

PAYROLL

ASSET MANAGEMENT

The
COMMUNIQUE



Our CFO Speaks

Budget 2022 - Who is cheering and who is not!

Like every year the month of February has some sectors that cheer and some sectors that are disappointed. The reason being the Union Budget. This year is no different. While the common man is not too happy the crypto industry is surely cheering the Budget.

There has been no change in the income tax slab rates for individuals, nor is there a reduction in the standard deduction which was expected due the hardships of the pandemic and impact of elevated inflation levels.

However there is a cheer that has come from the taxing of virtual digital assets. Virtual Digital Assets are defined as any asset that are generated through cryptographic means, most commonly known as cryptocurrencies and non-fungible tokens but excludes Indian or foreign currency. The gains from the transfer of the assets will be taxed at 30%, with deduction allowed being only the cost to acquire the asset. This taxing implies this source of income is recognised by the Government now.

To gain trust of taxpayers the Budget 2022 permits certain taxpayers to file an updated return within 24 months from the end of the year when return was due to be filed.

Some more concessions have been offered to startups and the manufacturing industry to fuel the growth of the country. Tax incentives for startups have been extended from three years to four years of incorporation, in view of the pandemic. Newly incorporated manufacturing companies will enjoy a concessional rate of 15% for one more year till March 2024.

The Budget focuses on infrastructure development as it proposes expansion of national highways by 25,000 km in 2022-23. The national ropeway development programme will be executed in the public-private partnership mode (PPP) mode.

So while the benefits to the common man are not direct, the approach to simplifying taxation, the provision to submit updated returns will indirectly benefit the common man as well.

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WHAT'S NEW – WebFAMS

WebFAMS (Web based Fixed Asset Solution) has the following new features:

- Email trigger on AMC, Insurance, Warranty, repairs and maintenance and preventive maintenance
- Auto reminder for Capital Work In progress assets to update Date Put to Use
- Option to upload Document for sale, Insurance, AMC and Warrant

Never miss a date

February

15th

Due Date for the payment of PF contribution and ESI (January 2022)

February

15th

Form AOC 4 filing by Companies (FY 2020-21)

February

28th

Form MGT 7A filing by Companies and One Person Company (FY 2020-21)

Happy to enhance our footprints

Trust at the core of every relationship

TRANSFORMATION STORY-

A GLOBAL LOGISTIC COMPANY
AUTOMATES THE FIXED ASSETS
REGISTER

Challenge

- Manual maintenance of Fixed Asset Register
- Maintenance of proper records and reporting
- Reporting of physical verification conducted
- Reporting of discrepancies noticed in physical verification
- Higher efforts and possibility of errors

Solution

The process of maintenance of Fixed Asset Register is automated by FAMS to ensure total and timely compliance.

Result

- Accuracy in maintenance of assets
- Ease of compliance
- Prompt reporting
- Better tracking of asset movements
- Adherence to all Acts
- Reduction in manhours

ALL YOU NEED TO KNOW - CRYPTOCURRENCY AND TAXATION

Cryptocurrency has been a buzz word in the investment and trading industry for a while. From the RBI seeking a ban on it to the Government announcing a tax rate on its gains in the Budget 2022, cryptocurrency's regulation, legalisation is rather a mystery. The most talked about topic of Budget 2022 has been the taxing of gains from the transfer of the asset. The budget also announced that the Reserve Bank of India (RBI) will launch India's digital currency this year.

So does this signify that the cryptocurrency is now legal. Well the answer is not as simple as a Yes or No. The Government has merely recognised income from the asset. Digital currency is an emerging technology and world over regulators are trying to regulate it. Hence the question is not about the legality of the same. Taxation is only to eliminate the mediator and make it a peer- to - peer transaction.

So how will the digital asset be taxed? Well, the person who holds cryptocurrency will be treated as an owner to a property, so whenever he transfers the asset he will have to pay a TDS of 1% of the full amount and on the income earned on the transfer of the asset he will have to pay tax of 30% on the gains. There are no deductions allowed, except the cost of acquiring the asset. But crypto investors still see this move as positive for the cryptocurrency ecosystem as it signifies a step toward regularising it in contrast to wanting to ban it.

In India the digital currency issued by the RBI will be considered as legal. Just like the RBI issues currency it will issue sealed digital currency that people can invest in. This will be the only legal digital currency as experts believe.

Taxation of digital assets will provide incentives to many investors to invest in it. Hence the taxation of cryptocurrency itself is bringing a shift in the treatment of the digital asset, now it is treated as an asset and not a currency. As currency can be issued only by RBI.





**Automation must be as per your terms
Don't Compromise!
Our Solutions are Customizable!**

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