



ACCOUNTING AND COMPANY LAW

N. A. SHAH BULLETIN

December 2021

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

M. A. PARIKH & CO. IS NOW A PART OF N. A. SHAH

1. Accounting and Auditing Updates

- 1.1. EAC of ICAI has opined about capitalization of manpower costs of Accounts Officer and CFO incurred during the project implementation phase as per Ind AS 16.
- Generally, activities of Accounts Officer and CFO cannot be considered as directly attributable for the construction or acquisition of the PPE / project and the costs thereof cannot be capitalised and charged off to the Statement of Profit and Loss.
 - However, this decision is a matter of judgement and manpower costs to the extent directly attributable to bringing the PPE/Project to the location and condition necessary for it to be capable of operating in the manner intended by management, should be capitalised to the PPE / project.

For more information, please [click here](#)

- 1.2. Exposure drafts issued by the ICAI:

Exposure drafts	Overview
Guidance Note on Accounting for Hydropower Industry	It provides guidance on the accounting principles contained in Ind AS's in respect of accounting issues faced by hydropower industry. For more information, please click here
Amendments in the Commercial & Industrial Taxonomies – Ind AS and AS based Taxonomies	It is mandatory for the specified class of companies to file their financial statements in XBRL format with MCA. The existing XBRL taxonomies are amended / updated for FY 21-22 to capture amendments to Schedule III, CARO, AS, Ind AS and other general improvements. For more information, please click here

- 1.3. ICAI has issued 6th edition of 'Indian Accounting Standards: An Overview' (Revised 2021) which captures all the recent amendments made in Ind AS's which are applicable for the accounting year beginning on or after 1st April 2021.

For more information, please [click here](#)

2. Company law updates

- 2.1. MCA has provided following relaxations amid continuing Covid-19 disruptions:

- 2.1.1. Companies whose AGMs are due in the year 2021 can conduct them on or before 30th June 2022 through VC or OAVM. Further, MCA clarifies that this is not an extension of time limit for holding AGMs under the Companies Act, 2013. Also, companies can conduct their EGMs via VC or OAVM or transact items through postal ballot upto 30th June 2022.

For more information, please [click here](#) and [click here](#)

2.1.2. Extended due date for filing of e-forms for FY 20-21:

- No levy of additional fees for filing of AOC-4, AOC-4 (CFS), AOC-4 XBRL and AOC-4 Non XBRL upto 15th February 2022 and
- No levy of additional fees for filing of MGT-7 and MGT-7A upto 28th February 2022

For more information, please [click here](#)

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
CFO	Chief Financial Officer
PPE	Property ,Plant and Equipment
AS	Accounting Standards
Ind AS	Indian Accounting Standards
XBRL	eXtensible Business Reporting Language
MCA	Ministry of Corporate Affairs
CARO	Companies Auditor's Report Order
AGM	Annual General Meeting
VC	Video conferencing
OAVM	Other Audio-Visual means
EGM	Extraordinary General Meeting

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