii. at the rate in force, i.e., the rate mentioned in the Finance Act; or
- iii. 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 Readings

Regards

Pushp Kumar Sahu.



Pooja Jitendra Bora
WRO0579219

The Voice

The most beautiful of the things in this world
Find themselves in the most wrong places.
A rose in a vase at a dining table
A bird in a cage.
They're all trapped in the wrong things.
But it doesn't matter,
As long as they know how to stay beautiful.
Bloom, for as long as you can.
Sing, if you know your voice stands for something.
Write, if you know your word makes an impact
Because even if the world forgets you,
Your song will find a place in someone's favorite playlist.
Your poetry will be someone's cure.

I know,
You've given a lot to this world.
You've stayed up nights for people
Who won't stand with you for two minutes in the rain.
You're vulnerable.
Just like those raindrops,
Which fall so effortlessly.
Without the slightest promise of a safe landing.

Stop engaging your thoughts,
For they're like the lions destined the roar.
Stop being silent, because I know
You still find stories in the people you meet,
And your heart still aches to be a part of one.

Let people come, even if you fear them leaving.

I know it'll hurt,
When they'll get off the chair.
Parts of you will break,
Leaving you a total mess.

You're not a 5.29 pm sunset.
Or that perfect cup of coffee
People can't stop talking about.
You're the type of chaos
That gives birth to stars.
You're wild,
Like the ones left alone in the forest
Collecting memories in their firefly jars.
The best form of love
Lives right inside you.
Darling, don't ever give up on that

Love always
The voice inside your heart you never listened to.

-Pooja Bora



Namrata Vinayak Pendalwar
WRO0475449

Painting
The Blossom Lamp



Pawan Gothe
WRO0510613

Photography

The Sunset



Pune Branch of WICASA of ICAI

Plot No.8, Parshwanath Nagar, CST
No. 333, Sr.No.573, Munjeri,Opp.
Kale hospital,
Near Mahavir Electronics,Bibwewadi, Pune 411037
Tel: (020) 24212251 / 52
Web: www.puneicai.org
Email: wicasa@puneicai.org