



ERNAKULAM BRANCH OF **SICASA**

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA



MEERAKI

TAX DEDUCTED AT SOURCE
Sections 194R, 194N, 194S, 194Q

By Yedu Krishnan P

Table Of Contents

03

WORD OF THE MONTH

04

CHAIRMAN'S MESSAGE

05

**SECRETARY'S REPORT AND
VICE CHAIRMAN'S REPORT**

06

EDITORS' NOTE

07

TAX DEDUCTED AT SOURCE
- YEDU KRISHNAN P

09

CA-RTOON CORNER

10

SCRAPBOOK

11

**FLASHBACK-
OCTOBER 2022**

12

GOOGLE CLASSROOMS

WORD OF THE MONTH

CATERCORNER

-in a diagonal or
oblique position.



CHAIRMAN'S MESSAGE



CA SURESH G

Dear Students

Wishing success to all students.

Economic outlook

The global economic outlook is bleak, and many global rating agencies foresee and report sluggish recovery. The reason for global recession is attributed to fluctuation in prices of oil, weak recovery post covid and Ukraine war. All economies across the globe are feeling the pinch and least affected is our country.

Many countries borrow more than what they can afford to have and default in making payments on time resulting in reduction in sovereign rating. All these will have deleterious impact on economies of countries. To boost economy of any country governments of the state will have to pump public money to create demand. When public money comes into the market private investors will have more confidence to invest in economies.

As a student of finance, all of us must have a fair idea about the economy and impact of the economy on the functioning of organisations. The success or failure of any business depend on the extent to which it can withstand the pressure of the market, as such we must keep a tab on the economy and economic outlook across the risk of any organisation is proportional to the environment in which the business work.globe and our economy.

Climate Change and CA Profession

Climate change is the much talked about subject in the current decade. All living object in the universe are facing life threatening challenges.

Some species have gone extinct and something invasive invaded the planet. We professionals are change makers are closely associating with many business and industrial powerhouses. We can influence the business community to be responsible towards universe by following best environmental practices. Budding professionals like you should start educating people as to the need to make the planet liveable for future generations. We must make all our efforts to reduce and mitigate the impact of climate change on humans and other living organisms in the world.

Students Participation

I observed lean participation by SICASA students for many of our programs. Participation of students in large numbers for all programs are highly encouraged. When more are more students come up for programmes the comraderies of students will build up. We have a lot of programmes lined up immediately after the November examination, like industrial visits, workshops, inter branch cultural festivals and many more. I am thus firmly urging you to participate in large numbers and be a supporting hand to committee members. I end with a quote by Brene Brown,

"Courage starts with showing up and letting ourselves be seen."

Happy reading !

SECRETARY'S REPORT

Dear Readers,

Hope your exam preparations are at its peak. The month of October was dedicated to the upcoming exams and we did our part by providing you with our Revision Series. We were happy to see a lot of students participating in our sessions and as always, we assure you that we will always be there by your side.



POORNENDU M NAIR
SRO 0599836

We extend our heartfelt gratitude to all our teachers who stood with us throughout the revision series. We also believe that the student teachers who got the opportunity to take sessions have gained something from it. We wish all the very best to our student teachers.

During October we launched the painting competition as well. We are delighted to get good responses from the students. We expect to launch several events soon after the November Examinations. As always, the best is yet to come. Wishing all the very best to the exams and hoping your valuable cooperation for the upcoming events

VICE CHAIRMAN'S REPORT

Dear Readers,

I'm sure that your exam preparations are going well and are all set to face the November 2022 Exams. October as always is the month for exam preps. We tried our best to aid you in your studies by providing 'Revision Series for November 2022 Examinations'. The sessions were handled by prominent



BINJOEL P JOHN
SRO 0680795

teachers and students. I believe this combination has benefitted to learners as well as to our student teachers. We were overwhelmed to see hundreds of students attending our sessions.

We also launched our painting Competition during October and are planning to launch a lot of events after the exams. We expect the wholehearted cooperation and support of all the students for the upcoming events.

Finally, I wish all of you a very good and easy examination



SHOAIB SHOUKATH



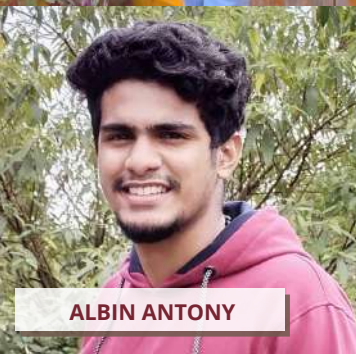
SUMI SUNNY



DEVIKA NISHU



SRUTHI RAMANATHAN



ALBIN ANTONY



ANOOP V A

EDITOR'S NOTE

Could a month be anymore beautiful? The lights, diyas and rangolis. The fireworks and sparkles. The tempting aroma of sweets and various other confections waiting to be savoured. With all the festive vibe, October was indeed a beautiful month.

The November 2022 Examinations are fast approaching and we hope every aspirant is trying their best. In connection with the examination, the Ernakulam branch of Sicasa has organised Revision Series for assisting the students in their preperation. We hope the sessions were helpful and informative.

The festival of lights as it is commonly known, Diwali is a symbol of hope. And may this hope guide you to your dreams and brighter future. Wishing every student all the very best for your upcoming exams. Good luck!

TAX DEDUCTED AT SOURCE

Sections 144R, 144N, 144S, 144Q

YEDU KRISHNAN P
SRO0701404

Tax Deducted At Source

TDS or Tax Deducted at Source is income tax reduced from the money paid at the time of making specified payments such as rent, commission, professional fees, salary, interest etc. by the persons making such payments.

Section 144R

The Finance Act, 2022, introduced Section 144R, which pertains to the deduction of tax on benefits or perquisites in respect of businesses or professions.

Businesses, companies, or entities often extend multiple types of benefits and perquisites to their distributors, channel partners, agents, or dealers to incentivize and motivate them to promote further growth of a business. A few examples would include travel packages, gift cards or vouchers, products under incentive schemes or the usage of business assets, among others.

Purpose of Section 144R

The purpose of introducing the new Section 144R is to plug the possibility of tax revenue leakages (tax evasions) in businesses or professions. A few companies claimed expenses for business promotions while offering various gifts, perks, perquisites, or benefits to its distributors, dealers, or channel partners (on fulfilments of conditions of under agreement or as per prevalent norms/traditional practice followed over the years by the business entity) under Section 37 of Income-tax Act, 1961.

For instance, an electronics manufacturing company gave LCD televisions as incentives to those channel partners who achieved a particular revenue target. The company included these as expenses in its profit and loss account and claimed an Income Tax benefit. The recipients do not report this in their income return because this particular incentive is in kind and not in cash. This leads to the furnishing of incorrect particulars of income. Ideally, such an incentive or benefit in kind should be disclosed as income under the Income-tax Act, 1961 (ITA).

As per Section 28 (iv) of the ITA, the value of any benefit or perquisite—whether convertible into money or not—arising from business or in a profession, is to be charged as business income in the hands of the recipient of such benefit or perquisite. Now, under Section 144R, if a business gives its distributors or channel partners any such perquisites or incentives, which is partly in cash or kind, then they are required to deduct a TDS. In case the benefit is wholly in kind, the person providing such a benefit or perquisite is required to pay TDS on the value of such benefit or perquisites out of his own pocket.

So, the purpose of Section 144R is to widen the tax base and plug any scope of tax evasion.

Scope of Section 144R

The TDS to be charged under Section 144R is at 10%, which will come into effect from July 1, 2022. It applies only to resident recipients (receiver of a benefit) of benefits or perquisites.

However, Section 144R is not applicable where the aggregate of the value of benefit or prerequisite does not exceed Rs 20,000 during the financial year (FY) to one beneficiary. Also, it is not applicable for an individual or Hindu Undivided Family (HUF) to deduct TDS where total sales do not exceed Rs 1 crore in case of business or Rs 50 lakh in case of the profession in the immediately preceding financial year.

Section 144S

TDS @ 1% on Purchase Consideration of Virtual Digital Assets (VDA).

In line with the existing TDS section 144IA requiring deduction of tax at source @ 1% on purchase of any immovable property exceeding rupees fifty lakhs in a year, the Finance Bill 2022, has proposed a new section 144S applicable w.e.f. 1.7.2022, mandating deduction of tax at source @ 1% on the payment of purchase consideration to a resident person, on transfer of a virtual digital asset, as defined in another new section 2(47A). Further, two threshold limits, for the amount of purchase consideration, has been prescribed, to be liable for deduction of TDS under this new section 144S.

For 'specified person', i.e. an individual or HUF, whose total sales or gross receipts does not exceed rupees one crore, in case of business, or rupees fifty lakhs in case of profession, during the immediately preceding financial year, or, an individual or HUF, who does not have any income under the head business or profession, TDS under this new section 144S is required to be deducted only, if the amount of purchase consideration for purchase of virtual digital asset, exceeds rupees fifty thousand, during the financial year. In case of a person other than such specified person, including firms, LLPs and companies, TDS under this new section 144S is

required to be deducted only, if the amount of purchase consideration for purchase of virtual digital asset, exceeds rupees ten thousand, during the financial year.

Section 194N – TDS on cash withdrawal in excess of Rs 1 crore

To discourage cash payments, the finance minister has introduced Section 194N in Union Budget 2019 for tax deduction at source (TDS) on cash withdrawals exceeding Rs 1 crore.

In Budget 2020 the threshold limit for TDS under Section 194N is reduced to Rs 20 lakh for taxpayers who have not filed their income tax returns for past three years.

TDS shall be deducted at prescribed rates if cash is withdrawn in excess of Rs 20 lakh during the financial year by the taxpayer.

Let's discuss Section 194N in detail:

What is Section 194N?

Section 194N is applicable on more than Rs 1 crore cash withdrawals from the bank account during a financial year. It will apply to the withdrawal of all the sums of money or an aggregate of sums from a particular bank in a financial year. The section will apply to withdrawals made by any taxpayer, including:

- An individual
- A Hindu Undivided Family (HUF)
- A company
- A partnership firm or an LLP
- An Association of Person (AOPs) or Body of Individuals (BOIs)

But it shall not apply if payment is made to-

- The Government
- Any bank (private or public sector)
- A co-operative bank
- A post-office
- Business correspondents of a banking company
- White Label ATM operators of any Bank.

How to calculate the threshold limit?

The payer shall deduct tax while making payment to any individual in cash from the individual's bank account on the amount over Rs 1 crore.

The limit of Rs 1 crore in a financial year is with respect to per bank or post office account and not per the taxpayer's account.

For example, if a person has three bank accounts with three different banks, he can withdraw cash of Rs 1 crore * 3 banks, i.e., Rs 3 crore without any TDS.

The cash withdrawal made by any taxpayer from the bank accounts maintained by such taxpayer (recipient) will only attract TDS under Section 194N.

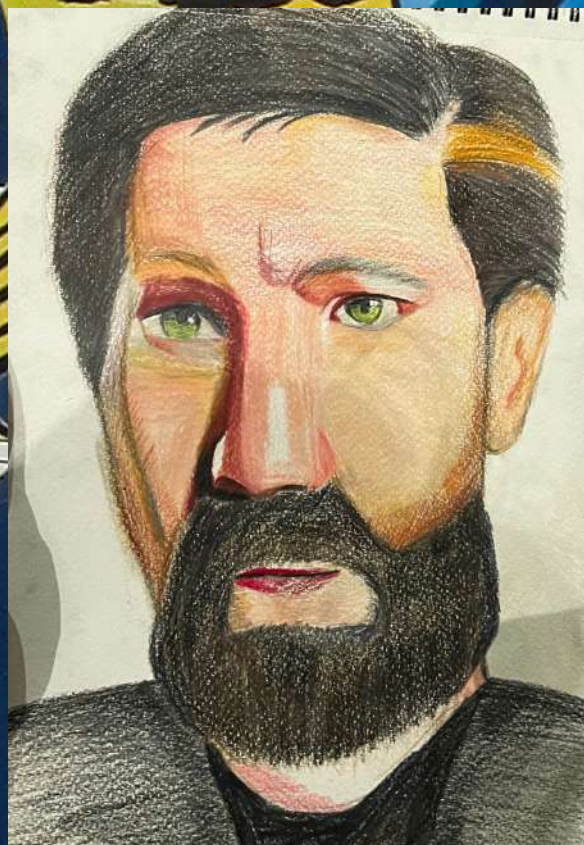
For instance, if a bank makes a cash payment of more than Rs 1 crore in a FY to its account holder (i.e., any taxpayer) from the account maintained by such taxpayer, then the bank will have to deduct TDS.

The provision of Section 194N will be applied to the payments made on or after 1 September 2019. But the limit of Rs 1 crore will apply to the cash payments/withdrawals made during FY 2019-20.

To continue reading:

http://www.sicasaernakulam.in/View_Article.php?article_id=34%27&Month=October&Year=%202022

CARTOON CORNER



SHOAIB SHOUKATH
SR00686738



EMIYA P SHAJI
SR00678089

SCRAPBOOK

**ERNAKULAM BRANCH OF SICASA OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

**SPECIAL THANKS TO ALL OUR
FACULTIES/STUDENT TEACHERS WHO
CONDUCTED A SESSION FOR OUR**

**FREE REVISION SERIES FOR
NOVEMBER 2022 EXAMS**



**ERNAKULAM BRANCH OF SICASA OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

MEET A CHARTERED ACCOUNTANT

**EXAM TIPS FROM
RANK HOLDER
CA MALAVIKA
RADHAKRISHNAN**

CA FINAL- AIR 2 (MAY 2021)

 **22nd OCTOBER 2022**
07:00 PM TO 08:00 PM

LINK TO JOIN: 
<https://meet.google.com/azk-vxfr-wmt>

CA SURESH G - EKM SICASA CHAIRMAN
BINJOEL P JOHN - VICE CHAIRMAN
POORNENDU M - SECRETARY



**Ernakulam Branch of SICASA of
The Institute of Chartered Accountants of India**

Is back with yet another resourceful sessions of

**Revision Series for
November 2022
Examinations**

Starts on 6th October 2022 , at 7 pm

CA SURESH G
EKM SICASA CHAIRMAN

BINJOEL P JOHN
VICE CHAIRMAN

POORNENDU M NAIR
SECRETARY

ERNAKULAM BRANCH OF SICASA OF ICAI

**MALAYALI MANKA MAARAN
COMPETITION
WINNERS**





SEBIN JOSE
SRO0646563

SREELAKSHMI K
SRO0797545

CA SURESH G
SICASA CHAIRMAN

BINJOEL P JOHN
VICE CHAIRMAN

POORNENDU M NAIR
SECRETARY

Events of October

Oct 6-27

Revision Series for
November 2022
Examination

Oct 16

One Day Seminar on
Auditing Standards
by CA Devathy Raja

Oct 22

Meet a Chartered
Accountant
- Exam tips from Rank
Holder CA Malavika

GOOGLE CLASSROOM

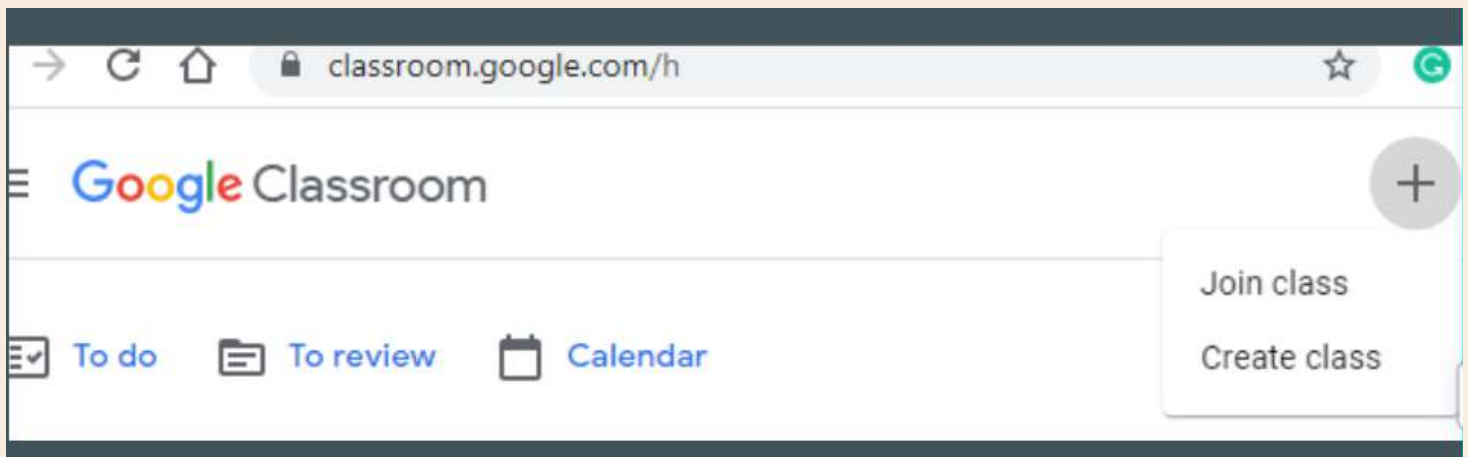
A Virtual Classroom for all Students!

JOIN US ON THIS ENDEAVOUR, AS WE BRING TO YOU
"THE VIRTUAL CLASSROOM", A STEP CLOSER TO OUR GOAL!


HOW TO JOIN?


- GO CLASSROOM.GOOGLE.COM
- CLICK ON THE "+" BUTTON ON THE TOP RIGHT CORNER
- ENTER THE CODE BPHMJCN

Let's learn together with SICASA ERNAKULAM



**FOLLOW US
ON**

 ekmsicasa@gmail.com

 facebook.com/sicasaernakulam

 [@sicasaernakulam](https://www.instagram.com/sicasaernakulam)