



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
MAY, 2024

ACCOUNTING AND AUDITING UPDATE

- EAC of ICAI has opined that the additional amount incurred towards the cost of asset due to change in the initial estimate of the cost arising on settlement of the provision/liability should be capitalised and depreciated prospectively considering that the change in estimate should be in accordance with the provision of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

For more information, [click here](#)

- AASB of ICAI has issued 'Guidance on Non-Compliances Observed by Quality Review Board during Quality Reviews' which provides compilation of some common non-compliances regarding standards of quality control, standards on auditing, audit reports, CARO and internal financial controls.

For more information, [click here](#)

MCA Updates

- MCA has extended the time limit to file Form No. LLP BEN-2 and LLP Form No. 4D till 1st July 2024 without payment of additional fees.

For more information, [click here](#)

RBI Updates

- RBI has released draft guidelines on 'Prudential Framework for Income Recognition, Asset Classification and Provisioning pertaining to Advances - Projects Under Implementation' with a view to strengthen the existing regulatory framework pertaining to project finance and to harmonise the instructions across all regulated entities.

For more information, [click here](#)

SEBI Updates

- SEBI vide its notification dated 17th May 2024 has issued the SEBI (LODR) (Amendments) Regulations, 2024 thereby amending the existing SEBI (LODR) Regulations, 2015:


Sr. No.	Existing regulation	Amendment
1	Entities were ranked based on the market capitalisation which was computed based on the Company's market cap as of 31st March or the closing of the fiscal year.	<ul style="list-style-type: none"> Entities would be now ranked based on the average market capitalisation calculated from 1st July to 31st December. The above provision would be applicable to the listed entities until they remain outside the specified threshold for 3 consecutive years and the provisions shall cease to apply at the end of the financial year following 31st December of the third consecutive year.
2	The entities (top 100 / top 250) shall verify the market rumours within 24 hours from the reporting in mainstream media	<ul style="list-style-type: none"> Rumour verification of listed companies are now linked to "Material Price Movement (MPM)" and the company shall do the confirmation or denial or provide clarification within 24 hours from the trigger of the MPM. MPM period excludes period for certain corporate actions if the company confirms an event or information causing the price movement. Consequential amendments are made in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations and SEBI (buy-back of securities) Regulations. Promoters, directors, key managerial personnel, or senior management of a listed company are required to promptly respond to any questions or explanations to ensure compliance with the above Regulations and the Company is required to share these responses immediately with the stock exchanges.
3	Vacancies in the office of CEO, CFO, MD, WTD or Manager shall be filled by the listed entity within three months from the date of such vacancy	When approval is required from regulatory, government, or statutory authorities, then the vacancies shall be filled within six months from the date of such vacancy.

4	Listed entities were required to intimate the stock exchange for board meetings at least five working days in advance before the announcement of financial Results	Listed companies can now intimate the stock exchange for board meetings at least two working days in advance before considering annual financial results.
5	Top 1,000 listed entities were required to held risk management committee meetings within the gap of 180 days.	The maximum gap has been extended to 210 days.

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

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
Ind AS	Indian Accounting Standards
CARO	Companies Auditing and Reporting Requirements Order
AASB	Auditing and Assurance Standards Board
MCA	Ministry of Corporate Affairs
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
LODR	Listing Obligations and Disclosure Requirements
CEO	Chief Executive Officer
CFO	Chief Financial Officer
MD	Managing Director
WTD	Whole Time Director



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