

“Company Law”

1. SPICe+
2. Pvt Ltd Audit

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Subject Expanse

0 CL&CGC

1. SPICe+

- ✓ Why Company?
- ✓ Simplified Procedure

2. Pvt Ltd Audit

- ✓ Appointment
- ✓ Audit
- ✓ Adherence



- CL&CGC



CL&CGC

Terms of reference :-

1. To examine Corporate Laws, the Indian Partnership Act and LLP Act, Rules, etc. representation/suggestions to MCA
2. To examine various issues/queries relating to Corporate Laws
3. To formulate and issue Corporate Affairs Standards, Guidance Note, Material, etc.
4. To undertake study on the subjects relating to Corporate Laws and Governance
5. To bring out the publications/books

CL&CGC

Terms of reference :-

6. To conduct Research

7. To conduct training programs

8. To organize Regional, National Conference, Workshops, Seminars

9. To encourage corporate governance, assisting in laying down benchmarks

10. To promote Corporate Governance

11. To interact with various relevant bodies

12. To consider various issues relating to Corporate Laws and Corporate Governance

CL&CGC

Encourage CA Corporate Laws Practice

Publications:

1. Company Incorporation
2. Charges Registration*

*(*awaiting publication)*

Arranging Programs

Training Sessions

Certificate Courses

CL&CGC

Proposed:

- **Technical Guide on the provisions of Related Party Transactions**
- **Technical Guide on Managerial Remuneration**
- **Technical Guide /FAQs on the provisions of Chapter IX**
- **Technical Guide/ FAQs on the provisions of Chapter X**
- **Basics of Start-up under Companies Act, 2013**
- **Concept Paper on Incorporation and change in the constitution of LLP**
- **FAQs on Limited Liability Partnership**
- **FAQs on Producer Companies**
- **Guide on Compliances by Private Companies under Companies Act**
- **E-Book on the Companies Act 2013**
- **Notifications/ Circulars/ Clarifications issued by MCA as on date**
- **SEBI (Listing Obligations and Disclosure Requirements) Regulations**
- **Technical Guide on Board's Report**
- **FAQs on Section 8 companies**

- **Company Incorporation**



SPICe+

SPICe+ is an integrated Web form offering 10 services by 3 Central Govt Ministries & Departments. (MCA, Ministry of Labour & Department of Revenue in the Ministry of Finance) and One State Government (Maharashtra), thereby saving as many procedures, time & cost for Starting Business in India. **SPICe+** is part of various initiatives and commitment of Government of India towards Ease of Doing Business

Why Company?



- Limited Liability
- Perpetual Existence
- Expansion
- Succession Planning
- Ease in Taxation
- Collaboration

Simplified Procedure

- SPICE+ form provides services right from the name reservation for the Company till opening of Bank account post incorporation.
- The form is an Integrated Web Form to be filed on MCA Portal
- Companies incorporated through **SPICe+** with an Authorized Capital up to INR 15,00,000 would continue to enjoy 'Zero Filing Fee' concession.

Simplified Procedure

SPICe+ Form has two Parts viz.

(i) Part A: for Name reservation for new companies

(ii) Part B:

a) Incorporation

b) DIN allotment

c) Mandatory issue of PAN and TAN

d) Mandatory issue of EPFO registration

e) Mandatory issue of ESIC registration

f) Mandatory issue of Profession Tax registration

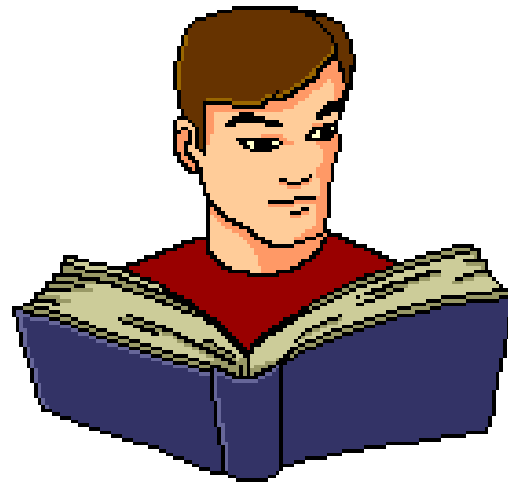
g) Mandatory Opening of Bank Account for the Company and

h) Allotment of GSTIN (if so applied for)

Simplified Procedure

- * Technical problems, please raise a ticket on www.mca.gov.in/myservices
- * For interaction on such issues, one may also call up Corporate Seva Kendra after 48 hours if ticket is not resolved - 0124-4832500
- * In case of resubmission / rejection remarks, contact - 0124-4832500 option 1 for CRC.
- * For escalation one should send a mail to crc.escalation@mca.gov.in

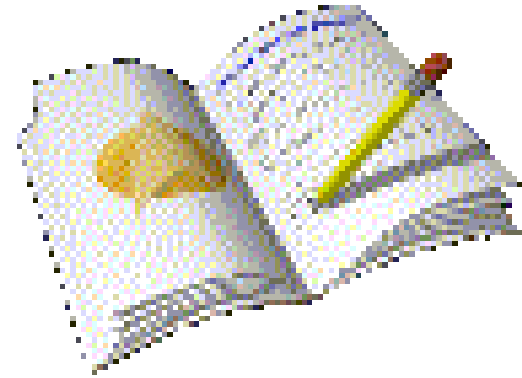
- Pvt Ltd Audit



✓ Appointment

✓ Audit

✓ Adherence



Pvt Ltd Audit

✓ Appointment



Appointment

- ✓ Qualifications & Disqualifications
 - ❑ Companies Act, 2013
 - ❑ ICAI Code of Ethics
- ✓ Appointment
- ✓ NoC
- ✓ Letters – Eligibility & Acceptance
- ✓ Form ADT-1

Appointment



Ready for Audit?

✓ Engagement Letter - SA 210

✓ Audit Objectives Listing

Section 143 Companies Act, 2013

CARO, 2016

MSMED Act, 2006

✓ Method of Accounting

✓ List of Books of Account

✓ List of AE, Relatives, etc.

✓ Audit Plan, Team

Pvt Ltd Audit

✓ Audit



Presenter Media



Audit

- Accounts
- AS
- Materiality
- SA
- Documentation



Accounts

128	Accrual Basis, Double Entry Syasem
128	To be kept at Registered office
128	To be kept for 8 FY's
129	FS – Comply AS, In Schedule III format
133	Central Govt. to prescribe AS as recommended by ICAI and NFRA
134	Approval & signing of financial statement (FS), Board Report (BR)



- **Schedule II to Companies Act, 2013**

(See section 123)

Useful Lives To Compute Depreciation

The useful life or residual value of any specific asset

Intangible Assets - Accounting Standard (AS) 26

63. The depreciable amount of an intangible asset should be allocated on a systematic basis over the best estimate of its useful life. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Amortisation should commence when the asset is available for use.



- **Schedule III to Companies Act, 2013**
 - *See section 129*
 - **GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS OF A COMPANY**
- **PART I — BALANCE SHEET**
- **PART II — STATEMENT OF PROFIT AND LOSS**

Materiality

SA 320 Materiality in Planning & Performing an Audit

1. This Standard on Auditing (SA) deals with the auditor's responsibility to apply the concept of materiality in planning and performing an audit of financial statements. SA 4503 , explains how materiality is applied in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements

8. The objective of the auditor is to apply the concept of materiality appropriately in planning and performing the audit

Materiality

SA 320 Materiality in Planning & Performing an Audit

9. For purposes of the SAs, performance materiality means the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. If applicable, performance materiality also refers to the amount or amounts set by the auditor at less than the materiality level or levels for particular classes of transactions, account balances or disclosures

Materiality

SA 450 EVALUATION OF MISSTATEMENTS IDENTIFIED DURING THE AUDIT

11. The auditor shall determine whether uncorrected misstatements are material individually / in aggregate. In making determination, the auditor shall consider: (a) The size & nature of the misstatements, in relation to particular classes of transactions, account balances or disclosures and the FS as a whole, and circumstances of their occurrence; and (b) The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

SA

- Companies Act, 2013
- Section 143 (9) Every auditor shall comply with the auditing standards.
- **Standards of Quality Control (SQC)** For all the services under Engagement Standards. These are applicable to all auditing firms which perform audits and reviews of historical financial information including assurance engagements.
- **Standards on Auditing (SAs)** For auditing historical financial information. These apply whenever any independent Audit is carried out.

- ICAI ACCOUNTING & AUDITING ADVISORY
- Impact of Coronavirus on Financial Reporting and the Auditors Consideration
- Going Concern
- Impairment
- Inventory
- Current Assets
- Balance Confirmations

Why Documentation?

- Auditors increasingly hauled up before Courts of law
- *Self-Quality Improvement Process:*
 - Continuous self improvement
 - Self quality control
 - Inbuilt guard against complacency, with unawareness of danger, trouble, or controversy) and taking “anything for granted”.



Documentation



- SA 230 Audit Documentation
- 5. The objective of the auditor is to prepare documentation that provides: (a) A sufficient and appropriate record of the basis for the auditor's report; and (b) Evidence that the audit was planned and performed in accordance with SAs and applicable legal and regulatory requirements.

Documentation

6. (a) Audit documentation – The record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached (terms such as “working papers” or “workpapers” are also sometimes used).

6. (b) Audit file – One or more folders or other storage media, in physical or electronic form, containing the records that comprise the audit documentation for a specific engagement.

Pvt Ltd Audit
✓ Adherence



Presenter Media



Review

- ✓ Audit Programme
- ✓ Documentation
- ✓ Observations
- ✓ Completeness

Representation Letter

✓ SA 580 Written Representations

Management from Whom Written
Representations Requested

8. The auditor shall request written representations from management with appropriate responsibilities for the financial statements and knowledge of the matters concerned.

Written Representations about Management's
Responsibilities Preparation of the Financial
Statements

Report

- Listing of Issues
- Statutory Matters
- SA
- Language



Thank you!

