



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
DECEMBER, 2023

ACCOUNTING AND AUDITING UPDATES

- ♦ EAC has given an opinion on determination of residual value of Gas Transmission Pipelines vis-à-vis the requirements of Ind AS and Companies Act, 2013 that:
 - While determining the residual value of its pipelines, the Company should consider its facts and circumstances at the beginning of their useful life, which should be reviewed at each financial year-end;
 - Further, estimated cost of disposal and estimated attributable costs of extracting the Pipelines should be adjusted while determining the residual value.

For more information, [click here](#)

- ♦ Clarification regarding Guidelines issued by RBI for Appointment of SCAs/SAs of Commercial Banks (Excluding RRBs), UCBs and NBFCs (including HFCs)

RBI has clarified that the Concurrent audit assignments would fall within Point no. 6.4 of the said Guidelines which states the time gap between any non-audit works by the SCAs / SAs for the entities or its group entities. The said point also states that during the tenure as SCAs / SAs, an audit firm may provide such services to the concerned entities which may not normally result in a conflict of interest, and entities may take their own decision in this regard, in consultation with the Board / Audit committee of the Board / Local Management Committee.

For more information, [click here](#)

- ♦ Exposure drafts issued by the ICAI

Sr. No.	Document Title	Particulars
1.	Financial Instruments with Characteristics of Equity - Proposed amendments to IAS 32, IFRS 7 and IAS 1	This exposure draft is for the clarification, disclosures and presentation of instruments that have both financial liability and equity characteristics. For more information, click here
2.	Guidance Note on Audit of Banks (2024 Edition)	The AASB has issued the Exposure Draft of the Guidance Note on Audit of Banks (2024 Edition) for public comments. For more information, click here

♦ Framework on Social Stock Exchange

SEBI vide its circular SEBI/HO/CFD/PoD-1/P/CIR/2022/120 dated September 19, 2022, notified the detailed framework on Social Stock Exchange and conducted the 203rd SEBI board meeting dated November 25, 2023, for approving the flexibility in the framework for SSE.

Pursuant to the feedback received through public consultation the Board approved amendments to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). SEBI vide Notification dated December 21, 2023 has notified amendments to ICDR Regulations and LODR Regulations

For more information, [click here](#)

♦ Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023


RBI notified Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023 superseding the existing Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016, as per the Regulations,

- no person resident in India shall make or receive payment from a person resident outside India unless application for the same is permitted by RBI and the transaction is made through an Authorised Bank or Authorised Person in the manner specified.
- Payment and receipt in India for any current account transaction, other than a trade transaction, between any person resident in India and a person resident outside India, who is on a visit to India, may be made only in Indian Rupees.

For more information, [click here](#)

♦ Amendment in Master Direction - Lending to Micro, Small & Medium Enterprises (MSME) Sector

RBI amended the Para 2 of the Master Direction and accordingly, a micro, small or medium enterprise is required to register on the Udyam Registration portal and obtain 'Udyam Registration Certificate (URC)'. The banks shall be guided by the classification recorded in the URC for Priority Sector Lending (PSL). Further, Certificate issued on Udyam Assist Portal to Informal Micro Enterprises shall be treated at par with URC as a micro enterprise for PSL classification.



For more information, [click here](#)


- ♦ Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Review of National Development Banks

RBI based on its review notified that other All India Financial Institutions (AIFIs) i.e. EXIM Bank and National Bank for Financing Infrastructure and Development (NaBFID) shall also be considered as National Development Banks (NDBs) in addition to NABARD, NHB and SIDBI under the extant NSFR framework for NSFR computation.

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
PSL	Priority Sector Lending
SSE	Social Stock Exchange
SCAs	Statutory Central Auditors
SAs	Statutory Auditors
RBI	Reserve Bank of India



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