



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
FEBRUARY, 2023

ACCOUNTING AND AUDITING UPDATES

- ♦ Opinion on Disclosure of changes in inventory of scrap in the Statement of Profit and Loss:

The Company has classified scrap generated under the head “Cost of materials consumed” in the Statement of Profit and Loss. This classification was based on the consideration that scrap will be re-usable in further production process.

On the above matter, the Committee is of the opinion that internally generated items/ products (classified as ‘scrap’), used in the production process and transferred from one department to another within the Company should not be presented as ‘cost of materials consumed’. It should be considered as work-in-progress and presented under ‘Changes in inventories of finished goods, work-in-progress and stock-in-trade’ in the Statement of Profit and Loss with appropriate disclosures to explain the nature of inventory. This disclosure is in accordance with the Schedule III of the Companies Act, 2013.

For more information, [click here](#)

- ♦ Exposure drafts issued by the ICAI:

S. No.	Document Title	Particulars
1.	Initial Application of Ind AS 117 and Ind AS 109- Comparative Information - Amendments to Ind AS 117, Insurance Contracts	This exposure draft is to align with the amendments in IFRS 17. It is about initial application of Ind AS 117 and Ind AS 109 at the same time. For more information, click here
2.	Guidance Note on Financial Statements of NCE	This is the revised guidance note to include further guidelines about grouping and disclosure requirements in the financial statement. For more information, click here
3.	Guidance Note on Financial Statements of LLP	This is the revised guidance note to include further guidelines about grouping and disclosure requirements in the financial statement. For more information, click here

- ♦ Extension of time for filing of e-forms

Considering the changes made in way of filing in Version 3, the MCA had earlier allowed an additional time period of 15 days for filing of 45 company e-forms and Form PAS-03, without payment of any additional fees. Now, this is further extended till 31st March 2023 without payment of any additional fees for the following:

- 45 e-forms which are due for filing between 7th February 2023 and 28th February 2023
- Form PAS-03, whose due dates are falling between 20th January 2023 and 28th February 2023

Further the reservation period for the names which are reserved under Section 4(5) of Companies Act, 2013 has also been extended by a further period of 20 days. The re-submission period under Rule 9 of Companies (Incorporation) Rules, 2014 whose due dates are falling between 23th January 2023 and 28th February 2023 has also been extended by 15 days.

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

♦ Filing of Forms GNL-2, MGT-14, PAS-3, SH-8, SH-9 and SH-11 due to migration from V2 Version to V3 Version in MCA 21 Portal

Due to migration from V2 Version to V3 Version in MCA 21 Portal, the MCA has clarified that the companies intending to file the below mentioned forms between 22th February 2023 to 31st March 2023 on MCA 21 Portal may file the same in physical mode duly signed by the persons concerned, as per the requirements of the relevant forms, along with a copy thereof in electronic media, with the concerned Registrar without payment of fee and take acknowledgement thereof.

Such filing needs to be accompanied by an undertaking from the company that the company will also file the relevant Form in electronic form on MCA-21 Portal along with fee payable as per the Companies (Registration Offices and Fees) Rules, 2014.

For more information, [click here](#)

♦ SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023

SEBI has amended the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 by way of SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023. The amended regulations shall come into force w.e.f. 02nd February 2023.

For more information, [click here](#)

♦ SEBI (Buy-Back of Securities) (Amendment) Regulations, 2023

The SEBI has issued the SEBI (Buy-Back of Securities) (Amendment) Regulations, 2023, wherein it has revamped the buyback methods and other provisions w.r.t. buybacks by making certain amendments in the existing Regulations or inserting new Regulations. These Regulations shall come into force w.e.f. 9th March 2023.

For more information, [click here](#)

♦ Manner of achieving minimum public shareholding

The SEBI had permitted different methods that may be used by listed entities to achieve compliance with the MPS requirements mandated under the Securities Contracts (Regulation) Rules, 1957 read together with SEBI (LODR) Regulation, 2015 ('Listing Regulations'). The SEBI has rationalized few of the existing methods and introduced two additional methods.

For more information, [click here](#)

♦ Advisory for SEBI REs regarding Cybersecurity best practices

The SEBI has put out an advisory for SEBI REs regarding cybersecurity best practices to limit cyber threats and phishing attacks. SEBI has asked all REs, including financial sector organisations, stock exchanges, depositories, mutual funds and other financial entities, to provide compliance of the advisory along with their cybersecurity audit report.

For more information, [click here](#)

♦ Other updates

As per the circular dated 20th February 2023 issued by the MahaRERA the builders carrying out real estate development projects in Maharashtra cannot change / transfer the designated bank account from one scheduled bank to another without permission from MahaRERA.

For more information, [click here](#)

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
NCE	Non-Corporate Entities
ASB	Accounting Standards Board
LLP	Limited Liability Partnerships
SEBI	Securities and Exchange Board of India
MCA	Ministry of Corporate Affairs
MPS	Minimum public shareholding
LODR	Listing Obligations and Disclosure Requirements
MahaRERA	Maharashtra Real Estate Regulatory Authority
REs	Regulated Entities

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