



The Institute of Chartered Accountants of India
(Setup by an Act of Parliament)

TIRUPUR BRANCH (SIRC)

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

TIRUPUR BRANCH (SIRC)

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Dear Esteemed Members,

Warm greetings to you all.

I would like to sincerely thank all our members for your wholehearted support in the successful conduct of the Outreach Program jointly organised with the Income Tax Department on 29-07-2025 Tuesday. Your active participation played a vital role in the effective execution of this important initiative.

As we step into this auspicious month, I extend my heartfelt wishes to you and your family on the joyous festive occasions of:



- Aadi Perukku – 03.08.2025
- Aavani Avittam – 09.08.2025
- Gokulashtami – 16.08.2025
- Vinayagar Chaturthi – 27.08.2025

May these festivals bring peace, prosperity, and happiness into your lives.

On the occasion of India's 78th Independence Day on 15th August 2025, let us proudly celebrate the spirit of our nation and rededicate ourselves to upholding the values of integrity, service, and unity. Wishing all members a very Happy Independence Day!

I also encourage our members to register for the SIRC Regional Conference scheduled to be held in Chennai on 22nd & 23rd August 2025. This event promises to deliver insightful sessions, expert discussions, and a great networking platform for all.

Additionally, I am pleased to inform that members contributing ₹1,00,000/- and above to the Chartered Accountants Benevolent Fund (CABF) will be honoured by having their name and photo displayed on the Chairman and Secretary Information Board at the Tirupur Branch. Let us join hands in supporting this noble cause for the well-being of our professional fraternity.

Thank you once again for your continued support and encouragement.

With Best Regards,

CA. Tharun N
Chairman
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
Tirupur Branch (SIRC)

Forthcoming Programs

Date	Day & Timing	Program	CPE Hours	Speaker/Guest	Venue
01-08-2025	Fri 5pm to 8pm	Healthy Life and Healthy Profesion	3	CA K C SenthilKumar, Tirupur	ICAI Bhawan, Tirupur
08-08-2025	Fri 5pm to 8pm	Registration & Renewal of NGO's and Practical Aspects of Form 10B & ITR-7	3	CA G Nagarjun, Tirupur	ICAI Bhawan, Tirupur
15-08-2025	Fri 9am to 10am	Independence Day Celebrations	-	-	ICAI Bhawan, Tirupur
30-08-2025	Sat 10am to 5pm	One Day Workshop on GST	6	Shri. R Srivatsan, I.R.S, Chennai & CA. Srinivasan J, Chennai	ICAI Bhawan, Tirupur

Section 194 IA-Payment on transfer of certain immovable property other than agricultural land

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1) Introduction Main intension of introduction of 1941A in TDS section is recording the transactions relating to immovable property. Even though TDS rate is 1% , which will result in the reflecting such transactions in the income tax portal that will lead to capital gain tax collection on sale of such property No TDS number is required to pay the above TDS only PAN number of transferor and transferee is enough to make a procedure simple. Further As per rule 114E the Inspector-General appointed under section 3 of the Registration Act 1988 or Registrar or Sub-Registrar appointed has to report the purchase or sale by any person of immovable property for an amount of thirty lakh rupees or more or valued by the stamp valuation authority referred to in section 50C of the Act at thirty lakh rupees or more which is also reported in the Income Tax portal. As a result of combined effect of 194I and rule 114E is proper recording of immovable transactions which is generally huge value and ensure tax collection on the same.

2) Text of Section 194IA:

194-IA. Payment on transfer of certain immovable property other than agricultural land.

(1) Any person, being a transferee, responsible for paying (other than the person referred to in Section 194LA) to a resident transferor any sum by way of consideration for transfer of any immovable property (other than agricultural land), shall, at the time of credit of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to one per cent. of such sum [or the stamp duty value of such property, whichever is higher,] as income-tax thereon.

(2) No deduction under sub-section (1) shall be made where the consideration for the transfer of an [immovable property and the stamp duty value of such property, are both,] less than fifty lakh rupees.

(3) The provisions of Section 203A shall not apply to a person required to deduct tax in accordance with the provision of this Section

Explanation: For the purposes of this section,

(a) agricultural land means agricultural land in India, not being a land situate in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of Section 2;

[(aa) consideration for transfer of any immovable property shall include all charges of the nature of club membership fee, car parking fee, electricity or water facility fee, maintenance fee, advance fee or any other charges of similar nature, which are incidental to transfer of the immovable property;]

(b) immovable property means any land (other than agricultural land) or any building or part of a building.]

c) stamp duty value shall have the same meaning as assigned to it in clause (f) of the Explanation to clause (vii) of sub-section (2) of Section 56.

3) Section 194 IA (Transferee):

It is applicable for any person defined (Section 2(31)) being transferee irrespective of the constitution-individual, HUF, Partnership firm, LLP, Company and other artificial judicial person etc., It is applicable to all persons irrespective of residential status-whether transferee is resident or non-resident.

In the case of non-resident, when the immovable property is situated in India, it is deemed to be accrued and arisen in India as per section 9 of the Income Tax Act and subject to Indian income tax liability (Source country-India). He may take tax credit in income tax for the tax if any paid in the resident country on the same income(transfer) as per DTAA.

The main intention of the TDS on the immovable property(1%) more than revenue collection by way of TDS, recording of the said transactions in the Income tax portal which may result capital gain tax liability.

4) Section 194 IA (Transferor): The transferor should be resident of India again all person defined under section 2(31). In the case of sale of immovable property by non-resident transferor, then TDS is deductible under section 195 of the Income Tax Act by transferee and all the provisions applied accordingly.

TDS provisions applicable as follows: -

- (a) The Immovable property transactions between the resident transferee and resident transferor covered by section 194IA
- (b) The Immovable property transactions between the non-resident transferee and resident transferor covered by section 194IA
- (c) The Immovable property transactions between the resident transferee and nonresident transferor covered by section 195
- (d) The Immovable property transactions between the non resident transferee and non resident transferor covered by section 195.

5) Section 194IA(Immovable property): As per Explanation (b) of section 194IA-immovable property means any land (other than agricultural land) or any building or part of a building.

As per Explanation (a) agricultural land means agricultural land in India, not being a land situate in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of Section 2;

Since the sale of agricultural land situated above is not included in the capital assets definition under section 2(14) and exempted from capital gain tax liability. When the income is exempted under the Act, it is logical to exclude the same from TDS provisions under section 194IA.

6) Section 194IA (Value of immovable property):

As per Explanation (aa) consideration for transfer of any immovable property shall include all charges of the nature of club membership fee, car parking fee, electricity or water facility fee, maintenance fee, advance fee or any other charges of similar nature, which are incidental to transfer of the immovable property;

Where individual share of consideration paid towards immovable property purchase by four persons including the assessee amounted to less than Rs.50 lakhs, the assessee was not liable to deduct tax under section 194iA even if value of the property purchased under single sale deed was exceeding Rs.50 lakhs-Vide Vinod Soni v ITO 2018 Tax Pub(DT) 8054 (Del B-Trib)(2019)174 ITD 598(Del B Trib)

Whereas per Finance Bill (Clause 58) =Amendment of provisions of TDS on sale of immovable property – **(Memorandum Explaining the provision in the Finance (No.2) Bill 2024)**

Sub section (1) of section 194-1A of the said section provides that any person responsible for paying to a resident any sum by way of consideration for transfer of any immovable property shall, at the time of credit or payment of such sum to the resident, deduct an amount equal to one percent of such sum or the stamp duty value of such property whichever is higher, as income tax thereon. Sub section (2) of the said section provides that no deduction of tax shall be made where the consideration for the transfer of an immovable property and the stamp duty value of such property are both less than 50 lakhs.

It has been observed that some taxpayers are interpreting that the consideration being paid or credited refers to each individual buyer's payment rather than the total consideration paid for the immovable property.

Hence if the buyer is paying less than Rs.50 lakh, no tax is being deducted, even if the value of the immovable property and stamp duty value exceeds Rs.50 lakh. This is against the intention of legislature

Accordingly, it is proposed to amend sub-section (2) of section 194-1A of the Act to clarify that where there is more than one transferor or transferee in respect of an immovable property, then such consideration shall be the aggregate of the amounts paid or payable by all the transferees to the transferor or all the transferors for transfer of such immovable property.

These amendments will take effect from the 01st October 2024.

- 7) Section 194IA (Stamp duty Value of immovable property):** The Consideration or Stamp Duty value of the property whichever is higher. The Stamp duty value shall have the same meaning as assigned to it in clause(f) of the Explanation to clause (vii) of sub section (2) of section 56. As per this section "Stamp Duty Value" means the value adopted or assessed or assessable by any authority by the Central Government or a State Government for the purpose of payment of stamp duty in respect of an immovable property.

Example 1: Mr.A purchases an immovable property from Mr.B and consideration for transfer is 49 lakhs and stamp duty value is Rs.52 lakhs

Upto 31.03.2022: -No tax to be deducted as consideration for transfer is less than 50 lakhs and stamp duty value Rs.52 lakhs need not be considered.

From 01.04.2022: - Tax to be deducted as stamp value exceeds Rs.50 lakhs and is to be deducted on Rs.52 lakhs(Stamp duty value need to be considered)

Example 2: Mr. A purchases an immovable property from Mr.B and consideration for transfer is 48 lakhs and stamp duty value is Rs.49 lakhs

Upto 31.03.2022: -No tax to be deducted as consideration for transfer is less than 50 lakhs

From 01.04.2022: - No tax to be deducted as consideration for transfer and stamp value both are less than Rs.50 lakhs

Example 3: Mr. A purchases an immovable property from Mr.B and consideration for transfer is 59 lakhs and stamp duty value is Rs.57 lakhs

Upto 31.03.2022: -Tax to be deducted as consideration for transfer is more than 50 lakhs-TDS on Rs.59 lakhs to be deducted at 1%

From 01.04.2022: - Tax to be deducted on Rs.59 lakhs being consideration higher than stamp value.

8) Section 1941A(Exemptions)

- (a) When the consideration for transfer of property and stamp duty value both less than 50 lacs.
- (b) Transfer of immovable property which is agricultural land not being land situate in any area defined under section 2(14) irrespective of value
- (c) Any transactions of Immovable property between transferee and non resident transferor (It covered under section 195).

9) Section 1941A (Tax Deduction No.)-Section 203A deals with the requirement to obtain tax deduction and collection account number. Therefore by virtue of section 194-1A(3),the transferee referred to in section 194(1A) shall not be required to obtain tax deduction and collection number. Instead of tax deductor to file challan-cum statement in Form No.26QB and TDS certificate will be generated in Form No.16B

10) Rate of TDS: The purchaser of immovable property shall be liable to deduct tax at the rate of one percent on the consideration paid or payable or stamp duty value of such property, whichever is higher for transfer of such immovable property. It is to be noted that no surcharge or cess will be levied on TDS under section 1941A. It may further be noted that if the transferor fails to provide PAN No. to the transferee, then in terms of section 206AA, the tax will be deducted at 20% rate. However section 260AB will not apply.

11) Procedural requirements vis-à-vis section 194IA

S.No.	Certificate/Statement	Due date	To whom to be given	Form No.
1	TDS certificate (Rule 31(3A))	Within 15 days from the end of month of deduction	Transferor of Immovable property	16B
2	Statement of TDS (Rule 31A(4A))	Within 30 days from the end of the month of deduction	The Director General of Income Tax(systems) or the person authorised by him	26QB

12) 194IA Vs.43CA VS 50C:

- (a) As per proviso 3 of section 50C(1) where the value adopted or assessed or assessable by the stamp valuation authority does not exceed one hundred and ten percent of the consideration received or accruing as a result of the transfer, the consideration so received or accruing as a result of the transfer shall for the purpose of section 48 be deemed to be the full value of consideration. Similarly, the tolerance limit of 10% provided as per first proviso of section 43CA. Within this limit the person can go with the actual sale value is consideration for the transfer for the purpose capital gain and business income accordingly.

As per section 194IA there is no such limit similar as prescribed under section 50C or 43CA discussed above. So TDS deducted on the basis of stamp duty value is not linked with the value adapted for the purpose of capital gain or business income. It may be more than 1% where the stamp duty value has been adapted for TDS purpose and the actual consideration has been adapted for income purpose.

- (b) As per the first proviso of section 50C where the date of the agreement fixing the amount of consideration and the date of registration for the transfer of the capital assets are not the same, the value adopted or assessed or assessable by the stamp valuation authority on the date of agreement may be taken for the purposes of computing full value of consideration for such transfer. Similar provision is in the section 43CA(3).

As per section 194IA there is no concessional provision referred above stamp duty value at the time registration or transfer should be considered.

13)TDS under section 195(immovable property transactions)

- (a)TDS on Immovable transactions between transferee (Non-Resident) to transferor (Resident) in respect of immovable property situated in India is covered by Section 195 of the Income Tax Act.

(b) Under section 195 resident buyer has to deduct 20% (plus applicable surcharge and education cess) on the sale consideration of the property.

(c) The transferor or transferee (Non-resident) can apply to Income tax department in form no.13 through Traces Portal for lower deduction of TDS.

(d) If the lower deduction certificate is not obtained in time the transferee (non-resident) can file the income tax return and get the refund of excess deduction of TDS

Example:

S.No.	Particulars.	Amount-Option 1	Amount-Option 2
1	Cost of acquisition of property in 1990	5,00,000	5,00,000
2	Stamp value-1.04.21	10,00,000	10,00,000
3	Sale Consideration	1,00,00,000	1,00,00,000
4	Long Term Capital gain	90,00,000	90,00,000
5	LTCG tax	11,25,000	11,25,000
6	TDS-20%on Rs.1 crore	20,00,000	11,25,000
7	Refund	8,75,000	0

(1) Capital gain is calculated without indexation benefit as proposed in the Finance Bill 2024

(2) In the option 1 TDS is deducted at the rate of 20% on sale consideration
 $\text{Rs. } 1,00,00,000 = 20,00,000$

(3) In the option 2 TDS is deducted amount equal to capital gain amount after getting lower deduction certificate (Form 13-application) which is equal to capital gain tax.

(4) If the low deduction is not possible then transferee (non-resident) has to file return and get a refund of Rs.8,75,000 ($20,00,000 - 11,25,000$)

(5) If the low deduction certificate is not obtained Rs.8,75,000 funds may be blocked for some time until the refund received.

Chapter Summary

- 1) TDS under section 194(1A)(1) has to be deducted at 1% if the value of immovable property (other than agricultural land) or stamp duty value of that property exceeds Rs.50 lakhs.
- 2) The transferee is any person but the transferor should be resident of India.

- 3) The tax shall be deducted at the time of credit of such sum or at the time of payment whichever is earlier.
- 4) The purchaser of the property shall be liable to deduct the tax at the rate of 1%
- 5) No TDS where the consideration is less than 50 lakhs and the property is agricultural land not treated as capital assets.
- 6) Person responsible for deduction of tax under this section need not required to obtain Tax Deduction Account Number.
- 7) The consideration for transfer includes all charges of the nature of club membership fee, car parking fee, electricity or water facility fee, maintenance fee, advance fee or any other charges of similar nature, which are incidental to transfer of the immovable property.
- 8) The tolerant limit provided in section 50C and 43CA (10%) is not provided this section.
- 9) TDS on non-resident transferee and resident transfer is covered by section 195 not this section
- 10) Statement of TDS-26QB and TDS certificate(16B) has to be filed and issued respectively.

DUE DATES CHART FOR THE MONTH OF AUGUST 2025

GST Due Dates:

Date	Period	Form No. / Type	Due Date Details
10-08-2025	Jul, 25	GSTR-7	Summary of Tax Deducted at Source (TDS) and deposited under GST laws for the month of July, 2025
10-08-2025	Jul, 25	GSTR-8	Summary of Tax Collected at Source (TCS) and deposited by e-commerce operators under GST laws for the month of July, 2025
11-08-2025	Jul, 25	GSTR-1	Summary of outward supplies where turnover exceeds Rs.5 crore or have not chosen the QRMP scheme for the quarter of Jul - Sep, 25
13-08-2025	Jul, 25	GSTR-6	GSTR 6 is a monthly return for Input Service Distributors (ISD) to provide the details of their inward supplies & distributed Input Tax Credit (ITC).
13-08-2025	Jul, 25	IFF	Invoice Furnishing is an optional facility which enables the small registered person, furnishing the quarterly Form GSTR-1, to file their invoice details on monthly basis.
13-08-2025	Jul, 25	GSTR-5	Summary of outward taxable supplies and tax payable by a non-resident taxable person
20-08-2025	Jul, 25	GSTR-5A	Summary of outward taxable supplies and tax payable by a person supplying OIDAR services

20-08-2025	Jul, 25	GSTR-3B	Summary of outward supplies, ITC claimed, and net tax payable for taxpayers with turnover more than Rs.5 crore in the last FY or have not chosen the QRMP scheme for the quarter of Jul - Sep, 25
25-08-2025	Jul, 25	PMT-06	PMT-06 is a challan used for making payment of tax, interest, late fee and penalty under the GST law by taxpayers who have opted for the quarterly filing of GSTR-3B under the QRMP scheme

Income Tax Due Dates:

Date	Period	Form No. / Type	Due Date Details
07-08-2025	Jul, 25	TDS/TCS Payment	Due date for deposit of Tax deducted/collected for the month of July, 2025. However, all sum deducted/collected by an office of the government shall be paid to the credit of the Central Government on the same day where tax is paid without production of an Income-tax Challan
14-08-2025	Jun, 25	Issue of TDS Certificate- 194-IA, 194IB, 194M, 194S	Due date for issue of TDS Certificate for tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of June, 2025
15-08-2025	Jul, 25	Form 24G	Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of July, 2025 has been paid without the production of a challan
15-08-2025	Jul, 25	Form no. 3BB	Due date for furnishing statement in Form no. 3BB by a stock exchange in respect of transactions in which client codes been modified after registering in the system for the month of July, 2025
15-08-2025	Apr - Jun, 25	Issue of TDS Certificate	Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending June 30, 2025
30-08-2025	Jul, 25	TDS Pay- 194-IA, 194-IB, 194M, 194S	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194M, 194S in the month of July, 2025

PF & ESIC Due Dates:

Date	Period	Form No. / Type	Due Date Details
15-08-2025	Jul, 25	PF & ESIC	PF deducted from the Employees salary in the month of July, 25, needs to be paid on or before 15th of August, 2025. The payment of ESIC is made by every employer to the ESIC department on a monthly basis. The due date for ESIC is 15th August, 2025

PHOTO GALLERY



77th CA DAY CELEBRATIONS ON 01.07.2025 AT ICAI BHAWAN, TIRUPUR



ONE DAY CPE SEMINAR ON 05.07.2025 AT ICAI BHAWAN, TIRUPUR



STUDY CIRCLE MEETING ON 07.07.2025 AT ICAI BHAWAN, TIRUPUR



CPE SEMINAR ON 11.07.2025 AT ICAI BHAWAN, TIRUPUR



WORLD YOUTH SKILLS DAY CELEBRATIONS ON 14.07.2025 AT ICAI BHAWAN, TIRUPUR



CPE SEMINAR ON 18.07.2025 AT ICAI BHAWAN, TIRUPUR