

PAYROLL

ASSET MANAGEMENT

The COMMUNIQUE



Our CFO Speaks

Spending on vaccination of employees, benefits employer or community?

With the various phases of the corona vaccination being driven in India, there is a lot of buzz in the Corporate world. Corporates have come forward to vaccinate all its employees and also their families. But how do they account for these expenses? The MCA has issued a circular in March 2020 that Covid -19 will be classified as a notified disaster and the spending would be treated as an eligible CSR activity under item nos. (i) and (xii) of Schedule VII of the Companies Act relating to promotion of health care, including preventive care and sanitation and disaster management. It further clarified in August 2020 that the spend on research and development spent on Covid vaccine will be eligible for (subject to certain conditions) CSR spend. In January 2021, it further clarified that CSR funds can be spent for carrying out awareness campaigns of the vaccination. In April 21, it clarified that setting up of makeshift hospitals and temporary Covid- care facilities is an eligible CSR activity.

Further the Government has maintained that the vaccination costs will be an eligible CSR activity if the community at large would be involved. The same is being debated by India Inc on the grounds that the expense must be included in the definition of preventive care under item nos. (i) and (xii) of Schedule VII of the Companies Act and be allowed under CSR spend instead of employee benefits. Also all organizations have employees that belong to low-income groups and vaccinating them can be considered as CSR activity. So given the pretext, the MCA must provide the clarification and assist corporates in booking the expense in a way that will provide them the much-needed boost to own this drive. With giant Corporates taking up this initiative, the burden has definitely eased off for the Government. Human population termed as citizens or employees make up for the community and higher the number of vaccinated humans, the economy will jump back to track that faster. And that will benefit the whole nation.

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What's New - TdsPac

Changes implemented	94Q	Changes implemented	206AB
Limit Check	Aggregate amount payable greater than 50 lakhs for a buyer	Vendor Master	New Tick option
Rates applicable	0.1% on the amount exceeding the limit 5% if PAN is Not Available	PAN Status	If status is invalid, applied or not available, the section will not apply
		Exempted Sections	If these sections are applicable '94B', '94BB', '94LBC', '94N', '94Q' section '206AB' not applicable
		Upload Declaration	Option to upload declaration in PDF format

Never miss a date

GST Compliance Dates for June

June 10th	GSTR 7 for the period May 2021	To be filed by persons responsible for deduction of TDS under GST
June 10th	GSTR 8 for the period May 2021	For e-commerce operators who need to collect TCS under GST
June 11th	GSTR 1 for the period May 2021	Taxpayers having an aggregate turnover of more than 1.5 crore or have opted for monthly return
June 20th	GSTR-3B for the period May 2021	Taxpayers having an annual turnover more than 5 crores.

Happy to enhance our footprints

Trust at the core of every relationship





TRANSFORMATION STORY- INDIA'S MOST LOVED SPICE SELLING BRAND EASES TDS COMPLIANCE WORRIES

Challenge

- Voluminous data
- Difficulty in setting off entries
- Trouble in tracking limits
- Issues in maintenance of Lower rate of tax
- PAN - AADHAR Linking tedious task

Solution

TDSPac Enterprise understands all these challenges of a large corporate and hence offers solutions that not only solves the issues but bring about error free and smooth processing of tedious tasks. It also offers features for PAN - AADHAR Linking. The solution comes with an ability to talk to the ERP system in use and provide seamless transfer of data.

Result

- High Volume of data processed with ease
- Setting off made simple
- Lower rate maintenance no more a worry
- PAN - AADHAR linking provided
- Seamless integration with SAP Hana

we make
it easy!

ALL YOU NEED TO KNOW: SECTION 206AB OF IT ACT

What is the new section about?

Section 206AB of the IT Act is newly introduced in the Finance Act 2021 and mandates the person to deduct TDS at rates specified in case of non-filing of an income tax return by a specified person.

When are the provisions of this section attracted?

The section is attracted in the following case

- The Deductor is already deducting TDS of the deductee under any provisions of the IT Act.
- The Deductee has not filed an income tax return for the preceding two previous years, the time limit for filing the return has expired and TDS/TCS is Rs. 50000 or more in each of the two previous years.

When should the TDS/TCS be deducted?

The TDS/TCS must be deducted when any sum/income/amount is paid or payable or credited.

What are the rates at which TDS must be deducted?

The TDS must be deducted at a higher of

- Twice the specified rate
- Twice the rate in force
- 5%

What are the exceptions to the application of the provisions?

The provisions of Section 206AB are not applicable when TDS is deductible under the following sections:

- 192 - Salary
- 192A - Premature withdrawal from the accumulated balance of Provident Fund which is taxable in the employee's hands.
- 194B - Winning from the card game, crossword, lottery, puzzle or any other games.
- 194 BB - Winning from a horse race.
- 194LBC - Income against investment in the securitization trust.
- 194N - Payments of certain amount/ amounts in cash.

What will be the effective date of the provisions of Section 206AB?

The provisions of the Section will be applicable from the 1st of July 2021.

What will be the rates when the specified person does not have a PAN?

In this case, the provisions of both sections 206AA and 206 AB will be applicable to the specified person and the TDS will be deducted at the higher of the two rates.



**Are you a startup? or
Are you a giant corporate?
Is compliance your constant worry?**

**Not anymore,
Make us your Compliance Partner and
We bet you don't have to fret!**

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