

# AMENDMENTS IN AUDITING AND ASSURANCE

## APPLICABLE TO MAY 2020 ATTEMPT

**(SAME MATERIAL WILL APPLY FOR THE STUDENTS OF IPCC & CA INTER)**



# MASTER MINDS™

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Dear Students,

All latest amendments applicable to May 2020 attempt are included in this material. Students are advised to pay special attention on all such areas. All such amendments are not included in 42<sup>nd</sup> edition of our materials.

For the convenience of students, we have included the amendments applicable to Nov 2019 attempt, in this material itself. Such content is provided as italics. All such amendments are not included in 42<sup>nd</sup> edition of our materials. It is recommended for all students to thoroughly prepare these amendments also.

In the same material we have included the amendments applicable to Old & New Syllabus students.

## AUDITING AND ASSURANCE (FOR OLD & NEW SYLLABUS)

### 1. COMPANY AUDIT

#### 1. Casual Vacancy by Resignation:

- a) *As per section 140(2) of the Act, the auditor who has resigned from the company shall file within a period of 30 days from the date of resignation, a statement in the prescribed Form ADT-3 (as per Rule 8 of CAAR) with the company and the Registrar.*
- b) *In case of the companies referred to in section 139(5) i.e. Government company, the auditor shall also file such statement with the CAG along with the company and the Registrar. The auditor shall indicate the reasons and other facts as may be relevant with regard to his resignation.*

- c) *In case of failure, the auditor shall be liable to penalty whichever is lower as stated below:*
- i) *Rs.50,000 or*
  - ii) *Remuneration of the auditor*

*and in case of continuing failure, with further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees as per section 140(3) of Companies (Amendment) Second Ordinance 2019.*

**2. Submission of Cost Audit Report to the Central Government:**

- a) *The report shall be submitted by companies within 30 days of receipt of report from Cost Auditor.*
- b) *The form to be used is CRA - 4 (in XBRL format which is mandatory to use) along with fees specified in Companies (Registration Offices and Fees) Rules, 2014.*
- c) *In case company gets extension of time to hold AGM, the extended time also can be taken to file the said form with ROC (where no separate permission is required).*

**2. AUDIT OF ITEMS OF FINANCIAL STATEMENTS**

**1. As per section 53(3) of the companies Act,**

- a) **If any company allot shares at discount, then company and every officer who is in default shall be liable for a penalty whichever is lower as stated below-**
  - i) Amount raised (or)
  - ii) Rs.5,00,000
- b) Further, the company is required to refund the amount along with an interest of 12% per annum.

**AUDITING AND ASSURANCE (FOR OLD SYLLABUS ONLY)**

The following chapter(s) are suggested to be read in 42<sup>nd</sup> Edition of MASTER MINDS MATERIAL:

Name of the chapter in Old syllabus (38.5 Edition (2 <sup>nd</sup> Version))	Name of the Chapter in New Syllabus (42 <sup>nd</sup> Edition)
Company Audit - I	Company Audit

**Newly Added Chapter:** Audit Reporting (Given as Separate Chapter in 42<sup>nd</sup> edition of Master Minds Material).

**THE END**