

GUWAHATI@ICAI



JANUARY  
2023



Volume 03 || Issue 10

# COVER HEADLINES

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## Chairman Speaks...



Dear Professional Colleagues and Friends,

Welcome to the season of newness and celebrations. Life is an ongoing process. That which starts also ends one day. But then, every ending paves the way for a new start too!

My tenure of chairmanship, in 2022, for the Guwahati Branch, EIRC of ICAI, has been quite an eventful one. With activities and conferences galore, the last year has been a roller coaster of learnings, challenges and what not. Interacting with people not just from our fraternity from all over the country, but also with the ones from different professions having different backgrounds has been an enlightening and humbling experience for me. I am deeply indebted to the Managing Committee of the Guwahati Branch of EIRC of ICAI for their selfless teamwork and tutelage. Their indispensable contribution along with dedication is worthy of adulation.

The month of January being the last month of this epoch-making tenure, I am all set to happily handover the mantle of chairmanship to CA. (Dr.) Ayush Saraf who will surely take our branch to newer heights with his leadership and action-oriented plans. I wish him and the new managing committee all the best for their future endeavours.

I would conclude and finally bid adieu by urging all members to actively participate in all the activities with full spirit and effervescence. I earnestly request everyone to cultivate the habit of reading along with attending the CPE seminars and group discussions.

And yes, do keep writing articles and send them to us. Your writing endeavours will adorn our newsletter with knowledge.

My best wishes to everyone.

Regards,

**CA. Gaurab Garodia**

Chairman

## Editor's Desk...

Dear Esteemed Professional Colleagues,

Moving forward is the only option we all have when it comes to life. Yes, we can look back on past trends and experiences, but what happened in yesteryears cannot be changed. We can only learn from the mistakes and triumphs and apply those in the present situations to make our future better. And, thus, 2022 has gone and 2023 has come. And it's time to make the most of it.



There are new challenges and equal opportunities for the members to strive for and succeed. As the New Year brings freshness to everything, let us keep our eyes and ears open and alert to leverage on any opportunity lurking around.

And since the challenges will be quite exhausting, let us make sure to focus more on our health. Physical fitness along with mental wellbeing is the prerequisite to tackle any challenge. Let us also eat healthy and nutritious, walk a lot more, be in the nature among the trees, enjoy the oxygen in the mountains and spare time to read books.

Let us begin afresh with newer perspectives.

Regards,

**CA. Saurav Somani**

Editor

# Article



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FCA, MBA (Fin.), LLb, CAIIB  
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## 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

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
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](http://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)
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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)

# Guwahati Branch Activities

## Branch Activity Report for the month of January 2023

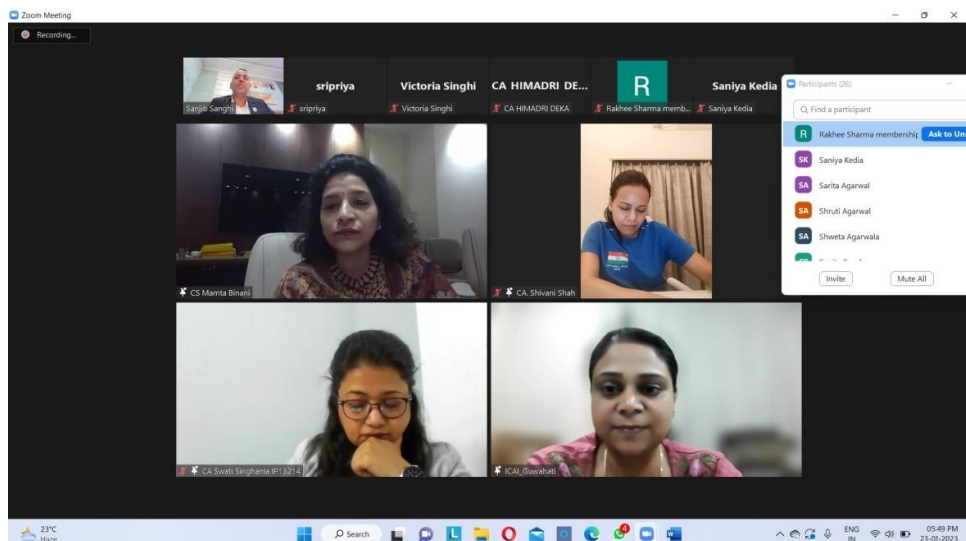
### A) CPE SEMINARS:

- a) The Guwahati Branch of EIRC of ICAI organised 6 (Six) CPE hours “Seminar on GST” on Inspection, Search and Seizure and Latest issues in ITC under GST on 12th January 2023 at ICAI Bhawan, Manik Nagar, Guwahati.

The topic Inspection, Search and Seizure under GST was deliberated by eminent speaker CA. Omprakash Agarwalla and Latest issues in ITC under GST was covered by CA. Bikash Kumar Agarwala.



- b) Guwahati Branch of EIRC of ICAI organises mentoring webinar session for female members under the aegis of the Women Member Empowerment Committee. The Mentoring session was a panel discussion on the topic Inspirational Stories by eminent Women in the Profession on 23<sup>rd</sup> January 2023 online at zoom platform. The Panellists were: -



(Dr.) Mamta Binani, Kolkata

CA. Shivani Shah, Kolkata

CA. Swati Singhania, Kolkata

Special Address by :-

CA. Sripriya Kumar, Central Council Member,

ICAIModerator: CA. Raginee Goyal, Guwahati

**B) Other Activities:**

- a) Four Weeks Residential Program on Professional Skills Development was organized by Students Skills Enrichment Board (Board of Studies -Operations) in coordination with the Guwahati Branch of ICAI for CA Girl Students at The Assam Royal Global University from 2nd Jan to 28th Jan 2023.

The Valedictory Session of the program on 28th Jan 2023 was attended by Chairman EIRC, Guwahati Branch Chairman, Secretary Guwahati Branch and EICASA Chairman Guwahati Branch.



- b) The ICAI Committee for Members in Entrepreneurship and Public Service in coordination with Guwahati Branch of ICAI organizes an Annual Residential Meet for Chartered Accountants in public service. from 27th-29th January 2023 at Raddison-Blu Hotel, Guwahati.

The event was attended by chartered accountants who are Parliamentarians, Judges of Supreme Court/High Court, IAS, IPS, IRS and Income Tax Appellate Authority Members.



# ICAI's Important Announcements

Points	Link
<ul style="list-style-type: none"><li>• A Primer on the Concept of Social Stock Exchange:</li></ul>	<a href="https://resource.cdn.icai.org/72981srsb58814.pdf">https://resource.cdn.icai.org/72981srsb58814.pdf</a>
<ul style="list-style-type: none"><li>• Exposure Drafts of Guidance Note on Financial Statements of Non-Corporate Entities and Guidance Note on Financial Statements of Limited Liability Partnerships for comments:</li></ul>	<a href="https://www.icai.org/post/exposure-drafts-of-guidance-note-on-fsnce-and-fsllp">https://www.icai.org/post/exposure-drafts-of-guidance-note-on-fsnce-and-fsllp</a>
<ul style="list-style-type: none"><li>• Exposure Draft on International Tax Reform - Pillar Two Model Rules (proposed amendments to IAS 12):</li></ul>	<a href="https://www.icai.org/post/ed-on-international-tax-reform-pillar-two-model-rules">https://www.icai.org/post/ed-on-international-tax-reform-pillar-two-model-rules</a>
<ul style="list-style-type: none"><li>• Social Audit Standards (SAS) 100 to 1600:</li></ul>	<a href="https://resource.cdn.icai.org/72658srsb58573.pdf">https://resource.cdn.icai.org/72658srsb58573.pdf</a>
<ul style="list-style-type: none"><li>• Technical Guide on Digital Assurance:</li></ul>	<a href="https://resource.cdn.icai.org/72659aasb58574.pdf">https://resource.cdn.icai.org/72659aasb58574.pdf</a>

# Managing Committee

## Guwahati Branch of EIRC of ICAI

### 2022-23



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 **CA. Anjani Kumar Mundhra**   
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## Keep in touch!

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- ✚ Visit us on [www.guwahati-icai.org](http://www.guwahati-icai.org) for regular updates.



### Editorial Team:

**CA. Saurav Somani – Editor**

**CA. Gaurab Garodia – Chairman**

**CA. Ankit Agarwal – Advisor**

**CA. Ravi Kumar Patwa – Ex-Officio**

**Mr. Sagar Nath – Designer**

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