

**BHUBANESWAR BRANCH OF
EASTERN INDIA REGIONAL COUNCIL OF**

THE

INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

e-newsletter/05/2021-22

NEWSLETTER



MAY 2021

ICAI BHAWAN

PLOT NO-A/122/1, NAYAPALLI,

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From Chairman's Desk

Dear Professional Colleagues,
Greetings of the day!

Learning is essential to one's enriched existence. Just like food nourishes our body, continued learning nourishes our mind, and such lifelong learning is an indispensable tool for every professional. It is by endeavouring to seek and gain new ideas and approaches to traditional problems that enable one to distinguish themselves from the rest of the crowd. It is only by embarking on such a lifelong pursuit to acquire new knowledge and fresh perspectives that enable us to build on our skill sets and create new opportunities. This exercise becomes that much more important for professionals such as ourselves in light of growing challenges to the profession.

With the second wave of COVID-19 taking an unprecedented toll on the nation's infrastructure, it is my humble request to members and their families to take all possible precautions to fight the virus, only move about if necessary and if you do, then make sure you double mask and sanitize regularly so as to ensure the safety and well-being of yourselves and everyone around you. With the national vaccination drive scheduled to commence in full swing, I urge all our members and their eligible family members to register and get the vaccine. As partners in nation building, it is our duty and responsibility to assist local authorities and agencies as far as possible in this fight against the virus. We are all in this together – stay safe and stay healthy! May is the month of examinations for CA Students – the Branch extends its wishes to those students who will be appearing in the examinations scheduled later this month – Best of Luck! Thank you and stay safe!

With Warm Regards

CA. Bisworanjan Sutar
Chairman

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Editorial Board

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Members Area of Interest

TDS on Sale of Property

By CA R K Gupta

In this article, I am going to explain TDS liability on sale of property, when you become liable to deduct TDS and after deduction how to deposit TDS to Government.

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Applicable Provision-

Section 194 IA of Income Tax 1961 specify the TDS on sale of Immovable property other than agriculture land if it exceeds or equal to 50 Lacs.

When you are liable to deduct TDS-

When a buyer buys Immovable property (any building or part of a building or land other than agriculture land) exceed Rs. 50 Lacs, Buyer has to deduct TDS at 1% on the entire amount paid to seller.

Note that buyer is required to deduct TDS, not the seller.

Explanation & Clarification-

Q1. On which amount TDS to be deducted?

A1. TDS @1% to be deducted on the full amount paid to seller if more than 50 Lacs. I.e. if buyer buys a property at 55 lacs then in case TDS to be deducted on full 55 Lacs by 1 % = 55 lacs*1%= 55000 Rs.

If sales consideration is 49 Lacs, then in such case no TDS will be deducted.

Q2. How to determine sales consideration for deduction of TDS?

A2. While determining the sales consideration you have to include all charges related to such property. For ex. Club membership fees, parking fees, maintenance fees and similar nature of charges related to such property.

If property value is 55 Lacs, 3 Lacs for parking fees, 2 lacs for maintenance fees so now TDS to be deducted on (55+3+2=60 Lacs) @ 1% = 60000 Rs.



Q3. What if GST amount is also included in sales consideration?

A3. If Sales consideration amount includes GST amount, then in such case TDS will be deducted excluding GST amount.

For Ex. Sales Consideration is 90 Lacs and this includes 10 Lacs GST amount in such case TDS will be deducted on $(90-10 = 80 \text{ Lacs}) @1\% = 80000 \text{ Rs.}$

For Ex. Sales Consideration is 55 Lacs and this includes 6 Lacs GST amount in such no TDS would be deducted because $(55-6= 49 \text{ Lacs})$ this sales consideration is less than 50 Lacs.

Q4. What type of property TDS is required to deduct?

A4. TDS is required to deduct irrespective of type of property whether it is land or building or vacant plot, residential and commercial or industry property except Agriculture land.

Q5. TDS liability when payment made in installment?

A5. If the payment is made by instalments, then TDS has to be deducted on each instalment paid where the total sales consideration is more than or equal to 50 Lacs.

Q6. When to deposit the TDS to Govt.?

A6. TDS is to deposit to Govt. within a period of 30 days from the end of the month in which deduction is made. Also Form 26QB to be filled within a period of 30 days from the end of the month in which deduction is made.



Forthcoming Events for the Month of June 2021

Members:

1. VCM on Issues in Taxation of Real Estate Transaction on 6th June, 2021.
2. Two Days Programme on Direct Taxes on 10th & 11th June, 2021 under the aegis of Direct Tax Committee, ICAI.
3. VCM on Smart i-practice (Advanced Excel) on 14th June, 2021.
4. VCM on Smart i-practice (Cloud Accounting using ZOHO) on 15th June, 2021.
5. VCM on Smart i-practice (Using MS-Word & PDF intelligently & Audit Automation using Excel) on 16th June, 2021.
6. VCM on Smart i-practice (Tally ODBC & Sch III Financials, GST Automation) on 17th June, 2021.
7. VCM on Smart i-practice (Data network and cyber security and data visualization using power BI).
8. VCM on GST issues in Real Estate on 20th June, 2021.
9. VCM on Auditing Features in SAP FICCO on 26th June, 2021.
10. VCM on Cas Swift Responders to MSME Needs on 27th June, 2021.

Students:

1. Half Days Revision class on Accounting on 5th June, 2021.
2. Half Days Revision class on Corporate and other Laws on 6th June, 2021.
3. Half Days Revision class on Financial Reporting on 6th June, 2021.
4. Half Days Revision class on Strategic Financial Management on 7th June, 2021 .
5. Half Days Revision Class on Cost And Management Accounting on 7th June, 2021.
6. Half Days Revision Class on Taxation (Income Tax) on 8th June, 2021.



7. Half Days Revision Class on Advanced Auditing and Professional Ethics on 9th June, 2021
8. Half Days Revision Class on Taxation (GST) on 9th June, 2021
9. Half Days Revision Class on Corporate and Economic Laws on 10th June, 2021.
10. Half Days Revision Class on Advanced Accounting on 10th June, 2021
11. Half Days Revision Class on Auditing And Assurance on 11th June, 2021
12. Half Days Revision Class on Direct Tax Laws on 12th June, 2021.
13. Half Days Revision Class on EIS on 12th June, 2021.
14. Half Days Revision Class on International Taxation on 13th June, 2021
15. Half Days Revision Class on Indirect Tax Laws on 14th June, 2021
16. Half Days Revision Class on Financial Management on 14th June, 2021
17. Half Days Revision Class on Economics on 15th June, 2021
18. Workshop on Advanced Excel from 14th to 18th June, 2021.
19. ITT Course

ON THE LIGHTER SIDE OF LIFE

It's strange how a person with no sense of humor can come up with such funny answers on his/her tax return.

Source : Anonymous

One of the biggest advantages of being poor is that you'll never have to undergo the trauma of a tax audit.

Source : Anonymous



Glimpses of Events

The Institute of Chartered Accountants of India

Bhubaneswar Branch of EIRC Organised

Webinar on BANK AUDIT Part- III

CPE- 3 Hours
Fee: Rs.100/-

Friday, 2nd April, 2021
5 pm to 8 pm

Session 1 : IRAC and COVID19 related circulars.
Speaker: **CA. Dhananjay Gokhale** Pune

Session 2 : Ethical Dilemma in Bank Audits
Speaker: **CA. Sumantra Guha** Kolkata

Join Zoom Meeting <https://us02web.zoom.us/j/84729287475?pwd=VTRsaTlFKzdldlBBSWxvMGtPNjg5Zz09>
Meeting ID: 847 2928 7475 Passcode: 411523

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

TALK WITH THE EXPERTS

(Q & A Session on Practical Issues in Bank Audit)

TOPIC: TALK WITH THE EXPERTS
PANEL SPEAKERS: CA. Sunil Kumar Sahoo, Chairman, EIRC of ICAI; CA. Santanu Ghosh, Kolkata; CA. Mahendra Kumar Agrawala, Bhubaneswar

DAY & DATE: Tuesday, 13th April, 2021
CPE HOURS: 2 Hour unstructured CPE
TIMING: 05.00 pm to 08.00 pm
FEES: Nil

Meeting Link: <https://us02web.zoom.us/j/83625944509?pwd=ZzIUVHYwckdrWmFNSVlid2tTNDgyUT09>

ZOOM LINK: Meeting ID: 836 2594 4509
Passcode: 492703

ORGANISER: Bhubaneswar Branch of EIRC of ICAI

Regards,
Team MC
ICAI, Bhubaneswar

