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First Notes

SEBI issues amendments for listed companies including disclosure of forensic audit

28 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

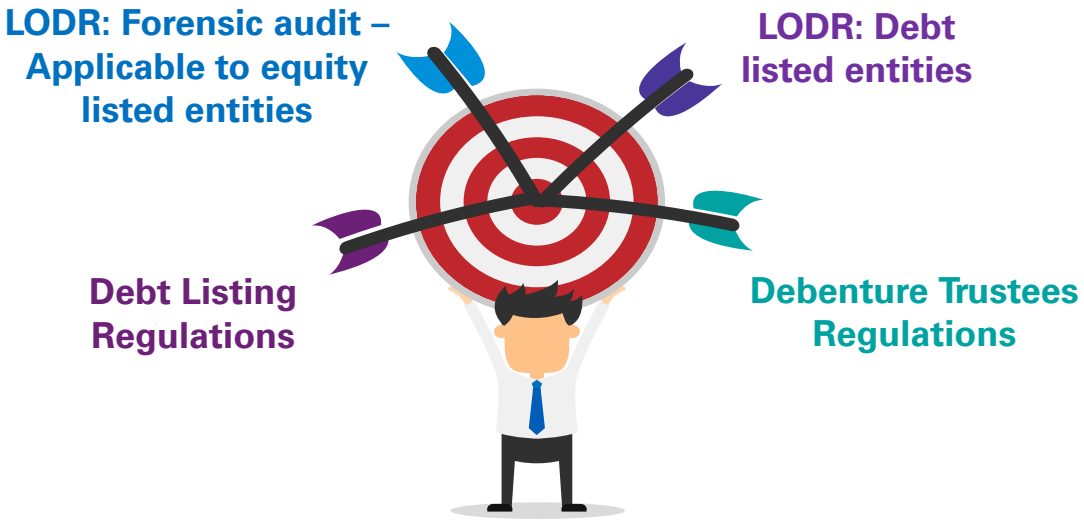
Introduction

The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) lays down post listing obligations and disclosures to be provided by companies with listed securities such as equity, Non-Convertible Debt Securities (NCDS) and Non-Convertible Redeemable Preference Shares (NCRPS). From the time the LODR have been notified[1], significant amendments have been made to the regulations to streamline its implementation by companies.

On 8 October 2020, SEBI has issued another set of amendments to the LODR through the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2020. The amendments primarily relate to companies which have listed their NCDS/NCRPS on the recognised stock exchange(s).

Additionally, related amendments have been made to the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Debt Listing Regulations) and SEBI (Debenture Trustees) Regulations, 1993 (Debenture Trustees Regulations).

In this issue of First Notes, we aim to provide an overview of the key amendments made by SEBI in the following areas:



1. Listing Regulations was notified on 2 September 2015.

Overview of the amendments

LODR: Forensic audit – Applicable to equity listed entities

- **Forensic audit (Schedule III – Part A):** Para A of Part A of Schedule III to the LODR specifies events which are deemed to be material events to be reported by companies with listed specified securities (i.e. equity shares and convertible securities) to the recognised stock exchange(s) as soon as possible but not later than 24 hours from the occurrence of the event or information. Those, *inter alia,* includes events relating to:
  a. Fraud/defaults by a promoter, Key Managerial Personnel (KMP) or by the listed company
  b. Arrest of KMP or promoter
  c. Change in directors, KMP, auditor and compliance officer
  d. Resignation by an auditor and independent director of the listed company.

Amendment

In addition to the current requirements, every company with listed specified securities is required to provide the following disclosures to the stock exchange(s) in case of initiation of forensic audit (by whatever name called):

a. The fact of initiation of forensic audit along with name of the entity initiating the audit and reasons for the same, if available

b. Final forensic audit report (other than for forensic audit initiated by regulatory/enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

Effective date

The amendments are effective from the date of their publication in the Official Gazette i.e. 9 October 2020.

LODR: Debt listed entities

- **Asset cover by debt listed companies (Regulation 54):** Currently, a listed company with listed NCDS is required to maintain 100 per cent asset cover in respect of NCDS which should be sufficient to discharge the principal amount at all times for the NCDS issued.

  The requirement is not applicable in case of unsecured debt securities issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.

  Amendment

  In addition to the current requirement, the amendments to the LODR permit a listed company to maintain an asset cover as per the terms of offer document/Information Memorandum and/or debenture trust deed in respect of the NCDS issued.

  Additionally, the exemption from maintaining asset cover granted to unsecured debt securities issued by regulated financial sector entities has been removed.

- **Intimation to debenture trustee (Regulation 56):** Currently, a company with listed debt securities is required to send certain documents and intimations to the debenture trustee promptly. Those, *inter alia,* includes:
  a. Intimations regarding revision in credit rating, default in timely payment of interest or redemption or both in respect of the NCDS and failure to create charge on assets.
  b. A half-yearly certificate regarding maintenance of 100 per cent asset cover in respect of listed NCDS, **by either a practicing Company Secretary (CS) or a practicing Chartered Accountant (CA),** along with the half-yearly financial results.

  The submission of half-yearly certificate is not applicable in cases **where a listed entity is a bank, Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI)** or where bonds are secured by a government guarantee.

Overview of the amendments (cont.)

LODR: Debt listed entities (cont.)

Amendment

In addition to the current requirements of Regulation 56, a listed company is additionally required to provide an intimation of all covenants of the issue (including side letters, accelerated payment clause, etc.) to the debenture trustees.

Further, the requirement relating to submission of half-yearly certificate has also been amended. As per the revised requirement, a listed entity is required to submit a half-yearly certificate regarding maintenance of 100 per cent asset cover **or asset cover as per the terms of offer document/Information Memorandum and/or debenture trust deed, including compliance with all the covenants,** in respect of listed NCDS, **by the statutory auditor**, along with the half-yearly financial results.

The amendment has also removed the exemption available to a listed company which is a bank or NBFC regarding submission of the said half-yearly certificate. Therefore, a listed company which is a bank or NBFC would need to submit a half-yearly certificate issued by its statutory auditor.

The submission of half-yearly certificate is not applicable where bonds are secured by a government guarantee.

(Emphasis added to highlight the changes)

Effective date

The amendments are effective from the date of their publication in the Official Gazette i.e. 9 October 2020.

Debt Listing Regulations

Debt Listing Regulations are applicable to public issue of debt securities and listing of debt securities issued through public issue or through a private placement basis on a recognised stock exchange.

Key amendments made to the Debt Listing Regulations are as follows:

- **Revised definition of 'private placement' (Regulation 2):** Currently, 'private placement' has been defined to mean 'an offer or invitation to **less than 50 persons** to subscribe to the debt securities in terms of Section 67(3) of the **Companies Act, 1956 (1956 Act)**'.

  Amendment

  The amendments revise the definition of private placement in the Debt Listing Regulations. As per the revised definition, private placement would mean 'an offer or invitation to subscribe **or issue of securities to a select group of persons by a company (other than by way of public offer) through private placement offer-cum-application**, which satisfies the conditions specified in **Section 42 of the Companies Act, 2013 (2013 Act).**

  (Emphasis added to highlight the changes)

- **Trust deed (Regulation 15):** Currently, an issuer is required to execute a trust deed in favour of the debenture trustee for securing the issue of debt securities within three months of the closure of the issue. The trust deed should contain such clauses as may be prescribed under **Section 117A of the 1956 Act and those mentioned in Schedule IV of the Debenture Trustees Regulations.**

  Amendment

  Reference of 1956 Act, wherever used in the Debt Listing Regulations has been replaced with corresponding provisions under the 2013 Act. Accordingly, as per the amendments, every debenture trustee should amongst other matters, **accept the trust deeds** which should contain the matters as prescribed under **Section 71 of the 2013 Act and Form No. SH.12 of the Companies (Share Capital and Debentures) Rules, 2014.**

Overview of the amendments (cont.)

Debt Listing Regulations (cont.)

Further, it prescribed that the trust deed should consist of following two parts:

a. Part A containing statutory/standard information pertaining to the debt issue.

b. Part B containing details specific to the particular debt issue.

Consequent to the above changes, amendments have been made to the Debenture Trustee Regulations.

(Emphasis added to highlight the changes)

- **Roll over of debt securities (Regulation 18):** Currently, an issuer that desires to roll-over the debt securities issued by it can do so only upon passing of a special resolution of holders of such securities. A **21 days'** notice of the proposed roll over has to be given to such holders.

  Amendment

  The amendment has reduced the time period of the said roll over notice from 21 days to **15 days.**

  (Emphasis added to highlight the change)

- **Recovery expense fund (Regulation 26):** An issuer of debt securities is now required to create a recovery expense fund in the manner as may be specified by SEBI from time to time and inform the debenture trustee about the same.

Manner and operation of recovery expense fund

On 22 October 2020, SEBI through a circular has prescribed the manner of creation and operation of recovery expense fund. Those are as follows:

- **Amount of deposit:** An issuer proposing to list debt securities should deposit an amount equal to 0.01 per cent of the issue size subject to a maximum of INR25 lakh per issuer towards recovery expense fund with the designated stock exchange as identified and disclosed in its offer document/Information Memorandum.

- **Form of deposit:** The issuer should deposit cash or cash equivalent(s) including bank guarantees towards contribution to the fund at the time of making the application for listing of debt securities. The issuer should ensure that the bank guarantee remains valid for a period of six months post the maturity date of the listed debt security.

- **Utilisation of fund:** In the event of default, the debenture trustee/lead debenture trustee[2] should obtain the consent of holders of debt securities for enforcement of security and should inform the same to the designated stock exchange. The amount of the recovery expense fund would be released by the designated stock exchange within five days of receipt of such intimation.

- **Refund of balance amount:** The balance in the recovery expense fund would be refunded to the issuer on repayment to holders of debt securities on their maturity or at the time of the exercise of call or put option for which a No Objection Certificate (NOC) should be issued by the debenture trustee(s) to the designated stock exchange. The debenture trustee(s) should satisfy that there is no 'default' on any other listed debt securities of the issuer before issuing the NOC.

Effective date

The provisions of the circular would come into force with effect from 1 January 2021. Accordingly, all applications for listing of debt securities made on or after 1 January 2021 should comply with the condition of creation of recovery expense fund.

An additional time period of 90 days would be given to the existing issuers whose debt securities are already listed on stock exchange(s) to comply with the requirements for creation of recovery expense fund.

2. a. A debenture trustee who has been chosen to be the lead debenture trustee by other debenture trustees or
   b. A debenture trustee who is the debenture trustee of more than 50 per cent of the outstanding value of debt securities.

Overview of the amendments (cont.)

Debt Listing Regulations (cont.)

- **Disclosures to stock exchange (Schedule I):** Currently, Schedule I of the Debt Listing Regulations specifies disclosures to be given by an issuer seeking listing of its debt securities on a recognised stock exchange. Those disclosures, *inter alia*, includes information relating to the issuer, details of the issue and disclosures pertaining to wilful default.

  Amendments

  The amendments require following additional disclosures to be given by an issuer under 'issue details' section:

  a. Creation of recovery expense fund along with details and purpose of the recovery expense fund
  b. Conditions for breach of covenants (as specified in debenture trust deed)
  c. All covenants of the issue (including side letters, accelerated payment clause, etc.)
  d. Description regarding security (where applicable) including:
     i. Type of security (movable/immovable/tangible, etc.)
     ii. Type of charge (pledge/hypothecation/mortgage, etc.)
     iii. Date of creation of security/likely date of creation of security
     iv. Minimum security cover
     v. Revaluation, replacement of security and
     vi. Interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the offer document/Information Memorandum.
  e. Risk factors pertaining to the issue.

  Further, in the notes to 'issue details' section of Schedule I, the amendment specifies that, while the debt securities are secured to the tune of 100 per cent of the principal and interest amount or as per the terms of offer document/Information Memorandum, in favour of debenture trustee, it is the duty of the debenture trustee to monitor that the security is maintained. However, the recovery of 100 per cent of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Effective date

The amendments are effective from the date of their publication in the Official Gazette i.e. 9 October 2020.

Debenture Trustees Regulations

- **Duties of a debenture trustee:** Currently, a debenture trustee is required to ensure the implementation of the conditions regarding creation of security for the debentures, if any, and debenture redemption reserve. Additionally, in the cases where listed debt securities are secured by way of receivables/book debts, the debenture trustee is required to obtain the following:

Quarterly basis	a. Certificate from the director/Managing Director (MD) of the issuer company certifying the value of the book debts/receivables b. Certificate from an independent CA giving the value of book debts/receivables.
Yearly basis	a. Certificate from the statutory auditor giving the value of book debts/receivables.

  Amendments

  The amendments require a debenture trustee to perform the following:

  – **Recovery expense fund:** A debenture trustee would need to ensure implementation of the conditions regarding recovery expense fund in addition to those relating to creation of security for the debentures and debenture redemption reserve.

  – **Quarterly/yearly reporting:** The current requirements of obtaining documents on quarterly/yearly basis have also been amended. According to the revised requirements, in case where listed debt securities are secured by

Overview of the amendments (cont.)

Debenture Trustees Regulations (cont.)

way of receivables/book debts, a debenture trustee is required to perform the following:

Quarterly basis	a. Carry out the necessary due diligence and monitor the asset cover in the manner as may be specified by SEBI.
Half-yearly basis	a. Obtain a certificate from the statutory auditor of the issuer giving the value of receivables/book debts including compliance with the covenants of the offer document/Information Memorandum in the manner as may be specified by SEBI.

- **Due diligence:** In addition to the current duties, a debenture trustee is required to exercise independent due diligence before creating a charge on the security for the debentures to ensure that such security is free from any encumbrance or that it has obtained the necessary consent from other charge-holders if the security has an existing charge, in the manner as may be specified by SEBI.
- **Inter-creditor agreement:** A debenture trustee may enter into inter-creditor agreements, on behalf of the debenture holders, as provided under the framework specified by RBI, subject to the approval of the debenture holders and the conditions as may be specified by SEBI.

- **Meeting of debenture holders:** Currently, a debenture trustee shall call or cause to be called by the body corporate a meeting of all debenture holders on the occurrence of any event, which constitutes a default or which in the opinion of the debenture trustees affects the interest of the debenture holders.

  Amendment

  In addition to the current guidance, meeting shall be called by a debenture trustee or cause to be called by the body corporate in case of breach of covenants (as specified in the offer document/Information Memorandum and/or debenture trust deed).

Effective date

The amendments are effective from the date of their publication in the Official Gazette i.e. 9 October 2020.

Our comments

With the slew of amendments, SEBI has introduced new requirements e.g. disclosure of forensic audit and tightened the norms relating to issue of debt securities by a listed company.

Some of the areas that companies should consider are as follows:

Disclosures on forensic audit

In order to address the gaps in the availability of information on forensic audits of listed companies, SEBI has introduced new disclosures to be given by a company with listed specified securities (i.e. equity shares and convertible securities). Such a company is now required to disclose to the stock exchange(s) the fact of initiation of forensic audit along-with name of entity initiating the forensic audit and reasons for the same. Additionally, it is required to disclose the final forensic audit report on receipt by the listed entity along with comments of the management. However, forensic audit report in respect of audit initiated by regulatory/ enforcement agencies is not required to be disclosed.

Some of the related points to consider are as follows:

- **Forensic audit not mandatory:** It is important to note that in India, forensic audit is not mandatory for companies except for banks. RBI mandated banks to use forensic audit as a preventive and investigative tool to detect frauds and deal with Red Flagged Accounts (RFAs) of corporate borrowings over INR50 crore[3].

3. RBI circular no. RBI/2014-15/590 dated 7 May 2015.

Disclosures on forensic audit (cont.)

- **Intimation of forensic audit:** At times, special audits/reviews could be initiated internally by the management/ internal auditors of the company to test design and operating effectiveness of anti-fraud controls. Additionally, such investigations could be initiated by third parties e.g. lenders, suppliers, customers, investors, etc., including regular risk management processes, Foreign Corrupt Practices Act (FCPA) compliance reviews, counter-party due diligence and other similar reviews. The new requirement of forensic audit appears to suggest that initiation of forensic audit or other enquiry/investigation/review even by third parties would also be covered for disclosure purposes. An issue may arise as to how a company would make a disclosure in case of an investigation that has been initiated by a third party about which the company might not be formally notified/aware of.

  It also needs to be determined whether the disclosure requirement would be applicable to the subsidiaries or group companies of the listed companies including entities in overseas jurisdictions.

- **Access of information regarding forensic audit and final reports:** In many situations where the forensic audit or other enquiry/investigation has been initiated by a third party, irrespective of whether the company has been formally notified or not, the company may not have access to final reports as third parties would not be under any obligation to share the final report with the company. In such cases, a company would need clarity on how to comply with these reporting requirements.

- **Discourage proactive measures and good corporate governance:** The new requirement might discourage the management to undertake any forensic or internal reviews to strengthen controls (e.g. usual controls, stress test effectiveness of anti-fraud controls) as the potential implications of reporting may outweigh the benefits from such reviews.

- **Definition of forensic audit:** The term forensic audit has not been defined under any statute. With no prescribed definition, there is an ambiguity as to the coverage of such audits.

  The LODR refer to the term forensic audit (by whatever name called), however, this adds an ambiguity as to the coverage of engagements in the scope of such audit. Accordingly, it is unclear whether the usual investigation on several non-financial matters (e.g. matters dealing with code of conduct, sexual harassment, background checks, behavioral inquiries by HR, prospective investor diligence, usual stress tests to strengthen controls and processes, usual internal inquiries by the management, etc.) will also require disclosures.

  Recently, the Institute of Chartered Accountants of India (ICAI) has proposed certain Standards on Forensic Accounting and Investigation (FAIS) with an aim to improve the audit quality, acceptability, reliability, admissibility and standardisation of the forensic report. The proposed FAIS framework defines forensic accounting as the use of professional accounting skills in matters involving the possibility of a fraud, in order to collect relevant evidence and facts which could help support an expert view for potential or actual civil or criminal litigation. Investigation has been defined to mean a systematic and critical examination of facts, records and documents for a specific purpose.

  As per the framework, most of the investigations involve forensic accounting but not every forensic accounting is an investigation. As it is an emerging area, companies need to keep a watch on the developments in coming times. Considering the lack of a clear definition on what would constitute a forensic audit (by whatever name called), companies will need to actively monitor all reviews, investigations, audits and similar engagements, whether initiated internally by the company or by third parties, to identify whether those would get covered under these reporting requirements. Additionally, SEBI should consider providing materiality thresholds for the purpose of reporting along with prescribing adequate time of disclosure to make the disclosure useful and relevant.

- **Fraud reporting – current framework:** Generally, forensic audits aid in timely detection of fraud thereby, assist companies in taking necessary actions to minimise the impact of such fraud and improve overall efficiency of the companies. The current reporting framework comprises of the following key requirements:

  - *The Companies Act, 2013:* Currently, Section 143(12) of the Companies Act, 2013 (2013 Act) requires specific reporting by an auditor of a company in case of frauds. An auditor has to report a fraud involving an amount of INR1 crore or above to the Central Government in Form ADT-4 within 15 days from the date of receipt of reply or observations from the board of directors or audit committee.

    In case fraud involves an amount less than INR1 crore, the matter needs to be reported board of directors or the audit committee of the company.

Disclosures on forensic audit (cont.)

- *LODR:* LODR requires listed companies to make following disclosures to the stock exchange(s):
  - Fraud by promoter/KMP
  - Material fraud by other directors or employees of listed company.

  Additionally, the Chief Executive Officer (CEO)/Chief Financial Officer (CFO) of the listed company is required to provide a compliance certificate to the board of directors stating the following:
  - No transactions have been entered into by the listed company during the year which are fraudulent, illegal or violative of the listed company's code of conduct.
  - They have indicated to the auditors and audit committee instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed company's internal control system over financial reporting.

- *RBI guidelines:* Following requirements have been prescribed by RBI for:
  - *Banks:* Banks need to furnish Fraud Monitoring Return (FMR) in individual fraud cases, irrespective of the amount involved, to RBI electronically using FMR Application in XBRL system supplied to them within three weeks from the date of detection. Fraud reports should also be submitted in cases where central investigating agencies have initiated criminal proceedings suo moto and/or where RBI has directed that such cases be reported as frauds.

    In addition to the FMR, banks are required to furnish a Flash Report (FR) for frauds involving amounts of INR5 crore and above within a week of such frauds coming to the notice of the bank's head office[4].
  - *NBFCs:* All deposit taking NBFCs and systemically important non-deposit taking NBFCs (applicable NBFCs) are required to submit fraud reports in all cases of fraud of INR1 lakh and above to the RBI. Fraud reports should also be submitted in cases where central investigating agencies have initiated criminal proceedings suo moto and/or where RBI has directed that they be reported as frauds. Additional reporting has been prescribed with respect to frauds committed by unscrupulous borrowers and frauds involving an amount of INR1 crore or more.

    Further, all individual cases of attempted fraud involving INR25 lakh or more should be placed before the audit committee of applicable NBFC's board[5].

- *CARO 2020:* An auditor is also required to indicate the nature and amount involved in its report, in case a fraud by the company or fraud on the company by its officers or employees has been noticed or reported during the year as per the requirements of the Companies (Auditor's Order) Report, 2020 (CARO 2020).

- *Standard on Auditing (SA) 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements:* The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management. An auditor is s responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.

4. RBI notification no. RBI/DBS/2016-17/28 dated 1 July 2016.
5. RBI notification no. RBI/DNBS/2016-17/49 dated 29 September 2016.

Companies with listed debt securities

- **Banks and NBFCs:** The exemption given earlier from maintenance of asset cover granted to unsecured debt securities issued by regulated financial sector entities has been removed. Also they need to submit a half-yearly certificate regarding maintenance of an asset cover as per the terms of offer document/Information Memorandum and/or debenture trust deed in respect of listed NCDS. Such a certificate has to be issued by the statutory auditor of the listed company (earlier required to be given by a practicing CA or CS).

  Additionally, entities that have previously used these instruments for their capital management requirements, may need to evaluate the impact of the withdrawal of the exemption from maintenance of asset cover and explore alternate options, where relevant.

- **Creation of a recovery expense fund:** The amendments have introduced a new requirement relating to creation of a recovery expense fund by the issuer of debt securities. SEBI in its press release (no. PR No.52/2020) dated 29 September 2020 highlighted that such a fund should be created at the time of issuance of debt securities and shall be utilised by the debenture trustees in the event of default, for taking appropriate legal action to enforce the security. SEBI has laid down the manner of creation of such fund through a separate circular.

  It is important to note that the provisions relating to creation of recovery expense fund would be applicable from 1 January 2021. All applications for listing of debt securities made on or after 1 January 2021 would need to comply with the condition of creation of recovery expense fund. However, as per the SEBI circular an additional time period of 90 days would be given to issuers whose debt securities are already listed on stock exchange(s) to comply with the requirements.

- **Role of debenture trustees:** The amendments have strengthened the role of the debenture trustees. Debenture trustees are now required to exercise due diligence before creating a charge on the security for the debentures and need to monitor the asset cover. Also, they are required to obtain a half-yearly certificate from the statutory auditor giving the value of receivables/book debts including compliance with the covenants of the offer document/Information Memorandum. Earlier the certificate could be obtained from a practicing chartered accountant or a company secretary. Though the amendments have been made effective from 9 October 2020, there is an ambiguity as to whether the debenture trustees would be required to obtain the certificate for the half-year ended 30 September 2020.

  Further, debenture trustees have been allowed to join the inter-creditor agreement subject to the approval of the debenture holders and the conditions as may be specified by SEBI.

The bottom line

There has been a rise in the number of incidents of corporate fraud and defaults by companies across the world. The introduction of the requirement for disclosure of forensic audits is an additional requirement to bring transparency and provide visibility on such incidents and their outcomes to regulators and other stakeholders. For reasons noted above this will require careful consideration of what would need to be disclosed and also the interplay of these requirements with the existing frameworks. There is also a risk of certain of these disclosures being made at a premature stage, in particular when there are audits or other engagements that are initiated on, what ultimately turns out to be frivolous complaints, etc. Such early disclosure may potentially be competitive or cause harm to the company and its stakeholders. Therefore, the SEBI should consider providing more guidance on implementation of these requirements, as well as put safeguards against premature/excessive reporting by companies.

The changes to the Debt Listing Regulations are also in a similar direction. Given recent corporate bankruptcies and defaults, regulators have sought to introduce additional disclosure and governance requirements including additional diligence by debenture trustees. If implemented in the right spirit, these changes should strengthen our debt markets and result in higher investor confidence.

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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 repayment of dues
- Regulatory updates

The Companies (Amendment) Act, 2020

15 October 2020

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 Company Law Committee 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.

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.

On 19 October 2020, KPMG in India released the Voices on Reporting – quarterly updates publication (for the quarter ended 30 September 2020). The publication provides a summary of key updates from the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), the Institute of Chartered Accountants of India (ICAI) and the Reserve Bank of India (RBI).

To access the publication, please click here.

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

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