



N.A.SHAH ASSOCIATES LLP  
Chartered Accountants

# BULLETIN

---

ACCOUNTING, AUDITING AND COMPANY LAW –  
JULY 2024

## ACCOUNTING AND AUDITING UPDATE

### ◆ **Amendments to AS 22, Accounting for Taxes on Income issued by the ICAI (For non-corporate entities)**

The amendments introduce (a) temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and (b) targeted disclosure requirements for affected entities. This is effective for annual reporting period beginning on or after April 1, 2024.

For more information, [click here](#)

### ◆ **Guidance Note on non-compliances observed by QRB during Quality Reviews (Volume 2)**

Part 1: Observations related to Engagement and Quality Control Standards;

For more information, [click here](#)

Part 2: Observations related to CARO and IFC

For more information, [click here](#)

### ◆ **Guidance Note on Reports of Audit of charitable trusts**

ICAI has issued Guidance note on Reports of Audit under Section 12A/10(23C) of the Income Tax Act, 1961.

For more information, [click here](#)

### ◆ **Exposure drafts issued by the ICAI**

Sr. No.	Document Title	Particulars
1.	Audit Quality Maturity Model (AQMM) version 2.0	Exposure draft is issued for public comments for proposed changes in AQMM.  For more information, <a href="#">click here</a>
2.	The Standard on Auditing for Audits of Financial Statements of Less Complex Entities (SA for LCE)	The AASB has issued the Exposure Draft and when an audit engagement is undertaken using this standard, the Standards on Auditing do not apply to the engagement.  For more information, <a href="#">click here</a>

## MCA Updates

### ◆ **Companies (Significant Beneficial Owners) Rules, 2018**

Form BEN-2 is amended which mandates every company to file a declaration about its Significant Beneficial Owners (SBOs) with the Registrar of Companies (RoC) governed by the Companies (Significant Beneficial Owners) Rules, 2018.

For more information, [click here](#)

### ◆ **Specified Companies (Furnishing of information about payment to micro and small enterprise suppliers) Amendment Order, 2024**

Form MSME-1 has been substituted with enhanced disclosures, according to which, if payments were made after 45 days during the half-year reporting period, MSME-1 shall be filed.

For more information, [click here](#)

## NFRA Orders

### ◆ **Brief about the Order recently issued by NFRA.**

This Order finds that the auditor failed to meet the relevant requirements of the Standards on Auditing, in respect of several significant areas, reflecting gross negligence and lack of due diligence to perform audit of a Public Interest Entity (PIE) including failure to verify opening balances, failure to report material misstatement due to non-provisioning of the ECL on trade receivables, failure to carry out proper audit of RPT, failure to carry out external confirmation for Trade Receivables.

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

## SEBI

### ◆ **Amendment in SEBI (LODR) Regulations, 2015 - SEBI (LODR) (Second Amendment) Regulations, 2024**

A proviso has been added further to Regulation 52, sub-regulation 8 of SEBI (LODR) Regulations, 2015 stating that:

Debt Listed entities may publish only a window advertisement in the newspapers that refers to a Quick Response Code and the link of the website of the listed entity and stock exchange(s),

where such financial results are available and capable of being accessed by the investors subject to certain conditions.

For more information, [click here](#)

♦ **Amendment in SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2024.**

Regulations have been amended / substituted to the existing SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 namely, introducing the concept of record date or the purposes of payment of interest, dividend and payment of redemption or other purposes, Due diligence by Debentures Trustees and their submission to Stock exchange, provision of only a web-link, a static quick response code of the audited financial statements in the offer documents and others, by issuing SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2024.

For more information, [click here](#)

**RBI**

♦ **Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies)**

RBI issued Master Direction on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) namely, Reserve Bank of India (Fraud Risk Management in NBFCs) Directions, 2024 by superseding the earlier Directions on the subject, namely, the Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

For more information, [click here](#)

♦ **Master Directions on Overseas Investments**

RBI has issued the master direction on Overseas Investment. This master direction compiles instructions issued on Overseas Investment by persons resident in India. Further, these directions lay down the modalities for conducting the foreign exchange business by the Authorised Persons with their customers/ constituents with a view to implementing the OI Rules and the OI Regulations.

For more information, [click here](#)

### ◆ **Remittances to International Financial Services Centres (IFSCs) under the Liberalised Remittance Scheme (LRS)**

At present, remittances under LRS to IFSCs can be made only for certain specified investments, for e.g., Payment of fees for education to foreign universities or foreign institutions in IFSCs. RBI has further widened, the scope, by adding some more remittances to IFSC, that will be covered under the LRS.

For more information, [click here](#)

## **Other Laws**

### ◆ **Maharashtra Labour Welfare Fund (Amendment) Act, 2024**

There is revision in half yearly LWF contribution rates for employee and employer and removed the wage limit for determining LWF contribution rates. This was notified in March 2024 and is relevant for half year LWF pay-outs.

For more information, [click here](#)

## **Glossary:**

<b>QRB</b>	Quality Review Board
<b>CARO</b>	Company Auditor's Report Order
<b>IFC</b>	Internal Financial Control
<b>AASB</b>	Auditing and Assurance Standards Board
<b>ECL</b>	Expected Credit Loss
<b>RPT</b>	Related Party Transaction
<b>EP</b>	Engagement Partner
<b>LWF</b>	Labour Welfare Fund
<b>MCA</b>	Ministry of Corporate Affairs
<b>LLP</b>	Limited Liability Partnership
<b>OI</b>	Overseas Investments

The contents provided in this newsletter are for information purpose only and are intended, but not promised or guaranteed, to be correct, complete and up-to-date. The firm hereby disclaims any and all liability to any person for any loss or damage caused by errors or omissions, whether such errors or omissions result from negligence, accident or any other cause.

B 21-25, Paragon Centre,  
Pandurang Budhkar Marg, Mumbai – 400013  
Tel: 91-022-4073 3000, Fax: 91-022-4073 3090  
E-mail Id: [info@nashah.com](mailto:info@nashah.com)

