

# PAYROLL

## ASSET MANAGEMENT

# The COMMUNIQUE





**Senthil Kumar S**

## Our CFO Speaks

### Work from home is here to stay, how compliance-friendly is the model

The impact of any global crisis is long-lasting and some effects will be permanent. Covid -19 posed a threat to human life, the only option given was to change the way we function. It has been like a 'Reset' option in everyone's lives. While many things will return to normalcy, some changes will be permanent. Most companies may adopt the work from home model permanently. While the initial creases to adopting this model have been ironed out, a lot of questions still remain. First of all, the legality of the work from home model. Indian laws do not recognize the model yet. The other issues are the maintenance of attendance and other statutory records. Computations around minimum wages and overtime wages is also a challenge. As the majority of the workforce has moved back to their native, all laws that are state-specific have become redundant.

With employees being so dispersed, even the adherence to various laws and meeting compliance deadlines pose a huge challenge. While the Government has offered extensions time and again compliance with statutory laws will need a better coping mechanism. It will call for the redrafting of policies and re-assigning of responsibilities. The technology challenges, the communication conflicts, the shortage of manpower all add up to incidences of non-compliance. While the world copes with this virus and all its effects, the work from home model and all the nuances will need a thorough thought process and definition of procedures.

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## What's New

### PayPac

Approval Mechanism has been added to the following transactions

- ✓ Employee Onboarding
- ✓ Employee Statutory component
- ✓ Salary structure
- ✓ Salary transfer
- ✓ Close salary month
- ✓ Full and Final Settlement



As per the update all the above will go through a workflow and will be in force only when approved

Cost centre wise salary allocation of employees who are working for multiple departments feature has also been added.

## Never miss a date

May <b>7<sup>th</sup></b>	May <b>15<sup>th</sup></b>	May <b>31<sup>st</sup></b>	May <b>31<sup>st</sup></b>
Due Date for deposit of Tax deducted/ collected in the month of April, 2021	Quarterly statement of TCS deposited for the quarter ending March 31, 2021	Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, section 194-IB and section 194M in the month of April, 2021	Quarterly statement of TDS deposited for the quarter ending March 31, 2021

**Happy to enhance our footprints**

Trust at the core of every relationship





## TRANSFORMATION STORY-

HOW AN OIL COMPANY SAVES  
ON THE MOST CRUCIAL  
COMMODITY - TIME



### Challenge

- Enormous number of TDS transactions
- Time consuming
- Difficulty in complying to TDS norms

### Solution

TDSPac for business understands that voluminous data makes adherence to compliances tedious and time consuming. This leads to increased efforts. TDSPac for business provides a solution that handles voluminous data and reduces the time for TDS returns data processing.

### Result

- Reduce manhours by 75%
- Error free processing
- Efficiency in process
- Total Compliance



## ALL YOU NEED TO KNOW: LOWER DEDUCTION CERTIFICATE

The tax deduction must be made on the payments in certain transactions. This deduction is termed as Tax deducted at source (TDS). There are instances where the actual income tax liability is less than the TDS that has been deducted under Chapter XVII. These cases lead to a working capital management crisis for the assessee. Hence Section 197 of the Income Tax Act, 1961 provides relief to the assessee and contains provisions for applying for a Lower Deduction Certificate.

The provisions of the Section 197 provide that certain deductions can be made at lower rate since the income tax liability of the assessee is below the limits. For instance if the deduction is being made at 10% then if the lower deduction certificate is furnished the deduction can be made at 5%.

**The circumstances where the Lower Deduction Certificate is beneficial is as follows:**

- Sale of property in India by a non- resident seller from an Indian buyer

In this case the Indian buyer makes payment to the non-resident seller by deduction 20% as taxes on entire sale consideration. The non-resident seller might not even be making equivalent amount of profit and hence a Lower Deduction Certificate can help

- Payment to a foreign company who does not have a PE in India by a Indian counterpart

In this case the deduction is made at 40% assuming the foreign counterpart to be a PE. A Lower Deduction Certificate will provide relief in this case

- When the assessee's net profit is low or they are having losses

When the NP of the assessee is low or they are incurring losses, the taxability of the assessee is very low. Hence by furnishing the Lower Deduction Certificate the assessee can lower the tax deducted and may mitigate the working capital crisis.

An assessee can apply for the lower deduction certificate through the Traces portal and submit Form 13 along with the following documents:

- Projected Balance sheet and computation for the financial year
- Audited Balance Sheet and computation for any one of the four previous year
- Copy of exemption certificate, if claimed
- Copy of assessment order, ITR Acknowledgement, for the last four years
- Any other relevant documents.





# TAXES



**When it comes to tax compliance  
don't settle for anything lesser  
'Tax meets Technology' here to  
assure total compliance.**

**TdsPac™**

**PayPac™**

**FAMS™**

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