



November  
2021

THE NEWSLETTER  
**UPDATES**

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



# ▶ Reader's walk through ...

1	Why Newsletter ?	1
2	Who are we ?	2
3	November 2021 Compliance Calendar	3
4	Direct Tax Updates	5
5	Indirect tax Updates	9
6	MCA Updates	27
7	SEBI Updates	30
8	Accounting Updates	32
9	Excellence in Excel	34
10	Motivational Mantra	35
11	Services We Offer	36

# 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

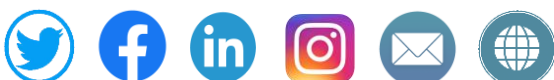


Valuation



Management Reporting

## Lets Keep in Touch



# November 2021- Compliance Calendar



- ✓ Due date for Payment of TDS for the month of October 2021
- ✓ Due date deposit of TDS for July-Sep. 2021 u/s section 192, 194A, 194D or 194H.



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



- ✓ GSTR1 For the Monthly Filers for October 2021



- ✓ GSTR 6 For the Month of October 2021



- ✓ issuing TDS certificates in form 16B, form 16C and form 16D under sec 194-IA, 194-IB and 194M, for tax deducted in September 2021.

- ✓ Payment of PF & ESIC for the month of October 2021.
- ✓ Quarterly TDS certificate (in respect of tax deducted for payments other than salary) for the quarter ending September 30, 2021
- ✓ Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of October, 2021 has been paid without the production of a challan



# November 2021- Compliance Calendar



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



- ✓ PTM-06 for Oct 2021 (QRMP Scheme)



- ✓ Due date for furnishing of challan-cum-statement in respect of tax deducted under section 194-IA, 194-IB, 194-IM, in the month of October
- ✓ Uploading of the declarations received from recipients in Form No. 15G/15H during the quarter ending 30th June, 2021
- ✓ Due date to exercise option of safe harbour rules for international transaction by furnishing Form 3CEFA.
- ✓ Due date to exercise option of safe harbour rules for specified domestic transaction by furnishing Form 3CEFB
- ✓ Due date for claiming foreign tax credit, upload statement of foreign income offered for tax for the previous year 2020-21 and of foreign tax deducted or paid on such income in Form no. 67.
- ✓ Due date for e-filing of report (in Form No. 3CEJ) by an eligible investment fund in respect of arm's length price of the remuneration paid to the fund manager. (if the assessee is required to submit return of income on November 30, 2021).
- ✓ Audit report under section 44AB for the assessment year 2021-22 in the case of an assessee who is also required to submit a report pertaining to international or specified domestic transactions under section 92E




# Direct Tax Updates



RUSHI DANGI

 [rushi@parikhandassociates.in](mailto:rushi@parikhandassociates.in)

 +91 9974388984

 LinkedIn | Rushi Dangi

## Clarification regarding Section 36(1)(xvii), of the Income-tax Act, 1961, inserted

- ✓ The Finance Act, 2015 inserted the following clause (xvii) in sub-section (1) of section 36 of the Income-tax Act, 1961 (the Act) to provide for deduction on account of the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar –
- ✓ "(xvii) the amount of expenditure incurred by a co-operative society engaged in the business of manufacture of sugar for purchase of sugarcane at a price which is equal to or less than the price fixed or approved by the Government;"

- ✓ Note: : It is clarified that the phrase 'price fixed or approved by the Government' in clause (xvii) in sub-section (1) of section 36 of the Act includes price fixation by State Governments through State-level Acts/Orders or other legal instruments that regulate the purchase price for sugarcane. including State Advised Price, which may be higher than the Statutory Minimum Price Fair and Remunerative Price fixed by the Central Government.



<https://incometaxindia.gov.in/communications/circular/circular-no-18-2021.pdf>

## Exemption, under section 139(1), from furnishing a return of Income

- ✓ In exercise of the powers conferred by sub-section (1C) of section 139 of the Income-tax Act, 1961. Central Government, hereby exempts the following class of persons from the requirement of furnishing a return of income under sub-section (1) of section 139 of the said Act from assessment year 2021-2022 onwards: -

Sr. No.	Class of Person	Conditions
1	Non-Resident, not being a company  or  Foreign Company	✓ The said class of persons does not earn any income in India, during the previous year, other than the income from investment in the specified fund referred to in sub-clause (i) of clause (c) of Explanation to clause (4D) of section 10 of the said Act; and  ✓ The provisions of section 139A of the said Act are not applicable to the said class of persons subject to fulfilment of the conditions mentioned in sub-rule (1) of rule 114AAB of the Income-tax Rules, 1962
2	Non-Resident, being an eligible foreign investor	✓ The said class of persons, during the previous year, has made transaction only in capital asset referred to in clause (viiab) of section 47 of the said Act, which are listed on a recognised stock exchange located in any International Financial Services Centre and the consideration on transfer of such capital asset is paid or payable in foreign currency.  ✓ The said class of persons does not earn any income in India, during the previous year, other than the income from transfer of capital asset referred to in clause (viiab) of section 47 of the said Act; and  ✓ The provisions of section 139A of the said Act are not applicable to the said class of persons subject to fulfilment of the conditions mentioned in sub-rule (2A) of rule 114AAB of the said rules.



- Note:
- ✓ The above exemption from the requirement of furnishing a return of income shall not be available to the class of persons mentioned in the column (2) of the said Table where a notice under sub-section (1) of section 142 or section 148 or section 153A or section 153C of the said Act has been issued for filing a return of income for the assessment year specified therein.



<https://incometaxindia.gov.in/communications/notification/notification-119-2021.pdf>

### **Guidelines under clause (23FE) of section 10 of the Income-tax Act, 1961**

- ✓ Finance Act, 2020, inter-alia, inserted clause (23FE) of section 10 of the Income-tax Act, 1961 (hereinafter referred to as "the Act") to provide for exemption to sovereign wealth funds and pension funds (hereinafter referred to as "specified fund") on their income in the nature of dividend, interest and long-term capital gains arising from investment in infrastructure in India made between 01.04.2020 and 31.03.2024 subject to fulfilment of certain conditions.
- ✓ The Finance Act, 2021, inter alia, inserted seventh proviso to clause (23 FE) of section 10 of the Act to provide that in case the specified fund has loans or borrowings, directly or indirectly, for the purposes of making investment in India, such fund shall be deemed to be not eligible for exemption under this clause.
- ✓ In order to remove the above difficulties mentioned in para 3 of these guidelines, it is hereby clarified that eligibility of exemption under clause (23FE) of section LO of the Act shall be as follow-
- ✓ If the loans and borrowings have been taken by the specified fund or any of its group concern, specifically for the purposes of making investment by the specified fund in India, such fund shall not be eligible for exemption under clause (23FE) of section 10 of the Act; and

- ✓ If the loans and borrowings have been taken by the specified fund or any of its group concern, not specifically for the purposes of making investment in India, it shall not be presumed that the investment in India has been made out of such loans and borrowings and such specified fund shall be eligible for exemption under clause 23(FE) of section 10 of the Act, subject to the fulfilment of all other conditions under the said clause, provided that the source of the investment in India is not from such loans and borrowings.



<https://incometaxindia.gov.in/communications/circular/circular-19-2021.pdf>



# Goods & Service Tax Updates



PARAS ZALA



parasbzala@gmail.com



+91 7621841471



LinkedIn | Paras Zala

## Circular No. 163/19/2021-GST

**Subject: Clarification regarding GST rates & classification (goods) based on the recommendations of the GST Council in its 45th meeting held on 17th September, 2021 at Lucknow-reg.**

- ✓ Based on the recommendations of the GST Council in its 45th meeting held on 17th September, 2021, at Lucknow, clarification, with reference to GST levy, related to the following are being issued through this circular:
  - i. Fresh vs dried fruits and nuts;
  - ii. Classification and applicable GST rates on Tamarind seeds;
  - iii. Coconut vs Copra;
  - iv. Classification and applicable GST rate on Pure henna powder and leaves, having no additives;
  - v. Scented sweet supari and flavored and coated illaichi;
  - vi. Classification of Brewers' Spent Grain (BSG), Dried Distillers' Grains with Soluble [DDGS] and other such residues and applicable GST rate;
  - vii. GST rates on goods [miscellaneous pharmaceutical products] falling under heading 3006;
  - viii. Applicability of GST rate of 12% on all laboratory reagents and other goods falling under heading 3822;

- ix. Requirement of Original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) on each inter-State stock transfer of goods imported at concessional GST rate for petroleum operations;
- x. External batteries sold along with UPS Systems/ Inverter;
- xi. Specified Renewable Energy Projects;
- xii. Fiber Drums, whether corrugated or non-corrugated.

2. The issue-wise clarifications are discussed in detail below.

3. Applicability of GST on fresh and dried fruits and nuts:

3.1 Representations have been received seeking clarification regarding the distinction between fresh and dried fruits and nuts and applicable GST rates.

3.2 At present, fresh nuts (almond, walnut, hazelnut, pistachio etc) falling under heading 0801 and 0802 are exempt from GST, while dried nuts under these headings attract GST at the rate of 5%/ 12%. The general Explanatory Notes to chapter 08 mentions that this chapter covers fruit, nuts intended for human consumption. They may be fresh (including chilled), frozen (whether or not previously cooked by steaming or boiling in water or containing added sweetening matter) or dried (including dehydrated, evaporated or freeze-dried). Thus, HS chapter differentiates between fresh, frozen and dried fruits and nuts. Fresh fruit and nuts would thus cover fruit and nuts which are meant to be supplied in the state as plucked. They continue to be fresh even if chilled. However, fruit and nuts do not qualify as fresh, once frozen (cooked or otherwise), or intentionally dried to dehydrate including through sun drying, evaporation or freezing, for supply as dried fruits or nuts. It may be noted that in terms of note 3 to Chapter 8, dried fruits, even if partially re-hydrated, or subject to preservation say by moderate heat treatment, retain the character of dried fruits or dried nuts.

3.3. Therefore, exemption from GST to fresh fruits and nuts covers only such products which are not frozen or dried in any manner as stated above or otherwise processed. Supply of dried fruits and nuts, falling under heading 0801 and 0802 attract GST at the rate of 5%/12% as specified in the respective rate Schedules.

#### 4. Applicability of GST on tamarind seeds:

4.1 Representations have been received seeking clarification regarding classification and applicable GST rates on tamarind seeds. The dispute is in classification of tamarind seeds between tariff heading 1207 and 1209.

4.2 As per general Explanatory Notes to HS 2017, heading 1209, covering seeds, fruit and spores, of a kind used for sowing, covers tamarind seeds. As per Chapter note 3 to Chapter 12, for the purposes of heading 1209, beet seeds, grass and other herbage seeds, seeds of ornamental flowers, vegetable seeds, seeds of forest trees, seeds of fruit trees, seeds of vetches (other than those of the species *Vicia faba*) or of lupines are to be regarded as "seeds of a kind used for sowing". Thus, tamarind seeds, even if used for any purpose other than sowing, is liable to be classified under heading 1209 and hitherto attracted nil GST rate, irrespective of its use (for the period 01.07.2017 to 30.09.2021).

4.3 The GST council in its 45th meeting recommended GST rate on seeds, falling under heading 1209, meant for any use other than sowing to 5% (S. No. 71A of schedule I of notification No. 1/2017- Central Tax (Rate) dated 28.06.2017) and Nil rate would apply only to seeds for this heading if used for sowing purposes (S. No. 86 of schedule of notification No. 2/2017- Central Tax (Rate) dated 28.06.2017). Hence, with effect from 1.10.2021, tamarind and other seeds falling under heading 1209, (i.e. including tamarind seeds), if not supplied as seed for sowing, would attract GST at the rate of 5%.

#### 5. Clarification of definition of Copra:

5.1. Representations have been received seeking clarification regarding the definition of Copra and applicable GST rates.

5.2 As per Explanatory Notes to HS (2017 edition) to heading 1203, Copra is dried flesh of coconut generally used for the extraction of coconut oil. Coconut kernel turns into copra, when it separates from the shell skin, while still being inside the shell. The whole unbroken kernel could be taken out of shell only when it converts to copra. Once taken out of shell, copra could be supplied either whole or broken.

5.3. As per the Explanatory Notes to HS, the heading 0801 covers coconut fresh or dried notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

## 6. Applicability of GST on pure henna powder and leaves:

6.1 Representations have been received seeking clarification regarding classification and applicable GST rates on henna powder and henna leaves.

6.2 As per the Explanatory Notes to HS 2017, heading 1404 is vegetable products not elsewhere specified or included. Further, as per the said Explanatory Notes, heading 1404 includes raw vegetable materials of a kind used primarily in dyeing or tanning. Such products are used primarily in dyeing or tanning either directly or in preparation of dyeing or tanning extracts. The material may be untreated, cleaned, dried, ground or powdered (whether or not compressed).

6.3 Accordingly, it is clarified that pure henna powder and henna leaves, having no additives, is classifiable under tariff item 1404 90 90 and shall attract GST rate of 5% (S. No. 78 of schedule I of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

6.4. Further, the GST rate on mehndi paste in cones falling under heading 1404 and 3305 shall be 5% (S. No. 78A of schedule I of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

## 7. Applicability of GST on scented sweet supari & flavored and coated illaichi:

7.1 Representations have been received seeking clarification regarding classification and applicable GST rates on flavored and coated illaichi, and scented sweet supari.

7.2 Scented sweet supari falls under tariff item 2106 90 30 as "Betel nut product" known as "Supari" and attracts GST rate of 18% vide entry at S. No. 23 of Schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017.

7.3 Flavored and coated illaichi generally consists of Cardamom Seeds, Aromatic Spices, Silver Leaf, Saffron, Artificial Sweeteners. It is distinct from illaichi or cardamom (which falls under heading 0908). It is clarified that flavored and coated illaichi is a value added product and falls under sub-heading 2106. It accordingly attract GST at the rate of 18% (S. No. 23 of schedule III of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

8.1 Representations have been received seeking clarification regarding classification and applicable GST rates on Brewers' spent grain (BSG), Dried distillers' grains with soluble [DDGS] and other such residues of starch manufacture and similar residues beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets.

8.2 As per the Explanatory Notes to the HSN, heading 2303 includes residues of starch manufacture and similar residues (from maize (corn), rice, potatoes, etc.); beetpulp; bagasse; other waste products of sugar manufacture; brewing or distilling dregs and waste, which comprises in particular - dregs of cereals obtained in the manufacture of beer and consisting of exhausted grains remaining after the wort has been drawn off; malts sprouts separated from the malted grain during the kilning process; spent hops; Dregs resulting from the distillation of spirits from grain, seeds, potatoes, etc; beet pulp wash (residues from the distillation of beet molasses).All these products remain classified in the heading whether presented in wet or dry.

8.3 Thus, Brewers' spent grain (BSG), Dried distillers' grains with soluble [DDGS] and other such residues are classifiable under heading 2303, attracting GST at the rate of 5% (S. No. 104 of schedule I of notification No. 1/2017-Central Tax (Rate) dated 28.06.2017).

9. Scope of GST rate on all pharmaceutical goods falling under heading 3006.

9.1 Entry at S. No. 65 of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017, reads as "Pharmaceutical goods specified in Note 4 to this Chapter [i.e. Sterile surgical catgut, similar sterile suture materials (including sterile absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics; sterile surgical or dental adhesion barriers, whether or not absorbable; Waste pharmaceuticals] [other than contraceptives]"

9.2 S. No. 65 of Second Schedule of Notification 1/2017- Central Tax (Rate) dated 28.6.2017 refers to the note 4 to Chapter 30 of the First schedule of the Customs Tariff Act, 1975 while mentioning an illustrative list. Certain representations were received seeking clarification on the applicable rate of goods falling under heading 3006 that are not specifically mentioned in the Entry at S. No. 65 of Schedule II of notification No. 1/2017-Central Tax (Rate) dated 28.6.2017.

9.3 Note 4 to Chapter 30 of the First schedule of the Custom Tariff Act, 1975 reads as follows:

“(a) sterile surgical catgut, similar sterile suture materials (including sterile absorbable surgical or dental yarns) and sterile tissue adhesives for surgical wound closure;

(b) sterile laminaria and sterile laminaria tents;

(c) sterile absorbable surgical or dental haemostatics sterile surgical or dental adhesion barriers, whether or not absorbable;

(d) opacifying preparations for X-ray examinations and diagnostic reagents designed to be administered to the patient, being unmixed products put up in measured doses or products consisting of two or more ingredients which have been mixed together for such uses;

(e) blood-grouping reagents;

(f) dental cements and other dental fillings; bone reconstruction cements;

(g) first-aid boxes and kits;

(h) chemical contraceptive preparations based on hormones, on other products of heading 2937 or on spermicides;

(i) gel preparations designed to be used in human or veterinary medicine as a lubricant for parts of the body for surgical operations or physical examinations or as a coupling agent between the body and medical instruments; and

(j) waste pharmaceuticals, that is, pharmaceutical products which are unfit for their original intended purpose due to, for example, expiry of shelf-life.

(k) appliances identifiable for ostomy use, that is colostomy, ileostomy and urostomy pouches cut to shape and their adhesive wafers or faceplates.”

9.4 Thus, it is clarified that said entry 65 covers all goods as specified in Chapter Note 4 and Chapter Note 4 in turn covers all goods covered under Heading 3006. Therefore, said entry 65 covers all goods falling under heading 3006, irrespective of the fact that such goods are specifically mentioned in said entry. Therefore, all goods falling under heading 3006 attract GST rate of 12% under entry 65 in the 12% rate schedule.



10. All laboratory reagents and other goods falling under heading 3822:

10.1 Entry at S. No. 80 of Schedule II of notification No.1/2017- Integrated Tax (Rate) dated 28.6.2017 prescribes GST rate of 12% for “All diagnostic kits and reagents”.

10.2. Representations have been received whether the benefit of concessional rate of 12% would be available to laboratory agents and other goods falling under heading 3822.

10.3 Heading 3822 covers “Diagnostic or Laboratory Reagents, Certified Reference Materials etc.”.

10.4 The issue was placed before the GST Council and on its recommendations, it is clarified that the intention of this entry was to prescribe GST rate of 12% to all goods, whether diagnostic or laboratory reagents, falling under heading 3822.

10.5 It is accordingly clarified that concessional GST rate of 12% is applicable on all goods falling under heading 3822, vide Entry at S. No. 80 of Schedule II of notification No.1/2017-Integrated Tax (Rate) dated 28.6.2017.

11. Requirement of Original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) on each inter-State stock transfer of goods imported at concessional GST rate for petroleum operations

11.1 Notification No. 3/2017-Central Tax (Rate) prescribes concessional rate of 5% for specified goods which are used in connection with specified petroleum operations. Condition 1 (d) in notification No. 03/2017-Central Tax dated 28.06.2017 prescribes that “whenever goods so supplied are transferred to other licensee or sub-contractor a certificate from Directorate General of Hydrocarbons (DGH) is to be produced that the goods may be transferred to the transferee”.

11.2. As per Section 7 read with Schedule-I of the CGST Act 2017, inter-state stock transfer between distinct persons (establishment of same person located in two different states) is considered as ‘supply ‘of goods.

11.3. Representations have been received seeking clarification whether the original/ import Essentiality certificate can be used for such inter-state stock transfers or a fresh Essentiality certificate would be required for each inter-state stock transfer as it is being treated as supply subject to IGST.

10. All laboratory reagents and other goods falling under heading 3822:

10.1 Entry at S. No. 80 of Schedule II of notification No.1/2017- Integrated Tax (Rate) dated 28.6.2017 prescribes GST rate of 12% for “All diagnostic kits and reagents”.

10.2. Representations have been received whether the benefit of concessional rate of 12% would be available to laboratory agents and other goods falling under heading 3822.

10.3 Heading 3822 covers “Diagnostic or Laboratory Reagents, Certified Reference Materials etc.”.

10.4 The issue was placed before the GST Council and on its recommendations, it is clarified that the intention of this entry was to prescribe GST rate of 12% to all goods, whether diagnostic or laboratory reagents, falling under heading 3822.

10.5 It is accordingly clarified that concessional GST rate of 12% is applicable on all goods falling under heading 3822, vide Entry at S. No. 80 of Schedule II of notification No.1/2017-Integrated Tax (Rate) dated 28.6.2017.

11. Requirement of Original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) on each inter-State stock transfer of goods imported at concessional GST rate for petroleum operations

11.1 Notification No. 3/2017-Central Tax (Rate) prescribes concessional rate of 5% for specified goods which are used in connection with specified petroleum operations. Condition 1 (d) in notification No. 03/2017-Central Tax dated 28.06.2017 prescribes that “whenever goods so supplied are transferred to other licensee or sub-contractor a certificate from Directorate General of Hydrocarbons (DGH) is to be produced that the goods may be transferred to the transferee”.

11.2. As per Section 7 read with Schedule-I of the CGST Act 2017, inter-state stock transfer between distinct persons (establishment of same person located in two different states) is considered as ‘supply ‘of goods.

11.3. Representations have been received seeking clarification whether the original/ import Essentiality certificate can be used for such inter-state stock transfers or a fresh Essentiality certificate would be required for each inter-state stock transfer as it is being treated as supply subject to IGST.

11.4 GST Council deliberated upon this issue and a decision was taken that the original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) is sufficient and there is no need for taking a certificate every time on inter-state movement of goods within the same company / stock transfer so long as the goods are the same as those imported by the company at concessional rate.

11.5. The importer is required to maintain records and should be able to establish nexus between the stock transfer of goods and the description in the essentiality certificate

12. GST rates applicable on External batteries sold along with UPS Systems/ Inverter

12.1 References have been received seeking clarification about whether, 'UPS Systems/inverter sold along with batteries as integral part' are classified under heading 8507 at 28% GST or under heading 8504 at 18% GST.

12.2 The matter has been examined and it is observed that even if the UPS/inverter and external battery are sold on the same invoice, their price are separately known, and they are two separately identifiable items. Thus, this constitutes supply of two distinctly identifiable items on one invoice. Therefore, it is clarified that in such supplies, UPS/ inverter would attract GST rate of 18% under heading 8504, while external batteries would attract the GST rate as applicable to it under heading 8507 (28% for all batteries except lithium-ion battery).

13. Applicability of GST rates on Solar PV Power Projects

13.1 Representations have been received seeking clarification regarding the GST rates applicable on Solar PV Power Projects on or before 1st January, 2019. The issue seems to have arisen in the context of Notification No.24/2018- Central Tax (Rate), dated 31st December, 2018. An explanation was inserted vide the said notification that GST on specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, with effect from 1st January, 2019. The request has been that same ratio (for deemed value) may be applied in respect of supplies made before 1.1.2019.

11.4 GST Council deliberated upon this issue and a decision was taken that the original/ import Essentiality certificate, issued by the Directorate General of Hydrocarbons (DGH) is sufficient and there is no need for taking a certificate every time on inter-state movement of goods within the same company / stock transfer so long as the goods are the same as those imported by the company at concessional rate.

11.5. The importer is required to maintain records and should be able to establish nexus between the stock transfer of goods and the description in the essentiality certificate

12. GST rates applicable on External batteries sold along with UPS Systems/ Inverter

12.1 References have been received seeking clarification about whether, 'UPS Systems/inverter sold along with batteries as integral part' are classified under heading 8507 at 28% GST or under heading 8504 at 18% GST.

12.2 The matter has been examined and it is observed that even if the UPS/inverter and external battery are sold on the same invoice, their price are separately known, and they are two separately identifiable items. Thus, this constitutes supply of two distinctly identifiable items on one invoice. Therefore, it is clarified that in such supplies, UPS/ inverter would attract GST rate of 18% under heading 8504, while external batteries would attract the GST rate as applicable to it under heading 8507 (28% for all batteries except lithium-ion battery).

13. Applicability of GST rates on Solar PV Power Projects

13.1 Representations have been received seeking clarification regarding the GST rates applicable on Solar PV Power Projects on or before 1st January, 2019. The issue seems to have arisen in the context of Notification No.24/2018- Central Tax (Rate), dated 31st December, 2018. An explanation was inserted vide the said notification that GST on specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, with effect from 1st January, 2019. The request has been that same ratio (for deemed value) may be applied in respect of supplies made before 1.1.2019.

13.2 As per this explanation, if the goods specified in this entry are supplied, by a supplier, along with supplies of other goods and services, one of which being a taxable service specified in the entry at S. No. 38 of the Table mentioned in the notification No. 11/2017-Central Tax (Rate), dated 28th June, 2017, the value of supply of goods for the purposes of this entry shall be deemed as seventy per cent. of the gross consideration charged for all such supplies, and the remaining thirty per cent. of the gross consideration charged shall be deemed as value of the said taxable service. This mechanism for valuation of supply was recommended by the Council considering that it adequately represented the value of goods and services involved in the supply.

13.3 The GST Council has now decided to clarify that GST on such specified Renewable Energy Projects can be paid in terms of the 70:30 ratio for goods and services, respectively, for the period of 1st July, 2017 to 31st December, 2018, in the same manner as has been prescribed for the period on or after 1st January, 2019, as per the explanation in the Notification No.24/2018 dated 31st December, 2018. However, it is specified that, no refunds will be granted if GST already paid is more than the amount determined using this mechanism.

#### 14. Applicability of GST rates on Fibre Drums, whether corrugated or noncorrugated

14.1 Hitherto, corrugated boxes and cartons, falling under heading 4819 attracted GST at the rate of 12% (entry 122 of 12% rate schedule), while other cartons falling under this heading attracted GST at the rate of 18%. Disputes have arisen as regards applicable GST on fibre drums, which is partially corrugated (as to whether it is be treated as corrugated or otherwise). This dispute gets resolved on account of the recommendation of the GST Council, in its 45th meeting, to prescribe a uniform GST rate of 18% on all goods classifiable under heading 4819 (with effect from 1st October, 2021 under S. No. 153A of Schedule III of notification No.1/2017-Central Tax (Rate) dated 28.6.2017).

14.2 For the period prior to 1.10.2021, the Council upon taking note of the fact that there was an ambiguity regarding the GST rates applicable on a Fibre Drums, because of its peculiar construction (partially corrugated), has decided that supplies of such Fibre Drums even if made at 12% GST (during the period from 1.7.2017 to 30.9.2021), would be treated as fully GST-paid. Therefore, no action for recovery of differential tax (over and above 12% already paid) would arise.

However, as this decision has only been taken to regularize the past practice in view of certain ambiguity, as detailed in para 14.1, no refund of GST already paid shall be allowed if already paid at 18%.

✓ The same Circular can be accessed through following link.



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_\\_\\_\\_\\_No.163\\_18\\_2021\\_GST.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_____No.163_18_2021_GST.pdf)

### Circular No. 164 /20 /2021-GST

#### Sub: Clarifications regarding applicable GST rates & exemptions on certain services–reg.

✓ Representations have been received seeking clarification in respect of applicable GST rates on the following activities:

1. Services by cloud kitchens/central kitchens,
2. Supply of ice cream by ice cream parlors,
3. Coaching services to students provided by coaching institutions and NGOs under the central sector scheme of „Scholarships for students with Disabilities”
4. Satellite launch services provided by NSIL
5. Overloading charges at toll plaza,
6. Renting of vehicles by State Transport Undertakings and Local Authorities,
7. Services by way of grant of mineral exploration and mining rights attracted GST,
8. Admission to amusement parks having rides etc. ,
9. Services supplied by contract manufacture to brand owners or others for manufacture of alcoholic liquor for human consumption.

2. The issues have been examined by GST Council in the 45rd meeting of the Council held on 17th September, 2021. The issue-wise clarifications are given below:

### 3. Services by cloud kitchens/central kitchens:

3.1 Representations have been received requesting for clarification regarding the classification and rate of GST on services rendered by Cloud kitchen or Central Kitchen.

3.2 The word „restaurant service“ is defined in Notification No. 11/2017 – CTR as below:

- „Restaurant service“ means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied.“

3.3 The explanatory notes to the classification of service state that „restaurant service“ includes services provided by Restaurants, Cafes and similar eating facilities including takeaway services, room services and door delivery of food. Therefore, it is clear that takeaway services and door delivery services for consumption of food are also considered as restaurant service and, accordingly, service by an entity, by way of cooking and supply of food, even if it is exclusively by way of takeaway or door delivery or through or from any restaurant would be covered by restaurant service. This would thus cover services provided by cloud kitchens/central kitchens.

3.4 Accordingly, as recommended by the Council, it is clarified that service provided by way of cooking and supply of food, by cloud kitchens/central kitchens are covered under „restaurant service“, as defined in notification No. 11/2017- Central Tax (Rate) and attract 5% GST [ without ITC].

### 4. Supply of ice cream by ice cream parlors

4.1 Representations have been received requesting for clarification regarding the supplies provided in an ice cream outlet.

4.2 Ice cream parlors sell already manufactured ice- cream and they do not have a character of a restaurant. Ice-cream parlors do not engage in any form of cooking at any stage, whereas, restaurant service involves the aspect of cooking/preparing during the course of providing service. Thus, supply of ice-cream parlor stands on a different footing than restaurant service. Their activity entails supply of ice cream as goods (a manufactured item) and not as a service, even if certain ingredients of service are present.

6.2 It has been clarified vide Circular No. 2/1/2017-IGST dated 27.09.2017 that Place of Supply (PoS) of satellite launch services supplied by ANTRIX Corporation Ltd to customers located outside India is outside India and such supply which meets the requirements of section 2(6) of IGST Act, constitutes export of service and shall be zero rated. If the service recipient is located in India, the satellite launch services would be taxable.

6.3 As recommended by the Council, it is clarified that as the satellite launch services supplied by NSIL are similar to those supplied by ANTRIX Corporation Ltd, the said circular No. 2/1/2017-IGST dated 27.09.2017, is applicable to them.

#### 7. GST on overloading charges at toll plaza.

7.1 Representations have been received seeking clarification regarding applicability of GST on Overloading charges collected at Toll Plazas.

7.2 Entry 23 of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017, exempts Service by way of access to a road or a bridge on payment of toll charges.

7.3 Vide notification dated 25th Sep. 2018, issued by Ministry of Road Transport And Highways, overloaded vehicles were allowed to ply on the national highways after payment of fees with multiplying factor of 2/4/6/8/10 times the base rate of toll. Therefore, it essence overloading fees are effectively higher toll charges.

7.4 As recommended by the GST Council, it is clarified that overloading charges at toll plazas would get the same treatment as given to toll charges.

#### 8. Renting of vehicles to State Transport Undertakings and Local Authorities

8.1 Representations have been received seeking clarification regarding eligibility of the service of renting of vehicles to State Transport Undertakings (STUs) and Local Authorities for exemption from GST under notification No. 12/2017-Central Tax (Rate) dated 28.06.2017. Sl. No. 22 of this notification exempts "services by way of giving on hire (a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or (aa) to a local authority, an Electrically Operate vehicle meant to carry more than twelve passengers".



8.2 This issue has arisen in the wake of ruling issued by an Authority for Advance Ruling that the entry at Sl. No. 22 of notification No. 12/2017-Central Tax (Rate) exempts services by way of giving on hire vehicles to a State Transport Undertaking or a local authority and not renting of vehicles to them. The ruling referred to certain case laws pertaining to erstwhile positive list based service tax regime.

8.3 It is relevant to note in this context that Schedule II of CGST Act, 2017 declares supply of any goods without transfer of title as supply of service even if right to use is transferred. Transfer of right to use has been declared as a supply of service [Schedule II, Entry 5(f) refers] 8.4 The issue was placed before the 45th GST Council Meeting held on 17.09.2021. As recommended by the GST Council, it is clarified that the expression “giving on hire” in Sl. No. 22 of the Notification No. 12/2017-CT (Rate) includes renting of vehicles. Accordingly, services where the said vehicles are rented or given on hire to State Transport Undertakings or Local Authorities are eligible for the said exemption irrespective of whether such vehicles are run on routes, timings as decided by the State Transport Undertakings or Local Authorities and under effective control of State Transport Undertakings or Local Authorities which determines the rules of operation or plying of vehicles .

## 9. Services by way of grant of mineral exploration and mining rights

9.1 Representations have been received requesting for clarification as to the rate of GST applicable on supply of services by way of granting mineral exploration and mining rights during the period from 1.07.2017 to 31.12.2018. With effect from 1.1.2019, the rate schedule has been specifically amended and it is undisputed since then that such service attracts GST at the rate of 18%.

9.2 For the disputed period [ 1.7.2017 to 31.12.2018], divergent rulings have been issued by Authorities for Advance Ruling (AAR) and Appellate Authorities for Advance Ruling (AAAR) of various States on the GST rate applicable on the same. AAR, Haryana in case of M/s Pioneer Partners and AAR, Chhattisgarh in case of M/s NMDC have ruled that the service of grant of mining leases is classifiable under Service Code 997337 (licensing services for the right to use minerals including its exploration and evaluation) and attracted, prior to 01.01.2019, the same rate of GST as applicable to minerals, that is, 5% as prescribed against Sl. No. 17, item (viii) of Notification No. 11/2017-Central Tax (Rate).

The rate prescribed against this entry prior to 01.01.2019 was “the same rate as applicable on supply of like goods involving transfer of title in goods”. In certain other advance rulings, a view has been taken that grant of rights for mineral exploration and mining would be covered under heading 9991 and would attract GST at the rate of 18%.

9.2.1 AAAR, Odisha, on the other hand has ruled vide Order dated 5.11.2019 in the case of M/s Penguin Trading and Agencies Limited that grant of mining lease was taxable @ 18% prior to 01.01.2019. The Appellate Authority in this case observed that GST rate applicable against Sl. No. 17 item (viii) of Notification No. 11/2017-Central Tax (Rate) prior to 01.01.2019 was not implementable. Unlike leasing or renting of goods, there are no underlying goods in case of leasing of mining area. The rate prescribed for goods cannot be made applicable to leasing of mining area, which confers the right to extract and appropriate minerals. The mining lease by Government, not being a lease of any goods, cannot attract the rate applicable to sale of like goods. Appellate Authority for Advance Ruling, Odisha has further held that the amendment carried out vide Notification No. 27/2018-Central Tax (Rate), dated 31.12.2018, which restricted the “same rate as applicable to supply of goods involving transfer of title in goods” only to leasing or renting of goods was to clarify the legislative intent as well as to resolve the unintended interpretation. It is a settled law that interpretation which defeats the intention of legislature cannot be adopted. It accordingly upheld that “licensing services for the right to use minerals including its exploration and evaluation” falling under service code 997337 were taxable @ 18% during 01.07.2017 to 31.12.2018.

9.2.2 It may be noted that the expression “same rate of tax as applicable on supply of like goods involving transfer of title in goods” applies in case of leasing or renting of goods. In case of grant of mining rights, there is no leasing or renting of goods. Hence, the said entry does not extend to grant of mining rights which is an entirely different activity.

9.3 The issue was placed before the GST Council in its 45th meeting held on 17.9.2021.

9.3.1 As regards classification of service, it was recommended by the Council that service by way of grant of mineral exploration and mining rights most appropriately fall under service code 997337, i.e. “licensing services for the right to use minerals including its exploration and evaluation”.

9.3.2 As regards the applicable rate for the period from 1.7.2017 to 31.12.2018, the council took note of the following facts, namely,-

(i) GST Council in its 4th meeting held on 3rd & 4th November, 2016 had decided that supply of services shall be generally taxed at the rate of 18%.

(ii) More importantly, the GST Council in its 14th meeting held on 18th & 19th May, 2019, while recommending the rate schedules of services (5%, 12%, 18% and 28%), specifically recommended that all the residuary services would attract GST at the rate of 18%.

(iii) The rate applicable on the service of grant of mineral exploration license and mining lease under Service Tax was also the standard rate of 15.5%. Services under this category have been standard rated in GST at 18%

(iv) Therefore, the intention has always been to tax this activity / supply at standard rate of 18%

9.3.3 Accordingly, as recommended by the Council, it is clarified that even if the rate schedule did not specifically mention the service by way of grant of mining rights, during the period 1.7.2017 to 31.12.2018, it was taxable at 18% in view of principle laid down in the 14th meeting of the Council for residuary GST rate. Post, 1st January, 2019 no dispute remains as stated above.

10. Admission to indoor amusement parks having rides etc.

10.1 Representations have been received requesting for clarification regarding applicable rate of GST on services provided by Indoor Amusement Parks/Family Entertainment Centers, and scope of the word „amusement park“ under entry 34(iii) of Notification No. 11/2017-CTR.

10.2 Entry 34(iii) notification No.11/2017-CTR, prior to 01.10.2021, prescribed 18% GST on the services by way of admission to amusement parks including theme parks, water parks, joy rides, merry-go rounds, go-carting and ballet. On the other hand, Entry No. 34(iia) in Notification No. 11/2017- CT(R) dated 28.06.2017 prescribed GST rate of 28% on the services by way of admission to entertainment events or access to amusement facilities including casinos, race club, any sporting event such as Indian Premier League and the like.

10.3 On the recommendations of the Council, it is clarified that 28% rate [entry 34 (iiia)] applies on admission to a place having casino or race club [even if it provides certain other activities] or admission to a sporting event like IPL. On the other hand, Entry 34 (iii), having a rate of 18%, covers all other cases of admission to amusement parks, or theme park etc or any place having joy rides, merry-go rounds, go-carting etc, whether indoor or outdoor, so long as no access is provided to a casino or race club. This clarification will also apply to Entries 34(iii) and 34(iiia) as they existed prior to their amendment w.e.f 01.10.2021.

10.4 The entries in question have been suitably amended vide notification No. 6/2021- Central Tax(Rate) dated 30.09.2021 to make them clearer.

11. Services supplied by contract manufacturers to brand owners for manufacture of alcoholic liquor for human consumption

11.1 Representations have been received requesting for issuing a clarification that the job work services supplied by contract manufacturers to brand owners for manufacture of alcoholic liquor for human consumption attract GST @ 5% prescribed for job work services in relation to food and food products, in terms of Sl. No. 26 [Item 1(i)f] of notification No. 11/2017-Central Tax (R) dated 28-6-2017. This entry prescribes GST rate of 5% on services by way of job work in relation to food and food products falling under chapters 1 to 22 in the first Schedule to the Customs Tariff Act, 1975.

11.2 The issue was placed before the GST Council in its 45th meeting held on 17th September, 2021. The Council had also deliberated upon this issue in its 39th and 40th meeting.

11.3 As recommended by GST Council, it is clarified that the expression “food and food products” in the said entry excludes alcoholic beverages for human consumption. As such, in common parlance also alcoholic liquor is not considered as food. Accordingly, services by way of job work in relation to manufacture of alcoholic liquor for human consumption are not eligible for the GST rate of 5% prescribed under the said entry. GST Council recommended that such job work would attract GST at the rate of 18%.

✓ The same Circular can be accessed through following link.



[https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_164\\_2021\\_GST.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_164_2021_GST.pdf) No.



# COMPANIES ACT

## MCA Updates



**BHARAT RAJATIYA**



bharat@parikhandassocia  
tes.in



+91 9737564362



LinkedIn | Bharat Rajatiya

### Relaxation on levy of additional fees in filing of E-form AOC-4:

- ✓ Existing Provision: Every company is required to file E-form AOC- 4 within 30 days from the date of AGM (i.e. latest by October 30, 2021).
- ✓ Relaxation: Ministry has decided that no additional fees shall be levied upto December 31, 2021, for filing of E-forms AOC-4, AOC-4 (CFS), AOC-4 XBRL, AOC-4 Non-XBRL and MGT-7 / MGT-7A in respect of the financial year ended on March 31, 2021. During the said period, only normal fees shall be payable for the filing of the afore mentioned E-forms.
- ✓ Form AOC 4: Form AOC-4 is form for filing company's financial statements for every financial year with the Registrar of Companies. The company is responsible for duly furnishing the form within 30 days of its Annual General Meeting.
- ✓ Form MGT 7 / 7A: Form MGT 7 / 7A are forms for filing details of annual return with the Registrar of Companies which shall be filed by Companies other than one person companies and small companies / one person companies and small companies respectively within 60 days from the date of AGM.
- ✓ The same Circular can be accessed through following link.



<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NDA5MDk=&docCategory=Circulars&type=open>

## Extension of last date of filing of Cost Audit Report:

- ✓ Existing Provision: Cost Auditors are required to submit their cost audit report on cost records within 180 days of the closing of the financial year (i.e. Before September 30, 2021 for FY 2020-21)
- ✓ Relaxation: Time limit of submission of cost audit report by cost auditor to company for FY 2020-21 is further extended till November 30, 2021 and accordingly company can file E-form CRA-4 within 30 days from receipt of such report from cost auditor. Further, in case where companies have got extension of time for holding AGM, such filing can be done within extended period of filing financial statements for FY 2020-21.
- ✓ The same Circular can be accessed through following link.



<https://www.mca.gov.in/bin/dms/getdocument?mds=A5nNeF4Hy8RsmbJKnnKERw%253D%253D&type=open>

## Relaxations in paying additional fees in case of delay in filing Form 8 by Limited Liability Partnerships (LLPs):

- ✓ Existing Provision: LLPs are required to file Form 8 – Statement of Account and Solvency within thirty days of submission of Audit Report by Auditors i.e. latest by October 30, 2021.
- ✓ Relaxation: As part of the Government's constant efforts to promote ease of living and compliances for Micro, Medium and Small Enterprises doing business through the vehicle of LLP, it has been decided to allow LLPs to file Form 8 (the Statement of Account and Solvency) for the Financial Year 2020-2021 without paying additional fees upto December 30, 2021.
- ✓ Form 8: Statement of Account & Solvency
- ✓ In Form 8, the LLP must provide details of financial transactions undertaken during the financial year and position at the end of financial year. In addition to the financial position, the LLP must also declare:
- ✓ That the turnover is above or below Rs. 40 lakhs for that Financial Year.

- ✓ That the LLP has already filed a statement indicating the creation of charges or modification or satisfaction till the present financial year.
- ✓ That the partners / authorized representatives have taken proper care and responsibility for maintenance of adequate accounting records and preparation of accounts.
- ✓ The same Circular can be accessed through following link.



<https://www.mca.gov.in/bin/dms/getdocument?mids=D6JwDgXJxJkSj9vnkrkNZw%253D%253D&type=open>



# SEBI Updates

## Disclosure of Complaints against the Stock Exchanges and the Clearing Corporations:

- ✓ In order to bring about transparency in the Investor Grievance Redressal Mechanism, it has been decided that all the Stock Exchanges and the Clearing Corporations shall disclose on their websites, the data on complaints received against them and redressal thereof latest by 7th of succeeding month, as per the specified format. The provisions of this circular shall come into effect from January 01, 2022.
- ✓ The same Circular can be accessed through following link.



[https://www.sebi.gov.in/legal/circulars/oct-2021/disclosure-of-complaints-against-the-stock-exchanges-and-the-clearing-corporations\\_53112.html](https://www.sebi.gov.in/legal/circulars/oct-2021/disclosure-of-complaints-against-the-stock-exchanges-and-the-clearing-corporations_53112.html)

## Revised Formats for filing Financial information:

- ✓ Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('Listing Regulations') were amended vide notification dated September 07, 2021, mandating entities that have listed non-convertible securities to disclose financial results on a quarterly basis, including assets & liabilities and cash flows as well as requiring certain changes in the line items in the financial results. Accordingly, this circular provides the revised formats for reporting of financial information.
- ✓ The same Circular can be accessed through following link.



[https://www.sebi.gov.in/legal/circulars/oct-2021/revised-formats-for-filing-financial-information-for-issuers-of-non-convertible-securities\\_53136.html](https://www.sebi.gov.in/legal/circulars/oct-2021/revised-formats-for-filing-financial-information-for-issuers-of-non-convertible-securities_53136.html)



## Revised Formats for Limited Review / Audit Report for issuers of non-convertible securities:

- ✓ Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('Listing Regulations') were amended vide notification dated September 07, 2021, mandating entities that have listed non-convertible securities to disclose financial results on a quarterly basis, including assets & liabilities and cash flows as well as requiring certain changes in the line items in the financial results. Accordingly, this circular provides the revised formats for limited review report/audit report.
- ✓ The same Circular can be accessed through following link.



[https://www.sebi.gov.in/legal/circulars/oct-2021/revised-formats-for-limited-review-audit-report-for-issuers-of-non-convertible-securities\\_53279.html](https://www.sebi.gov.in/legal/circulars/oct-2021/revised-formats-for-limited-review-audit-report-for-issuers-of-non-convertible-securities_53279.html)



# Accounting Updates



CA JAINAM SHAH



jainam@parikhandassocia  
tes.in



+91 7802910511



LinkedIn | Jainam Shah

## Expert Advisory Committee (EAC) Opinion :

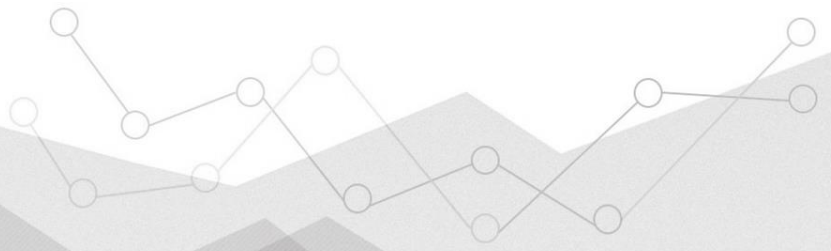
- ✓ Expert Advisory Committee (EAC) of ICAI has provided an Opinion on Accounting treatment under Ind AS for Financial Year 2019-20 for research expenses in case of a new Company formed for setting up of new Urea Plant and is under construction phase
- ✓ The relevant text of the Opinion is reproduced below:
  - “Committee notes that during Phase I of Contract, the Consultant is required to make assessment of ‘as is processes’, make a detailed functional requirement specification after studying prevailing processes and make a requirement study indicating expected business domains to be covered under ERP. The scope of Contract also includes to indicate various potential ERP systems which can be

□ considered for implementation and identify options available to the Company which suit its prevailing business domains. Consultant is also required to prepare a cost break-up, to work out the cost-benefit analysis on implementation of ERP and also suggest implementation of ERP at the Company with inpremises hosting model/ cloud based hosting model. Thus, during Phase I, even the ERP system to be implemented, various modules of ERP, hosting model, etc. are yet to be decided and only study is to be made to choose the best alternative for taking the decision about the implementation of the Project. Further, the activities performed during the Phase I are in the nature of analysis and study, which appear to be similar to the kind of activities undertaken in research phase as per the examples of research activities given in paragraph 56 of Ind AS 38. Moreover, as per the Contract with the Consultant, in the event it is decided not to implement ERP solution after completion of Phase I of the scope of work, Contract can be short closed, which further indicates that during Phase I, the usefulness of the output under the Contract is not established as the decision to continue with further stages of the Contract will be undertaken based on the result of the Phase I and therefore, how the intangible asset (if any) developed under the Contract will generate probable future economic benefits cannot be demonstrated as per paragraph 57 of Ind AS 38. Thus, the activities under Phase I do not give rise to any intangible asset that will generate probable future economic benefits. Accordingly, the Committee is of the view that the expenses incurred during Phase I of the Contract in the extant case are for research activities and should be recognised as an expense, as and when incurred.”

✓ EAC Opinion can be accessed at:



<https://resource.cdn.icai.org/67278cajournal-nov2021-9.pdf>



# Excellence in Excel



NEEL PRAJAPATI



neelprajapati01@gmail.com



+91 8156006976

## Vlookup Function

✓ Use the XLOOKUP function to find things in a table or range by row. For example, look up the price of an automotive part by the part number, or find an employee name based on their employee ID. With XLOOKUP, you can look in one column for a search term, and return a result from the same row in another column, regardless of which side the return column is on.

✓ Syntax

=XLOOKUP(lookup\_value, lookup\_array, return\_array, [if\_not\_found], [match\_mode], [search\_mode])



<https://youtu.be/eBbqwqtxjkl>

# MOTIVATION?

IT'S RIGHT INSIDE YOU!

## Motivational Mantra

### LIFE WITHOUT FEAR

Once upon a time, There Was a young Warrior, His Teacher told him, That had to battle with fear but he didn't want to do that It seemed too aggressive, It was scary It seemed Unfriendly but then the teacher told him that he had to do it and gave him the instructions for the battle. And then the day arrived The Student warrior, stood on one side And Fear, stood on the other side the warrior was feeling very small and fear was Looking big and wrathful, They both had their weapons the young warrior roused himself and went toward fear, Prostrated three times, and asked "MAY I HAVE PERMISSION TO GO INTO BATTLE WITRH YOU?" And Fear Said, "THANK YOU FOR SHOWING ME SO MUCH RESPECT THAT YOU ASK PERMISSION." Then the Young Warrior Said, "HOW CAN I DEFEAT YOU?" And Fear Replied , " MY WEPPONS ARE THAT I TALK FAST, AND I GET VERY CLOSE TO YOUR FACE.AND THEN YOU GET COMPLETELY UNNERVED , AND YOU DO WHATEVER I SAY." If you don't do what I tell you, I have no power You can Listen to me, and you can have respect for me. You can convinced by me. But if you don't do what I say, I have No Power... And In that way the student warrior learned how to defeat fear.

### Moral of the story

When things fall apart or you start feeling fear rather than feeling you are getting the short end of the stick Feel Lucky , Because only when you feel fear will you feel the Opportunity to have the courage to grow . Being Courageous and having a great life is all about Being intimate with fear in a wise and Graceful way Feel fear and then do what needs to get done, Rather than being depressed or scared about fear Lean into it. To see In opportunity learn and grow in doing so all your Dream can Become True...

# Services we offer through this platform



## Article Contribution

Submit your article on any regulatory / professional update / changes notified / insights on industry, economy, etc. related topic and get a chance to get your article published in the newsletter. (Words limit 1500-2000)

## Designing Newsletters

Share knowledge and keep your clients / colleagues updated about the recent changes in taxation, finance and compliance field. Subscribe to our package of designing standard / customized newsletters for your organization at a very minimal rate.



## Designing Videos

Reach out to mass through your digital presence. Use video as a medium to explain the recent changes / share your insights on the topic by creating short / animated video clips. We provide the package of designing customized videos on any professional updates / topic with a wide range of tools and features

## Your Marketing Platform

Use our newsletter as your platform to market about your organization and your products. We provide space for advertisements in our newsletter at a very minimal rate.



Reach us at:  +91 8401052777



This publication contains information in summary form and is therefore intended for general guidance only. The document is intended to be used internally, and not for external use. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither KNKP Advisor nor any other member of the organization accepts any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

