



# E-NEWSLETTER



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**  
(Set up by an Act of Parliament)



**JUNE - JULY  
2022**

[icairipur.org/blog.php](http://icairipur.org/blog.php)

**RAIPUR BRANCH OF  
CIRC OF ICAI**

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# INDEX

| S. NO | TOPIC  |
|-------|--|
| 01    | Chairman Message   |
| 02    | Secretary Message  |
| 03    | Committee Chairman Message                               |
| 04    | Encouragement for CA Students                            |
| 05    | Overview on Section 194R                                 |
| 06    | Estate Planning - Will or Trust                          |
| 07    | TDS Under GST Regime                                     |
| 08    | Campus for Newly Qualified Chartered Accountants (NQCAs) |
| 09    | Image Gallery  |
| 10    | Vacancy Alert  |

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*From the desk of Chairman... ..*

*My Dear Professional Colleagues*

“Success is often achieved by those who don’t know that failure is inevitable”  
At first, I wish all of you happiest greetings on this important occasion of the 74th CA Day.

A very important role in nation-building is played at a high level by chartered accountants

It was well said by Dr. APJ Abdul Kalam that chartered accountants are partners in the nation building.

*In the Month of June,*

Raipur Branch celebrated 8th International Yoga Day. It is rightly said- “The best investment you can ever make is in your health, therefore let’s think about how important physical and mental health is in today’s world”.

We successfully organized Box Cricket Tournament for our members. Along with the Activities, our Branch Organized CPE Meetings on Accounting Standards, meeting with Banker’s /NBFC for creating awareness to ensure compliance of provisions of the RERA Act., Seminar on Taxation of Securities, Derivatives & Commodities & How to appear before ITAT.

Income Tax Appellate Tribunal cordially invites the members of Raipur Branch of CIRC of ICAI in the inauguration of new Office Premises of ITAT, Raipur Bench.

Branch also hosted “Webinar on Outreach program on CERT” organized by Board of Studies (Academics). This webinar help our member to understood the Proposed Scheme of Education and Training (2022) Also, Proposed Scheme of Education & Training (2022) has been organized By Raipur Branch of CICASA of ICAI.

On the Occasion of International MSME Day Raipur Branch has hosted CPE Meeting organized by Committee on MSME & Start -up ICAI to maintain members’ knowledge and continue their professional education.

Bilaspur Branch of CIRC of ICAI, jointly with Raipur & Bhilai Branches of CIRC of ICAI, hosted National Conference Vihaan- Time to Rise for Profession at Bilaspur organized by Professional Development Committee of ICAI.

*In the Month of July,*

We started our month with the Celebration of CA Day and a Virtual seminar on Recent Development of 47th council meet of GST.



After the success of Box Cricket tournament, we organized Box Soccer League. We also organised food Distribution in Bal Ashram, Tree Plantation & Polythene Rally to promote social work. Raipur Branch also Organized Blood Donation Camp and COVID Vaccination Camp.

Branch also organized various Lecture meeting, Seminar on Different topic of GST, Income Tax & Company Compliance.

For the First time Raipur branch of CIRC of ICAI hosted Train the Trainer Programme (TTT) Exclusively for the member from Madhya Pradesh and Chhattisgarh organized by CPE Committee and Committee on Economic, Commercial Laws and Economic Advisory.

Branch has also organized ITT, Advanced ITT, OTC and Student CICASA 41st Annual General Meeting, cake cutting ceremony for CA Final and IPCC Passed Student, also Felicitated Newly Qualified Ca's

I really appreciate every member's overwhelming response, which inspired me to organize more events for the benefit of members by actively participating in the activities. With this I once again take this opportunity to promise that I would leave no stone unturned in bringing forward my share of contribution for the betterment of the profession.

*With Warm Regards,  
CA Amitabh Dubey  
Chairman*



*From The Desk of Secretary... ..*

*"Every addition to true knowledge is an addition to human power."*

Respected Professional Colleagues!

We "The Chartered Accountants" need to be updated because, as we are all aware, different regulations change frequently. The phrase "the more current the knowledge, the more valuable it is" is true. Because we have a meticulous job and perfection depends on updating, we must understand the value of continuous learning and make ongoing efforts to update the knowledge base.

Keeping this in mind, Raipur Branch of CIRC of ICAI is regularly organizing various professional Seminars, CPE Meetings, Webinars on Accounting Standards, CPE Meeting on MSME, meeting with Banker's /NBFC for creating awareness to ensure compliance of provisions of the RERA Act., Seminar on Taxation of Securities, Derivatives & Commodities & How to appear before ITAT, Recent Development of 47th Council meet of GST.

For the first time Branch has hosted Train the trainer Programme exclusively for the member of Chhattisgarh and Madhya Pradesh.

Keeping in the view of Physical and Mental wellness of Member, we celebrated International Yoga Day and also organized Box Cricket Tournament in the month of June and Box Soccer League in the month of July for our member.

In this regards. We will continue to host various events physically or virtually for the benefit of all of our members and students.

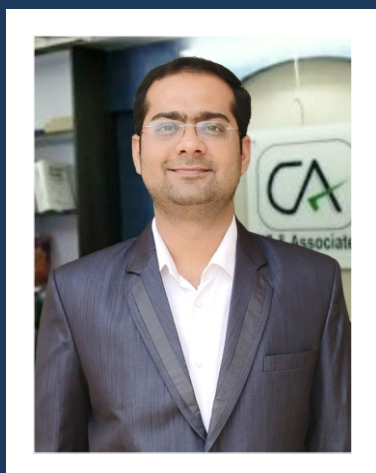
Our July Month Started with Celebration of CA Day, where we felicitated our senior Members for completing 25 years and 50 year in CA profession and completed 75 year of age.

We perform various social work activities like Blood Donation Camp, Food Distribution in Bal Ashram, polythene Rally, Tree Plantation And Covid Vaccination Camp.

To motivate our Passed CA Final and IPCC Student, Branch has organized Cake cutting Ceremony for their success and Felicitated Newly Qualified CA's.

For this month also, we plan to come up with various Seminar & CPE meetings for the benefit of our members. At last I would like to express gratitude to all the guest, faculties & Speakers for Sharing their Valuable time and Knowledge with us and to the members of Editorial board for contributing consistently to present the E-newsletter. I would also like to request you to give your valuable suggestions so that the functioning of branch can be improved to optimum level.

***With Warm Regards***  
***CA. Dhawal Shah***  
***Secretary***



*From The Desk of Chairman of Newsletter Committee ... ..*

*My dear Professional Colleagues!*

In the month of June Raipur branch held so many activities and programs just like celebrated “8th International Yoga Day”, successfully organized “Box Cricket Tournament”, "Webinar on Outreach program on CERT”, Proposed Scheme of Education & Training (2022) has been organized By Raipur Branch of CICASA of ICAI and various seminars was also held in current topics to update all the members and student to cover all the amendments made

It is my great pleasure as a chairman of newsletter committee to inform about all these activities held at our Raipur branch, our Raipur branch is continually doing so many seminars and other activities for members and students of Raipur.

In the month of July, we celebrated 74th Chartered Accountant Day. It Is Certainly a Great Honor to Be a CA Because You Are Contributing in So Many Ways Toward the Growth and Strength of Your Country. So wishing you all a very Happy Chartered Accountant Day

CA Day Is a Celebration of All the Hard Work and Commitment Chartered Accountants Put into Their Work and Help the Country prosper. Chartered Accountant is the sole profession in the country holding the license to conduct to financial audit in any organization around the globe ICAI sets high standards for clearing the CA exam and there are hundreds of Chartered Accountants who are worth a million.

In the month of July ICAI also released Results for CA exams held on May 2022. Firstly, my warm wishes and many congratulations to all who passed their examination and who have not passed just don't lose your hope as you're on the road to success when you realize that failure is only a detour. Failure is not a single, cataclysmic event.

You don't fail overnight. Instead, failure is a few errors in judgment, repeated every day, so just do it.

*With Warm Regards*

*CA Sumit Chawla*

*Chairman (Newsletter Committee)*



*If you work, you will succeed*

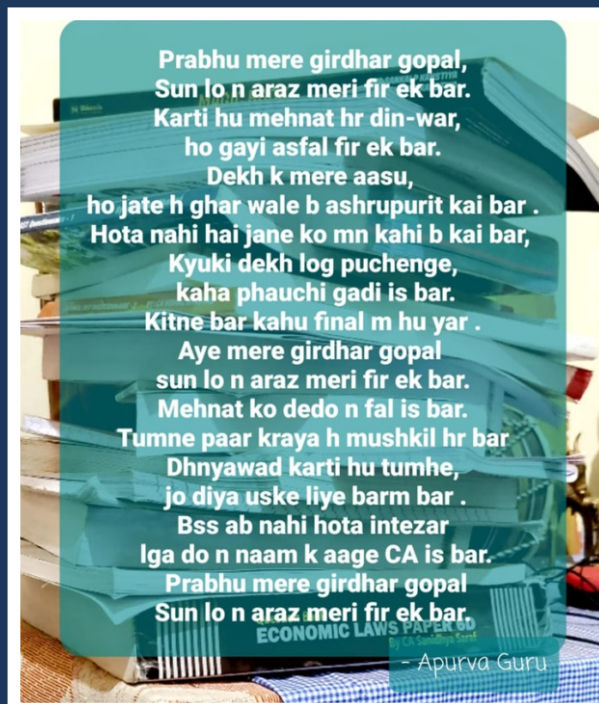
उद्यमेन हि सिध्यन्ति कार्याणि न मनोरथैः! न हि सुप्तस्य सिंहस्य प्रविशन्ति मुखे मृगाः

It means as the antelope does not enter the sleeping lion's mouth by itself, in the same way we can succeed in our work only if we work hard not only from desires.

It is easy to dream about something but at the same time it is difficult to make it happen. It requires your determination, discipline, patience and passion. No one can achieve success without doing hard work. It starts when we stop looking for shortcuts towards success. Yes in today's faster running world smart work is required. But I think smart work is by product of hard work. How?

Let's take an example suppose you have to read a book of 400 pages to give an exam, but it is not possible to revise it completely one day before exam, so you have to make summary for that to cover whole syllabus. However, you will be able to make summary only when you have read that book once.

At last, I would say "all our dreams come true, if we have the courage to work for them".



*Warm Regards,  
Apurva Guru*



**SECTION 194R*****TDS on Benefits or Perquisites in Business or Profession***

The Finance Act, 2022 introduced a new Section 194R for Deduction of Tax in respect of benefits or perquisites provided to a Resident Person. This Section is applicable w.e.f. 01.07.2022. It is quite different from TDS on Perquisites under Salary. It is deducted for payments made

as incentives, commission, business promotion expenses provided in kind “or” cash and kind to a resident person. E.g. Foreign Trip, Free Ticket for an event, TV, Free Sample, Gold Coins, providing Free Medicines to Doctors, etc.

*To understand the need for Section 194R, refer to the statement of Finance Minister while introducing this section;*

“It has been noticed that as a business promotion strategy, there is a tendency on businesses to pass on benefits to their agents. Such benefits are taxable in hands of the agents. In order to track such transactions, I propose to provide for tax deduction by the person giving benefits, if the aggregate value of such benefits exceeds 20,000 during the financial year.”

**CIRCULAR NO. 12 OF 2022 DATED 16.06.2022:**

There is an obligation on the person providing benefits or perquisites to a resident person to deduct TDS @ 10%. However, there is no further requirement to check whether the amount is taxable in the hands of recipient or under which section it is taxable (it can be taxable under Section 28(iv) or 41(1) or 195 etc.)

No tax is required to be deducted for Sales Discount, Cash Discount or Rebate.

TDS on these benefits under Section 194R will be deducted on or after 1st July 2022, But the value of 20,000 will be considered from 1st April 2022.

***Let us understand with a case scenario***

Dharma Ltd appoints Riya as an Agent to sell its products on commission basis. On achievement of certain target, Dharma Ltd sponsors a trip to Singapore worth Rs. 5,00,000. Riya had not to paid anything for the trip. Now, Dharma Ltd claims it as Business Promotion Expenditure. Riya has to disclose it as incentive income But, Riya didn't disclose it as income. So, by levying TDS on person providing benefits would help Income Tax Department to trace the income of the Recipient Riya. Now, Dharma Ltd. have to deduct TDS @ 10% on Rs. 5,00,000. Now, Riya can't conceal the income of Rs. 5,00,000 and she has to disclose it as income.

| Valuation of benefits or perquisites                                    |   |  |  |
|---|---|--|--|
| CASE  | If benefit provider has purchased the benefits to be provided | If benefit provider has manufactured the benefits to be provided | In all other cases                           |
| VALUE OF BENEFITS   | Purchase Price  | Price Charges to its customers                                   | Fair Market Value of benefits or perquisites |
| NOTE: GST will not be considered for valuation of benefits/perquisites. |   |  |  |

| Valuation of benefits or perquisites                                    |   |  |  |
|---|---|--|--|
| CASE  | If benefit provider has purchased the benefits to be provided | If benefit provider has manufactured the benefits to be provided | In all other cases                           |
| VALUE OF BENEFITS   | Purchase Price  | Price Charges to its customers                                   | Fair Market Value of benefits or perquisites |
| NOTE: GST will not be considered for valuation of benefits/perquisites. |   |  |  |

## SECTION 194R

| SECTION 194R   |  |
|----------------|--|
| RATE           | 10%  |
| LIMIT          | 20,000   |
| BENEFITS GIVEN | In KIND "or" CASH+KIND   |
| NOT APPLICABLE | INDIVIDUAL/HUF having Turnover in immediately preceding F.Y. up to 1 Cr for Business / 50 Lakhs for Profession |

## ***Overview of Section 194R***

### ***Background***

To bring benefits or perquisites arising from business or exercise of the profession within the ambit of tax withholding, the Finance Act, 2022 inserted section 194R in the Income-tax Act, 1961 (IT Act) which shall be effective from 1 July 2022. As per this section, a person who is providing any benefit or perquisite (hereinafter referred as deductor) to a resident carrying out any business or profession shall be required to withhold tax (TDS) at the rate of 10% of the value or aggregate value of such benefit or perquisite. This section also grants power to the Central Board of Direct Taxes (CBDT) to issue guidelines for the purpose of removing any difficulty.

Post introduction, representations were made to clarify various issues emanating from section 194R. To address such concerns, the CBDT recently issued a Circular laying down guidelines in a Q&A format. Summarised the said circular and on its impact hereunder:

### ***1. Deductor not required to check taxability of the benefit/perquisite***

-Section 194R of the IT Act casts an obligation on the person responsible for providing any benefit/perquisite to a resident, to deduct tax at source. Hence, even if the amount is not taxable in the hands of the recipient under section 28(iv) of the IT Act (say section 41(1) of the Act - remission or cessation of trading liability), section 194R of the IT Act will get attracted.

-The Circular has taken support of PILCOM vs CIT wherein the Supreme Court has held that tax is to be deducted under section 194E of the IT Act at a specific rate indicated therein and there is no need to see the taxability or the rate of taxability in the hands of non-resident. Accordingly, the Circular has clarified that the deductor is not required to check whether income is taxable in the hands of the recipient or the section under which the income is a taxable

### ***2. Tax withholding is required even when the benefit/perquisite is paid in cash or in-kind or partly in cash and partly in kind***

-The intent of the legislature can be seen from the language of section 194R(1) of the IT Act which covers situations where benefit / perquisites is in cash or kind or partly in cash and partly in kind.

### ***3. Benefit/perquisite in the form of a capital asset***

-In several judicial precedents<sup>4</sup> it has been held that benefits/perquisites are taxed even though they are capital assets since in the hands of the recipient they are benefit/perquisite.

-Hence, the deductor is required to deduct tax even if the benefit/prequisite is a capital asset.

**4. Sales discount, cash discount and rebates, though in the nature of benefit/prequisite, are not exigible to TDS under section 194R of the IT Act**

-While sales/cash discounts and rebates relate to sales/purchases, they are still benefits and thereby section 194R of the IT Act is applicable. However, considering that subjecting these to tax withholding would put the seller in difficulty, it has been clarified that no tax is required to be withheld under section 194R of the IT Act on sales/cash discount and rebates.

-It is also clarified that where a seller offers some items free along with other items (say 2 items are offered as free when the customer purchases 10 items), section 194R of the IT Act shall not be applicable. However, in cases where free samples are given, tax withholding under section 194R of the IT Act is required.

-Further, it is clarified that the relaxation shall not be extended to other benefits provided by the seller in connection with its sale. Following illustration (non-exhaustive list) are provided where section 194R of the IT Act will be applicable:

- Incentives (other than discounts, and rebates) in the form of cash or kind such as cars, computers, gold coins, mobile phones etc.
- Sponsors a trip for the recipient and his/her relatives upon achieving certain targets.
- Provides free tickets for an event.
- Gives medical samples free to medical practitioners.

**5. Benefits/perquisites used by employees' of the recipient entity**

-There may be instances where the benefits/perquisites may be used by the owner/director/employee of the recipient entity or their relatives who in their individual capacity may not be carrying on business/profession. However, the deductor is required to deduct tax in the name of the recipient entity since the usage by the owner/director/employee/relative is by virtue of their relationship with the recipient entity and in substance the benefit/prequisite has been provided to the recipient entity.

-Illustration: Free medical samples may be provided by a company (deductor) to a doctor who is an employee of a hospital. TDS under section 194R of the IT Act is required to be withheld by the Company in the hands of the hospital as the benefit/prequisite is provided to the doctor on account of him being an employee of the hospital. Thus, in substance, the benefit/prequisite is provided to the hospital. The hospital may subsequently treat this benefit/perquisite given to its employees under section 17 of the IT Act and deduct tax under section 192 of the IT Act. In such a case, it would be the first taxable in the hands of the hospital and then allowed as a deduction as salary expenditure.

-Continuing with the above illustration, in the case where benefit/prequisite is provided to a doctor who is working as a consultant in the hospital, tax may be deducted under section 194R of the IT Act with the hospital as recipient and then the hospital may again deduct tax under section 194R of the IT Act for providing same benefit/perquisite to the consultant. Alternatively, the original benefit/perquisite provider may directly deduct tax under section 194R of the IT Act in the name of the consultant.



-Further, the provision of section 194R of the IT Act shall not apply if the benefit/perquisite is being provided to a government entity (e.g. Government hospital) not carrying on business or profession.

#### **6. Valuation of benefit/perquisite**

The valuation would be based on the fair market value of the benefit/perquisite except in the following cases:

| Sr. No. | Particulars  | Value of benefit/perquisite                      |
|---------|--|--|
| 1.      | Deductor has purchased the benefit/perquisite before providing it to the recipient | Purchase price                                   |
| 2.      | Deductor has manufactured such items given as benefit/perquisite                   | Price is charged to its customers for such items |

It is also clarified that GST will not be included for the purposes of valuation of benefit/perquisite for tax withholding under section 194R of the IT Act.

#### **7. Treatment of product given to social media influencer**

Many times, a social media influencer is given a product of a manufacturing company so that he can use that product and make audio/video to speak about that product on social media.

In case of benefit/perquisite being a product like a car, mobile, outfit, cosmetics etc. and if the product is returned by the social media influencer to the manufacturing company after using for the purpose of rendering service, then it will not be treated as benefit/perquisite for the purposes of section 194R of the IT Act. However, if the product is retained by the social media influencer, then it will be in the nature of benefit/perquisite and tax is required to be deducted accordingly under section 194R of the IT Act.

#### **8. Reimbursement of out-of-pocket expense incurred by service provider while rendering service**

Any expenditure which is the liability of a person carrying out business or profession, if met by the other person, is in effect benefit/perquisite provided by the second person to the first person in the course of business/profession. For e.g., where the consultant incurs travel expenditure which is paid by the client, it is benefit/perquisite provided by the client to the consultant.

Applicability of section 194R of the IT Act would depend on the name in which the invoice for out-of-pocket expenses is made. If an invoice is in the name of the client, paid by the consultant and reimbursed by the client, then such reimbursement would not attract TDS.

However, if the invoice is not in the name of the client and the payment is made by the client directly or reimbursed to the consultant then it is a benefit/perquisite provided by the client to the consultant on which TDS under section 194R of the IT Act is to be withheld.

**9. Expenditure on dealer conferences to educate dealers about the products of the company**

The expenditure incurred on Dealer's Conference would not be subject to TDS under section 194R of the IT Act if the conference is held with the prime object to educate dealers/ customers about any of the following/similar aspects:

- New product being launched
- Discussion as to how the product is better than others
- Obtaining orders from dealers/customers
- Teaching sales techniques to dealers/customers
- Addressing queries of the dealers/customers
- Reconciliation of accounts with dealers/customers

However, such a conference must not be in the nature of incentives/benefits to select dealers/customers who have achieved particular targets.

Following are illustrative cases of expenditure on dealer conference that would be treated as benefit/perquisite for the purpose of TDS under section 194R of the IT Act:-

- attributable to leisure trip or leisure component, even if it is incidental to the dealer/business conference;
- incurred for family members accompanying the person attending dealer/business conference;
- on participants of dealer/business conferences for days which are on account of prior stay or overstay beyond the dates of such conference.

**10. TDS compliance if benefit/perquisite is in kind or partly in kind  
(and cash is not sufficient to meet TDS)**

-Section 194R of the IT Act requires that the deductor providing benefit/perquisite in kind to a recipient needs to ensure that the tax required to be deducted has been paid by the recipient. Such recipients would pay tax in the form of advance tax.

-The deductor may rely on a declaration along with a copy of the advance tax payment challan provided by the recipient confirming that tax on the benefit/perquisite has been deposited.

-This would be then required to be reported in the TDS return along with the challan number in Form 26Q.

-Alternatively, the deductor may deduct the tax and deposit with the Government. The tax should be deducted after taking into account the fact that the tax paid by him as TDS is also a

benefit under section 194R of the IT Act. This needs to be reflected in Form 26Q as tax deducted on the benefit provided.

***11. Manner of computing threshold of INR 20,000***

- Since section 194R (1) of the IT Act provides that the threshold of INR 20,000 is concerning the FY, calculation of value or aggregate of the value of the benefit/perquisite triggering the deduction under section 194R of the IT Act shall be counted from 1 April 2022.
- If the value of the benefit/perquisite provided or likely to be provided to a resident exceeds INR 20,000 during FY 2022-23 (including the period up to 30 June 2022), TDS would apply on any benefit/perquisite provided on or after 1 July 2022.
- The benefit/perquisite which has been provided on or before 30 June 2022, would not be subjected to TDS under section 194R of the IT Act.

***Warm Regards,  
Durgesh Jaiswal  
☺(@oceanoftax)***



### ***Estate Planning- Will or Trust***

It's fair to say that we are living in a new age of uncertainty with the COVID-19 pandemic. Concerns over the pandemic have 'led to a skyrocketing demand for wills, even among those who aren't senior citizens,' according to an ABC News report.

None of us wants to imagine the worse future but now in current scenario it's preferable to consider both positive and negative aspect and do proper estate planning. Normally when we mention estate planning it is considered as written will or getting will register but there are other option as well for estate planning.

Let's look into the two main methods of ESTATE PLANNING.

Before proceeding, let's make estate planning clear to you all.

"Estate planning in simple terms refers to the passing assets / investments down from one generation to another. You decide how much of your estate – be it property(s), car(s), personal accolades, financial investments, etc. – you want to pass on to whom and how, after your demise."

There are two methods of Estate Planning:-

1. Will
2. Trust

#### ***1. WILL***

As the name suggest Will meaning Wish. In legal terminology, will means a document that expresses the last wishes of a person. The person who created the will is known as a testator. A will contain a declaration of the testator, regarding the management and distribution of his personal estate. A will in Indian terminology is "VASIYAT" prepared generally by us, mentioning the ways of transfer of assets to the next generation, family members, spouse etc. The will comes to effect after the death of the proprietor.

#### ***2. TRUST***

A trust is defined as a legal arrangement, in which the trust owner authorizes a person called a trustee, to hold the asset, for the benefit of a third party called the beneficiary. It allows a person to nominate beneficiaries of his assets, before or after he passes away. There is no requirement of court interference in trust case and also it is created with intention of reduce tax liability.



***Which estate planning method to choose?***

It depends on certain criteria. Let's get into it-

- Regardless of your net worth, if you foresee the need to plan in case of mental incapacity even if your asset is in sole name then a person should choose trust. Since one of the requirements of will is that it should be created with sound mind.
- The largest asset young parents have is life insurance policy or retirement amount. If any of the parent died or separated, and they want to name their property to the child then they should go for the trust. In trust the trustee will hold the asset instead of the guardian and mention clause to receive inheritance to children when they attain legal age.
- In case of single person having property in sole name should go for revocable trust. The two benefits of such would be- it will keep your asset out of court-supervised guardian and to allow your beneficiaries to avoid the costs and hassles of probate. But if cost of creation of trust surpasses the asset value then it is better to choose will.
- A last will and testament that is filed with the probate court becomes a public court record that anyone can read. Contrast this with a revocable living trust, which is a private contract between you as the trust maker and you as the trustee. If a person has privacy concern then go for trust.
- The cost of creating trust is more than the will, thus if want to go for relatively simple and cost-cutting approach then will is the way to go. Also the trust has to be kept funded thus person holding large assets should go for it. Rest should choose will as the option.

***Ayushi Garg***

***CA, MBA***



### ***TDS UNDER GST REGIME – SECTION 51 OF CGST ACT***

We know about TDS under Income Tax Act, 1961 and the relevant penalties thereon for non-compliance. There is no concept of TDS in Central Excise Act 1944 even the erstwhile service tax law. However, under Value Added Tax law, there was a concept of TDS but it was limited to works contract activity only where transfer of property in goods involved in execution of works contract. The contractee was required to deduct WC-TDS at the time of making payment to the contractor and issue necessary certificates thereon. The rates of WC-TDS were varied from state to state, like 2%, 5%, 8% etc.

Three GST Bills have been passed and became the law of the land. Section 51 of CGST Act makes provision with respect to deduction of tax at source (TDS) by certain category of persons. Here, we are summarizing the relevant provisions of TDS in the form of FAQ and also highlighting the mechanism to minimize the risk of non-compliances thereon in the business.

#### **1. Who are liable to deduct TDS?**

The following persons are required to deduct TDS

- (a) A department or establishment of State Government or Central Government
- (b) Local Authority
- (c) Governmental Agencies
- (d) Such persons or category of persons as may be notified by the Government on recommendation of council.

The first three category of persons are already specific in nature to deduct TDS. However, Government may on the recommendation of council notify other categories of persons also for the purpose of expanding the coverage of TDS.

However, Government has further notified the following persons to deduct TDS vide its notification 50/2018 – Central Tax dated 13th September, 2018.

- (a) an authority or a board or any other body, -
  - (i) set up by an Act of Parliament or a State Legislature; or
  - (ii) established by any Government, with fifty-one per cent. or more participation by way of equity or control, to carry out any function;
- (b) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
- (c) public sector undertakings.

#### **2. Whether TDS is applicable only on goods or services also?**

TDS is applicable on taxable supply of goods or services or both.

#### **3. Rate of TDS?**

Tax will be deducted at the rate of 1% each for CGST and SGST from payment made or credited to the supplier. In case of IGST it would be 2%.

4. When Section 51 will be effective?

Government appoints 01st day of October 2018.

5. Is there any basic exemption for non deduction of TDS?

TDS will not be applicable where the total value of supply under a contract does not exceed Rs. 250,000/-. The value is excluding CGST, SGST, UGST, IGST and Cess Indicated in invoice.

6. Requirement of registration of the deductor?

As per the provision of section 24(vi), persons who are required to deduct TDS under section 51 shall take registration whether such persons are separately registered under the GST Act or not.

7. What is the application FORM for Registration?

FORM GST REG- 07

8. When to Deduct TDS?

As per section 51(1), TDS will be deducted @1% from the payment made or credited to the supplier. Here the word is used "from payment made or credited". A doubt may be arisen regarding point of time to deduct TDS. Under Income Tax Law the word whichever is earlier is used to specify the time of deduction.

However, as per FAQ released by CBEC, TDS will be deducted at the time of making payment to the supplier.

However, FAQ has no legal interpretation. Request Government to clarify the time of deduction in more specific manner in order to avoid litigation.

9. Explain the first proviso of section 51(1) with respect to non-applicability of TDS-

Where the location of supplier and place of supply both are in same state but place of recipient of supply is another state, no TDS shall be deductible. Explain the same through a tabular form-

Location of

Supplier Place of Supply Nature of GST Place of

Recipient TDS applicability % of TDS

Kolkata Kolkata CGST & SGST Kolkata Yes 2% (1%+1%)

Kolkata Jharkhand IGST Kolkata Yes 2%

Kolkata Jharkhand IGST Bihar Yes 2%

Kolkata Kolkata CGST & SGST Bihar No-

10. Time Limit for deposition of TDS?

The deductor shall deposit TDS amount within 10 days after the end of the month in which deduction is made.

11. Time Limit for furnishing of Return and Return FORM?

As per the provision of section 39(3) Return of TDS will be filed within 10 days after the end of the month in which deduction is made. As per rule 66(1), return of TDS is to be filed in FORM GSTR- 7 through common portal either directly or from a facilitation centre notified by the commissioner.

12.Late Fee on delay filing of TDS Return-

Section 47 is also applicable for delay filing of GST return. Late fee for delay filing is Rs. 100/- for CGST and Rs. 100/- for SGST per day.

13.Is there any interest for delay deposition of TDS amount?

Interest shall be payable as per provision of section 50 and such rate shall not exceed at the rate of 18%.

14.What is the quantum of penalty for failure of deduction of TDS or short deduction of TDS or failure to pay TDS to the Government?

There shall be levied a penalty of Rs. 10,000/- or an amount equivalent to tax not deducted or tax shortly deducted or collected/ shortly collected but not deposit to the Government , whichever is higher.

[Section 122(v)]

15.Time limit for furnishing certificate of TDS?

Within 5 Days from the date of deposition of TDS before the Government exchequer. Certificate shall be made available to the deductee in GSTR 7A FORM on the basis of filing of return by deductor.

16.Penalty for delay issuance of TDS Certificate?

Rs. 100/- per day till the failure is rectified but subject to maximum late fee of Rs. 5,000/-

17.Whether the provision of section 73 or 74 is applicable for recovery of tax?

Yes, provision of section 73 or 74 is applicable and the same procedure (e.g. issuance of show cause notice, serving a statement of calculation of tax, interest and penalty etc) will be followed for recovery of TDS.

18.Can the deductor claimed refund in case the deductor has deposited excess TDS amount?

Yes, he can claim refund and shall be dealt with the provision of section 54.

Example: XYZ has receipts goods amounting to Rs. 1,00,000/- (Basic value of goods) from M/s ABC. XYZ has wrongly deposit TDS amount Rs. 4,000/- instead of Rs. 2,000/-. He can claim such excess deposit amount except when it has been credited to the electronic cash ledger of the deductee.

Control of TDS Compliance:

- 1.Deductor has to ensure that the TDS has been deducted @1% on every receipt of taxable supply of goods or services or both.
- 2.Monitor the deposition of TDS within due date and filing of return thereon.
- 3.At the time of filing of return take proper care of GSTN of the recipient.
- 4.Deductor shall at the end of every quarter make internal audit of compliance by a cost accountant.

***Warm Regards,  
CA Roshni Jain***





## Campus for Newly Qualified Chartered Accountants (NQCAs) August-September, 2022

Maintaining strong and spontaneous relationship with the industry and other business houses remains the main focus of the Committee for members in Industry & Business (CMI&B) of the Institute of Chartered Accountants of India (ICAI). An initiative to that effect remains the Campus Placement Programme (held twice a year) that provides a platform to both the NQCAs and the organizations looking for to hire the best available talents to fulfil their human resource requirement. ICAI simply acts as a facilitator to bring the recruiter and NQCAs together.

### Invitation to Organisations

Any organization (except manpower supplier), irrespective of its size, standing in the market and boundary of its business, can take part in this placement programme being held at several centers across the country during August-September, 2022.

### Campus Interview Schedule

| No. | Major Centres | Dates  |
|-----|---------------|--|
| 01  | Mumbai        | 22nd, 24th, 26th, 29th August, 1st & 3rd September, 2022                       |
| 02  | Delhi         | 23rd, 25th, 27th, 30th August, 2nd & 5th September, 2022                       |
| 03  | Bengaluru     | 24th, 26th, 29th August, 1st, 3rd & 5th September, 2022                        |
| 04  | Chennai       | 25th, 27th, 29th August, 2nd, 5th & 7th September, 2022                        |
| 05  | Kolkata       | 26th, 29th August, 1st, 3rd, 5th & 7th September, 2022                         |
| 06  | Ahmedabad     | Hyderabad, Jaipur & Pune 29th August, 1st, 3rd, 5th, 7th & 9th September, 2022 |

| No. | Smaller Centres  | Dates                              |
|-----|--|------------------------------------|
| 07  | Bhopal, Durgapur,<br>Ernakulam, Lucknow,<br>Nagpur, Patna, Raipur,<br>Rajkot, Ranchi,<br>Vadodara &<br>Visakhapatnam | 26th September, 2022               |
| 08  | Kanpur   | 27th & 29th September, 2022        |
| 09  | Noida & Thane  | 28th & 30th September, 2022        |
| 10  | Bhubaneswar,<br>Chandigarh,<br>Coimbatore & Indore   | 29th September & 1st October, 2022 |

#### Invitation to Candidates

The above Campus is meant for the candidates, who would be passing the CA Final Examination held in May, 2022 and also for others who have qualified earlier and are fulfilling the criteria mentioned in the Announcement.

**Organizations** intending to recruit NQCA's through campus scheme are requested to get in touch with the CMI&B Secretariat, ICAI Bhawan, Indraprastha Marg, New Delhi -110002, and Email: [campus@icai.in](mailto:campus@icai.in), Tel No. (011)30110555 and to register log on to <https://cmib.icai.org/>.

Candidates may email at [cajob@icai.in](mailto:cajob@icai.in), Tel No. (011)30110491/550 and to register log on to <https://cmib.icai.org/>.

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# SHARE YOUR KNOWLEDGE

Respected members,

Opportunity to share your knowledge! I request all the students of Raipur Branch and students all over Chhattisgarh to share articles for CICASA Raipur Branch Newsletter related to Direct Tax, Indirect Tax, Company Law, Professional Ethics & other updates etc.

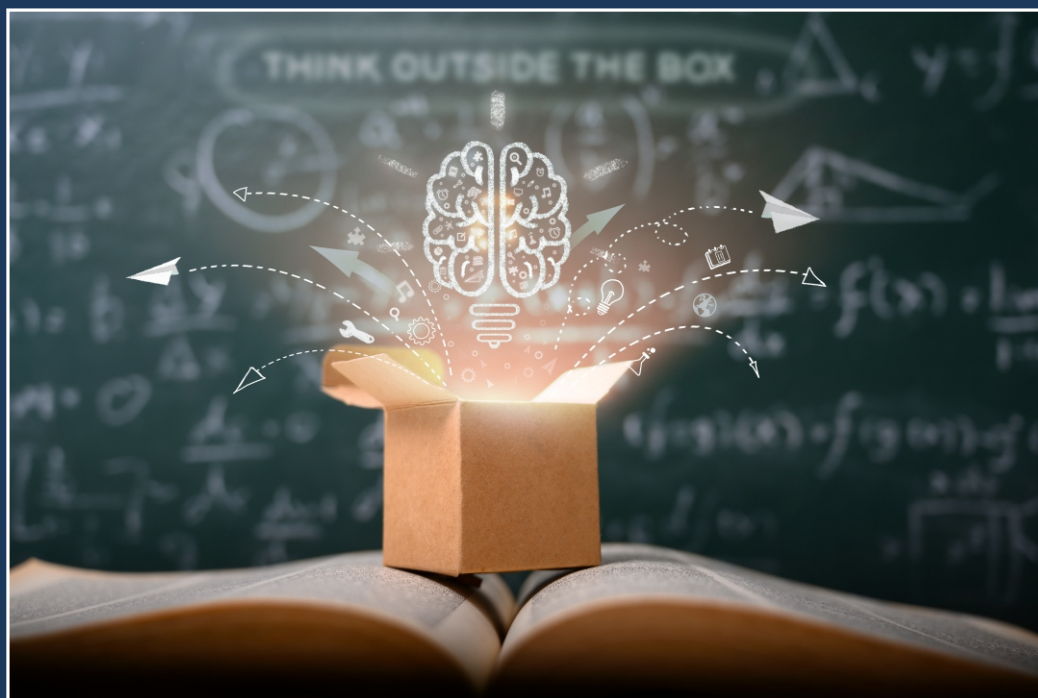
Interested students are requested to contact us and send your articles at [cicasa.raipur@gmail.com](mailto:cicasa.raipur@gmail.com).

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Regards,

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