



CHANDIGARH CHARTERED ACCOUNTANTS

e-NEWS LETTER



Chandigarh Branch of NIRC of
The Institute of Chartered Accountants of India



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CA. Vincy Chadda
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Women Empowerment
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Direct Tax Committee



CA. Anil Kakkar,
Past Chairman



CA. Vishal Puri,
Immediate Past Chairman



CA. Abhishaek Singh Chauhan

Chairman

Esteemed Members,

Greetings!

“The best way to predict the future is to create it.” — Peter Drucker

As we step into the vibrant month of October, we are reminded of the critical role we, as Chartered Accountants, play in shaping the future of businesses and the economy. The ever-evolving landscape of the financial world demands that we stay ahead with the latest knowledge, skills, and expertise.

October 2024 has been a month of great learning and professional development for our members and students. The Chandigarh Branch of NIRC of ICAI has hosted a variety of events, seminars, and workshops focused on expanding our technical capabilities and broadening our understanding of emerging trends in taxation, auditing, and accounting standards.

The rapid advancements in technology, regulatory changes, and the increasing demand for sustainable business practices present both challenges and opportunities for Chartered Accountants. Embracing these changes with a proactive approach ensures that we continue to lead with confidence and provide valuable guidance to our clients.

We extend our sincere gratitude to all our members and students for their active participation and enthusiasm in making these initiatives a success. Let's continue to empower each other through collaboration, knowledge sharing, and innovation.

JAI HIND

With warm regards,
CA. Abhishaek Singh Chauhan
Chairman
Chandigarh Branch of NIRC of ICAI



CA. Vincy Chadda

Chairman, Women Empowerment Committee

Respected Professional Colleagues,

Greetings!

Wishing all our members a very joyous and prosperous festival season!

“Empowerment is not about gaining power over others; it’s about gaining power over oneself.”

As we step into the festive month of October, it is a perfect moment to reflect on the power of personal and professional empowerment. As Chartered Accountants, we understand the importance of continuous self-development and the drive to grow not just professionally but also personally.

In the month gone by, various programs have been conducted by the branch comprising below:

- Visit to heritage site – Virasat e Khalsa with CA Students as part of student activity was conducted.
- Campus Placement Program for qualified Chartered Accountants was organised
- Mehndi Competition to celebrate the occasion of Karwa Chauth and festive spirit.
- A highly engaging Seminar on balancing personal and professional life while maintaining physical and mental health for CA Students was organised.
- Sports tournament for CA Students was organised to inculcate team work and sportsmanship spirit.
- Diwali celebrations were organised by the branch to celebrate the festival of lights and prosperity.

As we celebrate the festive season, let us continue to support one another in our collective journey towards professional excellence and personal growth. It is through mutual support and collaboration that we achieve success.

We are deeply grateful for the continuous support and participation from our members.

Wishing you all a very happy and safe Diwali!

Warm Regards

CA Vincy Chadda
Chairman, Women Empowerment Committee
Chandigarh Branch of NIRC of ICAI

**Rahul Sharma**

B.Com, FCA, MBA (Fin.), LL.B., CAIIB
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152/41, Shipra Path, Opp. Patel Marg,
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Phone 9460759564

Section 206(1G) : TCS on Outward Remittance under Liberalized Remittance Scheme (LRS) (After Budget 2023)

Government always try to combat the situation of tax avoidance and evasion, all TDS and TCS provisions are made part of our Direct Tax Regime with this object. With changed economic Scenario it seems inevitable to introduce new entries and modification in existing provisions. In this series Finance Act 2020 introduced new section (1G) in section 206Cof Income Tax Act 1961 w.e.f. 01.10.2020. Recently budget 2023 has introduced some significant changes, I have tried to incorporate my view on the same in following analysis.

The purpose of this clause is to collect tax on (a). Remittances made under Liberalized Remittance Scheme (LRS) of Reserve Bank of India and (b). Remittance made towards Overseas Tour Program Package.

Liberalized Remittance Scheme (LRS) : - Under LRS Scheme, an Individual person who is resident in India as per FEMA is permitted to remit outside India fund up to US\$ 2,50,000 per financial year (April to March) without any approval of RBI for any permitted current account or capital account transactions or both such as opening foreign currency account abroad, purchase of property or making investments abroad, private visit, gift/donation, business trip, medical treatment, studies abroad, going abroad on employment, etc. This scheme is available only to Individuals (including minors) and not to corporates, Partnership firms, LLP, HUF, etc.

Overseas Tour Program Package means any tour package which offers visit to a country or countries or territory or territories outside India and includes expenses for travel or hotel stay or boarding or lodging or any other expenditure of similar nature or in relation thereto.

Who Has to Collect Tax : (a). An Authorized Dealer who remit amount out of India and (b). Seller of Overseas Tour Program Package.

Rate of Tax to be Collected:

S.No.	Particulars	Upto 30.06.2023		On and After 01.07.2023	
		If PAN is Available	If PAN is not Available	If PAN is Available	If PAN is not Available
1.	Overseas Tour Program (Payment for Purchase of Tocket, Booking Hotel, etc.)	Flat 5% of Remittance Amount	@10% instead of 5% of Remittance Amount	Flat 20% of Remittance Amount	Flat 40% of Remittance Amount



2.	LRS – For Education and Medical Treatment	5% of Remittance Amount in Excess of Rs. 7.00 Lacs during FY	@10% instead of 5% of Remittance Amount in Excess of Rs. 7.00 Lacs during FY	5% of Remittance Amount in Excess of Rs. 7.00 Lacs during FY	@10% instead of 5% of Remittance Amount in Excess of Rs. 7.00 Lacs during FY
3.	Remittance related to Studies abroad, Where source of Fund is Educational Loan	0.5 % of the remittance amount in excess of 7.00 Lacs during FY	@5% instead of 0.5% of Remittance Amount in Excess of Rs. 7.00 Lacs during FY	0.5 % of the remittance amount in excess of 7.00 Lacs during FY	@5% instead of 0.5% of Remittance Amount in Excess of Rs. 7.00 Lacs during FY
4.	LRS – Other than Education and Medical Treatment	5% of Remittance Amount in Excess of Rs. 7.00 Lacs during FY	@10% instead of 5%	Flat 20% of Remittance Amount	Flat 40% of Remittance Amount

No Tax is Collectible:

(a). The Authorized Dealer shall not collect the sum if the amount or aggregate of the amounts being remitted by a buyer is less than seven lakh rupees in a financial year (Only If payment is for Medical and Education Purpose).

(b). Sum to be collected by an authorized dealer from the buyer shall be equal to five per cent of the amount or aggregate of the amounts in excess of seven lakh rupees remitted by the buyer in a financial year, if amount remitted is more than Seven Lacs. (Only If Payment is for Medical and Education Purpose).

(c). The Authorized Dealer shall not collect the sum on an amount in respect of which the sum has been collected by the seller.

(d). Person responsible for Tax Collection is liable to deduct tax at source under any other provision of this Act and has deducted such amount.

(e). Payment is collected from the Central Government, a State Government, an embassy, a High Commission, a legation, a commission, a consulate, the trade representation of a foreign State, a local authority as defined in the Explanation to clause (20) of section 10. and

(f). 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.



Notification for Exemption Issued are as follows :

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)
NOTIFICATION
New Delhi, the 17th August, 2022
INCOME-TAX

S.O. 3878(E).—In exercise of the powers conferred by clause (ii) to fifth proviso to sub-section (1G) of section 206C of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as "Act") and in suppression of the notification of the Government of India, Central Board of Direct Taxes published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) vide number S.O. 1494(E), dated the 30th March 2022, except as respects things done or omitted to be done before such suppression, the Central Government hereby notifies that the provisions of sub-section (1G) of section 206C of the Act shall not apply to a person (being a buyer) who is a non-resident in terms of section 6 of the Act and who does not have a permanent establishment in India.

2. This notification shall come into force with effect from the date of publication of this notification in the Official Gazette.

[Notification No. 99/2022/F. No. 370142/9/2022-TPL Part (2)]
MRINALINI KAUR SAPRA, Director

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)
NOTIFICATION
New Delhi, the 30th March, 2022
INCOME-TAX

S.O. 1494(E).—In exercise of the powers conferred by clause (ii) to fifth proviso to sub-section (1G) of section 206C of the Income-tax Act, 1961 (43 of 1961)(hereinafter referred to as 'Act'), the Central Government hereby notifies that the provisions of sub-section (1G) of section 206C shall not apply to an individual who is not a resident in India in terms of clause (1) and clause (1A) of section 6 of the Act, and who is visiting India.

2. This notification shall come into force with effect from the date of publication of this notification in the Official Gazette.

[Notification No. 20/2022/F. No.370142/9/2022-TPL]
ANKIT JAIN, Under Secy.



Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, 31st March, 2022

PRESS RELEASE

Central Government relaxes provisions of TCS under section 206C(1G) of the Income-tax Act, 1961 in respect of non-resident individuals visiting India

Section 206C (1G) of the Income-tax Act, 1961 ("the Act") provides for collection of tax by a seller of an overseas tour program package from a buyer, being a person purchasing such package, at the rate of 5% of the amount of the package.

Representations were received from domestic tour operators who were facing difficulties in collection of tax from non-resident individuals visiting India who were booking overseas tour package from such domestic tour operators. Since such persons may not have a PAN, tax is required to be collected at higher rates. Further, such non-residents may find it difficult to furnish their ITR and claim refunds.

In order to remove such difficulties, the Central Government, in exercise of powers conferred under section 206C(1G) of the Act, has specified that the provisions of the said section shall not apply to a buyer being an individual who is not a resident in India in terms of clause (1) and clause (1A) of section 6 of the Act and who is visiting India. Hence, a domestic tour operator is not required to collect tax on sale of overseas tour package to non-resident individuals visiting India.

Notification No. 20 of 2022 dated 30.03.2022 has also been issued and is available on www.incometaxindia.gov.in under the Notification Section.

(Surabhi Ahluwalia)
Commissioner of Income Tax
(Media & Technical Policy)
Official Spokesperson, CBDT

Illustrations:

Customer : Mr. X

Transaction Date	Amount Remitted	Cumulative Remitted Amount	Purpose of Remittance	Applicable TCS
03.07.2022	800000	800000	Medical	2500 (5% of remitted amount -700000)
05.10.2022	650000	1450000	Gift	32500(5% of Remitted Amount)
22.10.2022	120000	1570000	Travel	6000 (5% of Remitted amount)
10.11.2020	525000	2095000	Education (Out of Education Loan)	2650 (0.5% of remitted amount)
12.01.2023	400000	2495000	Family Maintenance	20000 (5% of remitted amount)
25.01.2023	700000	3195000	Education (Out of Personal Savings and not out of Loan)	35000 (5% of remitted amount)



Customer : Mr. Y

Transaction Date	Amount Remitted	Cumulative Remitted Amount	Purpose of Remittance	Applicable TCS
03.07.2023	800000	800000	Medical	2500 (5% of remitted amount -700000)
05.10.2023	650000	1450000	Gift	130000(Flat 20% of Remitted Amount)
22.10.2023	120000	1570000	Travel	24000 (Flat 20% of Remitted amount)
10.11.2023	525000	2095000	Education (Out of Education Loan)	2650 (0.5% of remitted amount in Excess of Rs. 700000 of remitted amount)
12.01.2024	400000	2495000	Family Maintenance	80000 (20% of remitted amount)
25.01.2024	700000	3195000	Education (Out of Personal Savings and not out of Loan)	35000 (5% of remitted amount in excess of Rs. 700000 of remitted amount)



VISIT TO THE HERITAGE SITE- VIRASAT E KHALSA ALONG WITH CA STUDENTS ON 10th OCTOBER, 2024

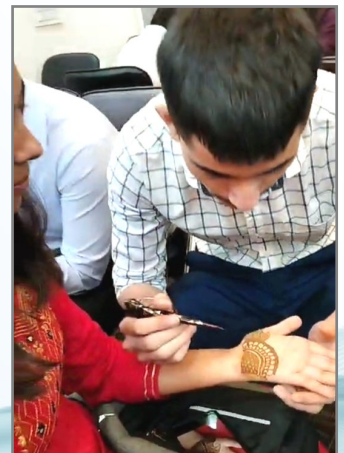
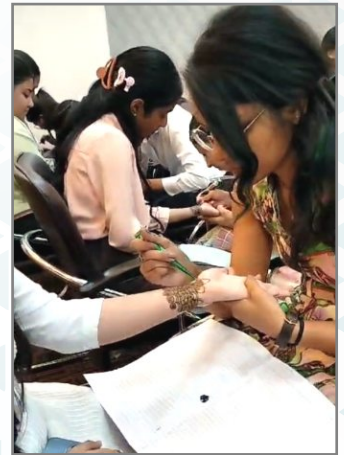




CAMPUS PLACEMENT PROGRAMME AUG-SEP 2024 HELD ON 10th, 11th AND 14th OCTOBER, 2024



MEHNDI COMPETITION TO CELEBRATE THE OCCASION OF KARWA CHAUTH





SEMINAR ON BALANCING PERSONAL AND PROFESSIONAL LIFE WHILE MAINTAINING PHYSICAL AND MENTAL HEALTH FOR CA STUDENTS HELD ON 21ST OCTOBER 2024





SPORTS TOURNAMENT FOR CA STUDENT HELD ON 21st OCTOBER 2024





VOLUME 10 | ISSUE - OCTOBER, 2024



Diwali Celebration



on 25th October 2024

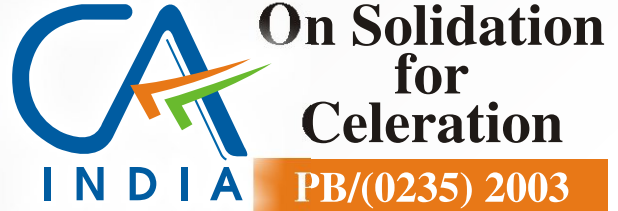






ACTIVITIES OF CHANDIGARH BRANCH OF NIRC OF ICAI FOR THE MONTH OF OCTOBER, 2024

DATE	ACTIVITY	REMARKS
10TH, OCTOBER, 2024	VISIT TO THE HERITAGE SITE, VIRASAT E KHALSA	VENUE: ANANDPUR SAHIB
10TH, 11TH AND 14TH OCTOBER 2024	CAMPUS PLACEMENT PROGRAM AUG-SEPT 2024 HELD AT CHANDIGARH CENTER	VENUE: HOTEL KLG ALTORIA, ADDRESS: SCO 121-124, SECTOR 43, CHANDIGARH
18TH OCTOBER 2024	MEHNDI COMPETITION TO CELEBRATE THE OCCASION OF KARWA CHAETH	VENUE: SEMINAR HALL, ICAI BHAWAN, SECTOR-35B, CHANDIGARH
21ST OCTOBER, 2024	SEMINAR ON BALANCING PERSONAL AND PROFESSIONAL LIFE WHILE MAINTAINING PHYSICAL AND MENTAL HEALTH FOR CA STUDENTS	VENUE: SEMINAR HALL, ICAI BHAWAN, SECTOR-35B, CHANDIGARH TIME: 10:00 AM TO 8:00 PM SPEAKER: CA BRIJ BHUSHAN SHARMA, PAST CHAIRMAN, CHANDIGARH BRANCH
21ST OCTOBER, 2024	SPORTS TOURNAMENT FOR CA STUDENT	TIME: 2:00 PM FEE RS. 50/- PER GAME
25TH OCTOBER 2024	DIWALI CELEBRATIONS	VENUE: IMA AUDITORIUM, SECTOR-35B, CHANDIGARH
25TH OCTOBER 2024	SEMINAR ON "STOCK MARKET: A REVOLUTION OR A BUBBLE WAITING TO POP?" FOR CA STUDENT	VENUE: IMA AUDITORIUM, SECTOR-35B, CHANDIGARH



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TEACH SELF-DENIAL AND MAKE ITS
PRACTICE PLEASURE, AND YOU CAN CREATE FOR THE
WORLD A DESTINY MORE SUBLIME THAT EVER ISSUED
FROM THE BRAIN OF THE WILDEST DREAMER.



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