



AUGUST
2021

THE NEWSLETTER
UPDATES

Your monthly guide to news, information and more...





Reader's walk through ...

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Why Newsletter ?

“ One of the most important areas we can develop as professionals is competence in accessing and sharing knowledge ”

- Connie Malamed

We, KNKP Advisors are excited to publish our newsletter in association with Connect Easy as their Knowledge Partner, under the esteem guidance of Virag Shah. With our efforts and network of Connect Easy, we wish to reach all the professionals to give updates on variety of topics relevant for their daily practices, ranging from GST, Income Tax, Companies Act, SEBI & RBI compliances. Not to mention that this newsletter shall cover some interesting Advanced Excel traits & some motivational stories to ensure complete mix of learning.

Further, you can reach out to us on any of our platforms as mentioned in the new letter as we invite articles & blogs from all the aspiring writers and authors here on any relevant subjects to the businesses. We look to include best content for our readers across the nation from the best of the industry experts. We help professional firms in designing their news letter & videos as well. Furthermore, we include advertisement and promotions as well in our news letter, if you wish to reach our wide base of readers and stimulate traction & visibility for your business.

Who are we ?



KNKP Advisors is a result of continuous brainstorming and discussions regarding how we, as a professional, who have command over variety of areas such as Financial Reporting, Corporate Finance, Corporate Laws, Direct and Indirect Taxes, Cost and Performance Evaluation, Strategic Planning, Technology & innovation, come together and contribute to all the kinds of business houses, matured or the startups. Our ambitious common goal here at the firm is to offer the world's best in class products and services to our clients, making us an elite financial services and solutions company with the vision to perfect business, one emboldened entrepreneur at a time.

We believe that every business is unique, has unique needs and that the people who own and manage these companies have their own individual concerns and ambitions. With us you will be treated as an individual, as someone. Not as everyone.

We have seen the business landscape change dramatically and noticed that there are glaring problems arising as a direct cause of this. This ever-changing reality is eroding value, the same value you hoped to create when you started out on this journey and decided to work seven days a week to create. It's also destroying something you can never hope to recover physically or financially, and that's time. Not many people think of this as a commodity, (think of all those missed holidays and lost years) but imagine your life with much more of it?

That brings us around to the question; Why should you talk to us? We have noticed that a small fortune is being lost due to ineffective or nonexistent advice, planning, strategy, negotiation and execution. We believe this is not a systemic effect of the current environment and can be reversed and rectified. Given the right tools and a little bit of time, large tangible operational and financial improvements can be made that will make a huge difference to the way you run and look at your business. This is where we come in.

Core Areas of KNKP Advisors



Business Support Service



Corporate Advisory Service



Taxation



RERA

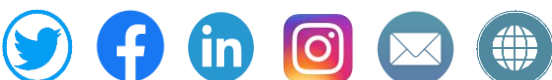


Valuation



Management Reporting

Lets Keep in Touch



August 2021- Compliance Calendar



- ✓ Due date for Payment of TDS for the month of July 2021

- ✓ GSTR 7 & 8 For the Month of July 2021



- ✓ GSTR1 For the Monthly Filers for July 2021

- ✓ GSTR 6 For the Month of July 2021
- ✓ Issue of TDS Certificate under Form 16B, 16C & 16D for tax deducted in June 2021



- ✓ Form 16A for Apr- June 2021

- ✓ Payment of PF & ESIC for the month of July 2021.



August 2021- Compliance Calendar



- ✓ GSTR 3B for the month of July - 2021
- ✓ GSTR 5 & 5A for the month of July-2021



- ✓ PMT-06 for July 2021 (QRMP Scheme)



- ✓ Form 26QB ,26QC & 26QD for the month of July 2021



- ✓ GSTR-3B Amnesty Scheme for the Period July 2017 to April 2021
- ✓ Payment under Vivad Se Vishwas



Direct Tax Updates



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Guidance on Section 45(4) and Section 9B of Income Tax Act, 1961 vide Circular No. 14 of 2021

- ✓ Finance Act, 2021 inserted a new section 98 in the Income-tax Act 1961 (hereinafter referred to as "the Act"). This section mandates that whenever a specified person receives any capital asset or stock in trade or both from a specified entity, during the previous year, in connection with the dissolution or reconstitution of such specified entity, then it shall be deemed that the specified entity have transferred such capital asset or stock in trade or both, as the case may be, to the specified person (hereinafter referred to as "deemed transfer"). This deemed transfer would be in the year in which such capital asset or stock in trade or both are received by the specified person.

Any profits and gains arising from such deemed transfer is deemed to be the income of such specified entity of the previous year in which such capital asset or stock in trade or both were received by the specified person. Further, it is chargeable to income-tax as income of such specified entity under the head " Profits and gains of business or profession" or under the head "Capital gains", in accordance with the provisions of this Act. It has also been provided that the fair market value of the capital asset or stock in trade or both, on the date of its receipt by the specified person, shall be deemed to be the full value of the consideration received or accruing as a result of such deemed transfer. The definitions of terms " reconstitution of the specified entity", "specified entity" and "specified person" are provided in section 98 of the Act.

- ✓ Similarly the Finance Act 2021 substituted sub-section (4) of section 45 of the Act. This newly substituted sub-section (4) now provides that where a specified person receives any money or capital asset or both from a specified entity, during the previous year, in connection with the reconstitution of such specified entity, then any profits or gains arising from receipt of such receipt by the specified person shall be chargeable to income-tax as income of the specified entity under the head "Capital gains". It has been further deemed that this income shall be the income of the specified entity of the previous year in which such money or capital asset or both were received by the specified person. A formula to calculate such profits and gains has also been provided in this subsection. The definitions of terms " reconstitution of the specified entity", " specified entity" and "specified person" shall be as provided in section 9B of the Act while the terms " self-generated goodwill " and "self-generated asset" have been defined in this sub-section. It has been further clarified that when a capital asset is received by a specified person from a specified entity in connection with the reconstitution of such specified entity, the provisions of sub-section (4) of section 45 of the Act shall operate in addition to the provisions of section 9B of the Act and the taxation under the said provisions thereof shall be worked out independently. Both, the new section 9B and substituted sub-section (4) of section 45 are applicable for the assessment year 2021-22 and subsequent assessment years
- ✓ Sub-section (4) of section 9B of the Act provides that if any difficulty arises in giving effect to the provisions of this section and sub-section (4) of section 45 of the Act, the Board may, with the approval of the Central Government, issue guidelines for the purposes of removing the difficulty. For this purpose, the Central Board of Direct Taxes, with the approval of the Central Government, hereby issues the following guidelines.

Guidelines

- ✓ It is noticed that the amount taxed under sub-section (4) of section 45 of the Act is required to be attributed to the remaining capital assets of the specified entity, so that when such capital assets get transferred in the future, the amount attributed to such capital assets gets reduced from the full value of the consideration and to that extent the specified entity does not pay tax again on the same amount. It is further noticed that this attribution is given in the Act only for the purposes of section 48 of the Act. It may be seen that section 48 of the Act only applies to capital assets which are not forming block of assets. For capital assets forming block of assets there is sub-clause (c) of clause (6) of section 43 of the Act to determine written down value of the block of asset and section 50 of the Act to determine the capital gains arising on transfer of such assets. However, the Act has not yet provided that amount taxed under sub-section (4) of section 45 of the Act can also be attributed to capital assets forming part of block of assets and which are covered by these two provisions. To remove difficulty, it is clarified that rule 8AB of the Income Tax Rules, 1962 (here in after referred to as "the Rules") notified vide notification no. 76 dated 02.07.2021 also applies to capital assets forming part of block of assets. Wherever the terms capital asset is appearing in the rule 8AB of the Rules, it refers to capital asset whose capital gains is computed under section 48 of the Act as well as capital asset forming part of block of assets. Further, wherever reference is made for the purposes of section 48 of the Act, such reference may be deemed to include reference for the purposes of subclause (c) of clause (6) of section 43 of the Act and section 50 of the Act.
- ✓ For the removal of doubt it is further clarified that in case the capital asset remaining with the specified entity is forming part of a block of asset, the amount attributed to such capital asset under rule 8AB of the Rules shall be reduced from the full value of the consideration received or accruing as a result of subsequent transfer of such asset by the specified entity, and the net value of such consideration shall be considered for reduction from the written down value of such block under sub clause (c) of clause (6) of section 43 of the Act or for calculation of capital gains, as the case may be, under section 50 of the Act

✓ For the purposes of understanding and for removing difficulties, if any, the application of section 9B of the Act and sub-section (4) of section 45 of the Act is explained with the help of the following examples:

❖ Example 1:

✓ There are three partners "A", "B" and "C" in a firm "FR", having one third share each. Each partner has a capital balance of Rs. 10 lakh in the firm. There are three pieces of land "S", "T" and "U" in that firm and there is no other capital asset in that firm. Book value of each of the land is Rs. 10 lakh. All these three lands were acquired by the firm more than two years ago.

✓ Partner "A" wishes to exit. The firm revalue its lands based on valuation report from a registered valuer, as defined in rule 11 U of the Rules, and as per that valuation report fair market value of lands "S" and "T" is Rs 70 lakh each, while fair market value of land "U" is Rs. 50 lakh. On the exit of partner "A", the firm decides to give him Rs. 11 lakh of money and land "U" to settle his capital balance.

✓ In accordance with the provisions of section 9B of the Act, it would be deemed that the firm "FR" has transferred land "U" to the partner "A" at its fair market value of Rs. 50 lakh. Let us assume that the indexed cost of acquisition of land "U" is Rs.15lakh.

✓ Now on account of the deeming provisions of section 9B of the Act, it is deemed that the firm "FR" has transferred land "U" to partner "A". Thus, an amount of Rs. 50 lakh less Rs. 15 lakh would be charged to tax in the hands of firm "FR" under the head "Capital gains". For partner "A", the cost of acquisition of this land would be Rs.50 lakh. Hence, the amount of Rs. 35 lakh is charged to long term capital gains and let us assume that the tax is Rs. 7 lakh (assume no surcharge or cess just for ease of calculation and illustration purposes).

✓ This, net book profit after tax of Rs.33 lakh (capital gains of 40 lakh without indexation less tax of Rs.7 lakh) is to be credited in the capital account of each of the three partners, i.e. Rs. 11 lakh each. Thus partner "A" capital account would increase to 21 lakh. This exercise is required to be carried out since section 9B of the Act mandates that it is to be deemed that the firm "FR" has transferred the land "U" to partner "A" and the long term capital gains of Rs.35 lakh is chargeable to tax in the hands of the firm "FR".

- ✓ As against capital balance of Rs. 2-1, lakh, partner "A" has received Rs.61 lakh (Rs. 11 lakh of money plus land " U" of fair market value of Rs.50 lakh). Thus Rs.40 lakh is required to be charged to tax under subsection (4) of section 45 of the Act. This shall be in addition to an amount of Rs.35 lakh charged to tax under section 9B of the Act.
- ✓ On account of clause (iii) of section 48 of the Act, read with rule 8AB of the Rules, this Rs.40 lakh is to be attributed to the remaining assets of the firm "FR" on the basis of increase in their value due to revaluation based on the valuation report of registered valuer. In this case as per revaluation there are only two capital assets remaining; lands "S" and "T" . In both cases the value has increased by Rs.60 lakh each. Thus, out of Rs.40 lakh, Rs.20 lakh shall be attributed to land "S" and Rs.20 lakh to land "T". When either of these lands gets sold, this amount attributed to them would be reduced from sales consideration under clause (iii) of section 48 of the Act.
- ✓ The amount of Rs.40 lakh which is charged to tax under sub-section (4) of section 45 of the Act shall be charged as long term capital gains in view of sub-rule (5) of rule 8AA of the Rules, since the amount of Rs.40 lakh is attributed to land "S" and land "T" which are both long term capital assets at the time of taxation of Rs.40 lakh under sub-section (4) of section 45 of the Act.
- ❖ Example 2:
- ✓ There are three partners "A", "B" and "C" in a firm " FR", having one third share each. Each partner has a capital balance of 10 lakh in the firm. There are three pieces of lands "S", "T" and " U" in that firm and there is no other capital asset in that firm . All these three lands were acquired by the firm more than two years ago.
- ✓ Book value of each of the land is Rs.10 lakh. Partner "A" wishes to exit. The firm sells land "U" for its fair market value of Rs. 50 lakh. Let us assume that the indexed cost of acquisition of land "U" is Rs.15 lakh. Thus, an amount of Rs.50 lakh less Rs.15 lakh would be charged to tax in the hands of firm " FR" under the head "Capital gains". Hence, the amount of Rs. 35 lakh is charged to long term capital gains and let us assume that the tax is n lakh(assume no surcharge or cess just for ease of calculation and illustration purposes).

- ✓ This, net book profit after tax of Rs.33 lakh (capital gains of Rs.40 lakh without indexation less tax of n lakh) is to be credited in the capital account of each of the three partners, i.e. Rs. 11 lakh each. Thus partner "A" capital account would increase to Rs.21 lakh.
- ✓ Partner "A" decides to exit the firm " FR". The firm revalue its lands " S" and "T" based on valuation report from a registered valuer, as defined in rule 11 U of the Rules, and as per that valuation report fair market value of lands "S" and "T" is no lakh each On the exit of partner "A", the firm decides to give him Rs. 61 lakh of money to settle his capital balance. Thus, as against capital balance of Rs.21 lakh, partner "A" has received Rs.61 lakh of money. Thus Rs.40 lakh is required to be charged to tax under sub-section (4) of section 45 of the Act. This will be in addition to Rs.35 lakh already charged to capital gains.
- ✓ On account of clause (iii) of section 48 of the Act, read with rule 8AB of the Rules, this Rs.40 lakh is to be attributed to the remaining assets of the firm "FR" on the basis of increase in their value due to revaluation based on the valuation report of registered valuer. In this case as per revaluation there are only two capital assets remaining; lands "S" and "T". In both cases the value has increased by Rs.60 lakh each. Thus, out of Rs.40 lakh, Rs.20 lakh shall be attributed to land "S" and Rs.20 Lakh to land "T". When either of these lands gets sold, this amount attributed to them would be reduced from sales consideration under clause (iii) of section 48 of the Act.
- ✓ The amount of Rs.40 lakh which is charged to tax under sub-section (4) of section 45 of the Act shall be charged as long term capital gains in view of sub-rule (5) of rule 8AA of the Rules, since the amount of Rs.40 lakh is attributed to land "S" and land "T" which are both long term capital assets at the time of taxation oP40 lakh under sub-section (4) of section 45 of the Act.
- ✓ Note: The final result in both example 1 and 2 is same due to the operation of section 9B of the Act.

❖ Example 3:

- ✓ There are three partners "A", "B" and "C" in a firm "FR", having one third share each. Each partner has a capital balance on 100 lakh in the firm. There is a piece of land "S" of book value of Rs. 30 lakh . There is patent "T" of written down value of Rs.45 lakh . And there is cash of Rs.225 lakh. The land was acquired by the firm more than two years ago. The patent was acquired/developed/registered one year back.
- ✓ Partner "A" wishes to exit. The firm revalue its land and patent based on valuation report from a registered valuer, as defined in rule 11 U of the Rules, and as per that valuation report fair market value of land "s" is 5 lakh and fair market value of patent "T" is Rs.60 lakh. As per the valuation report there is also self-generated goodwill of Rs.30 lakh. On the exit of partner "A", the firm decides to give him Rs.75 lakh in money and land "s" to settle his capital balance.
- ✓ In accordance with the provisions of section 9B of the Act, it would be deemed that the firm " FR" has transferred land "S" to the partner "A" at its fair market value of Rs.45 lakh. Let us assume that the indexed cost of acquisition of land "S" is Rs.45 lakh.
- ✓ Now on account of the deeming provisions of section 9B of the Act, it is deemed that the firm " FR" has transferred land "S" to partner "A". However, since the sale consideration is equal to indexed cost of acquisition, there will not be any capital gains tax. For partner "A", the cost of acquisition of this land would be Rs.45 lakh.
- ✓ The net book profit 15 lakh (capital gains 15 lakh without indexation) is to be credited in the capital account of each of the three partners, i.e. Rs.5 lakh each. Thus partner "A" capital account would increase to Rs. 105 lakh. This exercise is required to be carried out since section 9B of the Act mandates that it is to be deemed that the firm " FR" has transferred the land "S" to partner "A". Thus, any gain in the books is to be apportioned to partners' capital accounts.

- ✓ As against capital balance of Rs. 105 lakh, partner "A" has received Rs. 120 lakh (money of Rs. 5 Lakh plus land "S" of fair market value of Rs.45 lakh). Thus Rs. 15 Lakh is required to be charged to tax under subsection (4) of section 45 of the Act.
- ✓ On account of clause (iii) of section 48 of the Act, read with rule 8AB of the Rules and this guidance note, this Rs. 15 lakh is to be attributed to the remaining capital assets of the firm " FR" on the basis of increase in the value due to revaluation of existing capital assets, or due to recognition of the value of self-generated goodwill, based on the valuation report of registered valuer. In this case as per this report the value of patent "T " has increased by Rs.15 lakh and the self-generated goodwill value has been recognised at Rs. 30 lakh. Thus one third on 15 lakh (i.e. 5 lakh) would be attributed to patent "T", while two third of Rs. 15 lakh (i.e. Rs. 10 lakh) would be attributed to self-generated goodwill. Rs. 5 lakh attributed to patent "T" shall not be added to the block of the assets and no depreciation shall be available on the same. When patent "T" gets transferred subsequently, this Rs. 5 Lakh attributed shall be reduced from the full value of the consideration received or accruing as a result of transfer of patent "T" by the firm " FR", and the net value shall be considered for reduction from the written down value of the intangible block under sub-clause (c) of clause (6) of section 43 of the Act or for calculation of capital gains, as the case may be, under section 50 of the Act.(Refer guidance in paragraph 5 of this circular). Let us say that Patent T is sold for Rs. 25 lakh. Rs. 5 lakh shall be reduced from Rs. 25 lakh and only net amount of Rs. 20 lakh shall be considered for reduction from the written down value of the intangible block under sub-clause (c) of clause (6) of section 43 of the Act or for calculation of capital gains, as the case may be, under section 50 of the Act. Similarly when goodwill gets sold subsequently, Rs. 10 lakh would be reduced from its sales consideration under clause (iii) of section 48.
- ✓ The amount Rs. 15 lakh which is charged to tax under sub-section (4) of section 45 of the Act shall be charged as short term capital gains, as Rs. 5 lakh is attributed to the Patent "T" which is part of block of assets and Rs. 10 lakh is attributed to self-generated goodwill. In accordance with sub-rule (5) of Rule 8AA of the Rules, both of these are to be characterised as short term capital gains.

- ✓ Note : For the purpose of calculation of depreciation under section 32 of the Act, the written down value of the block of asset " intangible" of which Patent "T" is part, would remain Rs. 45 lakh and would not be increased to Rs. 60 lakh due to revaluation during the year. In this regard it may be highlighted that the following provisions are relevant in determining the amount on which depreciation is allowable under the Act:
 - ✓ Explanation 2 of sub-section (1) of section 32 of the Act provides that the term "written down value of the block of assets" shall have the same meaning as in clause (c) of sub-section (6) of section 43 of the Act.
 - ✓ Clause (c) of sub-section (6) of section 43 of the Act, with respect to block of assets, inter-alia, provides that the aggregate of the written down values of all the assets falling within that block of assets at the beginning of the previous year is to be increased by the actual cost of any asset falling within that block, acquired during the previous year. This clause does not allow any increase on account of revaluation
 - ✓ Sub-section (1) of section 43 of the Act which defines "Actual cost" as actual cost of the assets to the assessee. In revaluation, there is no actual cost to the assessee
- ✓ Further, section 32 of the Act does not allow depreciation on goodwill. If in the given example "self-generated goodwill" is replaced by "self-generated asset", even then the depreciation will not be admissible on the amount of Rs. 30 lakh recognised in valuation. In this regard it may be highlighted that the above mentioned provisions, in the immediate preceding paragraph, are also applicable to "self-generated asset" and since there is no actual cost to assessee in case of " self-generated asset", depreciation is not allowable under section 32 of the Act on an asset whose actual cost is nil.



https://www.incometaxindia.gov.in/communications/circular/circular_14_2021.pdf



Goods & Service Tax Updates



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Notification 29, 30 & 31/2021

- ✓ Section 110 & 111 of Finance Act, 2021 shall come into force from 1st August, 2021. Vide these sections of Finance Act, 2021 amendment in section 35 & 44 is made.
- ✓ Section 35(5) of the CGST Act, 2017 is omitted which is related to GST Audit.
- ✓ Vide Finance Act, 2021 new section 44 is substituted with original section. New section has allowed to file self certified reconciliation statement instead of audited reconciliation statement in Form GSTR 9C.
- ✓ Rule 80 & Instructions to Form 9 & 9C is also amended. By this rule person having aggregate annual turnover more than Rs. 2 Crore and aggregate turnover more than Rs. 5 Crore required to file GSTR 9 & 9C before 31st December of following financial year.



<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-31-central-tax-english-2021.pdf>



<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-30-central-tax-english-2021.pdf>



<https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-31-central-tax-english-2021.pdf>



COMPANIES ACT

MCA Updates



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Allotment of a new name to the existing company:

- ✓ It has been clarified that in case a company fails to change its name or new name, as the case may be, in accordance with the direction issued, within a period of three months from the date of issue of such direction, the letters “ORDNC” (which is an abbreviation of the words “Order of Regional Director Not Complied”), the year of passing of the direction, the serial number and the existing Corporate Identity Number (CIN) of the company shall become the new name of the company without any further act or deed by the company except where e-form INC-24 is filed by the company and is pending for disposal at the expiry of three months from the date of issue of direction

- ✓ The same Notification can be accessed through following link.



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MjgxNzA=&docCategory=Notifications&type=open>

CSR spending on covid vaccination:

- ✓ It has been clarified that spending of CSR funds for Covid-19 vaccination for persons other than the employees and their families, is an eligible CSR activity under the category of promotion of health care.
- ✓ The same Circular can be accessed through following link



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MzEwMTU=&docCategory=Circulars&type=open>



SEBI Updates



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Issuance of Master Circulars

- ✓ SEBI from time to time has been issuing various circulars / directions to Stock Exchanges and Clearing Corporations. In order to enable the users to have an access to all the applicable circulars / directions at one place, Master Circular for Stock Exchanges and Clearing Corporations has been prepared.
- ✓ In case of any inconsistency between the Master Circular and the applicable circulars, the content of the relevant circular shall prevail.
- ✓ The same Master Circular can be accessed through following link



https://www.sebi.gov.in/legal/master-circulars/jul-2021/master-circular-for-stock-exchanges-and-clearing-corporations_50914.html

- ✓ SEBI has been issuing various circulars / directions from time to time for commodity derivatives market. In order to ensure availability of comprehensive information mentioned in the circulars at one place, SEBI has been releasing Master Circular by compiling all the circulars issued by the department till the date of Master circular.

- ✓ In case of any inconsistency between the Master Circular and the applicable circulars, the content of the relevant circular shall prevail.
- ✓ The same Master Circular can be accessed through following link



https://www.sebi.gov.in/legal/master-circulars/jul-2021/master-circular-for-commodity-derivatives-market_50869.html

Holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization:

- ✓ SEBI (LODR) Regulations 2015 requires top 100 listed entities by market capitalization to hold their AGM within a period of five months from the date of closing of the financial year. Considering this pandemic situation, the said limit is extended to six months from the end of financial 2020-21.
- ✓ The same Circular can be accessed through following link



https://www.sebi.gov.in/legal/circulars/jul-2021/extension-of-time-for-holding-the-annual-general-meeting-agm-by-top-100-listed-entities-by-market-capitalization_51318.html

Relaxation in timelines for compliance with regulatory requirements:

- ✓ In view of the prevailing situation due to Covid-19 pandemic, it has been decided to extend the timelines for compliance with the following regulatory requirements by the Trading Members / Clearing Members / KYC Registration Agencies, as under:

Sr. No.	Submission / Compliances	Current timeline / Period of exclusion	Extended timeline / Period of exclusion
1	KYC application form and supporting documents of the clients to be uploaded on system of KRA within 10 working days.	Till July 31, 2021, documents may be uploaded on to the system of KRA within 15 working days.	Till September 30, 2021, documents may be uploaded on to the system of KRA within 15 working days.

Sr. No.	Submission / Compliances	Current timeline / Period of exclusion	Extended timeline / Period of exclusion
2	Submission of Internal Audit Report for Half year ended (HYE) March-2021	Till July 31, 2021	Till September 30, 2021
3	System Audit / Cyber Audit Report – Algo / Type III Members for the period ended March 31, 2021	Till July 31, 2021	Till September 30, 2021
4	Submission of System Audit Report for the period ended March 2021	Till July 31, 2021	Till September 30, 2021
5	Submission of Cyber Security & Cyber Resilience Audit Report for the period ended March 2021	Till July 31, 2021	Till September 30, 2021
6	Reporting of Risk Based Supervision	Till July 31, 2021	Till September 30, 2021
7	Maintaining call recordings of orders / instructions received from clients	Till July 31, 2021	Till September 30, 2021
8	To operate the trading terminals from designated alternate locations	Till July 31, 2021	Till December 31, 2021

✓ The same Circular can be accessed through following link



https://www.sebi.gov.in/legal/circulars/jul-2021/relaxation-in-timelines-for-compliance-with-regulatory-requirements_51497.html



Accounting Updates

Expert Advisory Committee (EAC) Opinion :

- ✓ Expert Advisory Committee (EAC) of ICAI has provided an Opinion on Accounting Treatment of Expenditure Incurred for Configuration Design Study of Integrated Refinery Cum Petrochemical Project.
- ✓ The relevant text of the Opinion is reproduced below:
 - “Committee is of the view that the configuration study does not appear to have been undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Further, the Committee notes that development under Ind AS 38 is an application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services. However, the configuration study in the extant case does not entail an application of research findings or other knowledge, as per the facts provided by the querist. Therefore, the cost of such configuration study should neither be treated as research nor as development cost under Ind AS 38.
 - The Committee is of the view that in case of self-constructed assets, directly attributable costs are generally such costs which are necessary to enable the construction activity, i.e. these costs are directly related to the construction activity and without the incurrence of which the asset cannot be brought to the location and condition necessary for it to be capable of operating in the manner intended by management.

Accordingly, the Committee is of the view that in the extant case, the costs of the configuration design study which as per the querist, is required for setting up the refinery cum petrochemical project, can be capitalised as a part of cost of property, plant and equipment (refinery cum petrochemical plant) only if such study is directly attributable to bringing the plant to the location and condition necessary for it to be capable of operating in the manner intended by the management.”

✓ The same EAC Opinion can be accessed at:



<https://resource.cdn.icaai.org/65323cajournal-july2021-28.pdf>



Excellence in Excel

Calculation of Future Value with Variable Interest Rate

- ✓ Syntax: FVSCCHEDULE(principal, schedule)
- ✓ The FVSCCHEDULE function syntax has the following arguments:
 - ❖ Principal : The Present Value
 - ❖ Schedule : An array of interest rates to apply

	A	B	C
1	Principal Amount	1000	
2	Year 2017	4%	
3	Year 2018	6%	
4	Year 2019	5%	
5	Year 2020	7%	
6			
7	Formula	Description	Result
8	=FVSCCHEDULE(B1,B2:B5)	Future value of 1000 with compound annual interest rates of 4%, 6%, 5% and 10%.	1238.55

MOTIVATION?

IT'S RIGHT INSIDE YOU!

Motivational Mantra

The Right Place

A mother and a baby camel were lying around under a tree.

Then the baby camel asked, "Why do camels have humps?"

The mother camel considered this and said, "We are desert animals so we have the humps to store water so we can survive with very little water."

The baby camel thought for a moment then said, "Ok...why are our legs long and our feet rounded?"

The mama replied, "They are meant for walking in the desert."

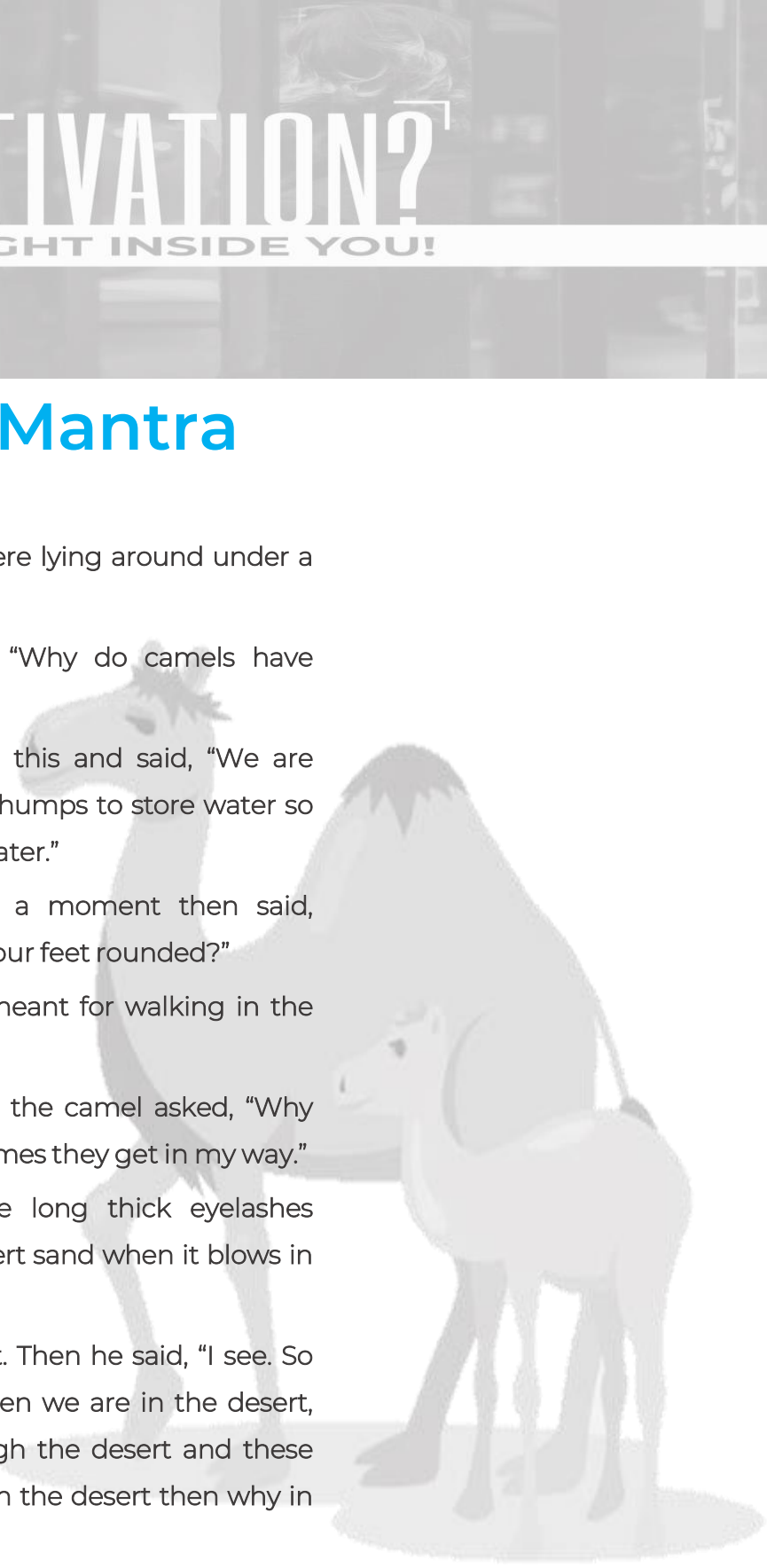
The baby paused. After a beat, the camel asked, "Why are our eyelashes long? Sometimes they get in my way."

The mama responded, "Those long thick eyelashes protect your eyes from the desert sand when it blows in the wind."

The baby thought and thought. Then he said, "I see. So the hump is to store water when we are in the desert, the legs are for walking through the desert and these eye lashes protect my eyes from the desert then why in the Zoo?"

Moral of the story

Skills and abilities are only useful if you are in the right place at the right time. Otherwise, they go to waste.



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