

# ACTIVITY REPORT

## 2023-24

**FINANCIAL REPORTING REVIEW BOARD (FRRB)**  
(Moving towards Better Quality Financial Reporting)



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

(Set up by an Act of Parliament)

# ACTIVITY REPORT 2023-24



## Formation

The Financial Reporting Review Board (FRRB) was constituted by The Institute of Chartered Accountants of India (ICAI) in the year 2002.



## Objective

To develop and maintain an environment of sound financial reporting in the country which is important to promote investor confidence in audited financial statements.



## Scope

Review of General-Purpose Financial Statements of various enterprises

Spreading Awareness among preparers and auditors

**Suo-motto selection**

**Special Cases**

Referred by another regulator:  
MCA, SEBI, C&AG,  
ECI

Accounting irregularity highlighted in media reports

Programs:  
Webinars/Seminars

Articles in ICAI Journal/  
Mass Mails

Twitter Handle:  
[@frrbicai](https://twitter.com/frrbicai)

Publications:  
"Study on Compliance of  
Financial Reporting  
Requirements"

# BOARD COMPOSITION

## CHAIRMAN



CA. Hans Raj Chugh

## VICE CHAIRPERSON



CA. Kemisha Soni

## MEMBERS



CA. Durgesh Kumar Kabra



CA. Abhay Chhajed



CA. Pramod Jain



CA. Dayaniwas Sharma



CA.(Dr.) Sanjeev Kumar  
Singhal



CA. Purushottamlal  
Khandelwal



CA. Chandrashekhar  
Vasant Chitale



Advocate Vijay Kumar Jhalani,  
Government Nominee



Shri Sanjay Kumar,  
Government Nominee (MCA)



Shri Deepak Kapoor,  
Government Nominee (C&AG)

## SPECIAL INVITEES

Shri K. S. Narsimha Prasad, (C&AG)

Ms. Soumya, (CBIC)

Mr. Shyam Sundar Mohakud, (IRDA)

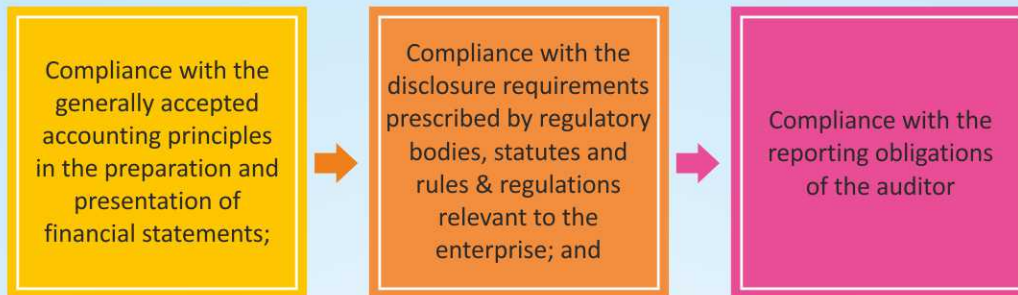
Shri. Sanjay C Puroo, (SEBI)

Shri Subhro Paul, (CEA)

CA. Sheetal Shrivastava, (NABARD)

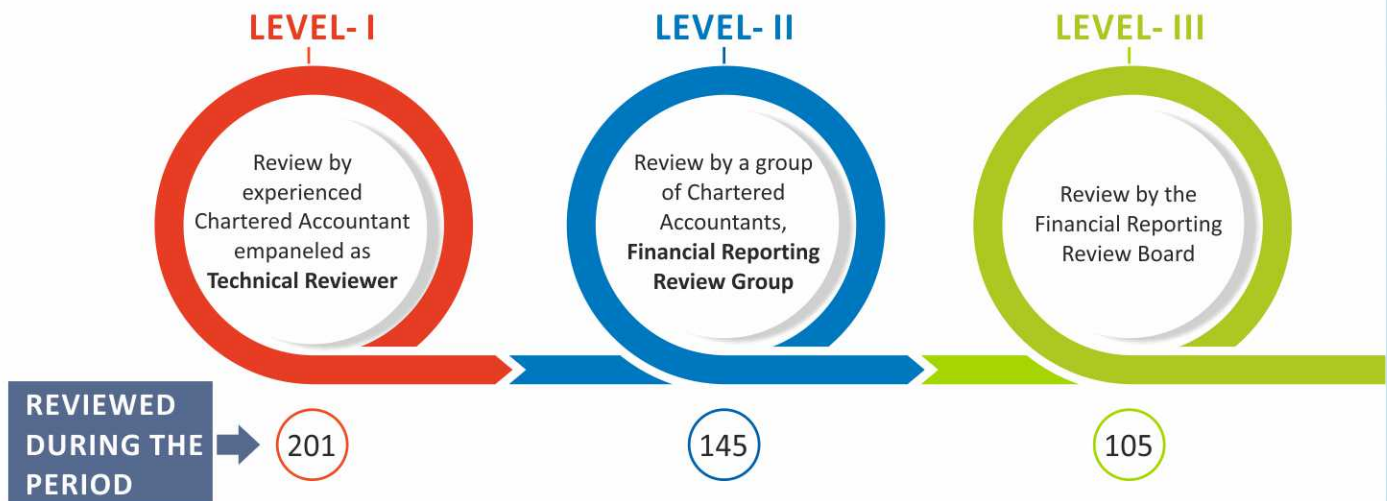
# ACTIVITY REPORT 2023-24

## SCOPE OF REVIEW



## PROCEDURE ADOPTED FOR REVIEW

### Three Tier Review Mechanism



## SELECTION OF ENTERPRISES FOR REVIEW

Multi-Faceted Selection Process ensuring comprehensive assessment of wide range of entities, encompassing:

Referred by regulators: **MCA, SEBI, C&AG, ECI**

On the basis of **Turnover / Net Worth** covering all major sectors of economy

**Media reports** highlighting accounting irregularities

**Nifty 100 and Nifty 500** index

Cases where **letter of advisory** has been sent by **FRRB** to auditors, previously

**Companies under liquidation** process

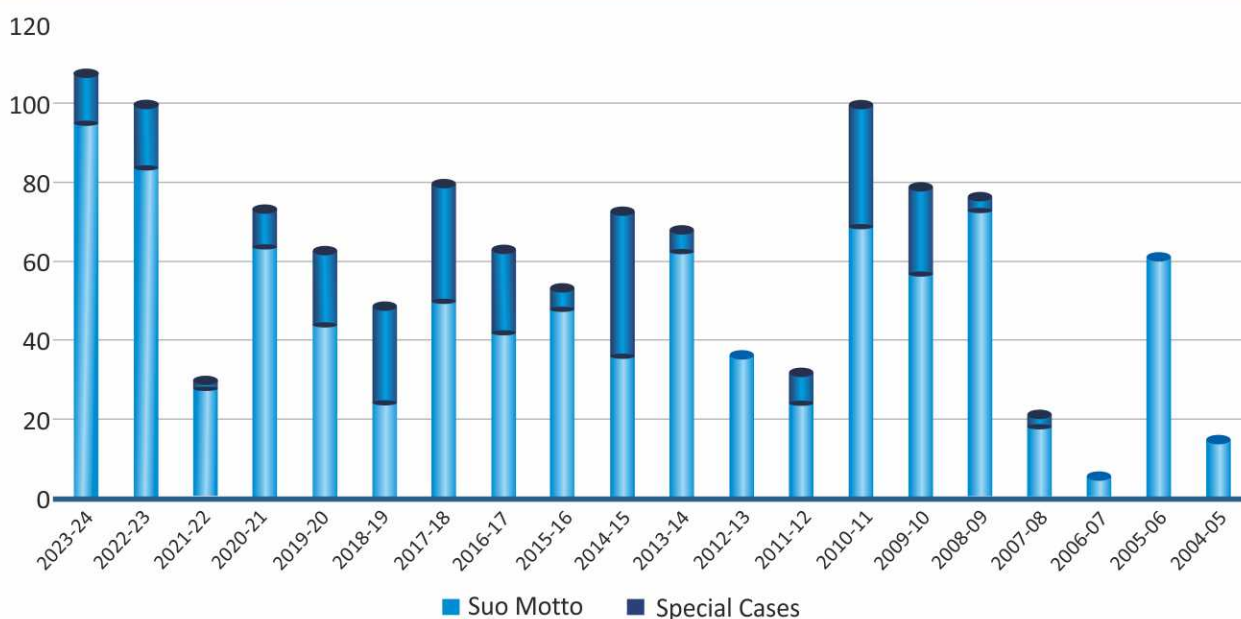
**Whistle-blower complaints** falling within the ambit of **Terms of Reference**

## SEGREGATION OF REVIEWS UNDERTAKEN BY BOARD SO FAR

Total Cases  
**1193**

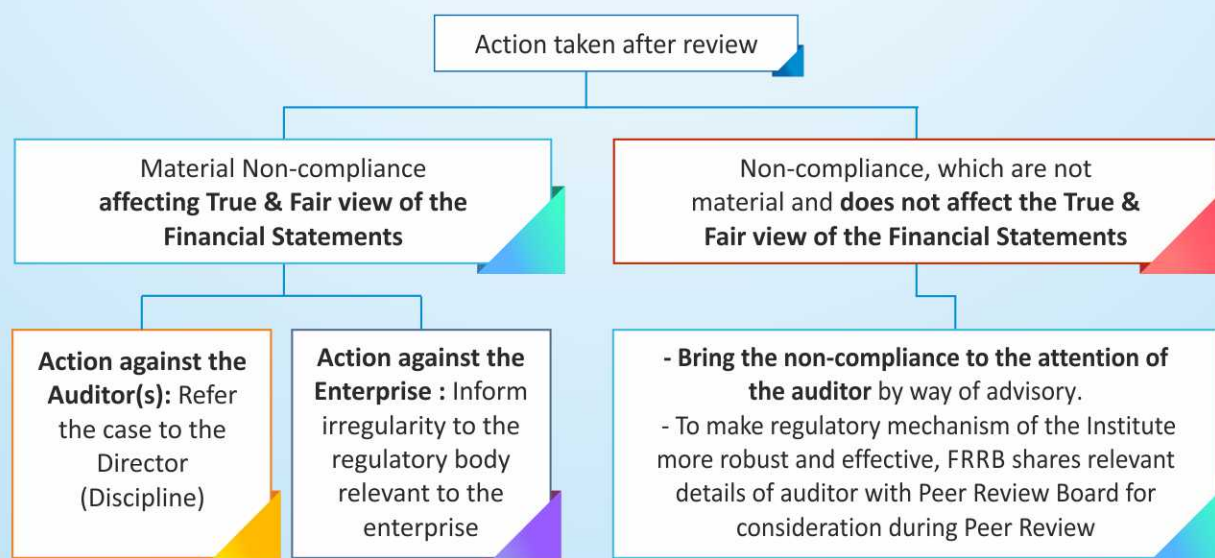
Special Cases  
**258**

Suo-Motto Cases  
**935**



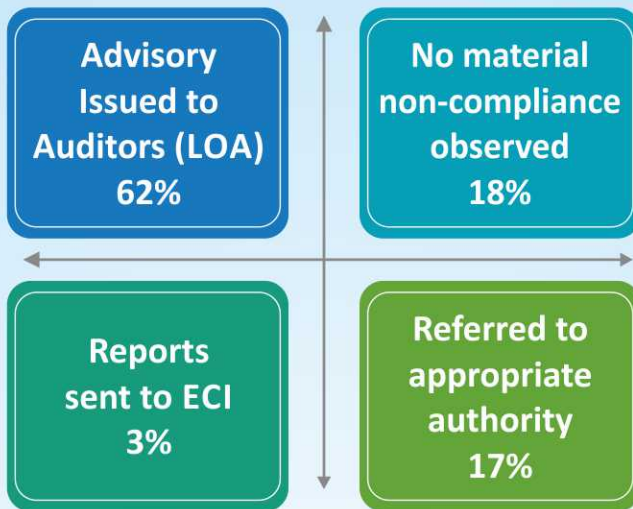
Undertaken review of companies representing  
**70% of market capitalisation,**  
in last 3 years

## ACTIONS THAT ARE TAKEN BASED ON REVIEW



# ACTIVITY REPORT 2023-24

## ACTIONS TAKEN BASED ON REVIEW



Collaboration with various regulators



## CREATING AWARENESS AMONG THE MEMBERS

**Case:**  
The accounting policies regarding recognition of dividend income has been disclosed as follows in the Annual Reports of some companies:  
● Dividend is accounted as and when received.  
● Income & Expenditures are recognised on accrual basis except dividend on shares and units of Mutual Funds, which are recognised on cash basis.

**Principle:**  
Paragraph 13 of AS 9

**Observation:**  
It was observed that the dividend income has been recognised on receipt basis while paragraph 13 of AS 9 requires recognition of dividend income when the right to receive payment is established.

Accordingly, it was viewed that the recognition of dividend income on receipt basis is not in line with the requirements of AS 9.



### WEBCASTS

### WEBINARS & SEMINARS

Financial Reporting Review Board  
The Institute of Chartered Accountants of India  
(Set up by an Act of Parliament)  
New Delhi

Financial Reporting Review Board  
The Institute of Chartered Accountants of India  
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New Delhi

### PUBLICATIONS

**FINANCIAL REPORTING**  
Non-compliances observed in the Ind AS Financial Statements pertaining to CARO, 2016

**Commonly found Non-compliances in Financial Statements of Companies - Equity and Liabilities**

Particulars	(Amount in Rs.)		
	As at 31st March 2018	As at 31st March 2019	As at 31st April 2022
Authorised Equity Shares of Rs. 10/- each	XXX	XXX	XXX
Issued Equity Shares of Rs. 10/- each	XXX	XXX	XXX
Subscribed & Paid Up Equity Shares of Rs. 10/- each	XXX	XXX	XXX
Unsubscribed & Unpaid Up Equity Shares Not Fully Paid Up	XXX	XXX	XXX
Total	XXX	XXX	XXX

### MASS MAILS/ARTICLES

# TWITTER HANDLE

Ongoing 'Did you know?' series on Twitter handle @FRRBICAI

# MASS MAILS / ARTICLES

## Others Articles

- Commonly found Non-compliances in Financial Statements of Companies – Equity and Liabilities - (November 2023)
- Commonly found Non-compliances in Financial Statements of Companies – Assets - (September 2023)
- Commonly found Non-compliances in Financial Statements of Companies – Auditor's Report and CARO, 2016 - (AUGUST 2023)
- Commonly found Non-compliances in Financial Statements of Companies – Auditor's Report and CARO, 2016 - (JUNE 2023)
- Commonly found Non-compliances in Financial Statements of Banks – (MAY 2023)
- Commonly found Non-compliances in Financial Statements of Banks – (FEBRUARY 2023)

# ACTIVITY REPORT 2023-24

## PUBLICATIONS

Study on Compliance of Financial Reporting Requirements (IND AS Framework) Volume II (2022)

Study on Compliance of Financial Reporting Requirements (IND AS Framework) (2021)

Study on Compliance of Financial Reporting Requirements Volume III (2018)

Study on Compliance of Financial Reporting Requirements Volume II (2014)

Study on Compliance of Financial Reporting Requirements Vol I (2010)



2022

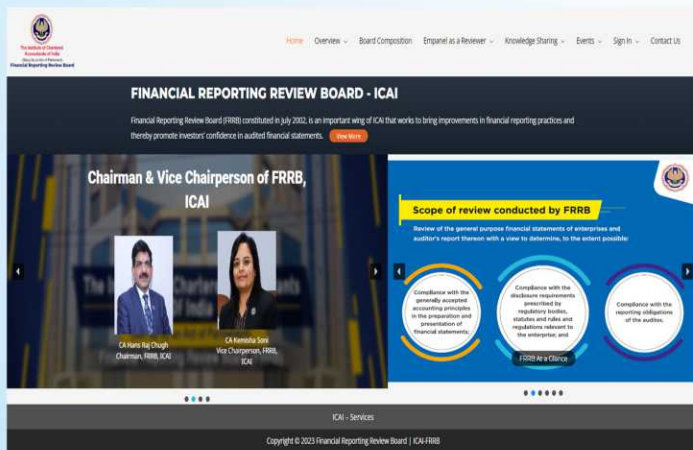
2021

2018

2014

2010

## WEB PORTAL OF FRRB



### Key features of the portal are :

- ▶▶ Rule-based system analytics: Common non-compliances of XBRL financial statements
- ▶▶ Automation of workflow
- ▶▶ Repository of non-compliances observed by the Board
- ▶▶ Real time monitoring of reviews undertaken





## GLIMPSES OF EVENTS



CA. Hans Raj Chugh, Chairman, FRRB along with Dr. Ajay Bhushan Pandey, Chairman, NFRA addressed the event on “The changing dynamics of the Ind AS and Companies Act, 2013” organised by PHD Chamber of Commerce and Industry, New Delhi.

## GLIMPSES OF EVENTS (AWARENESS PROGRAMMES)



Glimpses of Awareness program on Upskill Knowledge on Financial Reporting Practices at Raipur on 15th April, 2023



Glimpses of Awareness program on Upskill Knowledge on Financial Reporting Practices at Goa on 22nd April, 2023

# ACTIVITY REPORT 2023-24

## GLIMPSES OF EVENTS (AWARENESS PROGRAMMES)



Glimpses of Awareness program on Upskill Knowledge on Financial Reporting Practices at Navi Mumbai on 22nd April, 2023



Lamp lighting at Awareness program on Upskill Knowledge on Financial Reporting Practices at Thane on 29th April, 2023



Glimpses of Awareness program on Upskill Knowledge on Financial Reporting Practices at Ratlam on 26th May, 2023



Lamp lighting at Awareness program on Upskill Knowledge on Financial Reporting Practices at EIRC of ICAI on 30th August, 2023





Glimpses of Awareness program on Upskill Knowledge on Financial Reporting Practices at Amritsar on 02nd June, 2023

## GLIMPSES OF EVENTS (TRAINING PROGRAMMES FOR REVIEWERS)

Amritsar :



'2 Day Residential Programme for Reviewers of FRRB was organized at Hotel Taj Swarna, Amritsar on 2nd & 3rd June, 2023. The programme was addressed by CA. Hans Raj Chugh, Chairman, FRRB, CA. Kemisha Soni, Vice-Chairperson, FRRB and CA. Amarjit Chopra, Past President.

## GLIMPSES OF EVENTS (TRAINING PROGRAMMES FOR REVIEWERS)

Mumbai :



'2 Day Residential Programmes for Reviewers of FRRB was organized at Jio World Covention Centre, Mumbai on 7th & 8th October, 2023. CA. Hans Raj Chugh, Chairman, FRRB, CA. Durgesh Kumar Kabra, CCM, Member FRRB and Former Chairman of FRRB, CA. Nilesh S. Vikamsey, Past President, ICAI, Past Chairman, FRRB, CA. Shrinivas Y. Joshi, Past CCM of ICAI and Past Chairman of FRRB, CA. Priti Paras Savla, CCM of ICAI, CA. Piyush S. Chhajed, CCM of ICAI graced the Mumbai event with their benign presence.



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