



# KARNATAKA INDUSTRIAL AREAS DEVELOPMENT BOARD

(A Government of Karnataka Undertaking)

# 14/3, 2nd Floor, R.P. Building, Nrupathunga Road, Bangalore - 560  
Phone : 22215383, 22215679, 22242006, 22215069, Fax : 080-2221  
Website : [www.kiadb.in](http://www.kiadb.in) e-mail : [kiadb@mail.kar.nic](mailto:kiadb@mail.kar.nic)

IADB/COF/TDS/ 2964/2013-14

13.08.2013

## CIRCULAR

Sub: Deduction of Income Tax at Source @1%  
on the Purchase consideration at the time  
of execution of sale deed by the Purchaser/  
Transferee/Buyer u/s 194IA of IT Act, 1961.

The Finance Act 2013 amended the Section 194-I of the IT Act 1961 and inserted Section 194IA as enumerated below;

*'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 percent, of such sum as income-tax thereon.*

*(2) No deduction under sub-section (1) shall be made where the consideration for the transfer of an immovable property is less than fifty lakh rupees'*

✓ The said amendment has come into effect from 1<sup>st</sup> June-2013.

The Central Board of Direct Taxes has issued a notification on 31.05.2013 to this effect and as per the said notification, the Purchaser/Transferee/Buyer shall deduct 1% out of the purchase consideration, if the purchase consideration is Rs.50 lakhs and above. The deduction shall be made at the time of payment of purchase consideration 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. The purchaser/transferee/buyer shall remit the tax deducted at source in the challan-cum-statement in Form No.26QB (enclosed Annexure-1), into the Reserve Bank of India or the State Bank of India or any other authorized bank within 7 days from the end of the month in which the deduction is made.

The purchaser/transferee/buyer shall furnish the certificate of deduction of tax at source in Form No.16-B (enclosed Annexure-2) to the payee (KIADB) within 15 days from the due date for furnishing the challan-cum-statement in Form No.26QB after generating and downloading the same from the web portal specified by the Director General of Income Tax (System) or the person authorized by him.

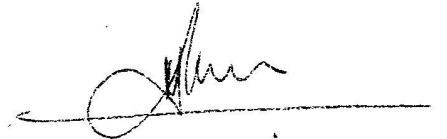
In this regard a separate register shall be maintained in the proforma herein enclosed vide Annexure-3, with regard to execution of sale deeds and ensuring receipt of Form 16-B in support of deduction of tax at source. The concerned section heads/zonal heads shall render the monthly extract of the sale deed execution register along with originals of Form 16-B, by 20<sup>th</sup> of every month to the Controller of Finance.

All the section heads / zonal heads are hereby instructed to comply with the above provisions of Income Tax Rule without fail.

Encl: As above

Sd/-  
Chief Executive Officer  
& Executive Member

- |  |   |  |
|--|---|--|
| 1) Sri. K I Gudagi,<br>Secretary-1<br>KIADB, Bengaluru.                    | 2) Smt. J Suma,<br>Joint Director & Secretary<br>(I/c)KIADB, Bengaluru. | 3. Sri. Chandrasekhar,<br>Joint Director,<br>KIADB, Bengaluru.         |
| 4) Sri. V Jagannath<br>DO-II, KIADB ZO,<br>Bengaluru.                      | 5) Sri. Iftekar Ahmed,<br>DO-I, KIADB ZO,<br>Bengaluru.                 | 6) Sri. H.V.Omkarmurthy<br>DO-III<br>KIADB ZO,<br>Bengaluru.           |
| 7) Sri. C V Srinivas<br>DO, KIADB ZO,<br>KUM, Khanija Bhavan,<br>Bengaluru | 8) Sri. K C Shivakumar,<br>DO, KIADB ZO,<br>Tumkur.                     | 9) V.M.Kalasaraya,<br>DO, KIADB ZO,<br>Dharwad.                        |
| 10) Sri. Bidarkar,<br>DO, KIADB ZO,<br>Gulbarga.                           | 11) Sri. T H Prakash,<br>DO, KIADB ZO,<br>Davangere.                    | 12) Sri. M. Rama,<br>DO KIADB ZO,<br>Hassan.                           |
| 13) Sri. Praksh Kumar L.K<br>DO, I/c KIADB ZO,<br>Belgaum                  | 14) Sri. H S Basavaraj,<br>DO (I/c), KIADB ZO,<br>Mysore.               | 15) Sri. Mi P Jaishankar<br>DO, KIADB ZO,<br>Bellary                   |
| 16) Sri. Sathyanarayana<br>Pawar<br>DO<br>KIADB ZO,<br>Mangalore           | 17) Sri. H'S Nagarudrappa<br>Asst. Secretary<br>KIADB, Bengaluru        | 18) Sri. K Prakash Adiga,<br>Asst. Secretary<br>KIADB, Bengaluru       |
| 19) Sri., G K<br>Ramalingappa<br>Asst. Secretary<br>KIADB ZO, Bengaluru    | 20) Sri. Chikkaiah G H,<br>Asst. Secretary<br>KIADB, Bengaluru          | 21). Sri.T.C Venkata<br>swamy,<br>Asst. Secretary<br>KIADB, Bengaluru. |
| 22) The Asst. Secretary<br>KIADB ZO,<br>Dharwad                            | 23) Sri. Rajasehkara Reddy<br>DDO,<br>KIADB ZO<br>Raichur               | 24) Sri. B S Ravi<br>DDO I/c,<br>KIADB ZO, Bidar.                      |
| 25) Sri. G M Maraiah,<br>Asst. Secretary<br>KIADB, Mysore.                 | 26) Sri. R Bhaskar<br>Asst. Secretary<br>KIADB, Bangalore.              |  |



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1. Spl. D C, KIADB.
2. GM, KIADB.
3. CE&CDO, KIADB
4. COF, KIADB
5. AO, KIADB
6. OSD to CEO&EM

} for information

*SP1-*  
Chief Executive Officer  
& Executive Member