



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
NOVEMBER 2023

ACCOUNTING AND AUDITING UPDATES

- ♦ EAC of ICAI issued opinion on recognition of miscellaneous scrap items generated in the plant and scrapped assets awaiting disposal under Ind AS Framework.

EAC opined that miscellaneous scrap items of PPE and used spares which are treated as PPE are not covered under Ind AS 2 'Inventories'. Carrying amount of such items should be continued under the net block of PPE unless impaired. The Company should also examine whether these miscellaneous scraps meet the classification and recognition criteria of Ind AS -105 'Non-current Assets Held for Sale and Discontinued Operations', if so, they should be recognised as per Ind AS 105. Any gain on sale of these miscellaneous scraps may be presented as 'Other Income' in the statement of profit and loss.

With regards to scrapped items not treated as PPE (i.e., used transformer oil, tyres, empty containers, etc.), they have already been expensed in the statement of profit and loss upon consumption in production. EAC opined that such derecognised items, even if existing physically, cannot be written-back in the books. Income from selling such items should be recognised as 'Other Operating Revenue' in the statement of profit and loss.

For more information, [Click here](#)

- ♦ Exposure draft issued by the ICAI:

Sr. no.	Exposure draft	Particulars
1	Standards on Auditing for Limited Liability Partnerships	AASB of ICAI has invited comments on the exposure draft of the Standards on Auditing for Limited Liability Partnership which comprises 35 Standards on Auditing. For more information, Click here
2	Lack of exchangeability (Amendments to Ind AS 21)	ASB of ICAI has invited comments on the exposure draft related to amendment in Ind AS 21, introducing the concept of 'lack of exchangeability'. For more information, Click here

- ◆ QRB of ICAI has released the 'Report on Audit Quality Review for the year 2022-23'.

For more information, [Click here](#)

- ◆ MCA has released a notification introducing the 'Limited Liability Partnership (Significant Beneficial Owners) Rules, 2023'. These rules will be effective from the date of the notification i.e., 9th November 2023.

For more information, [Click here](#)

Other Update

- ◆ SEBI has issued circular to standardise the procedural framework for dealing with unclaimed amount lying with the following entities and manner of claiming such amount by investors / unitholders:

Sr. no	Entities	Particulars
1.	Having listed non-convertible securities	For more information, Click here
2.	Real Estate Investment Trusts (REITs)	For more information Click here
3.	Infrastructure Investment Trusts (InvITs)	For more information Click here

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
PPE	Property, Plant and Equipment
Ind AS	Indian Accounting Standards
AASB	Auditing and Assurance Standards Board
ASB	Accounting Standards Board
LLP	Limited Liability Partnership
QRB	Quality Review Board
MCA	Ministry of Corporate Affairs
SEBI	Security Exchange Board of India

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