



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Alappuzha Branch Of SIRC

**E-News
letter**



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COCHIN
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October 2020

Dear Members & Students,

WORLD HEALTH ORGANISATION ON COVID

WE ARE ASKING EVERYONE TO THE DECISIONS ABOUT :

- WHERE THEY GO
- WHAT THEY DO
- WHAT THEY MEET.

As Life And Death Decisions Because They Are.

**It May Not Be Your Life But Your Choices Could Be.
The Difference Between Life And Death For Someone You Love Or A Complete Stranger.**

In Recent Weeks We Have Seen Out Breaks associated With Night Club And Other Social Gathering.

**Even In Places Where Transmission Had Been Suppressed.
We Must Remember That Most People Are Still Susceptible To This Virus.
As Long As Its Circulating Everyone Is At Risk.**

Its All About Making Good Choices Know Your Situations.

Do You Know :how Many Cases Were Reported Where You Live Yesterday.

Do you know : Where to find out that information,

Do you know : How To Minimize Your Exposure.

Are you being careful to keep at least 1 metre for others ,

Are you still cleaning your hands regularly.

Are you following the advice of your local authorities.

Don't expect someone else to keep you safe.

We all have a part to play in protecting ourselves in one and another.

**Every life lost matters I know many of you are grieving and that is difficult moment for
The world but i want to be clear ; there are green shoots of hope and no matter where a
Country region, a city or a town its never to late to turn outbreak around there are two
Essential elements to addressing the pandemic effectively .**

**Leaders must set up to take action and citizens need to embrace new measures whether countries
Or region have successfully eliminated the virus suppressed transmission to a low level or are a still in
The mildest in the major outbreaks. Now is the time to do it all invest in the basics of public health and we
Can save both lives and livelihood .**

The message is crystal clear suppress the virus.

If we suppress the virus effectively we can safely open up societies.

DIRECTOR GENERAL-WHO

TO PREVENT COVID-19

1.



2. Wash hands regularly.



3. Keep 1 mtr distance from others.

4. Use sani mats.





എ.എം. ആരിഫ്

പ്രിയപ്പെട്ട ചാർട്ടേഡ് അക്കൗണ്ട് സുഹൃത്തുക്കളെ,

എല്ലാവരും കോവിഡ് - 19- ന്റെ പ്രതിരോധത്തിന്റെ ഭാഗമായുള്ള ലോക്ഡൗൺ കഴിഞ്ഞ് സാധാരണ നിലയിലേക്ക് വന്നു തുടങ്ങി എന്ന് വിശ്വസിക്കുന്നു. ലോകമെമ്പാടും പടർന്നുപിടിച്ച ഈ മഹാമാരിയെ പിടിച്ചു നിർത്താൻ പരിശ്രമിച്ചുകൊണ്ടിരിക്കുന്ന എല്ലാവരെയും അനുമോദിക്കാൻ ഒരു ജനപ്രതിനിധി എന്ന നിലയിൽ ഈ അവസരം ഉണ്ടാക്കിത്തന്ന അലപ്പുഴ ചാപ്റ്ററിന്റെ ഭാരവാഹികൾക്ക്, പ്രത്യേകിച്ച് ചെയർമാൻ അബ്ബാസിന് ഞാൻ നന്ദി രേഖപ്പെടുത്തുന്നു.

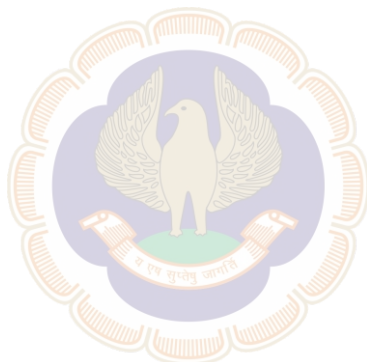
നിങ്ങൾക്ക് അറിയാം കോവിഡ് - 19 ലോകസമ്പദ്വ്യസ്ഥയെ രണ്ടുമാസത്തിലേറെ പിടിച്ചു നിർത്തുകയുണ്ടായി. ഇന്ത്യയുടെ സമ്പദ്ഘടനയെയും വളരെ മോശമായി കോവിഡിന്റെ അഘാതം ബാധിച്ചു. ഉത്പന്നങ്ങളുടെയും സേവനങ്ങളുടെയും ഉത്പാദനം പൂർണ്ണമായി നിർത്തിവെക്കേണ്ടിവന്നു. അതിന്റെ ഫലമായി വളരെ കടുത്ത പ്രത്യഘാതങ്ങൾ സാമ്പത്തികമേഖലയിൽ ഉണ്ടായിട്ടുണ്ട് ഇപ്പോഴും നിയന്ത്രണങ്ങൾ തുടർന്നുകൊണ്ടിരിക്കുന്നു. എത്രനാൾ നിയന്ത്രണങ്ങൾ തുടരും എന്ന് പറയാൻ കഴിയില്ല.

ഉത്പാദനമേഖല അതിന്റെ കഴിഞ്ഞകാലനില പുനഃസ്ഥാപിക്കുന്നതിനാവശ്യമായ അടിയന്തിര നടപടികളാണ് കേന്ദ്ര - കേരള സർക്കാരുകൾ എടുത്തുകൊണ്ടിരിക്കുന്നത്. ഇപ്പോൾ കേന്ദ്ര - കേരള സർക്കാരുകൾ കുറേ ഉത്തേജക പദ്ധതികൾ പ്രഖ്യാപിച്ചിട്ടുള്ളത് നിങ്ങൾക്ക് എല്ലാം അറിയാവുന്നതാണല്ലോ? ഈ പദ്ധതികളെ പറ്റിയുള്ള വിശദാംശങ്ങൾ ജനങ്ങൾ അറിഞ്ഞുവരുന്നതേയുള്ളൂ. പാർലമെന്റ് സമ്മേളിക്കാത്തതിനാൽ ജനപ്രതിനിധി സഭയിൽ ചർച്ച ചെയ്യാതെയുള്ള പദ്ധതികളാണ് അടിയന്തിര സാഹചര്യം കണക്കിലെടുത്ത് സർക്കാർ പ്രഖ്യാപിച്ചിരിക്കുന്നത്. അതിന്റെയൊക്കെ നല്ല വശങ്ങളും പരിശോധിച്ച് സംസാരിക്കാൻ ഞാൻ ഈ അവസരം ഉപയോഗിക്കുന്നില്ല.

ഈ രാജ്യത്തെ സി. എ. ക്ലാർക്ക് ഈ അവസരത്തിൽ എനിക്ക് പറയാനുള്ളത് നമ്മുടെ സമൂഹത്തിൽ കർഷകർ ,കച്ചവടക്കാർ,ചെറുകിട ഉത്പാദകർ എന്നിവർ ഉൾക്കൊള്ളുന്ന സമൂഹത്തിന് ഗവൺമെന്റ് പ്രഖ്യാപിക്കുന്ന പദ്ധതികൾ കാലതാമസം കൂടാതെയും ,പൂർണ്ണമായും മനസ്സിലാക്കിയെടുക്കുവാൻ പ്രയാസമായിരിക്കും .നമ്മുടെ ഇടയിലെ ബിസ്സിനസ്കാർ ഏതെങ്കിലും തരത്തിൽ ചാർട്ടേഡ് അക്കൗന്റുമാരുമായി ബന്ധപ്പെടുന്നവരാണ് .ടാക്സ് കൺസൾട്ട് ചെയ്യാനും ,ബിസ്സിനസ്സ് തീരുമാനങ്ങൾ എടുക്കാനും സി. എ ക്ലാർക്ക് എല്ലാവരും ആശ്രയിക്കാറുണ്ട്. ഈ പ്രത്യേക സന്ദർഭത്തിൽ കോവിഡ് എന്ന മഹാമാരിയിൽ നിന്നും രാജ്യത്തെ കരകയറ്റുന്നതിനുവേണ്ടി ബിസ്സിനസ്സ് സമൂഹത്തെ സപ്പോർട്ട് ചെയ്യേതായിട്ടുണ്ട്. അതിനാൽ രാജ്യനന്മ മുൻനിർത്തി ഗവൺമെന്റ് പ്രഖ്യാപിക്കുന്ന പദ്ധതികൾ ജനങ്ങളിലേക്ക് എത്തിക്കാൻ നിങ്ങളിലാകുന്ന സഹായ സഹകരണങ്ങൾ കേന്ദ്ര,സംസ്ഥാന സർക്കാരുകൾ **MSME** യൂണിറ്റുകൾക്കായി പ്രഖ്യാപിച്ച പദ്ധതികൾ സാധാരണ ചെറുകിട യൂണിറ്റുകളെ സഹായിക്കാൻ ഉദ്ദേശിച്ചിട്ടുള്ളതാണ്. പ്രഖ്യാപിച്ച പദ്ധതികളിൽ ഏറെയും ബാങ്കുകൾ വഴിയും,ബാങ്കിതര സ്ഥാപനങ്ങൾ വഴിയുള്ള ലോണുകളായാണ് നൽകുന്നത്. ഇതിനോടൊപ്പം നിലവിലുള്ള ലോണുകൾക്കും മൊറട്ടോറിയം തുടങ്ങിയ ആനുകൂല്യങ്ങൾ നൽകുവാൻ പ്രഖ്യാപിച്ചിട്ടുണ്ട് . നാഷണലൈസ്ഡ് ബാങ്കുകൾ ,ഷെഡ്യൂൾഡ് ബാങ്കുകൾ,കോ- ഓപ്പറേറ്റീവ് ബാങ്കുകൾ മുഖേനയാണ് ഈ ലോണുകൾ പ്രധാനമായും നൽകുന്നത് .സാധാരണക്കാരായ സംരക്ഷകരെ ഈ പദ്ധതികളെപ്പറ്റി പറഞ്ഞു മനസ്സിലാക്കാൻ സി. എ. ക്ലാർ മുൻകൈയെടുത്താൽ ഈ നാടിനെയും നാട്ടുകാർക്കും അത് വലിയ സഹായമാകും എന്ന് പറയുവാൻ ഞാൻ ആഗ്രഹിക്കുന്നു. ആലപ്പുഴയിലെ കയർ വാണിജ്യ മേഖലകളിലെ ചെറുകിട യൂണിറ്റുകൾക്ക് പ്രത്യേക പരിഗണന ആവശ്യമായി വന്നിരിക്കുകയാണ് .

ഇതിനാവശ്യമായ ഉപദേശങ്ങൾ കൊടുക്കുവാൻ സി. എ. ക്ലാർക്ക് സാധിക്കും .രാഷ്ട്രപുനർനിർമ്മാണത്തിന് നിങ്ങളുടെ സഹായ സഹകരണങ്ങൾ അഭ്യർത്ഥിച്ചിട്ടുണ്ട്.

നിങ്ങളുടെ സ്വന്തം
ആരിഫ് .





CA. ABBAS PM
CHAIRMAN

DEAR MEMBERS,

We are crossing second quarter of year 2020-21. A very difficult period for our branch because of suspended activities due to **COVID-19** restrictions. ICAI through various notifications issued directions on functioning of branches during **COVID-19** period. Our branch strictly following all these directions issued by the Central Council. March, April, May and June 2020 were remained idle as regards classes & various activities of members. During this period some capital addition activity only took place in branch. From August onwards regular activities restarted through online classes for students and CPE seminars for members .

In the midst of **COVID-19** protocols we restricted our **CA DAY** celebrations by hoisting our flag in the morning at 9.30 am on 1st July 2020. We distributed seeds and plants to members on this day. Distribution of food to old age homes, planting of trees also conducted.



ACTIVITIES / EVENTS

JUNE-OCTOBER 2020

SL NO.	EVENT	DATE	TOPIC	FACULTY
1	CPE SEMINAR	24/7/2020	AUDIT AND REPORTING OF FINANCIAL STATEMENTS IN THE WAKE OF COVID -19	CA.RANGARAJAN FCA
2	CPE SEMINAR	03/08/2020	GST ON SERVICE SECTOR	CA.GANESH PRABHU
3	CPE SEMINAR	04/08/2020	PROSECUTION AND PENALTY	CA. K RAMASWAMY
4	CPE SEMINAR	05/08/2020	REAL ESTATE AND GTA	CA. K RAMASWAMY
5	CPE SEMINAR	06/08/2020	CHARGING SECTION.DEEMED SUPPLY AND NEGATIVE LIST	CA.SOMAN NL
6	CPE SEMINAR	07/08/2020	INPUT TAX CREDIT	CA.S VENKATARAMANI
7	CPE SEMINAR	10/08/2020	REGISTRATION,BOOKS OF ACCOUNTS &RECORDS,AUDIT,REFUND	CA. RAJASEKHARAN V
8	CPE SEMINAR	11/08/2020	VALUE OF SUPPLY	CA. A MONY
9	CPE SEMINAR	12/08/2020	PLACE&TIME OF SUPPLY	CA.CYRJOE VJ
10	CPE SEMINAR	19/08/2020	CODE OF ETHICS	CA JANARDHANA PAI
11	CPE SEMINAR	21/08/2020	SA-240 THE AUDITORS RESPONSIBILITIES RELATING TO FRAUD IN AN AUDIT OF FINANCIAL STATEMENTS	CA MADHUKUTTEN PILLAI

CLASSES

SL NO.	EVENT	DATE	TOPIC	FACULTY
1	Students Webinar	12th and 19th SEP-2020	WEBINAR ON INCOME TAX RETURNS	CA.RENGARAJAN. ERNAKULAM
2	Students Webinar	1ST OCT-2020	WEBINAR ON TAX AUDIT	CA.R KRISHNAN
3	Students Webinar	19th Oct 2020	HOW TO FACE CA EXAM.	CA TARUN JAGADISH

CLASSES

CLASSES	SUBJECT	BATCHES	ONLINE/ RECORDED	MONTH
CA FOUNDATION	FOR NOV EXAM 2020	1	LIVE /ZOOM CLASS	JULY TO OCTOBER
ADV-ICI TSS-MCS	GMCS	2 BATCHES CONDUCTED	LIVE /ZOOM	AUGUST/ SEPTEMBER
ADV-ICITSS-ITT	ADV-ITT	2 BATCHES	LIVE /ZOOM	AUGUST/ SEPTEMBER
ICITSS-OP	ORIENTATION	5 BATCHES	LIVE /ZOOM	JULY/SEP
ICITSS -ITT	INFORMATION TECHNOLOGY	3 BATCHES	LIVE /ZOOM	JULY/SEP

"ICAI Covid-19 Relief Fund" contributions

Our Institute took the responsibility of participating in nation re-building process by announcing "ICAI Covid-19 Relief Fund". The members of our branch also participated in this relief activity. The members of Alleppey Branch of SIRC , Staff,CA Students collected Rs 229350 and the same was contributed to the ICAI covid -19 relief fund.The Branch Management Committee express our sincere gratitude to all those contributries...



R. Krishna Iyer & Co,

Chartered Accountants , Panampilly Nagar, Kochi-36

NEW TCS PROVISIONS

From 1st October 2020 tax has to be Collected at source @ 0.1% (reduced to 0.075% till 31.3.2021) by seller on consideration received from a buyer for goods other than the goods being exported out of India or goods in excess of fifty lakh rupees as per section 206C (1H)

CBDT Vide Press Release dated 30th September, 2020 has issued clarifications regarding Newly Introduced TCS . Following are some of the Important clarifications (headings are Ours . clarification is in Italics)

Finance Act, 2020 amended provisions relating to TCS with effect from 1st October, 2020 to provide that seller of goods shall collect tax @ 0.1 per cent (0.075% up to 31.03.2021) if the receipt of sale consideration from a buyer exceeds Rs. 50 lakh in the financial year. Further, to reduce the compliance burden, it has been provided that a seller would be required to collect tax only if his turnover exceeds Rs. 10 crore in the last financial year. Moreover, the export of goods has also been exempted from the applicability of these provisions.

TCS only on amounts received after 1st October 2020.

It has been reported in the media that TCS has been made applicable to the amount received before 1st October, 2020. It is clarified that this report is not correct. In this connection, it may be noted that this TCS shall be applicable only on the amount received on or after 1st October, 2020. For example, a seller who has received Rs. 1 crore before 1st October, 2020 from a particular buyer and receives Rs. 5 lakh after 1st October, 2020 would be required to collect tax on Rs. 5 lakh only and not on Rs. 55 lakh [i.e Rs.1.05 crore - Rs. 50 lakh (threshold)] by including the amount received before 1st October, 2020.

Receipts From 1.4.2020 to be Considered Only for ascertaining whether liable for TCS

TCS applies only in cases where receipt of sale consideration exceeds Rs. 50 lakh in a financial year. As the threshold is based on the yearly receipt, it may be noted that only for the purpose of calculation of this threshold of Rs. 50 lakh, the receipt from the beginning of the financial year i.e. from 1st April, 2020 shall be taken into account. For example, in the above illustration, the seller has to collect tax on receipt of Rs. 5 lakh after 1st October, 2020 because the receipts from 1st April, 2020 i.e. Rs. 1.05 crore exceeded the specified threshold of Rs. 50 lakh

TCS to be Collected on Receipts in respect of sales Made before 30.9.2020 also if Receipt is after 30.9.2020

Further, the seller in most of the cases maintains running account of the buyer in which payments are generally not linked with a particular sale invoice.

R. Krishna Iyer & Co,

Chartered Accountants , Panampilly Nagar, Kochi-36

Therefore, in order to simplify and ease the compliance of the collector, it may be noted that this TCS provision shall be applicable on the amount of all sale consideration received on or after 1st October, 2020 without making any adjustment for the amount received in respect of sales made before 1st October, 2020. Mandating the collector to identify and exclude the amount in respect of sales made up to 30th September, 2020 from the amount received on or after the 1st of October, 2020 would have resulted into undue compliance burden for the collector and also litigation

Whether TCS as per section 206C of Income Tax Act is to be Collected on GST Portion

In CBDT Circular No. 23/2017 on 19.07.2017 it is clarified that

“ wherever in terms of the agreement or contract between the payer and the payee, the component of ‘GST on services’ comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Act on the amount paid or payable without including such ‘GST on services’ component”.

Earlier vide Circular No. 1/2014 dated 13.01.2014 CBDT had clarified that

wherever in terms of the agreement or contract between the payer and the payee, the Service Tax component comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Income-tax Act, 1961 (the Act) on the amount paid or payable without including such Service Tax component.

Although above clarifications are relating to TDS we are of the view that it is equally applicable for TCS.[There are some authors who are taking the view that TCS is to be Collected on the GST portion also and some sellers are issuing Invoices charging TCS on GST portion]

Whether TCS is Includable in Taxable value For GST

CBIC vide Corrigendum to Circular No. 76/50/2018-GST dated 7th March, 2019

For the purpose of determination of value of supply under GST, Tax collected at source (TCS) under the provisions of the Income Tax Act, 1961 would not be includible as it is an interim levy not having the character of tax.

[In the Original Circular - Circular No. 76/50/2018-GST dated 31stDecember, 2018 it was clarified that TCS is to be included. This was Corrected vide the Corrigendum dated 7.3.2019]

R. Krishna Iyer & Co,

Chartered Accountants , Panampilly Nagar, Kochi-36

Only sellers whose total sales, gross receipts or turnover from the business exceed Rs.10 crore during FY 2019-20 are liable to collect such TCS

- In computing the threshold limit of Rs. 10 crore, the sale of goods, as well as sale of services, will be counted and added.
- Further, in computing the total sales/turnover/gross receipts, the amount of GST shall be included. This is by virtue of the specific provisions of section 145A.

TCS need not be Collected by sellers --

- Exporter on consideration from Foreign buyer for exported Goods
- any other Person whom Central Government may Notify [No such Persons notified till date]

TCS need not be Collected by seller if buyer is

- Central Government, State Government, an embassy, a High Commission, legation, commission, consulate , trade representation of a foreign State, local authority or
- a person importing goods into India or any other person as the Central Government may, by notification in the Official Gazette, specify for this purpose, subject to such conditions as may be specified therein [No such Persons notified till date]

It may be noted that PSUs Government entities or corporations are not exempt from the TCS provisions. They will be considered as buyers for the purpose of section 206C(1H) and TCS is attracted

TCS is applicable only on receipts from sale of goods ,

- Services are not covered
- Exemption is Only for goods exported out of India. There is no exemption for deemed exports
- The term 'goods' is neither defined in the provision nor the Income Tax Act has defined the term 'goods'
- No TCS is attracted on Immovables
(Detailed Discussion on Goods is given at the End of this Note paper)
- Works Contract (composite contracts involving sale of goods & labour) are prima facie not Covered
- Practical Difficulty may arise in Identification / allocation of Receipts liable to TCS if single lumpsum advance payment is made which is to be adjusted against transactions of TCS attracting (supply of goods) and non TCS attracting nature (service)

R. Krishna Iyer & Co,

Chartered Accountants , Panampilly Nagar, Kochi-36

TCS is to be Collected On Receipt basis

Unlike Other subsections of 206 C of the Income tax Act TCS as per section 206C (1H) is on receipt basis . A Comparative reading of section 206(1H) and 206(1G)

<p>(1H) Every person, being a seller, who receives any amount as consideration for sale of any goods of the value or aggregate of such value exceeding fifty lakh rupees in any previous year, other than the goods being exported out of India or goods covered in sub-section (1) or sub-section (1F) or sub-section (1G) shall, at the time of receipt of such amount, collect from the buyer, a sum equal to 0.1 per cent of the sale consideration exceeding fifty lakh rupees as income-tax:</p>	<p>(1G) Every person,— (a) being an authorised dealer, who receives an amount, for remittance out of India from a buyer, being a person remitting such amount out of India under the Liberalised Remittance Scheme of the Reserve Bank of India; (b) being a seller of an overseas tour program package, who receives any amount from a buyer, being the person who purchases such package, shall, at the time of debiting the amount payable by the buyer or at the time of receipt of such amount from the said buyer, by any mode, whichever is earlier, collect from the buyer, a sum equal to five per cent of such amount as income-tax:</p>
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Thus In case of TCS on payments to supplier it is the Time of receipt alone that is to be Considered

Rate of TCS

Even though TCS is not part of sales Consideration as a Practical approach sellers are charging TCS in the Invoice

However Please note that The trigger point to collect the TCS on sale of goods u/s 206C(1H) is the 'receipt of consideration' from the buyer and not at the time of issuing invoices to the buyer.

- **Therefore, TCS under this section shall be required to be collected at the time of receipt of sales consideration from the buyer.**
- **It should be noted that even if the seller receives 'advance money' from the buyer for sale of goods, the seller is liable to collect TCS on the advance amount. Every time the seller receives part of the sale consideration in advance, the seller is mandated to deduct TCS under Section 206C(1H). The difficulty arises in the calculation of the amount when TCS is deducted on multiple advance payment transactions and when payments transactions are adjusted against Invoice amount.**
- **On Receipts till 31.3.2021 TCs rate is 0.075% . from 1.4.2021 TCS rate is 1%**

R. Krishna Iyer & Co,

Chartered Accountants , Panampilly Nagar, Kochi-36

The Practice of charging TCS in Invoice has some Problems

- As per the Provision TCS on sales of goods is to be collected Only when actual payment is received by the seller.
- If seller raises Invoice to collect TCS on sale of goods, and accounts he will have to account for the same in the books as a TCS liability even in actual sense it is not payable. Even though the TCS amount is debited to the buyer, the liability under Section 206C (1H) does not arise until the time the amount is collected.
- If the seller sells the goods on a cash basis i.e. cash sale, the seller can collect the TCS immediately. It would not create any compliance problem as the seller can charge the TCS on the invoice itself.
- However, the situation is not the same in the case of credit sale where the seller issues invoices on sale of goods and receives the consideration at a later date.
- Since at the time of issue of invoices, he cannot charge TCS under this provision, how will he comply with the provisions of section 206C(1H) when he receives the consideration. It appears that he has to raise a separate 'Debit note' for TCS as and when the seller receives the payment from the buyer. It is also possible that the seller does not receive the payment of the whole invoice but on installments. In such a situation, it would lead to great trouble to keep a track on the threshold limit and issue of the debit note. Difficulty may arise if the transaction with the buyer is not regular or if the buyer refuses to pay the TCS separately later on. This may lead to high compliance cost to the seller.
- Alternatively, in order to remove complexities and to simplify the matter, the seller may account TCS amount charged in Invoice as TCS Collectible at time of Receipt and upon actual receipt of consideration from the buyer transfer the amount to TCS payable and shall deposit the same to the credit of the central government within the prescribed time limit to be computed from the month in which consideration is actually received.

Freight, Insurance and other charges: However, freight, insurance and other charges will be included in the amount of consideration.

Adjustment for Sales Return for TCS

- In case of sales return, credit or debit note may be issued which will ultimately reduce the amount receivable by the seller from the buyer. Thus TCS shall be collected on the net amount collected from the buyer. However, if the sales return happens after the receipt of consideration and furnishing of TCS statement, the only option left to the seller is to file a correction statement and adjust the same with any subsequent TCS liability or claim refund of the TCS.

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TCS rate in case Buyer has no PAN and Filing of TCS statement [Quarterly Return]

- If Buyer does not furnish PAN tax is to be Collected by seller at 1%
- As per section If Buyer deducts tax at source seller need not Collect tax at source (such situation does not arise – since there is no Provision in IT Act which required deduction of tax from sale of goods

TCS collected under this provision shall be required to be deposited within 7 days of the next month in which the TCS is collected. For example, if the goods are sold on 10th Oct., 2020 but the amount is received on 15th Nov., 2020, liability to collect tax arises on 15th Nov., 2020. The seller is required to deposit the TCS by 7th Dec., 2020. [Section 206(3) read with Rule 37CA]

Due date for filing of TCS statements

After collecting the TCS and deposit of the same to the credit of the government account, the seller is required to furnish a quarterly statement of TCS to the income tax authority in electronic mode in Form 27EQ within the following due dates- [Section 206C(3) read with Rule 31AA).

Sl. No.	Quarter of the financial year ended	Due date of furnishing TCS statement
1	30th June	15th July of the financial year
2	30th September	15th October of the financial year
3	31st December	15th January of the financial year
4	31st March	15th May of the financial year immediately following the financial year in which collection is made

CBDT vide Notification No. 54/2020 dated 24.07.2020 has amended the Form 27EQ to incorporate the provision of section 206C(1H) in the TDS statement.

- **Late Fees:** In case of delay in furnishing the TCS statements beyond the due date specified above in the table, late fees of Rs. 200 per day shall be required to be filed by the seller before furnishing the belated statements. The amount of late fees shall not exceed the amount of TCS. [Section 234E]

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Due date to Issue the TCS Certificates to the buyers

After furnishing the TCS statements, the seller is required to issue certificate of TCS to the buyer in Form no. 27D as per section 206C(5) read with Rule 37D within 15 days from the due date for furnishing the statement of tax collected at source specified under Rule 31AA-as specified above.

Thus the due date for furnishing the TCS certificates are as under

Sl. No.	Quarter of the financial year ended	Due date of furnishing TCS statement	Due date of issuing TCS certificates
1	30th June	15th July of the financial year	30th July of the financial year
2	30th September	15th October of the financial year	30th October of the financial year
3	31st December	15th January of the financial year	30th January of the financial year
4	31st March	15th May of the financial year immediately following the financial year in which collection is made	30th May of the financial year immediately following the financial year in which collection is made

Meaning of Goods

TCS is applicable only on Goods. But The term 'goods' is neither defined in the provision nor the Income Tax Act has defined the term 'goods'(Detailed Discussion on Goods is given at the End of this Note paper)

The Sale of Goods Act, 1930 is the law that governs the sale of goods in India. As per **section 2(1) of the Sale of Goods Act, 1930, a buyer** is someone who buys or has agreed to buy goods. Since a sale constitutes a contract between two parties, a buyer is one of the parties to the contract.

The **Sale of Goods Act, 1930 defines the term 'seller' in section 2(13)**. A seller is someone who sells or has agreed to sell goods. For a sales contract to come into existence, both the buyers and seller must be there. These two terms represent the two parties of a sales contract. As per the Sale of Goods Act, 1930, even the person who agrees to buy or

R. Krishna Iyer & Co,

Chartered Accountants , Panampilly Nagar, Kochi-36

sell is qualified as a buyer or a seller. The actual transfer of goods doesn't have to take place for the identification of the two parties of a sales contract.

The Sale of Goods Act, 1930 defines the term "goods" in its section 2(7) in the following manner-

"goods" means every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale.

Under GST, 'goods' have been defined as every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply.

Though under both the laws, 'goods' means movable goods but there are certain differences with certain items

1. Under Sale of Goods Act, 1930 **actionable claims** are excluded but GST law includes it within the definition of goods.

2. Under GST law, **stocks and shares** are excluded from the definition of goods but are specifically included in the definition of 'goods' under the Sale of Goods Act, 1930. However, there are similarities in case of money and immovable properties as both are excluded from the definition of goods under both the laws.

Though GST laws also define the term goods, it is the definition of goods under the Sale of Goods Act, 1930 shall prevail. This is because the Sale of Goods Act, 1930 is the mother law in a contract of sale of goods and has universal application. The GST definition of the goods under the GST laws is specific to the GST area only. Section 206C(1H) has also used the term 'sale of any goods' whereas GST applies to 'supply of goods as well as services', though the term supply includes sale.

Therefore **stocks and shares may also be liable for TCS** under this provision.

Goods are generally tangible. They can be possessed, stored, delivered, transferred, bought and sold. Services are generally intangible. However, some intangibles, like electricity, trade-mark, copyright, technical know-how have also been interpreted by

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Courts as 'goods' as they are capable of being possessed, stored, delivered etc. On the other hand some services can also be tangible e.g. a prepaid card with talk time.

Growing crops, timbers and Grass: As per Section 3 of the Transfer of Property Act, 1882, 'immovable property' does not include standing timber, growing crop and grass. The word standing timber includes Babool Tree, Shisham, Nimb, Papal Banyan, Teak, Bamboo, etc. The fruit bearing trees like Mango, Mahua, Jackfruit, Jamun, etc., are not standing timber, and they are immovable properties [Fatimabibi v. Arrfana Begum, AIR 1980 All 394].

Whether trees can be regarded as movable or immovable depends upon the circumstances of the case. If the intention is that trees should continue to have the benefit of further sustenance or nutriment by the soil (land), e.g., enjoining their fruits, then such tree is immovable property. But if the intention is to cut them down sooner or later for the purpose utilising the wood for building or other industrial purpose, they would be timber and of accordingly be regarded as movable property [Shantabai vs. State of Bombay, AIR 1958 SC 532]

Electricity: Electricity has been held to be "goods" by a Constitution Bench of the Supreme Court in the case of State of Andhra Pradesh vs. National Thermal Power Corporation Ltd. (2002) 5 SCC 203. It was held that electricity though an intangible object is 'goods' covered by Entry 54 of List II of Schedule VII to the Constitution of India.

Lottery: Earlier, the Hon'ble Supreme Court in the decision reported in 1986 61 STC 165 in H.Anraj vs. Government of Tamil Nadu took a view that the sale of lottery tickets involved the sale of goods. However, a Constitutional Bench of the Supreme Court in Sunrise Associates vs. Government of NCT of Delhi reported in 2000 (10) SCC 420 (decided on 28 April 2006) overturned the decision in the H Anraj case, holding that the sale of lottery tickets is not 'goods' and is, at best, only a transfer of an actionable claim.



Photo Gallery:

**Chairman CA Abbas PM
hoisting flag on CA Day July 1st 2020.**



**INAUGURATION OF VERTICAL GARDEN
ON CA DAY JULY 1ST 2020**





PLANTING OF TREES-CA DAY



OLD AGE HOME CONTRIBUTION-CA DAY



**Vice chairman CA Rajaneesh R
hoisting Flag on Independence Day
15th AUGUST 2020.**



OLD BUILDING- CAPITAL ADDITIONS—READY FOR CLASSES.



·SHUTTLE COURT NEW.

