



Azadi Ka Amrit Mahotsav Activity

“Sky High- Symposium -44 Virtual Program” conducted by Women & Young Members Excellence Committee of ICAI on 15th March 2023

 **The Institute of Chartered Accountants of India**
(Set up by an Act of Parliament)

Women & Young Members Empowerment Committee Organises



Sky High - Symposium-44

Virtual Program

for **Women & Young Members** Every Wednesday

15th March, 2023
04:00 PM to 06:00 PM

FEES NIL

Registration and participation link:
<https://live.icai.org/wmec/15032023/>

Decoding of 194Q and 206C (1)

Packaging of all the efforts - Effective Internal Audit Report Writing

CA. Shikha Sheth

CA. Nehal Shah

Welcome Address

Introductory Remarks

CA. Priti Savla
Chairperson, WYMEC, SRSB & Vice Chairperson, VSB

CA. Abhay Chhajed
Chairman, CCLEA&NPO & Vice Chairman, WYMEC & ASB

Co-ordinators

CA. Mansi Shah **CA. Priti Sangoi** **CA. Mira Dalal** **CA. Anuja Fulecha**

Questions related to the topic may be sent in advance at wmec@icai.in or LIVE at the time of Program itself at the same link

As part of country wide Azadi ka Amrit Mahotsav initiatives, envisaged by Government of India, to commemorate and celebrate 75 years of India's Independence, the Women & Young Members Excellence Committee (WYMEC) of ICAI organized "Sky High- Symposium -44 Virtual Program" on 15th March 2023.

CA. Shikha Sheth and CA. Nehal Shah were speakers of the said program. Coordinators for the day were CA. Mansi Shah, CA. Priti Sangoi, CA. Mira Dalal and CA. Anuja Fulecha.

The program covered discussion on “Decoding of Section 194Q and Section 206C (1H). Topics discussed were Introduction of TDS/TCS, Section 194Q –TDS on purchase of goods, Section 206C (1H)-TCS on sale of goods, Issue faced while dealing with these sections and their possible resolutions.

DECODING 194Q AND 206C (1H)
CA Shikha Sheth
Partner
Maha & Shah

2 MATTERS TO BE COVERED

- NECESSITY FOR INTRODUCTION OF TDS/TCS
- SECTION 194Q – TDS ON PURCHASE OF GOODS
- SECTION 206C(1H) – TCS ON SALE OF GOODS
- ISSUES FACED WHILE DEALING WITH THESE SECTIONS AND THEIR POSSIBLE RESOLUTIONS.

5 TDS u/s 194Q vs. TCS u/s 206C (1H)

194Q	With effect from	206C (1H)
	01 st July, 2021	01 st October, 2020
Buyer is responsible to deduct tax	Who is responsible	Seller is responsible to collect tax
Applicable on Purchase of Goods	Applicability on Transactions	Applicable on Goods/ Services

EXAMPLE

Particulars	Scenario 1	Scenario 2	Scenario 3
Turnover of Seller	12 Cr	6 Cr	12 Cr
Turnover of Buyer	6 Cr	12 Cr	12 Cr
Sale of Goods (A)	2 Cr	2 Cr	2 Cr
Sales consideration received during the year (B)	1 Cr	1 Cr	1 Cr
Who is liable to deduct or collect tax?	Seller	Buyer	Buyer
Rate of Tax	0.1%	0.1%	0.1%
TDS/ TCS	TCS	TDS	TDS
Relevant Section	Section 206C (1H)	Section 194Q	Section 194Q (1H)
Amount on which tax to be deducted or collected (amount excess of Rs 50,00,000 is taxable) (C= B- 50 Lacs)	50 Lacs	1.5 Cr	1.5 Cr
Tax to be deducted or collected	INR 5,000	INR 15,000	INR 15,000

The program also covered Session on “Packaging of all the efforts - Effective Internal Audit Report Writing”.

Effective IA Report Writing
Final Packaging of all the Efforts
Presented by
CA Nehal Shah

The Basic Elements of a Report are...

- The Title - company name, audit area, serial # with year.
- The Addressee - normally the Audit Committee, or the authority appointing the Internal Auditor.
- The Report Distribution List - the executive management, Internal Audit coordinator to name a few.
- The period coverage of the Report - For which year/period?
- Opening or introductory paragraphs - reference to the audit appointment and more specifically the audit plan.
- Objective and Scope paras - including audit methodology, documents and policies limitations and audit exclusions.

...Basic Elements (Continued)

- Executive Summary - highlighting key issues, control weaknesses and exceptions.
- Action Taken Report - summary of open and closed issues of previous report
- Observations, findings and recommendations made with auditee comments.
- Report date with signature and membership reference.

Recommendations for Management Consideration

ACTION	BENEFIT
The SOP should be drafted in a comprehensive manner to cover: • Procurement • Inventory Management • Date Maintenance	Standardization of processes • A comprehensive handbook may help track any deviations
One time exercise needs to be done to verify entire stock physically and basis that update the stock records. Also, re-eligibility of F.M.R. based on the CSMS stock records.	• Update of the inventory records • Availability of the starting point for future inventory management • Stock reconciliation between A&T and CSMS
Periodic physical verification of its circulation/ buffer inventories & equipments to be carried out	• Minimization of errors over stock • Identification of any missing items and replacement of critical items timely
Need to define standard buffer stock and maintain the same in viable condition.	Emergency requirements will be fulfilled
Need for a dedicated IT system for CSMS	Availability of real time stock records and audit trails which also facilitates in record management of the data

The program concluded by giving Vote of Thanks to the Speakers and the participants.

Glimpses of the Virtual Program held on 15th March 2023

