

CA Final Audit
AMENDMENTS - JAN/MAY 2026

Chapter 14

Unit 2 - Special Features of Audit of Non-Banking Financial Companies

I. NBFC-MFI

1 Conditions to be a MFI:

- i) Non-deposit taking NBFC
- ii) Minimum 60% of Total assets are microfinance loans,
 - (a) Total assets to be Total assets netted off by Intangible assets
 - (b) Microfinance loans → As defined under Reserve Bank of India (Regulatory Framework for Microfinance Loans) Directions, 2022.
 - (c) Conditions to be met on ongoing (continuous) basis

2 What if conditions not met?

- If NBFC-MFI fails to meet the criteria above for;
- 4 consecutive quarter;
- then approach RBI with remediation plan.

III. Risk Weighted Assets

Addition of ROU Assets to Other Assets

- (v) Other assets:
 - (d) Others (to be specified) including ROU assets

II. NBFC - Primarily engaged in lending against GOLD jewellery

- i) Condition for classification → Such loans $\geq 50\%$ of financial assets
- ii) Minimum Tier I Capital requirement → 12% (as against 10% in others)
- iii) Risk weighted assets of:
 - (a) on-balance sheet and
 - (b) risk adjusted value of off-balance sheet items.
- iv) These NBFCs shall also adhere to provisions of the Directions on treatment of DTA and DTL for computation of capital.
- v) These NBFCs shall also ensure compliance with the instructions issued vide 'Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025' as expeditiously as possible but no later than April 1, 2026.

Chapter 19

Professional Ethics & Liabilities of Auditors

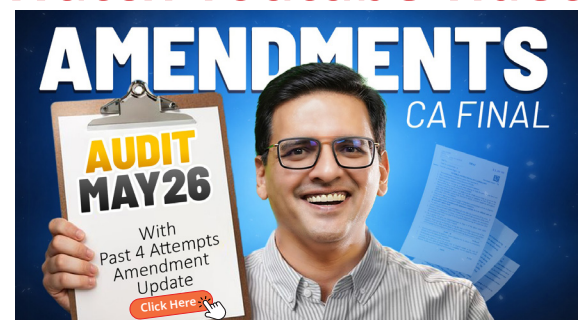
1. Clause (9) of Part I of First Schedule - Reference to Section 139 to 141 of CA, 2013 added

Clause (9) accepts an appointment as auditor of a company without first ascertaining from it whether the requirements of Section 225 of the Companies Act, 1956 (1 of 1956), or sections 139 to 141 of the Companies Act, 2013 or any other law pertaining to appointment of auditors for the time being in force, in respect of such appointment have been duly complied with;

2. Clause (5) in Part II of Second Schedule - New clause added

Clause (5) acts as an auditor of the company in contravention of the provisions of the Companies Act, 2013

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