

# PAYROLL



# The **COMMUNIQUE**





## Our CFO Speaks

### CFO To CEO - The Leap!

The year 2022 has witnessed varied mechanisms being adopted by companies to reduce the risks and sail through the post pandemic times. From policy changes to accommodate the hybrid work culture to the recent mind shift change of promoting CFOs to CEOs.

Statistics show that the first half of the year 2022, has seen the highest turnover of CFOs to CEOs according to a report by an executive search firm CristKolder Associates. The report found that the leap was more evident in the financial sector at 25.5 percent and least common in the retail sector at 3.6 percent. But the report did find a common ground between the two industries, that is, they shared the longest tenured CFO's, an average of 5 years. Also, as per the report the industrial and services sector accounted for one third of the CFO turnover.

The reason for this shift from external hiring to internal elevation is because CFO's that develop operational or commercial leadership during their tenure as CFO are a notch higher in skill set as compared to an external contender. Since they demonstrate a new side to their business acumen besides their number crunching skills they are more interesting than the rest.

The remaining half of the year will determine if this upward trend will continue and move CFOs higher in the C-Suite ladder.

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## WHAT'S NEW – Web PayPac

### Web based PayPac – A Flexible Payroll Compliance Solution

- Cost centre Allocation by immediate reporting
- Cost centre wise reporting
- Budgeted v/s Actual salary reporting
- Document master mapping for easy upload of documents

## Never miss a date

November

**7<sup>th</sup>**

Due date for deposit of Tax deducted/collected for the month of October, 2022.

November

**15<sup>th</sup>**

Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending September 30, 2022

November

**30<sup>th</sup>**

Quarterly statement of TDS deposited for the quarter ending September, 2022

**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 a 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



# ALL YOU NEED TO KNOW - SECTION 194R OF IT ACT

The purview of TDS provisions is ever-expanding to ensure that all income is taxed at source to avoid tax evasion. With this objective in mind the Finance Act 2022, has inserted a new section 194R with effect from 01.07.2022.

This section makes the person responsible for providing any benefit/perquisite to a resident to deduct tax at source at 10%. The benefit/perquisite can be in cash or kind and must arise from carrying out of business or exercising of profession, by such resident.

The threshold limits are:

Aggregate value of benefit/perquisite during the financial year must exceed Rs.20,000

Total sales in case of business must exceed 1 crore for a HUF or individual in the immediate preceding financial year.

Total sales in case of profession must exceed 50 lakhs for a HUF or individual in the immediate preceding financial year.

The CBDT has clarified the valuation would be based on fair market value of the benefit/perquisite except in the case of following:

- The purchase price will be taken when the benefit/perquisite was purchased before giving it to the recipient.
- If the benefit/prerequisite is manufactured by the provider then the valuation will be the price that is charged to the customers.

More Clarifications to better understand the provision:

The threshold limit of Rs.20,000 is applicable for the value aggregating for the financial year, hence all the benefits or perquisites provided from 1.4.2022 will be accounted for the threshold limit. However since the provision is effective from 01.07.2022, the benefit/perquisite before 30.06.2022 will not be subjected to tax if it does not aggregate to Rs.20,000.

The onus of tax deduction lies on the person who provides the benefit/perquisite and makes payment to a third party, not the third party that executes it.

Taxability in the hands of the recipient is not to be considered while deducting tax at 10%.

GST will not be included for the purposes of valuation of the benefit/perquisite.

The expenditure in respect of reimbursement is invoiced to the person making the reimbursement then it will not be treated as a benefit.



# ALL YOU NEED TO KNOW - SECTION 194R OF IT ACT

Exceptions to the Section:

If the relationship between provider and recipient is that of employer and employee then this section will not apply. So all benefits like ESOPs, Cars, Rent Free Accommodations, Free Tours, LTCs, Mobiles, Incentives given to directors and employees under the head Salary are taxed under section 192.

If the recipient is a non-resident then tax will be deducted under section 195

If the benefit/perquisite are not connected to the business or profession of the resident recipient/deductee.

If the benefit/perquisite are provided to a customer who does not engage in business or profession.

Sales discount, coupon discount, cash discount and rebates allowed to customers.



**TAX 2022**





# Automate your efficient systems and processes! & Amplify the power of it!

**TdsPac™**

**PayPac™**

**FAMS™**

**26AS Reconciler™**

Email ID :  
**sales@fastfacts.co**

Contact no :  
**+91 9582005110**