



ACCOUNTING AND COMPANY LAW

N. A. SHAH BULLETIN

November 2020


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 issued opinion in respect of disclosure / classification of late payment interest / charges collected from the customers in the cash flow statement under Ind AS.

- Committee has opined that nature of business should be taken into consideration for determining the disclosure / classification of interest income. In the present case, the Company is not a financial institution / NBFC.
- In case where interest / charges on late payment charged to customers is variable depending upon period of delay, it should be disclosed under cash flow from investing activities.
- In case where interest / charges on late payment charged to customers is fixed irrespective of period of delay, amount to the extent of time value of money should be disclosed under cash flow from investing activities and balance amount to be disclosed under cash flow from operating activities.

For more information, [click here](#)

1.2 ED issued by ICAI:

ED	Overview
ED on AS 21 'The Effects of Changes in Foreign Exchange Differences'	It would be applicable to entities to whom Ind AS is not applicable. Major differences between Ind AS 21 and ED on AS 21 are given in Appendix 1 of ED. Major differences between AS 11 and ED on AS 21 are given in Appendix 2 of ED. For more information, click here

1.3 Guidance notes issued by ICAI:

Guidance note	Overview
Applicability of AS 25 and Measurement of Income Tax Expense for Interim Financial Reporting	It replaces old 'Guidance Note on Applicability of AS 25 to Interim Financial Results' and 'Guidance Note on Measurement of Income Tax Expense for Interim Financial Reporting in the context of AS 25'. It incorporates updated references used in earlier guidance notes, relevant examples and enlightens about the impact of opinions issued by ICAI on the preparation of interim financial reports. For more information, click here
Accounting for Share-based Payments	The guidance note deals with shared based payment transactions with employees and non-employees. This guidance note deals extensively with group-wide share-based payment transactions. The intention is to align this guidance note with Ind AS 102 to the extent possible. For more information, click here

2 Company law updates

- 2.1 MCA has extended LLP Settlement Scheme 2020 for filing of belated documents from 31st August 2020 to 30th November 2020. It has been further clarified that if a statement of account and solvency for the financial year 2019-2020 has been signed after 30th September 2020 but before 30th November 2020, it will not be treated as non-compliance.
For more information, [click here](#)

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
ED	Exposure Draft
MCA	Ministry of Corporate Affairs
LLP	Limited Liability Partnership
Ind AS	Indian Accounting Standard

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