



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
AUGUST, 2023

ACCOUNTING AND AUDITING UPDATES

- ♦ EAC has given an opinion on presentation of export incentives / duty drawback as per the requirements of Ind AS -20 "Government Grants" that:
 - Export incentives / duty drawbacks are government grants as they are transfer of resources to an entity in return for past compliances, accordingly, disclosure requirements as per Ind AS 20 like disclosure of accounting policy adopted, nature and extent of recognition of government grants, unfulfilled conditions and contingencies attached to the grants recognised.
 - Further, if receipt of Government Grants in the nature of export incentives / duty drawback is a principal or an ancillary revenue generating activity, then disclosure of the same as 'other operating revenue' is appropriate because for a particular income to constitute as "other operating revenue" or "other income" is to be decided based on the facts of each case and detailed understanding of the company's activities and that the Schedule III sets out the minimum requirements for disclosure in the financial statements.

For more information, [click here](#)

- ♦ **Guidance note on Tax Audit under Section 44AB of the Income-tax Act, 1961 (Revised 2023)**

ICAI has issued Revised Guidance note on Tax Audit under Section 44AB of the Income-tax Act, 1961

For more information, [click here](#)

- ♦ **Amendment to "Clarification Regarding Authority Attached to Documents Issued by the Institute" and "Preface to the Standards on Quality Control, Auditing, Review, Other Assurance and Related Services"**

ICAI has amended the "Clarification Regarding Authority Attached to Documents Issued by the Institute" to make the provisions more robust and to remove the provisions which are not relevant in the present context. Accordingly, it intends that Guidance Notes, though recommendatory in nature, are issued to assist professionals in implementing the Engagement Standards and the Standards on Quality Control issued under the authority of the Council and that it provides guidance on other generic or industry specific audit issues, not necessarily arising out of a Standard. Further it clarified that professionals who does not consider and apply the guidance included in a relevant Guidance Note should take reasonable and adequate care in performing the alternate procedures adopted to deal with the objectives and basic principles set out in the Guidance Note who should also document the rationale in performing the alternate procedures and make necessary disclosures in its report in accordance with Engagement Standards.

For more information, [click here](#)

♦ **Condonation of delay in filing of Form-3, Form-4 and be Form-11 under section 67 of Limited Liability Partnership Act, 2008 read with section 460 of the Companies Act, 2013**

MCA as a part of Government's constant efforts to promote ease of doing business has issued circular for addressing the difficulties faced by the LLPs and has decided to grant one time-relaxation in additional fees to those LLPs who could not file the Form-3, Form-4 and Form-11 within due date and provide an opportunity to update their fillings and details in Master-data for future compliances.

For further information, [click here](#)

♦ **RBI Circular relating to review of regulatory framework for All Infrastructure Debt Fund-NBFCs (IDF-NBFCs)**

In order to enable IDF-NBFCs to play a greater role in the financing of the infrastructure sector and to harmonise the regulations governing financing of infrastructure sector by the NBFCs, a review of the guidelines applicable to IDF-NBFCs has been undertaken, in consultation with the Government of India.

For further information, [click here](#)

Glossary:

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| EAC | Expert Advisory Committee |
| Ind AS | The Indian Accounting Standards |
| SQM | Standard on Quality Management |
| SRS | Standard on Related Services |
| BRSR | Business Responsibility and Sustainability Report |
| ESG | Environmental, Social and Governance |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| AASB | Auditing and Assurance Standards Board |
| IASB | International Accounting Standards Boards |

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