



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
NOVEMBER, 2022

ACCOUNTING AND AUDITING UPDATES

- ♦ EAC of ICAI has given opinion on Adoption of 'Net Book Value' method as one of the valuation technique to measure the fair value of investments in equity instruments that do not have a quoted market price in an active market:
 - Investments in equity instruments (other than investment in subsidiary, associate or joint venture) falling within Ind AS 109 are required to be measured at fair value. Further, for determining the fair value of unquoted equity investment, level 2 and level 3 inputs need to be considered as per Ind AS 113 instead of carrying amount / net book value. Carrying amounts / net book value can be considered as starting point or as one of the inputs which would require further adjustments as per the valuation techniques prescribed under Ind AS 113.
 - Investments in equity instruments should be measured at fair value irrespective of whether they are quoted or unquoted in an active market except in limited circumstances wherein cost can be used as the basis of valuation as specified in para B5.2.3. and B5.2.4 of Ind AS 109, i.e. (a) insufficient information is available to measure fair value or (b) there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

For more information, [click here](#)

- ♦ QRB of ICAI has issued a report on audit quality review for the financial year 2021-22.

For more information, [click here](#)

SEBI


- ♦ SEBI has introduced amendments / clarifications to SEBI (LODR) Regulations, 2015. Some of the key amendments pertaining to entities whose NCS are listed on stock exchanges ('Entities') are as under:

Current regulation	Amended / Clarified regulation
Entities should submit quarterly results to exchanges within 45 days from the end of the quarter other than the last quarter.	SEBI has clarified that quarterly standalone financial result for the last quarter should be submitted within 60 days from the end of that quarter.
Entities were required to disclose ratios / other information in the quarterly results except for DSCR and ISCR ratio which were excluded for banks and NBFCs.	<ul style="list-style-type: none">• If a ratio / information is not applicable to such entity, then it shall disclose other ratio / equivalent information which is required to be maintained under applicable law.• Omitted sector specific equivalent ratio from the list of ratios given under the Regulation.
Entities were required to publish its financial results in newspaper.	Where both standalone and consolidated financial results are submitted to exchanges, entities shall publish only the consolidated financial results in the newspaper.

For more information, [click here](#)

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
QRB	Quality Review Board
SEBI	Securities and Exchange Board of India
LODR	Listing Obligation and Disclosure Requirements
NCS	Non-convertible Securities
DSCR	Debt Service Coverage Ratio
ISCR	Interest Service Coverage Ratio
NBFC	Non-Banking Financial Company



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