

Guidance note on audit of consolidated financial statements - 17 October 2016

The ICAI has issued 'Guidance note on audit of consolidated financial statements' (Revised 2016) ('guidance note'). It provides guidance on specific issues and audit procedures to be applied in an audit of consolidated financial statements including guidance on following aspects:

- When the component(s) auditor reports on financial statements under an accounting framework different than that of the parent;
- When the component(s) auditor reports under an auditing framework different than that of the parent;
- When components are not audited.

It also provides illustrative formats of independent auditor's report on consolidated financial statements.

Click [here](#) for guidance note.

Disclosure of financial information in offer document/placement memorandum for InvITs - 20 October 2016

Regulation 15(3), read with Schedule III of the Companies Act 2013, and Regulation 15(4) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 prescribe disclosures to be made in an offer document and placement memorandum respectively. These disclosures, inter alia, include disclosures for financial information of the Infrastructure Investment Trusts ('InvITs') as well as the Investment Manager and the Sponsor.

With reference to aforesaid regulations, SEBI has issued circular providing the detailed requirements for disclosure of financial information in offer document/ placement memorandum for InvITs. These requirements, inter alia, relate to following-

- A. Financial information of InvIT
 - Period of financial information to be disclosed;
 - Nature of financial information;
 - Content and basis of preparation of financial information;
 - Additional financial disclosures;
 - Audit of Financial Information;
- B. Projections of InvIT's revenue and operating cash flows;
- C. Management discussion and analysis of InvIT's operations;
- D. Other disclosures, i.e. working capital and past market performance;
- E. Historical Financial information of Investment Manager and Sponsor(s);
- F. Framework for calculation of net distributable cash flows;
- G. Principles for preparation of combined financial statements;
- H. Minimum disclosures for key financial statements;

Click [here](#) for circular.

Maintenance of Statutory Liquidity Ratio - 13 October 2016

RBI had issued circular dated 10 December 2015 on maintenance of Statutory Liquidity Ratio (SLR) under Section 24 and Section 56 of the Banking Regulation Act, 1949.

RBI has issued a circular stating that the SLR securities acquired from RBI under Liquidity Adjustment Facility (LAF) shall be considered as eligible assets for SLR maintenance from 03 October 2016. All scheduled commercial banks, UCBs and State and Central Co-operative Banks shall be guided by these guidelines.

Click [here](#) for circular.

Group to review and realign the provisions of Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988 - 14 October 2016

Knowledge Round-up

The ICAI has decided to constitute a Group to review and realign the provisions of Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988.

Click [here](#) for announcement.



Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 - 17 October 2016

RBI has issued Master direction on Non-Banking Financial Company (NBFC) - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (updated as on 17 October 2016).

Click [here](#) for notification.

Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 - 17 October 2016

RBI has issued Master direction on NBFC - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (updated as on 17 October 2016).

Click [here](#) for notification.

FAQs on Non-Banking Financial Company - Micro Finance Institutions - 14 October 2016

RBI has issued updated frequently asked questions on Non-Banking Financial Company - Micro Finance Institutions ('NBFC - MFIs') which, inter alia, provide clarification on documents required for registration as NBFC-MFI, limitations imposed on an NBFC which does not qualify as NBFC-MFI, minimum moratorium period applicable in case of NBFC-MFIs, capital adequacy requirements for NBFCs-MFI etc.

Click [here](#) for FAQs.

Disclosures in case of listed insurance companies – 24 October 2016

SEBI had issued circular dated 30 November 2015 which provided formats for publishing financial results by listed companies. Subsequently, SEBI issued circular on Revised Formats for Financial Results and Implementation of Ind AS, dated 05 July 2016 (Refer Supplement to NPSG's Weekly Knowledge Round-up Issue 2016 – 19), which inter-alia provided that for the period ending on or after 31 March 2017, the formats for unaudited/audited quarterly financial results to be submitted by the listed entities, with the stock exchanges, should be as prescribed in Schedule III to the Companies Act, 2013. However, Banking Companies and Insurance Companies should follow the formats as prescribed under the respective Acts/Regulations as specified by their Regulators.

In view of the recent listing by insurance companies, SEBI, in consultation with Insurance Regulatory and Development Authority of India (IRDAI), has now clarified that:

- The insurance companies should submit the following disclosures for quarters ending 30 September 2016 and 31 December 2016 in the format as specified by IRDAI:
 - Format for quarterly financial results;
 - Format for reporting of segment wise revenue, results and capital employed along with the quarterly results.
- With respect to the format for newspaper publishing purpose (standalone/consolidated), the insurance companies should continue to follow the format as specified under the



relevant circulars issued earlier by SEBI. Additional disclosures may also be made as prescribed by IRDAI.

- The other requirements specified under the relevant circulars issued by SEBI will continue to apply to insurance companies.

Click [here](#) for circular.