



N.A.SHAH ASSOCIATES LLP
Chartered Accountants

BULLETIN

ACCOUNTING, AUDITING AND COMPANY LAW –
NOVEMBER, 2024

ACCOUNTING AND AUDITING UPDATE

- EAC of ICAI has opined that the classification of real estate property as an 'Inventory' or as an 'Investment Property' should be based on the company's intention to sell in the ordinary course of business, as per Ind AS 2 (Inventories) or held to earn rentals or for capital appreciation or both, as per Ind AS 40 (Investment Property), respectively. If the property is temporarily leased out due to incomplete statutory requirements, but the overall intent remains to sell, not lease or hold for capital appreciation, then it should be treated as inventory, not investment property, until the sale is completed.

For more information, [click here](#)

- ICAI has revised the criteria prescribed for classification of non-corporate entities for the purpose of applicability of accounting standards effective from financial year 2024-2025 as tabulated below:

Particulars	Criteria
Micro, Small and Medium Sized Entities (MSMEs): (Previously Level II, III & IV entities)	Turnover \leq 250 Crores, Borrowings \leq 50 Crores
Large entities (Non MSMEs): (Previously Level I entities)	Other than above

Further, ICAI has amended relaxations in applicability of accounting standards to each level of non-corporate entities.

For more information, [click here](#)

- The Ministry of Micro, Small and Medium Enterprises, vide notification dated November 07, 2024, has mandated that all companies registered under the Companies Act, 2013 with a turnover exceeding Rs. 250 crores, as well as all Central Public Sector Enterprises, must onboard onto the Trade Receivables Discounting System (TReDS) platforms set up by the Reserve Bank of India. The onboarding process must be completed by March 31, 2025.

For more information, [click here](#)

SEBI UPDATES

- SEBI has updated its Master Circular for the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations (ICDR) to consolidate all circulars issued until September 30, 2024. This new circular supersedes the previous one from June 21, 2023, and provides a chapter-wise compliance framework. All previous circulars related to ICDR regulations are rescinded, though actions taken under them prior to this change remain valid.

For more information, [click here](#)

NFRA UPDATES

- The NFRA has recommended revisions to several auditing and quality control standards, aligning them with global standards. Upon the approval of the Central Government, these Standards are recommended to be effective from April 01, 2026.

Particulars	Recommendations
SQC1, SQM1 and SQM2	To align with global standards
SA 600	To be align with the global ISA 600, applicable to Public Interest Entities (PIEs), excluding Public Sector Banks, PSUs, and their branches
SA 299	Changes to the joint auditors' liability making them jointly and severally responsible
SA 800, SA 805 and SA 810	Also recommended for notifying under Section 143(10) of the Companies Act, 2013
Others	Proposed to name these standards as IndSAs


For more information, [click here](#)

- The NFRA on November 25, 2024, recommended 40 SAs and related SQMs for the audit of LLPs, based on those finalized for companies. The recommended standards will take effect from April 01, 2026, pending Central Government approval.

For more information, [click here](#)

Glossary

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
IndSA	Indian Standards on Auditing
NFRA	National Financial Reporting Authority
SA	Standards on Auditing
SEBI	Securities and Exchange Board of India
SQC	Standard on Quality Control
SQM	Standards on Quality Management



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