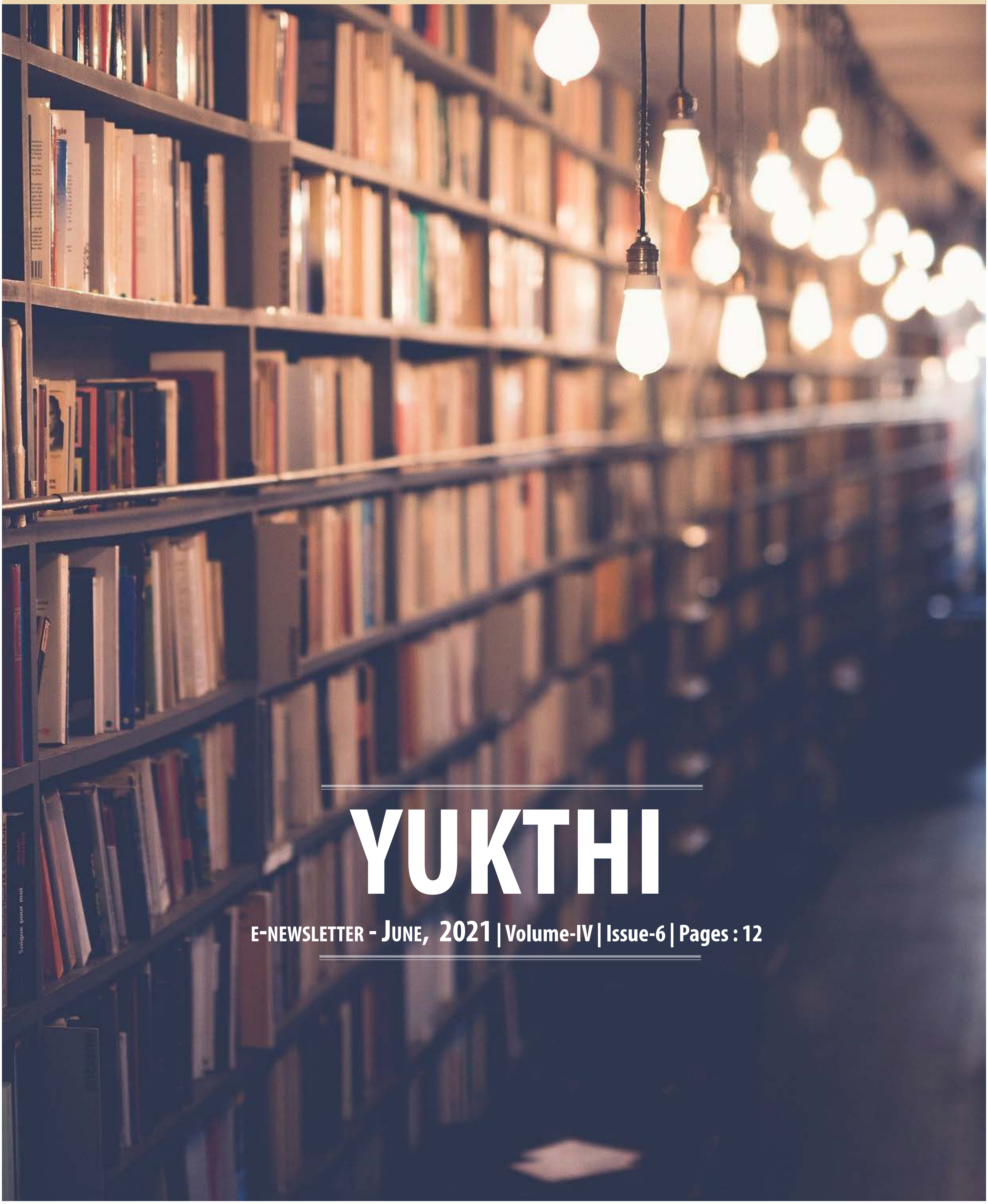
# The Institute of Chartered Accountants of India

(Setup by an Act of Parliament )

## Kozhikode Branch of SICASA



# YUKTHI

E-NEWSLETTER - June, 2021 | Volume-IV | Issue-6 | Pages : 12

## EDITORIAL BOARD



## Contributions to e-newsletter

Contributions in the form of articles, stories, poems, jokes, drawings etc. are invited for the monthly e-Newsletter "YUKTHI". Students can email their contribution to *sicasaclt@gmail.com* along with name, photo and student registration number.

### Stay Connected

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# TREASURER'S MESSAGE

***"Success begins with a state of mind. If you want success start thinking yourself as a success."***

***– David Beckham***

Dear Friends,

It is a great honour to be the Treasurer of the Kozhikode branch of SICASA for the year 2021-2022. It is a great opportunity to work with this exciting team and I am immensely happy that this gives me great chance to interact with Chartered Accountants and aspiring CA students.

Hope everyone is safe, we all know that world is going through a difficult situation, that has made even SICASA Kozhikode to operate in a completely different manner. The social media platforms proved to be an effective way to communicate and connect with each other in these difficult times. SICASA Kozhikode has been conducting various online programmes consistently through our social media handles.

SICASA Kozhikode team has always been keen on taking every small step towards the development of this association. The efforts of previous committees have taken this association forward with more strength and resources.

A huge thank you to all the persons who contributed the wonderful and inspiring articles for this issue in between of your revision schedules for the coming exams, and also all the very best for your exams and we expect the same support in future as well.

Thank You and stay safe,

Digu.V.R,

Treasurer.

# SECTION 115BAC - FOR INDIVIDUALS (FROM AY 2021-22 ONWARDS)

CA. SMITHA V

► **TAX SLAB**

| | |
|---|---|
| Upto Rs.2.5 lakhs (for any individual, including senior citizen and super senior citizen) | Nil |
| Rs. 250000 to Rs.500000 | 5% |
| Rs.500000 to Rs.7,50,000 | 10% |
| Rs.7,50,000 to Rs.10,00,000 | 15% |
| Rs.10,00,000 to Rs.12,50,000 | 20% |
| Rs.12,50,000 to Rs.15,00,000 | 25% |
| Above Rs.15,00,000 | 30% |

1. Surcharge and cess as per the old tax regime.
2. Rebate u/s 87A is available for resident individual whose income is less than Rs .5,00,000.
3. Provisions of MAT or AMT not applicable if assessee has adopted for alternate tax regime.
4. If assessee does not have income from business/profession, The option to claim concessional rate of tax has to be furnished along with the return of income. He may choose to exercise the option in one year and not to claim it in a subsequent year.
5. If an individual has business income, the option for concessional rate of tax has to be exercised on or before the due date of filing return of income for AY 2021-22 or any later AY and once such option is exercised, it would apply to subsequent years. The option can be withdrawn only once where it was exercised by the individual or HUF having business income for a previous year other than the year in which it was exercised. Thereafter the individual or HUF shall never be eligible to exercise option under this section , except where such individual or HUF ceases to have business income in which case, option 4 will be available.

**HOWEVER THE FOLLOWING DEDUCTIONS NOT AVAILABLE UNDER NEW TAX REGIME**

| SECTION | ITEM |
|---|---|
| 10(5) | Leave travel concession |
| 10(13A) | House rent Allowance |

| SECTION | ITEM |
|---|---|
| 10(14) | Specified Special Allowance (However exemption is available in respect of travelling allowance, conveyance allowance, daily allowance and transport allowance) |
| 10(17) | Allowance for MPs and MLAs |
| 10(32) | Minor child allowance |
| 10(AA) | Deduction for units in Special Economic Zone |
| 16 | Standard deduction, entertainment allowance and professional tax for salaried employees |
| | Exemption in respect of food and non alcoholic beverages provide through paid voucher is not available |
| 24(b) | Interest on housing loan for self occupied property |
| 32(1)(iia) | Additional depreciation for manufacturing entities |
| 35 | Scientific research |
| 35AD | Deduction for specified business |
| 35CCC | Deduction for agriculture related activities |
| 57(iia) | Standard deduction for family pension |
| 80C to 80U | Except 80CCD(2)-(i.e employers' contribution), 80JJAA |
| | Carry forward and set off of loss or depreciation of earlier years, if such loss or depreciation is attributable to the above items |
| | Loss under the head "Income from house property" of same year |

**Circular no C1 of 2020 dated 13-4-2020**: An employee having income other than income under the head "Profits and Gains of Business/ Profession" and intending for Section 115BAC, is required to intimate the deductor, being his employer of his intention. Upon receipt of such intimation, the deductor shall compute income and deduct TDS u/s 115BAC. If such intimation is not made by the employee, TDS shall be deducted ignoring the provisions of section 115BAC.

CBDT has also clarified that the intimation so made to the deductor shall be only for the purpose of TDS during the previous year and cannot be modified during that year. However the intimation would not amount to exercising the option for the purpose of section 115BAC. The individual has to make an option along with filing return of income u/s 139(1). Thus the option made at the time of filing return of income could be different from the intimation given by the employee to the employer for that previous year.

# TREATMENT OF DEPRECIATION AS PER AS 10

AMAL UNNIKRISHNAN
SRO0651795

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life depreciation is a measure of the wearing out, conception or other loss of value of depreciable

asset arising from

- Use,
- Effluxion of time or
- Obsolescence though technology and market changes.

The depreciable amount of an asset should be allocated on a systematic basis over its useful life assessment of depreciation is usually based on the following three factors;

1. Cost or other amount substituted for the cost when the asset has been revalued;
2. Expected useful life; and
3. Estimated residual value.

Depreciate separately each part of an item of property, plant and equipment:

1. Each part of an item with a cost that is significant in relation to the total cost of item should be depreciated separately.
2. An enterprise allocated an amount initially recognized in respect of an item to its significant parts and depreciates each such part separately. For example; airframe and engines of an aircraft
3. Significant part of an item which has same useful life and same depreciation method, may be grouped together and depreciation charged.

► **Treatment of depreciation:**

Depreciation charge for each period should be recognized in the statement of profit and loss(Expired Cost or Benefit Consumed).

► **Depreciable asset**

depreciable assets are assets, which have the following characteristics:

i. Are expected to be used during more than one accounting period;

AND

ii. Have a limited useful life;

AND

iii. Are held by an enterprise for use in the production or supply of goods or services for rental to others, or for administrative purpose and not for sale in the ordinary course of business.

Eg; plant& machinery, building, furniture etc are depreciable asset.

▶ **Non-depreciable assets**

- Land is a non-depreciable asset.
- Land and building are separable assets and are accounted for separately, even when they are acquired together.
- Land has an unlimited useful life and therefore is not depreciated except items like mines.
- In some cases, the land itself may have a limited useful life, in which case it is depreciated in a manner that reflects the benefits to be derived from it like mines, quarries, leasehold land..

▶ **Useful life**

- The period over which an asset is expected to be available for use by an enterprise; or

  the number of production or similar units expected to be obtained from the asset by the enterprise.

- The useful life of an asset should be determined considering all the following factors:
  - Expected usage of the asset
  - Expected physical wear and tear;
  - Technical and commercial obsolescence;
  - Legal or similar limits on the use of the asset.
- The useful life of an asset may be shorter than its economic life.

▶ **Depreciable amount**

i. Depreciable amount is the cost of an asset or other amount substituted for cost, less its residual value.

ii. Cost of the asset is ₹5,00,000/- estimated residual value is ₹25,000 then the depreciable amount will be 5,00,000 -25,000 i.e. ₹4,75,000/-.

▶ **Review of residual value and useful life**

The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, accounted for as a change in an accounting estimate in accordance with AS 5.

▶ **Commencement of period for charging Depreciation**

Depreciation of an asset begins when it is available for use.

▶ **Cessation of Depreciation**

Depreciation ceases to be charged when asset's residual value exceeds its carrying amount

▶ **Method of charging depreciation**

1. The depreciation method used should reflect the pattern in which the future economic benefits of the asset are expected to be consumed by the enterprise.
2. Method must applied consistently from

period to period unless there is a change in the expected pattern of consumption of those future economic benefits or that the method is changed in accordance with the statute.

► **Change the method of depreciation**

- If there is any change in the method of depreciation, then it should be applied with prospective effect. It is treated as a change in estimate.
- Now there will be no deficiency or surplus, because there is no retrospective change.

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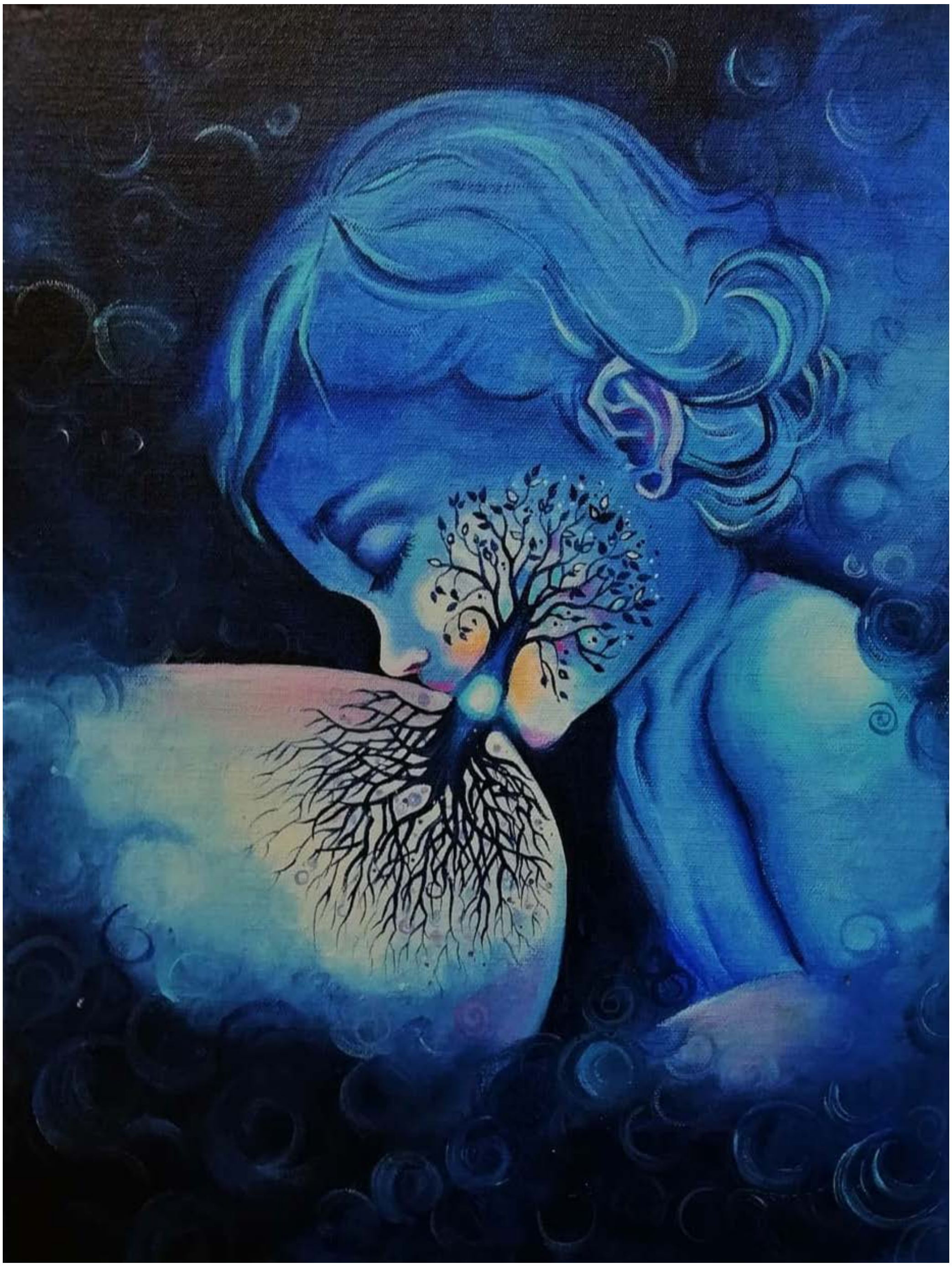
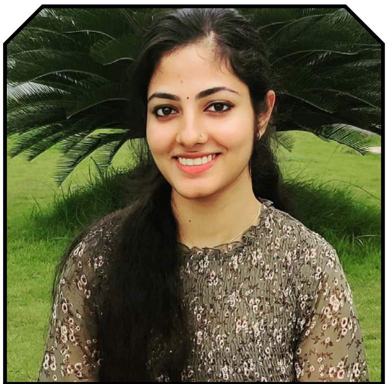
## Art Corner





**Namitha P V**
**SRO 0603457**

# THOUGHTS

NUHA NAWAL
SRO0675571

"And even though its hard
and I may struggle through it all,
you may see me struggle
But you will never see me fall"

I wish I could write with the same vigour and pace at which I thought about writing. I wish words came out of me as fast as the thousand ideas I had while thinking about them. There are far too many thoughts I have right now yet I'm indecisive. One moment I thought I should write about how there are seven billion of us on this planet and yet each one of us are so unique and beautiful. If all of us were looking at the same thing at the same time we would still see seven billion different things, that's how different our thoughts are. Imagine all of the alternate views there might be for a single idea, and we might not have thought of half of them.

As I was thinking about people, I was astounded by the existence of human connections. The imaginary bond between two random people that makes them care for each other. This word Love is indeed a beautiful creation. Think about how we say 'Love' but everytime we say that it means something slightly different. Each time we say "I love you", it's different from the one we said before because something inside of us has changed from the last time we said that without us being aware of it. As I was about to write about this beautiful concept I had this thought that maybe friendship is an understated emotion. People talk endlessly about love but isn't friendship the one thing that truly endures time and change. What do you call it when life sends you these people along with lots of happy times, with no conditions attached, someone who doesn't expect you to change and will always support you at your lowest. Over time you enjoy their company so much that you become a tiny version of them. Somewhere somehow that is an emotion ahead of love.

While at that I thought of all those friends CA has given me. They are an irreplaceable part of who I am now. So for now I have arrived at the conclusion that I won't be able to decide on one thing to write about. Who knows maybe I'll write the next time!.

# Events - June, 2021

## ▶ Webinar

**CA. Revathy Raja**
Revision on Company Audit
on 05.06.2021

**CA. Akshay Kumar K**
Topic - Time Value of Money
on 11.06.2021

**CA. Anush Thomas**
Topic -Core Banking System
on 13.06.2021

**CA. Justin Raj**
Topic - Income Tax (PGBP)
on 19.06.2021

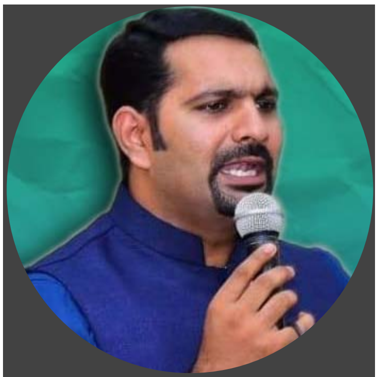
**CA. Aju P V**
Workshop on Standards on Auditing
on 22, 23, 24.06.2021

**Nithyan Sethumadhavan**
Topic -Exchange Rate & it's Economic effect
on 24.06.2021

**CA. Smitha V**
Topic - TDS, TCS & Advance Tax
on 26.06.2021

**CA. Tarun Jagdish**
Topic - Standard Costing
on 26.06.2021

**CA. Jobin K Johnson**
Topic - AS14 Amalgamation
on 28.06.2021



**Vipin Raj**
Motivational Session
Let Your Fears Make YouFierce
on 29.06.2021

**Nithyan Sethumadhavan**
Topic -Company Audit core areas
+ Vouching & Verification
on 29.06.2021

## ▶ Others


**Blood Donation Camp**



**Covid-19 Vaccination Drive - 04.06.2021 & 14.06.2021**


**Orphanage and Oldage Home visit**