



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
OCTOBER, 2023

ACCOUNTING AND AUDITING UPDATES

- ♦ EAC of ICAI has opined that as per Ind AS 16 'Property, Plant and Equipment', subsequent expenditure incurred towards replacement & restoration of fully depreciated PPE should be capitalised if (a) it improves the operational capacity of such PPE and (b) such expenditure, in aggregate, can be considered to be 'material', as per the requirements of Ind AS 1.
- ♦ EAC has also opined that useful life of such PPE should be determined after considering various factors such as technical evaluation, past experience, defect liability period, etc.

For more information, [Click here](#)

- ♦ **Exposure draft issued by the ICAI.**

ASB of ICAI has invited comments on applicability of accounting standards to different levels of LLP, basis for classification of LLPs, transitional provisions, other matters, etc.

For more information, [Click here](#)

- ♦ **Technical Guide on Internal Audit of Pharmaceutical Industry latest edition.**

The Board on Internal Audit and Management Accounting of ICAI has issued Technical Guide on "Internal Audit of Pharmaceutical Industry" which will provide guidance to internal auditors in carrying out internal audit of pharmaceutical companies.

For more information, [Click here](#)

- ♦ **RBI Master Direction**

RBI has issued RBI (NBFC– Scale Based Regulation) Directions, 2023. With this, the existing NBFC master directions viz. (a) NBFC SI ND and Deposit taking Company (Reserve Bank) Directions, 2016 and (b) NBFC–NSI ND taking Company (Reserve Bank) Directions, 2016 are repealed. The current directions provide detailed guidance on income recognition, prudential regulations, asset classification, provisioning norms, etc.

For more information, [Click here](#)

- ♦ **MCA Changes**

- Amendment in LLP Rules, 2023
 - LLPs are now required to maintain register of its partners at their registered office in Form 4A.

- Declaration of beneficial interest in any contribution is required to be filed by the partners of LLP.

For more information, [Click here](#)

- Amendment in Companies (Prospectus and Allotment of Securities) Rules, 2023
 - Share warrants which were issued by the public companies prior to the commencement of Companies Act 2013 and are not converted into shares are now required to convert such share warrants into shares within the prescribed timelines. Further such shares should be in dematerialised form. If the same is not converted within the prescribed timelines, then such amount needs to be transferred to IEPF.
 - Existing Private companies, which are not small companies, are required to have their shares in dematerialised form within eighteen months from the financial year ended on or after 31st March 2023.

For more information, [Click here](#)

- MCA has notified 30th October 2023 as the commencement date whereby certain public companies can issue specified securities for the purpose of listing on permitted stock exchanges of foreign jurisdiction.

For more information, [Click here](#)

◆ **SEBI Changes**

- SEBI has extended the following relaxation in case of listed entities till 30th September, 2024:
 - requirement of sending proxy forms to holders of securities.
 - sending physical copies of annual report and documents to those shareholder(s) who have not so registered.

For more information, [Click here](#)

- SEBI has deferred the applicability of timeline given for certain size of listed entities to confirm or deny any reported event or information (which indicates that rumours of an impending specific material event or information) in the mainstream media within 24 hours of the reporting of such event or information and are also required to provide the current stage of such event or information.

For more information, [Click here](#)

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
PPE	Property, Plant and Equipment
Ind AS	The Indian Accounting Standards
ASB	Accounting Standards Boards
LLP	Limited Liabilities Partnership
RBI	Reserve Bank of India
NBFC	Non-Banking Financial institution
SI	Systematically Important
NSI	Non-Systematically Important
ND	Non-Deposit
MCA	Ministry of Corporate Affairs
SEBI	Securities and Exchange Board of India
LODR	Listing Obligations and Disclosure Requirements
IEPF	Investor Education and Protection Fund

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