

# CROWDSOURCED WEBINAR

Payroll | Taxation | Compliance | Accounting  
Completely run by the Audience  
Articulated by Akash

Speaker: **Akash Mahagaonkar**





# CROWDSOURCING



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# TOPICS FOR TODAY

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**1** ESOP's & RSU's

**2** A few updates in Payroll /  
compliance space



# MNCs under I-T lens over Esops allotted to staff in India

By Sachin Dave, ET Bureau • Last Updated: May 31, 2022, 05:16 PM IST

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## Synopsis

The tax department is questioning the Indian arms of multinationals on withholding tax when they make such payments to their parents. In most cases, employees around the world get stock options in the multinational's parent company, which is located outside India.

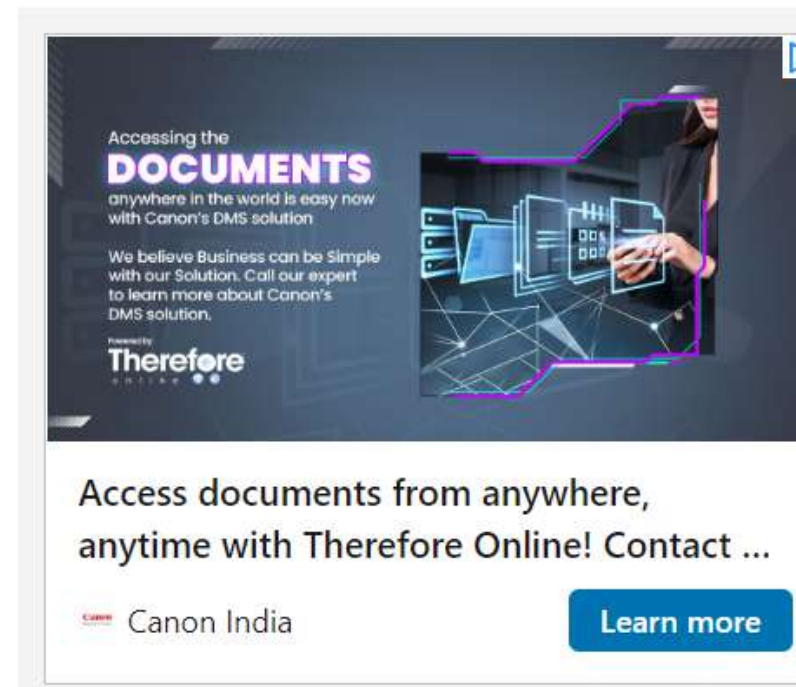


The tax department is questioning the nature of this payment and the percentage of tax applicable on this amount.

Multinationals that allotted employee stock options (esops) to their India employees have come under the taxman's lens for tax applicability on these transactions.

The tax department is questioning the Indian arms of multinationals on withholding tax when they make such payments to their parents. In most

cases, employees around the world get stock options in the multinational's parent company, which is located outside India.

An advertisement for Canon's DMS solution. It features a dark background with a person's hands interacting with a digital interface. Text includes: 'Accessing the DOCUMENTS anywhere in the world is easy now with Canon's DMS solution', 'We believe Business can be Simple with our Solution. Call our expert to learn more about Canon's DMS solution.', 'Presented by Therefore', 'Access documents from anywhere, anytime with Therefore Online! Contact ...', 'Canon India', and a 'Learn more' button.

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# ESOP & RSU'S

Grant, Vest, Sale

Perquisite Tax

TDS on Sale

Valuation & Documentation

Listed Vs Unlisted Shares

Listed - Indian Vs Foreign

PF on ESOPS / RSU's ?





# DATES

## **Grant -**

The date when company makes a Promise

## **Vest -**

Employee Ownership of shares is established

## **Sale -**

Employee sells the shares for a profit or loss





# SETTING UP

Draft the rules of how the ESOP / RSU scheme would work, its guidelines, valuation, etc

Board Approval

Establish the ESOP / RSU Scheme & complete ROC paperwork



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# PAYROLL ITEMS

Upon Grant

Grant Letter to Employee  
Inform ROC  
No Tax Event for Employer  
No Tax Event for Employee

Upon Vest

Vest Intimation to Employee  
Inform ROC & Issue shares  
Tax Event for Employer  
Tax Event for Employee

Upon Sale

Sale is Employee's action  
Inform ROC  
No Tax Event for Employer  
Tax Event for Employee





# PAYROLL ITEMS

Upon Grant

Grant Letter to Employee  
Inform ROC  
No Tax Event for Employer  
No Tax Event for Employee

Upon Vest

Vest Intimation to Employee  
Inform ROC & Issue shares  
Tax Event for Employer  
Tax Event for Employee

**PERQUISITE TAX**

Upon Sale

Sale Opportunity to Employee  
Inform ROC  
No Tax Event for Employer  
Tax Event for Employee

**CAPITAL GAIN**





# UPDATES ON PAYROLL & COMPLIANCE

Current PF Wage Ceiling  
Limit is \_\_\_\_\_





# **UPDATES ON PAYROLL & COMPLIANCE**

**PF Wage Ceiling Limit MAY  
increase to Rs.21,000**



## PF Wage Ceiling Limit MAY increase to Rs.21,000

Whenever this happens,

- Employer PF Liability would increase from 1800 to 2520 per month.
- Employee's PF deduction would increase from 1800 to 2520 per month.
- Corresponding increase in Admin charges as well
- PF Exempted Employees can no longer earn more than 15000, they need to earn more than 21000
- More employees would be covered under EPS
- Proportionate contribution towards Pension would increase



# Some Facts

**13**

Years & young

**153**

Clients & counting

**12L**

transactions / Q

**99.49**

Accuracy rates

**16**

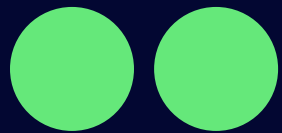
Cities

**4.76L**

Form 16's issued

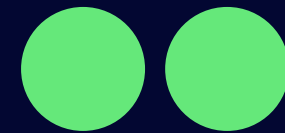
**13**

# What we do



## Payroll

Payroll Outsourcing  
Payroll Lodgement  
In Premise Payroll  
Payroll Audits



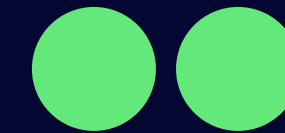
## Taxation

TDS Audits  
TDS Compliance  
End to End  
Management



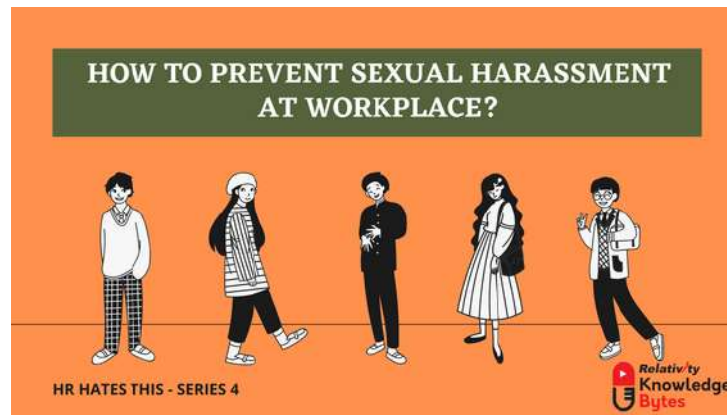
## Compliance

PF/ESI/PT  
Labour Laws  
Shops & Est. Act  
Compliance Audits

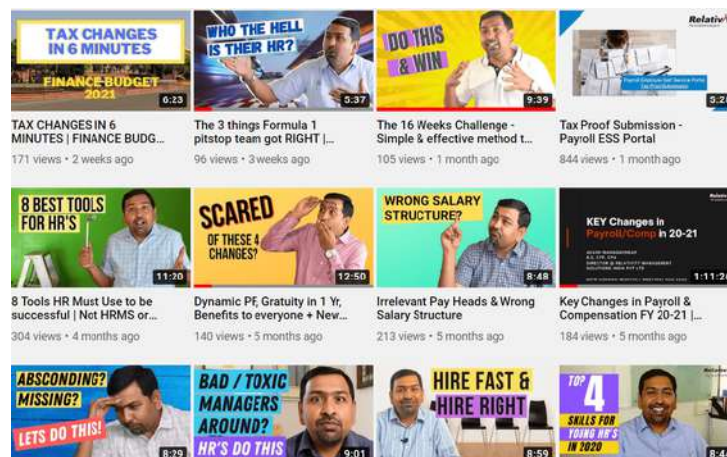


## Accounting

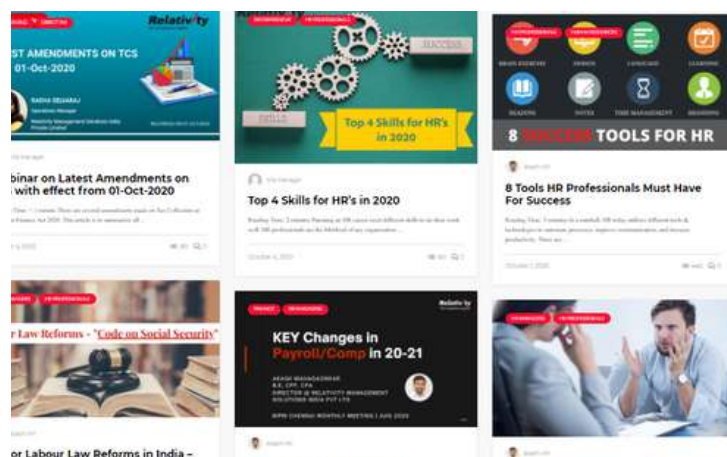
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the right  
one!