

First Notes



The Companies (Amendment) Act, 2020

15 October 2020

First Notes on

- Financial reporting
- Corporate law updates**
- Regulatory and other information
- Disclosures

Sector

- All**
- Banking and insurance
- Information, communication, entertainment
- Consumer and industrial markets
- Infrastructure and government

Relevant to

- All**
- Audit committee
- CFO
- Others

Transition

- Immediately
- Within the next three months
- Post three months but within six months
- Post six months
- Forthcoming requirement**

Background

The Companies (Amendment) Act, 2019 (2019 Amendment Act) which came into force on 31 July 2019. These amendments were part of the policy of the Government of India to decriminalise certain offences. The 2019 Amendment Act decriminalised 16 offences that were technical and procedural in nature.

Continuing with this policy, on 18 September 2019, the Ministry of Corporate Affairs (MCA) constituted a Company Law Committee (CLC) to further review sections on offences under the Companies Act, 2013 (2013 Act). The CLC contemplated on various matters in addition to review of offences under the 2013 Act i.e. introducing a mechanism to reduce burden on courts and for effective disposal of cases, improving functioning of authorities under the 2013 Act and changes aimed at promoting the ease of doing business in India.

Accordingly, on 14 November 2019, CLC submitted its report to MCA, recommending changes in the 2013 Act. The CLC provided recommendations to further decriminalise provisions of 2013 Act and to boost ease of doing business and ease of living to law abiding corporates.

New development

Based on the recommendations of the CLC in its report, the Ministry of Finance introduced the Companies (Amendment) Bill 2020 (the Bill) which proposed extensive amendments in the 2013 Act. On 19 September 2020, Lok Sabha passed the Companies (Amendment) Bill, 2020 and on 22 September 2020 it was passed by the Rajya Sabha.

On 30 September 2020, the Companies (Amendment) Act, 2020 (the 2020 Amendment Act) received the assent of the President of India. The 2020 Amendment Act incorporates amendments suggested by CLC report.

The 2020 Amendment Act will come into force on such a date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the 2013 Act and any reference in any provision to the commencement of the 2013 Act should be construed as a reference to the coming into force of that provision.

This issue of First Notes provides an overview of the amendments introduced by the 2020 Amendment Act.



Overview of the amendments

Part I

Decriminalisation of certain compoundable offences i.e. rationalisation of 46 compoundable offences and adoption of a principle-based approach to decriminalise the offences.



Part II

Amendments relating to ease of doing business and rationalisation of penalties

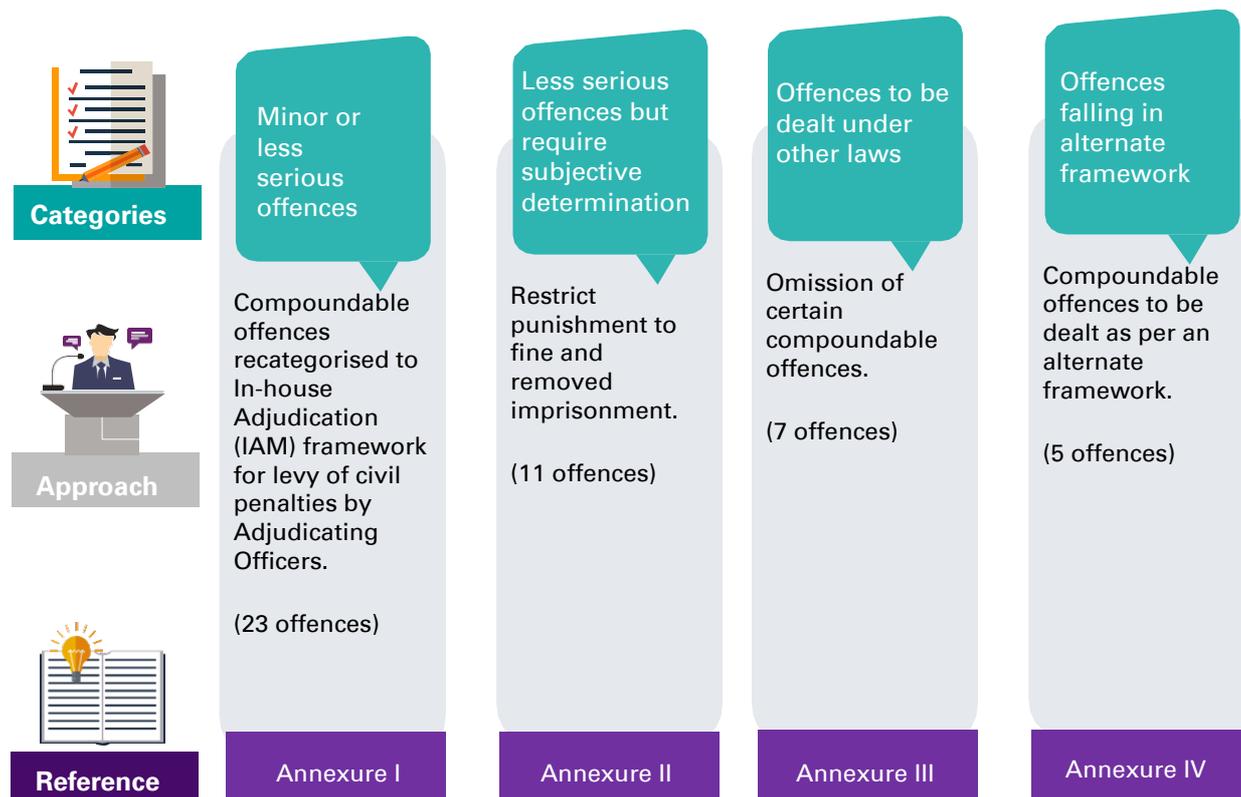


Part I: Decriminalisation of certain compoundable offences

The CLC provided recommendations relating to 46 compoundable offences under the 2013 Act. To strike a balance between civil and criminal liabilities while analysing the list of offences, the CLC adopted a principle-based approach to decriminalise the offences. This would likely to help declog the criminal justice system by reducing burden on special courts in India.

After considering the recommendations of the CLC in its report, the 2020 Amendment Act recategorised 46 offences. The recategorisation helps ensure that serious violations of law would be dealt under criminal law, whereas procedural, technical and minor non-compliances would be assigned to civil jurisdiction.

The chart below summarises the amendments to 46 offences into four categories.





Part II: Amendments relating to ease of doing business

Following table discusses the key amendments:

Provision of the 2013 Act	Amendment
Amendment to definition of listed company Section 2(52)	<p>The 2020 Amendment Act empowers Central Government in consultation with the Securities and Exchange Board of India (SEBI) to exclude certain listed companies and private companies with the intention of getting listed certain class of securities, from the category of 'listed companies'.</p>
Payment of remuneration to non-executive directors in case of inadequacy of profits or in case of losses (Section 149 and 197)	<p>Currently under Section 197(3) of the 2013 Act, in case of no profits or inadequacy of profits, a company is not allowed to pay any remuneration (other than sitting fee) to its directors, including managing director, whole-time director or manager, except as provided under Schedule V¹.</p> <p>Amendment</p> <p>The 2020 Amendment Act introduced amendments to Section 149 and 197, to provide remuneration for non-executive directors, including independent directors, in case of inadequacy of profits similar to executive directors.</p> <ul style="list-style-type: none"> • Section 149 (Independent directors): New provision added to provide that in case a company has no profits, or its profits are inadequate, an independent director may receive remuneration, exclusive of any fees payable under Section 197(5), in accordance with the provisions of Schedule V. • Section 197 (Remuneration to directors): Section 197(3) amended to provide that in any financial year, if a company has no profits or its profits are inadequate, the company should not pay to its directors, including any managing or whole time director or manager or any other non-executive director, including an independent director, by way of remuneration any sum exclusive of any fees payable to directors under Section 197(5) hereunder except in accordance with the provisions of Schedule V. <p>(Emphasis added to highlight the amendment)</p>
Modifying Corporate Social Responsibility (CSR) provisions Section 135	<p>The 2020 Amendment Act introduced following amendments under Section 135 relating to CSR:</p> <ul style="list-style-type: none"> • Set Off of excess amount: Inserted a new provision to allow setting off of excess amount spent on CSR activities against the requirement to spend under the 2013 Act. The set-off would be available for certain number of succeeding financial years and in a particular manner. Both the number of succeeding financial years and manner would be prescribed. • Exemption from forming CSR Committee: If the amount to be spend by a company on CSR is less than INR50 lakh then a CSR Committee is not required to be formed. In this case, the Board of Directors of such a company would discharge the functions of that of a CSR Committee. • Penalty for non-compliance: Following penalty provision has been inserted for non-compliance of provisions relating to CSR: <ul style="list-style-type: none"> ○ <i>On a company:</i> Twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the 'Unspent Corporate Social Responsibility Account' or INR1 crore whichever is lower, and ○ <i>On every officer in default:</i> 1/10th of the amount required to be transferred to the Fund specified in Schedule VII or the 'Unspent Corporate Social Responsibility Account' or INR2 lakh, whichever is lower.

¹Schedule V of the 2013 Act provides limits for remuneration payable to managerial persons where the company has no or inadequate profits.

Amendments relating to ease of doing business (cont.)

Provision of the 2013 Act	Amendment
Periodical financial results (Section 129A)	<p>The 2020 Amendment Act inserts a new Section 129A relating to requirement of periodical financial results. The section enables Central Government to prescribe such class or classes of unlisted companies to:</p> <ul style="list-style-type: none"> • Prepare periodical financial results in such form (period and form to be prescribed) • Obtain approval of the Board of Directors • Complete audit or limited review of such periodical financial results (manner to be prescribed) • File a copy with the Registrar of Companies (ROC) within 30 days of completion of the relevant period (fees to be prescribed).
Direct listing in foreign jurisdictions (Section 23)	<p>The 2020 Amendment Act empowers the Central Government to allow certain classes of public companies to list certain class of securities in foreign jurisdictions. The class of public companies and securities to be prescribed by the Central Government.</p>
Reduction in the amount of penalties for one person, small companies, start-up and producer company (Section 446B)	<p>Currently Section 446B of the 2013 Act prescribes reduced penalties for one person and small companies in case of defaults under Section 92(5)², 117(2)³ or 137(3)⁴. The penalty prescribed is one half of the penalty specified in these sections.</p> <p>Section 446B is amended to extend the benefit of reduced penalties to a start-up and a producer company.</p> <p>Therefore, if a start-up, producer company, one person company or a small company fails to comply with any applicable provisions of the 2013 Act which levies monetary penalties, then such a penalty would be reduced to one half of the penalty specified in such respective provisions.</p> <p>The amendment also specifies that a maximum of INR2 lakh in case of a company and INR1 lakh in case of an officer who is in default or any other person, as the case may be.</p>
Reduction of timelines for rights issue process (Section 62(1))	<p>Recently, SEBI reduced the timeline for the rights issue process as prescribed under the (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations).</p> <p>Consequently, the 2020 Amendment Act amended Section 62(1) of the 2013 Act to enable the Central Government to reduce the rights issue offer period. The amendment removes the current requirement of mandatory period of minimum 15 days offer to accept rights issue. The MCA would prescribe lesser number of days for offer to be accepted.</p>
Resolutions and agreements to be filed with the ROC by the company (Section 117(3))	<p>Currently under Section 117(3) of the 2013 Act, banks are exempted from filing of resolutions to ROC relating to grant of loans or giving guarantees in respect of loans.</p> <p>The 2020 Amendment Act introduces amendments to Section 117(3) to also provide similar exemption to registered Non-banking financial companies and housing finance companies. This is because non-banking financial companies and housing finance companies engage in lending activities in their regular course of business, similar to the manner in which banks engage in such activities.</p>
Reviewed penalty for delay in filing the annual return or financial statement (Section 403)	<p>Section 403 of the 2013 Act levies a penalty on account of delay in filing an annual return or financial statements along with the additional fees based on each day's delay.</p> <p>The 2020 Amendment Act amends Section 403(1) cover situations where there is a default on two or more occasions in submitting, filing, registering or recording of prescribed documents. In such cases, then such documents could be submitted, filed, registered or recorded, as the case may be, on payment of such higher additional fee as may be provided by rules.</p>
Producer companies	<p>The 2020 Amendment Act has inserted a new Chapter as Chapter XXIA relating to Producer Companies. This chapter is on similar lines to the Companies Act, 1956</p>

² Section 92(5) relates to penalty for default in filing annual return.

³ Section 117(2) relates to penalty for default in filing specified resolutions to ROC within 30 days of passing such resolutions.

⁴ Section 137(3) relates to penalty for default in filing of copy of financial statement to ROC



Changes in penalties

The 2020 Amendment Act rationalised penalties in respect of following six sections:

Default	Revised penalty
Failure or delay in filing notice for alteration of share capital (Section 64)	The penalty in case of a default that continues has been amended to be reduced to INR500 per day instead of INR1,000 per day. Further maximum penalty has been capped at INR5 lakh in case of a company and INR1 lakh in case of an officer in default instead of fixed amount of INR5 lakh.
Failure or delay in filing annual return (Section 92)	The penalty amount for a failure or delay in filing an annual return at the first instance of failure or delay has been reduced to INR10,000 from INR50,000. In case a default continues, the maximum penalty would be capped at INR2 lakh in case of a company and at INR50,000 in case of an officer in default instead of fixed amount of INR5 lakh.
Failure or delay in filing of certain resolutions or agreements to ROC (Section 117)	The penalty amount for failure or delay in filing of certain resolutions or agreements to ROC at the first instance of failure or delay would be reduced to INR10,000 from INR1 lakh. In case a default continues, the penalty would be fixed as INR100 per day subject to the maximum penalty of INR2 lakh in case of a company and at INR50,000 in case of an officer in default.
Failure or delay in filing of the financial statements with ROC (Section 137)	The penalty amount for or delay in filing financial statements with the ROC at the first instance of failure or delay would be fixed to INR10,000 instead of INR1 lakh. In case the default continues, the penalty would be fixed as INR100 per day subject to the maximum penalty of INR2 lakh in case of a company and INR50,000 in case of an officer in default.
Failure/delay in filing statement with the company or ROC by an auditor after resignation (Section 140)	The maximum amount of penalty for failure or delay in filing statement by an auditor after resignation with the company or ROC would be capped at INR2 lakh instead of INR5 lakh.
Accepting directorships beyond specified limits (Section 165)	The penalty for each day's default of accepting directorships beyond specified limits would be reduced to INR2,000 from INR5,000 and a maximum penalty would be INR2 lakh for the defaulting directors.

Our comments

The government notified the 2020 Amendment Act to address the concerns related to 2013 Act and to promote ease of doing business in India. The main aim is to foster improved corporate compliance framework for the corporates in India. The amendments introduced by the 2020 Amendment Act would help companies to rectify the defaults by paying a penalty and become compliant with the law.

Some of the key amendments which should be considered are as follows:

Ease of doing business amendments: In recent past, India has improved its rank as a country that focusses on 'ease of doing business'. To help this objective, the CLC recommended changes to the 2013 Act to promote ease of doing business and ease of living for law-abiding corporates. The 2020 Amendment Act incorporated the amendments suggested by the CLC in its report. The main amendments under this category are relating to:

- **Excluding certain class of companies from the definition of 'listed company':** Currently certain private limited companies fall within the purview of a 'listed company' due to listing of certain debt securities offered on a private placement. Such private companies classified as 'listed companies' have to follow stricter compliance requirements and could be burdensome for such private companies. The 2020 Amendment Act amended the definition of 'listed company' to exclude certain class or classes of companies as listed companies. The government would be issuing rules and criteria to establish the parameters to understand which companies would be outside the scope of listed companies. Our view is that SEBI and MCA should clearly define the class of companies that would benefit from these relaxations and the relaxed norms that would be applicable to these companies. We believe that companies that access public markets, even if it is through access to debt funds, should be held accountable to higher standards, as compared to an unlisted company.

Our comments (cont.)

- **Payment of remuneration to non-executive directors in case of inadequacy of profits or in case of losses:** Currently under the 2013 Act, there is inconsistency in payment of remuneration in case of inadequacy of profits or losses to executive directors *vis-à-vis* non-executive directors. Considering this, the 2020 Amendment Act amended relevant provisions under Section 149 and 197 of the 2013 Act, to provide remuneration for non-executive directors, including independent directors, in case of inadequacy of profits similar to executive directors.

The 2020 Amendment Act recognised that non-executive directors, including independent directors, devote their valuable time and have experience to give critical advice to the company. Therefore, they should be appropriately compensated for the same even in case of inadequacy of profits or losses as is permissible for executive directors.

- **Modifying CSR provisions:** Currently under the 2013 Act, companies with net worth, turnover or profits above a specified amount are required to constitute CSR Committees and spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR policy. The 2020 Amendment Act exempts companies with a CSR liability of up to INR50 lakh a year from the requirement of setting up CSR Committees. Further, new proviso to Section 135(5) of the 2013 Act inserted, which provides companies which spend any amount in excess of their CSR obligation in a financial year can set off the excess amount towards their CSR obligations in subsequent financial years.

The amendment has been introduced considering the changing requirements of the economy and ensuring that static financial thresholds do not come in the way of corporate-driven socio-economic development and environmental conservation. This will also allow companies to undertake projects, including those that may require higher spending in initial years, while getting the credit of that additional spending in complying with the requirements of later years, without having to look at a linear spending pattern.

- **Periodic financial results for unlisted companies:** The 2020 Amendment Act inserted a new Section 129A to empower Central Government to prescribe by rules classes of unlisted companies to prepare and file periodical financial results, and to complete the audit or review of such results. The prescribed unlisted companies would be required to prepare financial results, and may need to follow processes similar to those followed by listed companies in generating interim financial results, and having them subject to audit or review. The amendment expects to raise the bar of corporate governance of certain classes of unlisted companies. Further, the prescribed timelines for filing with the ROC, i.e. 30 days from the completion of the relevant period, seems to be onerous and stricter than the timelines applicable to listed companies.
- **Direct listing in foreign jurisdictions:** The 2020 Amendment Act empowers the Central Government to allow certain classes of public companies to list classes of securities in foreign jurisdictions. The amendments would enable domestic companies to list foreign stock exchanges, without having to undertake a prior or simultaneous listing in India, or alternatively through incorporating foreign holding companies. This would enhance the ease of doing business and reduce regulatory burden for the corporates. However, for this to be operationalised, it would require changes to other laws and regulations, including those relating to taxation and Foreign Exchange Management Act, 1999 (FEMA) regulations.
- **Exempting NBFCs from filing resolutions with the ROC:** The 2020 Amendment Act exempted registered NBFCs and HFCs from filing of resolutions relating to grant of loans or giving guarantees in respect of loans. The 2020 Amendment Act acknowledge that NBFCs also engage in lending activities in their regular course of business, similar to the manner in which banks engage in such activities, therefore, the exemption provided under Section 117(3) should be extended to registered NBFCs and HFCs also.
- **Producer companies:** Producer companies include companies which are engaged in the production, marketing and sale of agricultural produce, and sale of produce from cottage industries. Currently, under the 2013 Act, certain provisions from the Companies Act, 1956 continue to apply to producer companies such as provisions on membership, conduct of meetings, and maintenance of accounts. The 2020 Amendment Act removes these provisions and inserted a new chapter in the 2013 Act on producer companies with provisions similar to the Companies Act, 1956.

Decriminalising offences: A large part of recommendations of the CLC report relate to decriminalising the offences under the 2013 Act. The CLC in its report adopted a principle-based approach of decriminalisation of compoundable offences and recommended to decriminalise civil liability that are technical or procedural in nature.

Considering the recommendations of the committee, the 2020 Amendment Act amended provisions relating to 46 offences, so as to either remove criminality, or to restrict the punishment to only fine, or to allow rectification of defaults through alternative methods. Further, this would reduce regulatory burden on courts and tribunals and enable them to focus on serious offences.

Rationalisation of penalties: The 2020 Amendment Act also reviewed the quantum of penalties and amended six sections considering the gravity of default. The amendments relate to contravention of provisions relating to filing of annual return, or financial statements or filing statement by auditor after resignation and contravention in accepting directorship beyond specified limits of Section 165. The changes brought by 2020 Amendment Act would allow companies to rectify the default by paying the penalty and provide such defaulting companies with the chance to become compliant with the provisions of the law.

7



Annexures

Annexure I: Offences shifted to IAM framework (minor or less serious offences)

Section 454 of the 2013 Act provides that the IAM (In-House Adjudication) framework is a mechanism for levy of civil penalties by Adjudicating Officers (AO). The 2020 Amendment Act shifted 23 compoundable offences relating to minor or less serious issues to the IAM framework. In addition, the quantum of penalties prescribed by the 2020 Amendment Act are lower than the quantum of fines currently prescribed under the 2013 Act.

Following table highlights sections shifted under IAM framework i.e. following offences would now be liable to penalty instead of being punishable with imprisonment:

Section	Default
Section 56(6)	Failure to comply with the procedural requirements given in the section for the manner in which the transfer of securities is required to be done.
Section 86(1)	Contravention of the provision of Chapter VI dealing with duty to register charges, to report their satisfaction within prescribed timelines and the duty to maintain register of charges.
Section 88(5)	Failure to maintain members' register, debenture holders register and register of other security holders.
Section 89(5)	Failure to make declaration the registered owner and the beneficial owner in respect of shares.
Section 89(7)	Company to file a return with ROC within the prescribed time after receiving a declaration of beneficial interest in shares from a person.
Section 90(10)	Failure to make declaration the registered owner and the beneficial owner in respect of shares.
Section 90 (11)	Failure on behalf of company to maintain a register of significant beneficial owners.
Section 92(6)	Contravention of the requirements under this section by a company secretary in practice
Section 105(5)	Fine for issuance of invitation to appoint proxies (for any meeting of a company) to any member who is entitled to attend meeting.
Section 124(7)	Failure to comply with the requirements given in this Section for dealing with unpaid dividend etc.
Section 134(8)	Contravention of the requirements relating to financial statements and board reports.
Section 135(7)	Contravention of provisions of CSR and manner of dealing with any unspent amount under it.
Section 172	Contravention of any provisions relating to appointment and qualifications of directors.
Section 178(8)	Contravention of the provisions relating to audit committee, nomination and remuneration committee, and stakeholder's relationship committee.
Section 184(4)	Contravention of the provisions mandating disclosure of interest by the director in the first board meeting every financial year or wherever there is any change in relation to any contract or arrangement.
Section 187(4)	Contravention of the provisions regarding holding of investment by 0.04a company.
Section 188(5)	Contravention of provisions regarding related party transactions by a director or employee of company.
Section 204(4)	Contravention of provisions mandating secretarial audit for certain classes of companies.
Section 232(8)	Failure to comply with obligations imposed by Section 232 in relation to merger and amalgamation of companies.
Section 247(3)	Contravention of provisions relating to valuation by valuer.
Section 405(4)	Non-compliance with orders of the Central Government directing a company or companies to furnish certain information. (The Central Government issues such orders under Section 405(1) or (3) to a company or a class of companies or to all companies).
Section 450	Fine for contravention of any of the provisions of the 2013 Act or the rules made thereunder

Annexure II: Less serious offences but subjective determination

11 offences that are not serious violation would be based on subjective determination. The 2020 Amendment Act restricts the punishment to only fine and in case fraudulent practices are noticed further action would be taken.

Following table provides sections under the above principle:

Section	Default
Section 8(11)	Failure of the company to comply with the requirements imposed on Section 8 companies
Section 26(9)	Contravention of matters prescribed to be stated in prospectus.
Section 40(5)	Default in complying with requirements for public offer.
Section 68(11)	Default in complying with the requirements for buy back.
Section 128(6)	Maintenance of the books of accounts of the company at its registered office and its inspection thereof by any director.
Section 147(1)	Default in complying with provisions of Chapter X relating to audit and auditors.
Section 167(2)	Default of continuing to act as director even upon becoming liable for vacation of office.
Section 242(8)	Making alteration in the memorandum or in the articles inconsistent with an order of the NCLT
Section 243(2)	Default in complying with the directions of the NCLT regarding termination or modification of certain agreements
Section 347(4)	Contravention of directions of the Central Government in relation to disposal of books and papers of the company which has been wound up.
Section 392	Contravention of provisions related to foreign companies

Annexure III: Offences to be dealt with under other laws

The 2020 Amendment Act omits following seven offences from the 2013 Act as these would be dealt under other laws:

Section	Default
Section 48(5)	Variation of the rights of shareholders.
Section 59(5)	Grievance before National Company Law Tribunal (NCLT) regarding entries in register of members.
Section 66(11)	Publication of order of the NCLT confirming reduction of share capital.
Section 71(11)	Non-compliance with the order of the NCLT regarding failure to redeem debentures on maturity or in payment of interest.
Section 342(6)	Non-cooperation by liquidator or other persons during prosecution in the course of winding up.
Section 348 (6)	Contravention of provisions relating to information as to pending liquidations under Section 348 by company liquidator
Section 348 (7)	Contravention of provision relating to audit of information of the company pending liquidations under Section 348 (1) by company liquidator



Annexure IV: Offences falling under Alternate framework

The 2020 Amendment Act provided alternate framework for following sections to achieve the intended aim of such provisions:

Section	Default	Amendments
Section 16(3)	Non-compliance with order of the Regional Director (RD) directing change of name of a company	Section 16(3) amended to provide that in case the company fails to abide by the order of the RD under Section 16(1) with regard to change of name of company within three months of passing of such order, then instead of imposing punishment for non-compliance for such default, a new name would be allotted (procedure/manner to be prescribed) to the company. The company may subsequently change its name in accordance with section 13 of the 2013 Act.
Section 441(5)	Non-compliance with order of the RD/NCLT for compounding of an offence	Section 441 of the 2013 Act has been amended to provide that if any officer or employee of a company fails to comply with the order of NCLT, RD, or any other officer authorised by the Central Government, then instead of imprisonment and fine both a maximum amount of fine for the offence proposed to be compounded under Section 441 would be twice the amount provided in the corresponding section in which the punishment for such offence is provided.
Section 284(2)	Non-cooperation of promoters, directors, etc. of a company being wound- up, with the liquidator	The 2020 Amendment Act introduced a new mechanism, where a liquidator of a company may apply to NCLT for cooperation in case a person required to cooperate or assist the company liquidator does not do so. Further it empower NCLT to direct such person to comply with the directions of the company liquidator. Currently, the person who fails to discharge his obligations punishable with imprisonment and fine both.
Section 302	Dissolution of Company by Tribunal	The amended provision requires the NCLT (within a period of 30 days from the date of the order) to forward a copy of the order of dissolution to the ROC who would record in the register relating to the company of the dissolution of the company. Additionally, NCLT would also direct the company liquidator to forward a copy of the order to the ROC. The provision relating to imposition of fine has been omitted.
Section 356	Powers of Tribunal to Declare Dissolution of Company Void	The amended provision requires that NCLT would forward a copy of the order, within 30 days from the date thereof, to the ROC who would record the same. Additionally, NCLT would direct the company liquidator or the person on whose application the order was made, to file a certified copy of the order, within 30 days from the date thereof or such further period as allowed by the NCLT, with the ROC who would record the same. The provision relating to imposition of fine has been omitted.



KPMG in India

Ahmedabad

Commerce House V, 9th Floor,
902, Near Vodafone House,
Corporate Road,
Prahlad Nagar,
Ahmedabad – 380 051
Tel: +91 79 4040 2200

Bengaluru

Embassy Golf Links Business
Park,
Pebble Beach, 'B' Block,
1st & 2nd Floor,
Off Intermediate Ring Road,
Bengaluru – 560071
Tel: +91 80 6833 5000

Chandigarh

SCO 22-23 (1st Floor)
Sector 8C, Madhya Marg
Chandigarh – 160 009
Tel: +91 172 664 4000

Chennai

KRM Towers, Ground Floor,
1, 2 & 3 Floor, Harrington Road
Chetpet, Chennai – 600 031
Tel: +91 44 3914 5000

Gurugram

Building No.10, 8th Floor
DLF Cyber City, Phase II
Gurugram, Haryana – 122 002
Tel: +91 124 307 4000

Hyderabad

Salarpuria Knowledge City, 6th
Floor, Unit 3, Phase III, Sy No.
83/1, Plot No 2, Serilingampally
Mandal,
Ranga Reddy District,
Hyderabad – 500 081
Tel: +91 40 6111 6000

Jaipur

Regus Radiant Centre Pvt Ltd.,
Level 6, Jaipur Centre Mall,
B2 By pass Tonk Road
Jaipur – 302 018.
Tel: +91 141 - 7103224

Kochi

Syama Business Centre
3rd Floor, NH By Pass Road,
Vytilla, Kochi – 682 019
Tel: +91 484 302 5600

Kolkata

Unit No. 604,
6th Floor, Tower – 1,
Godrej Waterside,
Sector – V, Salt Lake,
Kolkata – 700 091
Tel: +91 33 4403 4000

Mumbai

1st Floor, Lodha Excelus,
Apollo Mills
N. M. Joshi Marg,
Mahalaxmi, Mumbai – 400 011
Tel: +91 22 3989 6000

Noida

Unit No. 501, 5th Floor,
Advant Navis Business Park
Tower-A, Plot# 7, Sector 142,
Expressway Noida,
Gautam Budh Nagar,
Noida – 201 305
Tel: +91 0120 386 8000

Pune

9th floor, Business Plaza,
Westin Hotel Campus, 36/3-B,
Koregaon Park Annex, Mundhwa
Road, Ghorpadi, Pune – 411 001
Tel: +91 20 6747 7000

Vadodara

Ocean Building, 303, 3rd Floor,
Beside Center Square Mall,
Opp. Vadodara Central Mall,
Dr. Vikram Sarabhai Marg,
Vadodara – 390 023
Tel: +91 265 619 4200

Vijayawada

Door No. 54-15-18E, Sai Odyssey,
Gurunanak Nagar Road, NH 5,
Opp. Executive Club, Vijayawada,
Krishna District ,
Andhra Pradesh - 520008
Contact: 0866-6691000

KPMG in India's IFRS institute



Visit KPMG in India's IFRS institute - a web-based platform, which seeks to act as a wide-ranging site for information and updates on IFRS implementation in India.

The website provides information and resources to help board and audit committee members, executives, management, stakeholders and government representatives gain insight and access to thought leadership publications that are based on the evolving global financial reporting framework.

Missed an issue of Accounting and Auditing Update or First Notes



Issue no. 50 – September 2020

The topics covered in this issue are:

- Revised conceptual framework for financial reporting under Ind AS
- CARO 2020: Loans and investments and repayments of dues
- Regulatory updates



Proposal for top 1,000 listed companies to adopt BRSR voluntarily for FY20-21

26 August 2020

On 11 August 2020, MCA has issued the report of the committee on BRR. In this report, the committee has prescribed new format for Business Responsibility and Sustainability Report (BRSR) and made recommendations relating to its implementation.

Basis recommendations of the committee, on 18 August 2020, SEBI has also issued a consultation paper and proposed that the BRSR format, as recommended by the committee, should be made applicable to top 1,000 listed companies by market capitalisation.

This issue of First Notes provided an overview of the recommendations made by the MCA committee in its report and proposals made by SEBI in its consultation paper.



Voices on Reporting

KPMG in India is pleased to present Voices on Reporting (VOR) – a series of knowledge sharing calls to discuss current and emerging issues relating to financial reporting.

In our recent Voices on Reporting webinar on 7 October 2020, we discussed key financial reporting and regulatory matters that are expected to be relevant for the stakeholders for the quarter ended 30 September 2020.

Click here to access the [audit recording](#) (mp3) and [presentation](#) (pdf).

Feedback/queries can be sent to aaupdate@kpmg.com

Previous editions are available to download from: home.kpmg/in

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011 Phone: +91 22 3989 6000, Fax: +91 22 3983 6000.

© 2020 KPMG Assurance and Consulting Services LLP, an Indian Limited Liability Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

KPMG (Registered) (a partnership firm with Registration No. BA- 62445) converted into KPMG Assurance and Consulting Services LLP (a Limited Liability partnership firm) with LLP Registration No. AAT-0367 with effect from July 23, 2020.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

This document is for e-communication only.