

PAYROLL

ASSET MANAGEMENT

The

COMMUNIQUE



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Our CFO Speaks

Tax implications of E-commerce transactions

With the world going virtual, online shopping has become the norm of the day. Ecommerce is the fastest growing industry providing buyers and sellers a platform to transact. The sellers prefer this model as it has wider reach and minimal setting up costs. The buyers also vote for this model as it offers convenience and a wide range of products just at a click.

However until recently this model was not under the scanner of Income tax department. While corporates would have complied with tax regulations due to the volume of transactions and operating offline as well. Small sellers that operate only on the online platform have managed to stay away from the tax base. Therefore the section 194O of TDS has been introduced in October 2020.

The section states that an e-Commerce operator is required to deduct TDS for facilitating any sale of goods or providing services through an e-Commerce participant. The e-commerce operator need not deduct TDS where the ecommerce participant is a non-resident or the e-commerce participant is an individual or HUF whose sale of goods or services or both does not exceed Rs.5 lakhs during the previous year.

The Central Board of Direct Taxes (CBDT) has offered some relief to e-commerce operators to not deduct tax at source for e-auction services. This relief is considering that the e-auction is only for price discovery and the actual sale takes place independent of it. Like other provisions of TDS the rate will be applied net of GST.

This widening of tax provisions will increase revenue for the Government by reducing tax evasion and making tax payments standardised and fair to all. While big corporates cannot avoid taxes there are many small businesses that have missed the eye of the tax departments.

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WHAT'S NEW – PO Module

Additional Features of PO Module

Customizable workflow : The module allows for setting multiple approvers, establish organizational rules and standardize process.

Customizable Inspection Checklist : The inspection list can be customized to receive goods based on their asset category.

Automated mailers : Automated mailers provide stakeholders all the information at various stages to ensure better control.

Never miss a date

December

7th

Payment of TDS/TCS deducted/collected in the month of November 2021

December

15th

Third instalment of advance tax for the assessment year 2022-23

December

15th

E-payment of Provident Fund for the month of November 2021

December

15th

ESI Payment for the month of November 2021

Happy to enhance our footprints

Trust at the core of every relationship



TRANSFORMATION STORY-

A MULTINATIONAL GLASS
MANUFACTURER AUTOMATES
TDS PROCESS



Challenge

- No standard TDS process
- Multiple entities, multiple formats
- Consolidation of data done manually
- Difficulty in managing lower rate certificate

Solution

TdsPac for Enterprise is a solution that offers automation of the TDS process and can be integrated with the ERP system. Data consolidation standardizes organisation wise TDS process.

Result

- Standardised TDS process
- Standard TDS templates
- Data consolidation automated
- Lower Rate certificate and challan payment easily managed
- Setting off of entries taken care of

ALL YOU NEED TO KNOW - BENEFITS OF E-INVOICING

Digital Tax Administration is here to stay, since tax authorities globally are focussing on better taxpayer delivery services while reducing tax compliance risks. For Digital Tax administration to thrive E-invoicing will play a vital role both from taxpayers and tax administration perspective. Other factors that have made E-invoicing gain importance is the need to reduce the administrative costs and increase revenue.

E-Invoicing is Electronic Invoicing that will transform traditional paper invoice with the help of E-invoicing portal. The GST council in its 35th meeting has decided to implement E-invoicing, it will apply to certain categories only. Government mandated E-invoicing does not imply using the portal for generation of invoices, it simply implies submission of previously generated standard invoice on a common E-invoicing portal.

From the taxpayers perspective the digitised system of E-invoicing will assist in two ways:

- ↳ It will do away with transcription and other human errors.
- ↳ Smart portals will ensure accuracy of information and auto generated carry forward of input credit. It will do away with redundancy and enable pre-filled forms for the convenience of the taxpayers. It will also ensure quicker refunds and less intense GST audits

From the perspective of tax administration E-invoicing has the following benefits

The data generated by e-invoicing can be used for better delivery of ICT based personalised taxpayer services

Real time data ensures timely detection and avoidance of tax frauds

It could lead to potential leap in revenues to government

E-invoicing will assist in data driven tax policy formulation by the Government

E-invoicing for GST is an initiative that will help taxpayers achieve more efficiency in their internal processes and tax administration to achieve more transparency.



**We continue to be pioneers of the
concept of ‘Tax meets Technology’
because we aim at creating value for you!**

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