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In this publication, we have summarised important financial reporting and regulatory updates relevant for the quarter ended 30 June 2022 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).

1. Amendments issued to Indian Accounting Standards

In view of the recent amendments to IFRS, and in order to keep the Ind AS converged with IFRS, MCA issued certain amendments to Ind AS vide a notification dated 23 March 2022.

Effective date: These amendments are effective from 1 April 2022.

The following table provides an overview of the amendments:

Ind AS	Amendments notified
Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets*	As per Ind AS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations (i.e., the lower of the costs of fulfilling the contract and the costs of terminating it) outweigh the economic benefits. However, Ind AS 37 did not explain the items of cost that should comprise 'cost of fulfilling a contract'. The amendments have clarified the types of costs a company can include as the 'costs of fulfilling a contract' while assessing whether a contract is onerous as under: a. The incremental costs of fulfilling that contract—for example, direct labour and materials; and b. An allocation of other costs that relate directly to fulfilling contracts— for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others. ***Effective date and transition*** The amendments apply for annual reporting periods beginning on or after 1 April 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of initially applying the amendments is recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not required to be restated.
Ind AS 103, *Business Combinations*	The 2022 amendments have substituted the reference to the *Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards* with the reference to the ***Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework),*** without changing the accounting requirements for business combinations. **Effective date and transition** The 2022 amendments would be applicable to those business combinations for which the acquisition date is on or after 1 April 2022.

1. Amendments issued to Indian Accounting Standards

Ind AS	Amendments notified
Ind AS 16, *Property, Plant and Equipment (PPE)*	The amendments to Ind AS 16 have clarified the accounting treatment for sale proceeds of items produced by PPE while preparing it for its intended use. These amendments have clarified that the excess of net sale proceeds of items produced over the cost of testing, if any, should not be recognised in the statement of profit or loss, but deducted from the directly attributable costs considered as part of cost of an item of PPE. (Note: This is a carve out from IAS 16, *Property, Plant and Equipment*, which requires proceeds from selling items before the related item of PPE is available for use to be recognised in the statement of profit and loss.) ***Effective date:*** The amendments are effective for annual reporting periods beginning on or after 1 April 2022.
Annual improvements to Ind AS (2021)	
Ind AS 101, *First-time Adoption of Indian Accounting Standards*	As per the amendment, if a subsidiary adopts Ind AS later than its parent and applies paragraph D16(a) of Ind AS 101, then the subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to Ind AS. A similar election is available to an associate or joint venture that use the exemption in paragraph D16(a) of Ind AS 101.
Ind AS 109, *Financial Instruments*	The amendment clarifies that for the purpose of performing the '10 per cent test' for derecognition of financial liabilities, in determining fees paid, the borrower includes amounts paid by the borrower to or on behalf of the lender, and fees received include amounts paid by the lender to or on behalf of the borrower This amendment would be applicable to financial liabilities that are modified or exchanged on or after 1 April 2022.
Ind AS 41, *Agriculture*	The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in Ind AS 41 with those in Ind AS 113, *Fair Value Measurement*. This amendment would be applicable to fair value measurements on or after 1 April 2022.

(Source: KPMG in India's analysis, 2022 based on MCA notification dated 23 March 2022)

1. Amendments issued to Indian Accounting Standards

Key takeaways

The 2022 amendments have introduced narrow scope amendments to Ind AS in order to provide clarifications on various provisions pertaining to accounting. Management should consider the impact of these amendments on the financial statements of the company.

For detailed read on amendments issued to Ind AS by MCA, refer to KPMG in India's First Notes 'MCA issues narrow scope amendments to Indian Accounting Standards' dated 5 March 2022.

(**Source:** MCA notification no G.S.R. 255 (E) dated 23 March 2022)

2. Amendments relating to foreign investment norms

With an aim to curb opportunistic takeovers/acquisitions of Indian companies due to the impact of the COVID-19 pandemic, in March 2022, the Government of India amended the foreign direct investment policy to mandatorily require entity of a country, sharing land border with India to take a prior government approval under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 for making any subscriptions or acquisitions within India. Considering these amended norms, MCA has issued amendments in the following Rules to the Companies Act, 2013 (2013 Act) to include the requirement of government approval:

Rule	Amendment
Companies (Prospectus and Allotment of Securities) Rules, 2014 (Prospectus Rules)	Rule 14 of the Prospectus Rules relating to procedure and restrictions applicable to a company that makes an offer or an invitation to subscribe to securities through an issue of a private placement offer letter has been amended. The amendment requires government approval before an offer or invitation should be made to a body corporate incorporated in a country sharing land border with India. The amendment also requires attaching such approval with the private placement offer cum application letter. The amendments are effective from 5 May 2022.
Companies (Incorporation) Rules, 2014 (Incorporation Rules)	Section 7 of the 2013 Act and Rule 15 of the Incorporation Rules requires a declaration in Form No. INC-9 to be submitted with the Registrar of Companies (ROC) by each of the subscribers to the memorandum and each of the first directors named in the articles of association. The form INC-9 has been revised to include the reporting requirements relating to government approval. Additionally, form SPICe 32 (form for incorporation of a company), has been revised to include the requirement of submitting security clearance obtained from the Ministry of Home Affairs, Government of India. The amendments are effective from 1 June 2022.
Companies (Share Capital and Debenture) Rules, 2014 (Share Capital and Debenture Rules)	Section 56 of the 2013 Act and Rule 11(1) of the Share Capital and Debenture Rules, required following information in Form SH-4 when securities held in physical form transferred: • Details of the securities to be transferred • Details of the transferor • Details of the transferee. The amendment in Rule 4 to the Share Capital and Debenture Rules requires additional declarations relating to government approval prior to transfer of shares for the transferee in form SH-4 The amendments are effective from 4 May 2022.

2. Amendments relating to foreign investment norms

Rule	Amendment
Companies (Comprises, Arrangements and Amalgamations) Rules, 2016 (Amalgamation Rules)	Rule 25A of the Amalgamation Rules provides that if a foreign company incorporated outside India intends to merge with an Indian company, or vice versa, it needs to file an application before the Tribunal as per provisions of Sections 230 to 232 of the 2013 Act read with the Amalgamation Rules along with the other prescribed conditions The amendment to Rule 25A includes a new requirement of filing a declaration relating to government approval in Form No. CAA-16 at the stage of submission of application under Section 230 of the 2013 Act. Additionally, a new Form No CAA-16 has also been inserted. The amendments are effective from 30 May 2022.
Companies (Appointment and Qualification of Directors) Rules, 2014 (Directors Rules)	On 1 June 2022, MCA issued amendment to Rule 8 and Rule 10 of the Directors Rules. *Rule 8 and Form DIR-2:* Rule 8 of the Directors Rules provides that every person who has been appointed as a director is required to furnish to the company his/her consent in writing to act as such in form DIR-2. Further, companies are required to file such a consent with the ROC in the form DIR-12 within 30 days of appointment of the director. The amendment has inserted a new provision relating to the requirement of providing a governmental approval in case the person seeking appointment is a national of a country sharing land border with India. *Amendment in Rule 10 and Form DIR-3:* Rule 9 and Rule 10 of the Directors Rules provides that every person who intends to be appointed as a director needs to apply to the Central Government for a Director Identification Number (DIN) in the form DIR-3. The amendment included the requirement of obtaining necessary security clearances from the Ministry of Home Affairs, Government of India. The amendments are effective from 1 June 2022

(**Source:** MCA notification G.S.R 338 (E), Companies (Prospectus and Allotment of Securities) Amendment Rules, 2022 dated 5 May 2022 and MCA Companies (Incorporation) Second Amendment Rules, 2022 dated 20 May 2022, The Companies (Share Capital and Debentures) Amendment Rules, 2022 dated 4 May 2022, The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2022 dated 30 May 2022 and The Companies (Appointment and Qualification of Directors) Amendment Rules, 2022 dated 1 June 2022)

3. Amendment to provisions of databank for independent directors

Rule 6 of the Directors Rules provides that every individual who intends to be appointed as an independent director or who has been appointed as an independent director is required to apply online to the Indian Institute of Corporate Affairs at Manesar (IICA) for inclusion of his/her name in the databank for a period of one/two or five years or for lifetime. Further such individuals (unless otherwise exempt) are required to pass an online proficiency self-assessment test conducted by the institute within a prescribed period of time.

On 10 June, MCA amended the Directors Rules and inserted new sub-rule, Rule 6(5), which provides that any individual whose name has been removed from the databank under Rule 6(4), may apply for restoration of his/her name on payment of fees of INR1,000 and the institute would allow such restoration subject to the following conditions:

- The name would be shown in a separate restored category for a period of one year from the date of restoration within which, such individual would be required to pass the online proficiency self-assessment test and thereafter his/her name shall be included in the databank. Further, the fees paid by such individual at the time of initial registration shall continue to be valid for the period for which the same was initially paid, and
- In case such individual fails to pass the online proficiency self-assessment test within one year from the date of restoration, his/her name would be removed from the data bank and would be required to apply afresh under Rule 6(1) for inclusion of his/her name in the databank.

(**Source:** MCA notification G.S.R. 439(E), Companies (Appointment and Qualification of Directors) Amendment Rules, 2022 dated 10 June 2022)

4. Amendment to provisions of removal of name of companies from the ROC

Section 248 of the 2013 Act and Rule 4 of the Companies (Removal of Name of Companies from the Register of Companies) Rules, 2016 (Removal of Name Rules) provides that if any company, on its own motion, remove its name from ROC, required to file an application to ROC in Form STK-2 along with the relevant documents such as copy of notice, etc. and payment of prescribed fees after extinguishing all liabilities and passing of special resolution in general meeting.

On 9 June 2022, MCA amended the Removal of Name Rules, inserting a new sub-rule Rule 4(4) which provides that:

- If the RoC on examination of the application made in Form No. STK-2, finds it necessary to call for further information or finds the application defective or incomplete in any respect, he/she shall inform the applicant to remove such defects and re-submit the application within 15 days from the date of such information.
- After the company has re-submitted the application, if the RoC finds that it is still defective or incomplete in any respect, he/she shall give further time of 15 days to remove such defects or complete the application.

The Rules have also issued the revised formats of Form No. STK-1, STK-5 and STK-5A respectively.

The amendments are applicable from 9 June 2022.

(**Source**: MCA notification G.S.R. 436(E) Companies (Removal of Names of Companies from Register of Companies) Amendment Rules, 2022 dated 9 June 2022)

5. MCA issues report of the Insolvency Law Committee

The Insolvency Law Committee (the committee) was formed to make recommendations to the Government on issues arising in the implementation of the Insolvency and Bankruptcy Code, 2016 (the Code), as well as on the recommendations received from various stakeholders.

With an aim to strengthen the insolvency framework, the committee issued its fifth report to provide recommendations in respect of the Corporate Insolvency Resolution Process (CIRP) and liquidation processes. Some of the key recommendations proposed include:

- **Mandating reliance on Information Utilities (IUs) for certain Financial Creditors:** An application for initiating a CIRP under Sections 7, 9 and 10 of the Code depends largely on the evidence of default committed by a corporate debtor. In order to prove default, financial and operational creditors are allowed to rely on various kinds of documents. In order to streamline the CIRP admission process and reduce delays, the committee decided that financial creditors that are financial institutions, and such other financial creditors as may be prescribed by the Central Government, should be required to submit only IU authenticated records to establish default for the purposes of admission of a Section 7 application. In cases, where such IU authenticated records are not available, and for all other financial creditors, current options of relying on different documents for establishing default may remain available.

- **Curbing submission of unsolicited resolution plan and revision of resolution plans:** During the CIRP, the resolution professional is required to publish an invitation for Expression of Interests (EoIs) calling prospective resolution applicants to submit their EoIs. After the EoIs are submitted, the resolution professional issues a Request for Resolution Plan (RFRP) which provides the deadline for submitting the resolution plan(s). However, it was observed that on certain occasions, additional resolution plans are submitted after the deadline prescribed in the RFRP. Thus, the committee decided that the regulations should lay down a mechanism for reviewing late submissions of (or revisions to) resolution plans.

- **Timeline for approval or rejection of resolution plan:** The approval of a resolution plan by the adjudicating authority is the last step in the CIRP. However, the committee noted that there are significant delays in the approval or rejection of resolution plans by the adjudicating authority. Thus, it has been proposed that amendments should be made to Section 31 of the Code to provide that the adjudicating authority has to approve or reject a resolution plan within 30 days of receiving it. Further, where the adjudicating authority has not passed an order of either approving or rejecting a resolution plan within such 30-day time-period, it may be required to record reasons in writing for the same.

- **Mandatory stakeholder consultation by the liquidator**: Section 35(2) of the Code currently empowers a liquidator to consult stakeholders. It was brought to the committee's notice that conducting such consultation may be made mandatory to ensure a comprehensive oversight over the liquidator. Accordingly, the committee concluded that Section 35(2) may be suitably amended to provide that a liquidator must mandatorily consult with the Stakeholders Consultation Committee (SCC) so as to ensure that the SCC is able to provide commercial inputs on the functions of the liquidator as well as conduct an oversight over the liquidator.

5. MCA issues report of the Insolvency Law Committee

- **Contribution by secured creditors:** During liquidation proceedings, a secured creditor has an option to realise its security interest under Section 52, rather than relinquishing it to the liquidation estate for distribution in terms of Section 53(1) of the Code. Where a secured creditor realises their security interest, an amount pertaining to CIRP costs is required to be deducted from the proceeds of the realisation. Accordingly, it was suggested to the committee that Section 52 should be amended to require secured creditors who choose to realise their security interest outside the liquidation process to contribute towards workmen's dues and repay the liquidator for any expenses incurred for preserving and protecting their security interest. Thereby, the committee has proposed that in case of such creditors, the amount payable towards the workmen's dues as well as the expenses incurred for preserving and protecting the security interest shall be deducted from the proceeds of such realisation.

(Source: Report of the Insolvency Law Committee, May 2022)

6. Relaxation for conduct of AGMs and EGMs

Recently, MCA and SEBI provided relaxations in respect of the following:

a. **Conduct of AGMs** – Companies whose Annual General Meetings (AGMs) are due in the year 2022 have been allowed to conduct their AGMs through Video Conferencing (VC) and Other Audio-Visual Means (OAVM) on or before **31 December 2022** (earlier this relaxation was available till 30 June 2022). Additionally, companies are required to comply with the requirements mentioned in the circular dated 5 May 2020 which provides relaxation such as sending physical copies of financial statements to the members only through email, etc.

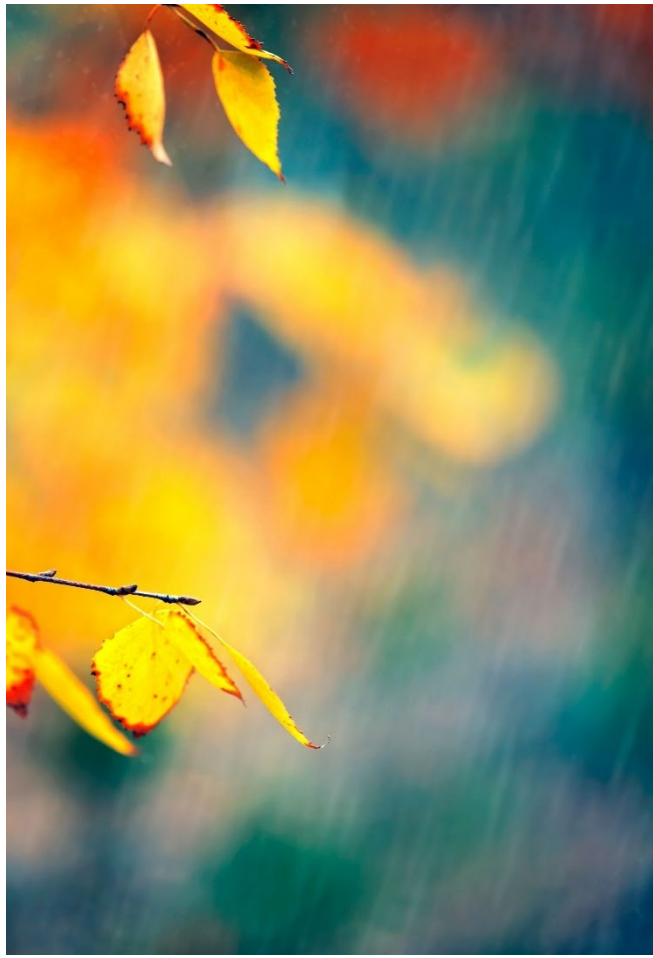
   It has been further clarified that the circular should not be construed as conferring any further extension of time for holding AGMs by the companies under the Companies Act, 2013 (2013 Act). Companies which have not adhered to the relevant timelines would remain subject to legal action under the 2013 Act.

Further considering the above relaxations provided by MCA, SEBI has also provided relaxation upto **31 December 2022**, from the requirement of sending hard copy of annual report containing salient features of all the documents prescribed under Section 136 of the 2013 Act to the shareholders. Further, the notice of AGM published by an advertisement in terms of Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (Listing Regulations), should contain a link to the annual report, so as to enable shareholders to have access to the full annual report.

It is, however, emphasised that in terms of Regulation 36 (1)(c), listed entities are required to send hard copy of full annual report to those shareholders who request for the same.

b. **Conduct of EGMs** – Companies can conduct their Extraordinary General Meetings (EGMs) through VC/OAVM or transact items through postal ballot upto **31 December 2022** (earlier this relaxation available till 30 June 2022). This will be in accordance with the framework provided in the circulars dated 8 April 2020, 13 April 2020, 15 June 2020, 28 September 2020, 31 December 2020, 23 June 2021 and 8 December 2021.

c. **Relaxation for REITs and InvITs-** Considering the above mentioned relaxations provided by MCA and SEBI and representations from stakeholders of Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs), SEBI provided similar relaxation for REITS and InvITs to conduct AGMs and other meetings of unitholders through VC or OAVM up to **31 December 2022** (earlier this relaxation available till 30 June 2022).



6. Relaxation for conduct of AGMs and EGMs

Key takeaways

While companies have now been permitted to hold AGMs and EGMs in the calendar year 2022 through VC/OAVM, this does not tantamount to an extension in timeline for holding of AGMs. Thus, the companies should ensure that there is no delay in holding the AGMs.

(Source: MCA general circular no. 02/2022 and 03/2022 dated 5 May 2022 ; SEBI circular no. SEBI/HO/CFD/CMD 2/CIR/P/2022/62 dated 13 May 2022, SEBI Circular no. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2022/079 dated 03 June 2022)

7. Amendments to NFRA Rules

Rule 13 of the National Financial Reporting Authority (NFRA) Rules, 2018 stated that if a company or any officer of a company or an auditor or any other person contravenes any of the provisions of these Rules, the company and every officer of the company who is in default, or the auditor or such other person shall be punishable as per the provisions of section 450[1] of the 2013 Act.

On 17 June 2022, MCA issued the NFRA Amendment Rules, 2022. The amended rules substituted Rule 13 to state that anyone who contravenes any of the provisions of these Rules, shall be punishable with a **fine not exceeding INR5,000,** and where the contravention is a continuing one, with a **further fine not exceeding INR500** for every day after the first day during which the contravention continues.

The amendments are applicable from 17 June 2022.

1. Section 450 of the 2013 Act states that if a company or any officer of a company or any other person contravenes any of the provisions of this Act or the Rules made thereunder, and for which no penalty or punishment is provided elsewhere in this Act, the company and every officer of the company who is in default or such other person shall be liable to a penalty of ten thousand rupees, and in case of continuing contravention, with a further penalty of one thousand rupees for each day after the first during which the contravention continues, subject to a maximum of two lakh rupees in case of a company and fifty thousand rupees in case of an officer who is in default or any other person.

(Source: MCA notification no. G.S.R. 456 (E), NFRA Amendment Rules, 2022 dated 17 June 2022)

8. Amendments to registration of charges rules

Section 77 of the 2013 Act and Rule 3 of the Companies (Registration of Charges) Rules, 2014 require entities to register the creation or modification of charges with payment of specified fees with ROC within 30 days from the date of creation or modification of a charge.

On 27 April 2022, MCA issued amendment to the Companies (Registration of Charges) Rules, 2014, inserting a new sub-rule Rule 3(5), which provides that Rule 3 would not apply to any charge required to be created or modified by a banking company under Section 77 in favour of the Reserve Bank of India (RBI) when any loan or advance has been made to it under Section 17 of the RBI Act, 1934.

(Source: MCA notification Companies (Registration of Charges) Amendment Rules, 2022 dated 27 April 2022)

1. Amendments to SEBI regulations relating to debt listed entities and debenture trustees framework

The SEBI through its notification issued amendments to following framework and regulations related to debenture trustees:

- **SEBI Listing Regulations**
  Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (Listing Regulations) provides that a listed entity which has issued listed non-convertible debt securities should maintain 100 per cent asset cover sufficient to discharge the principal amount at all times for the non-convertible debt securities issued. The amendments specify that:
  - Term 'asset cover' to be substituted with the term 'security cover' in Regulation 54 and 56 of the Listing Regulations
  - Regulation 54 requires listed entity to maintain 100 per cent security cover sufficient to discharge both principal **and interest**, earlier the requirement was relating to principal only.
  - Maintenance of security cover prescribed for **secured** listed non-convertible debt securities

  (Emphasis added to highlight amendments)
- **SEBI (Debenture Trustees) Regulations**

  Regulation 15 of SEBI (Debenture Trustees) (Amendment) Regulations, 2022 which specifies duties of the debenture trustees has been amended by substituting the term 'asset cover' with the term 'security cover'.
- **SEBI ICDR Regulations**
  - Regulation 23 and 38 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (ICDR Regulations) have been amended to state that the issuer and lead manager must ensure that the secured debt securities are secured by 100 per cent security cover or higher security cover as per the terms of the offer document and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon at all times for the issued debt securities.
  - Due Diligence by the debenture trustee should be followed by furnishing a due diligence certificate to the Board and the stock exchange(s) in the formats prescribed for secured debt securities (Schedule IV) and unsecured debt securities (Schedule IVA).
  - Rationalised references with respect to disclosure of credit ratings have been specified.
- **Revised format of security cover certificate**
  In terms of Regulation 54, read with regulation 56(1)(d) of SEBI Regulations, listed entities are required to disclose security cover to stock exchange(s) and debenture trustee(s), in the prescribed format. Thus, in line with the above specified amendments, SEBI, vide a circular dated 19 May 2022 has introduced the revised format of security cover certificate, monitoring, and revision in timelines. The circular would be applicable to issuers who have listed and/or propose to list non-convertible securities, securitised debt instruments, security receipts, municipal debt securities, or commercial paper ; to all recognised stock exchange(s) and debenture trustee(s) registered with SEBI.

  The revised format has been prepared to provide a holistic picture of all the borrowings and the status of encumbrance on the assets of the listed entity.

  Effective date: The provisions mentioned in Part A and B of the circular with respect to 'revised format of the security cover' and 'Monitoring of covenants' would be applicable with effect from 1 October 2022. Other provisions of the circular would come into effect with immediate effect.

1. Amendments to SEBI regulations relating to debt listed entities and debenture trustees framework

Key takeaways

A listed entity is required to prepare the security cover certificate on a quarterly basis and the statutory auditor needs to certify the book values of the assets provided in such certificate. Thus, the companies should take note of the revised format of the security cover certificate, as specified in the amendment. Companies should also evaluate the impact of increase in the limit of security cover (i.e., sufficient to discharge both, principal and interest) and make the necessary adjustments accordingly.

(Debenture Trustees) (Amendment) Regulations, 2022, SEBI/LAD-NRO/GN/2022/78 and SEBI ICDR (Amendment) Regulations, 2022 SEBI/LAD-NRO/GN/2022/77 and SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2022/67 dated 19 May 2022)

2. BRSR mandatory from financial year 2022-23

Regulation 34 of the Listing Regulations requires top 1,000 listed entities[2] to mandatorily submit Business Responsibility and Sustainability Report (BRSR) with effect from financial year 2022-23 instead of Business Responsibility Report (BRR) to the stock exchanges as a part of their annual reports. The requirement of submitting a BRR would be discontinued after the financial year 2021–22.

Listed entities (other than top 1,000) and entities which have listed their specified securities on the Small and Medium Enterprises (SME) exchange may voluntarily submit BRSR.

The BRSR seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. Listed entities should endeavour to report the leadership indicators also. The format of the BRSR has been prescribed by SEBI through its circular dated 10 May 2021.

2. Based on market capitalisation calculated as on 31 March of every financial year

(Source: SEBI amendments to Listing Regulations dated 5 May 2021 and SEBI circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10 May 2021)

3. SEBI constitutes advisory committee on Environmental, Social and Governance (ESG) matters

SEBI, through its press release dated 6 May 2022 has constituted an advisory committee on ESG related matters in the securities market. The terms of reference of the committee include:

- Enhancements in BRSR
- ESG ratings
- ESG investing.

A few key considerations for the committee include:

- In terms of BRSR, the committee would review the leadership indicators that may be made essential - including those related to value chain along with developing sector specific sustainability disclosures
- Examine evolving disclosures/metrics relevant to Indian context, as well as identifying areas for assurance and a plan for implementation
- With regard to ESG ratings, the committee would oversee the development of a second or parallel approach for ESG ratings tailored to emerging markets, such as a focus on 'S' including employment creation, and so on. This would also include developing uniform indicators of 'G' as input to ESG ratings and/or credit ratings
- In case of ESG investing, the advisory committee would assess the ongoing improvement of disclosures relevant to ESG Mutual Fund Schemes, with a special focus on risk mitigation of mis-selling and greenwashing hazards.

3. SEBI constitutes advisory committee on Environmental, Social and Governance (ESG) matters

Key takeaways

With effect from financial year 2022-23 the top 1,000 listed entities would be required to mandatorily submit Business Responsibility and Sustainability Report (BRSR) instead of BRR. The format requires reporting of essential and leadership indicators. Currently, BRSR leadership indicators are to be reported on a voluntary basis. The ESG advisory committee would be reviewing these indicators and determine which of these can be made 'essential indicators', that require mandatory reporting. Thus, the companies should watch this space for further developments.

(Source: SEBI circular PR No. 15/2022)

4. Reduced timelines for listing of units of REITs and InvITs

With an aim to streamline the process of public issue of units of Real Estate Investment Trusts (REITs) and units of Infrastructure Investment Trusts (InvITs), SEBI through its circulars dated 28 April 2022, reduced the time taken for allotment and listing of units of REITs and InvITs after the closure of issue **to six working days** as against the present requirement of closure within 12 working days. The provisions of the circular would be applicable to the public issue of units of REITs and InvITs which opens on or after 1 June 2022.

SEBI has reduced the timeline with an aim to protect the interests of investors and promote the development of the securities markets.

(Source: SEBI circular No SEBI/HO/DDHS_Div3/P/CIR/2022/54 and 55 dated 28 April 2022)

5. Revision in fee structure of privately placed InvIT

Schedule II of the SEBI (InvIT)) Regulations, 2014 deals with application fees to be paid at the time of filing of offer document/ placement memorandum with SEBI.

On 4 May 2022, SEBI issued the SEBI (InvIT) (Amendment) Regulations, 2022 which amended the filing fees for privately placed InvIT in order to bring it at par with the filing fees paid by publicly offered InvIT.

As per the amendment, privately placed InvIT shall pay non-refundable filing fees of:

- 0.1 per cent in case of initial offer and
- 0.05 per cent in case of rights issue.

The percentages are determined based on the total issue size including green shoe option, if any, at the time of filing of draft placement memorandum or letter of offer, as applicable.

(Source: SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2022. dated 4 May 2022)

1. RBI issues clarification with regard to the revised regulatory framework for NBFCs - Scale Based Regulation

In October 2021, RBI had introduced the Scale Based Regulation (SBR) framework for NBFCs. The approach renders the regulation and supervision of the Non-Banking Financial Companies (NBFCs) to be a function of their size, activity, and perceived riskiness. As per the SBR framework, NBFCs that have large size and complexity, and which pose a higher risk for the financial system would be made subject to a higher degree of regulation, and NBFCs that pose a lower risk for the financial system would be made subject to a lower degree of regulation.

SBR framework comprises of the following four layers of NBFCs:

- NBFC-Base Layer (NBFC-BL)
- NBFC-Middle Layer (NBFC-ML)
- NBFC-Upper Layer (NBFC-UL)
- NBFC-Top Layer (NBFC-TL)

In the circular issued in October 2021, RBI provided a holistic view of the SBR structure, set of fresh regulations being introduced (regulatory revisions) and respective timelines. The RBI clarified that detailed guidelines on some of the fresh regulations introduced would be issued subsequently. Consequently, during the period April 2022 to June 2022, RBI issued various circulars providing clarifications on regulatory revisions. An overview of the clarifications issued by RBI is given below:

a. Capital requirements for NBFC-UL

As per the SBR framework, NBFC-UL should maintain, on an on-going basis, Common Equity Tier 1 (CET1) capital of **at least 9 per cent** of Risk Weighted Assets (RWA). The formula for the calculation of CET 1 ratio is as follows:

$$\text{CET 1 ratio} = \frac{\text{CET 1 Capital (Note 1}}{\text{Total RWAs (Note 2)}}$$

Note 1: Elements of CET 1 Capital would comprise the following:

- Paid-up equity share capital issued by the NBFC
- Share premium resulting from the issue of equity shares
- Capital reserves representing surplus arising out of sale proceeds of assets
- Statutory reserves
- Revaluation reserves that meet prescribed conditions
- Other disclosed free reserves, if any
- Retained earnings at the end of the previous financial year (accumulated losses would be reduced from CET 1)
- Profits in current financial year that have been subject to quarterly review or audit may be included on a quarterly basis.

Certain adjustments would be made to such profits

RBI has also prescribed certain regulatory adjustments/deductions to be applied in calculation of CET 1 Capital.

Note 2: The Total RWAs to be used in computation of CET 1 ratio would be the same as the Total RWAs computed under the relevant directions of the concerned NBFC category.

Applicability: These clarifications are applicable to all NBFCs identified as NBFC-UL, except Core Investment Companies (CICs)[3].

3. CICs identified as NBFC-UL would continue to maintain, on an on-going basis, adjusted net worth as per the Master Direction DoR(NBFC).PD.003/03.10.119/2016-17 -Core Investment Companies (Reserve Bank) Directions, 2016 dated August 25, 2016.

1. RBI issues clarification with regard to the revised regulatory framework for NBFCs - Scale Based Regulation

b. Disclosures in Financial Statements – Notes to Accounts of NBFCs

NBFCs are required to make disclosures in the financial statements in accordance with the existing prudential guidelines, applicable accounting standards, laws, and regulations. In April 2022, RBI issued certain additional disclosure requirements for NBFCs in line with the SBR framework.

The disclosure templates have been categorised into the following three sections:

- Section I: Applicable for annual financial statements of NBFC-Base layer, NBFC-Middle layer and NBFC-Upper layer
- Section II: Applicable for annual financial statements of NBFC-Middle layer and NBFC-Upper layer
- Section III: Applicable for annual financial statements of NBFC-Upper layer

Section I: Disclosures applicable to NBFC-Base layer, NBFC-Middle layer and NBFC-Upper layer

- **Exposure of the NBFCs:** This includes direct and indirect exposure to the real estate sector, capital market, detailed disclosures on sectoral exposures, intra-group exposures and unhedged foreign currency exposure.
- **Related party disclosures:** NBFCs are required to disclose:
  - Transactions entered into with related parties during the year
  - Amounts outstanding at the year-end[4] and
  - Maximum amount outstanding during the year.[2]

  The definition of 'related parties', 'key managerial personnel' and 'relatives' would be as per the definition in the 2013 Act.
- **Disclosure of complaints**: NBFCs should provide summary information on complaints received from customers and from the Offices of Ombudsman. Disclosure should also be made of top five grounds of complaints received by the NBFCs from customers.

Section II: Disclosures applicable to NBFC-Middle layer and NBFC-Upper layer

- **Corporate governance disclosures:** With respect to corporate governance report, RBI encouraged non-listed NBFCs to make full disclosure in accordance with the requirements of the Listing Regulations[5]. However non-listed NBFCs should at the minimum disclose the following under the corporate governance section of the annual report:
  - Composition of the Board of Directors, including details of changes in the composition of the Board of Directors
  - Committees of the Board and their composition
  - General body meetings
  - Details of non-compliances with requirements of the 2013 Act
  - Details of penalties and strictures imposed on NBFCs by RBI or any other statutory authority.
- **Breach of a covenant:** NBFCs should disclose all instances of breach of a covenant of loans availed or debt securities issued.

4. Pertaining to borrowings, deposits, placement of deposits, advances, etc.
5. Paragraph C of Schedule V of the Listing Regulations prescribes disclosures to be made in the section on corporate governance in the annual report.

1. RBI issues clarification with regard to the revised regulatory framework for NBFCs - Scale Based Regulation

– **Divergence in asset classification and provisioning:** NBFCs are required to disclose details of divergence in asset classification and provisioning where additional provisioning requirements assessed by RBI or National Housing Bank (NHB), or additional gross Non-Performing Assets (NPAs) identified by RBI/NHB exceed a prescribed threshold.

- **Section III: Disclosures applicable to NBFC-Upper layer**

  As per the SBR framework, NBFCs in the upper layer should be mandatorily listed **within three years** of identification as NBFC-Upper layer. Accordingly, upon being identified as NBFC-Upper layer, unlisted NBFC-Upper layers should draw up a Board approved road map for compliance with the disclosure requirements of a listed company under the Listing Regulations.

  Effective date: These guidelines are effective for annual financial statements for the year ending 31 March 2023, and onwards.

c. Regulatory restrictions in relation to loans and advances

RBI has provided detailed guidelines on regulatory restrictions on lending in respect of NBFCs across different layers as per the SBR framework (detailed guidelines on loans and advances). Some of the key provisions mentioned are:

Guidelines applicable to NBFC-Middle layer and NBFC-Upper layer

- **Loans and advances to Directors**[6] – NBFCs require sanction of the Board of Directors/Committee of Directors for grant of any loans or advances aggregating **INR5 crore and above**[7] to:

  – Their directors (including the Chairman/Managing Director) or relatives of directors

  – Any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor

  – Any company in which any of their directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.

  Appropriate declarations from the borrowers would be required to be obtained by the NBFCs in accordance with the detailed guidelines on loans and advances. Additionally, disclosures regarding loans sanctioned to directors or their relatives would be required to be made in the annual financial statements in a prescribed format.

- **Loans and advances to senior officers**[8] **of the NBFC** – All loans and advances sanctioned to senior officers are required to be reported to the Board of Directors. A senior officer or a committee comprising of a senior officer should not sanction any credit to a relative of that senior officer. Such a facility should be sanctioned by the next higher sanctioning authority under the delegation of powers.

6. Similar norms would apply while awarding contracts to directors or senior officers.
7. Proposals for credit facilities of an amount less than INR5 crores to such borrowers may be sanctioned by the appropriate authority in the NBFC, however, the matter should be reported to the Board of Directors.
8. The term 'Senior Officer' shall have the same meaning as assigned to 'Senior Management' under Section 178 of the Companies Act, 2013.

1. RBI issues clarification with regard to the revised regulatory framework for NBFCs – Scale Based Regulation

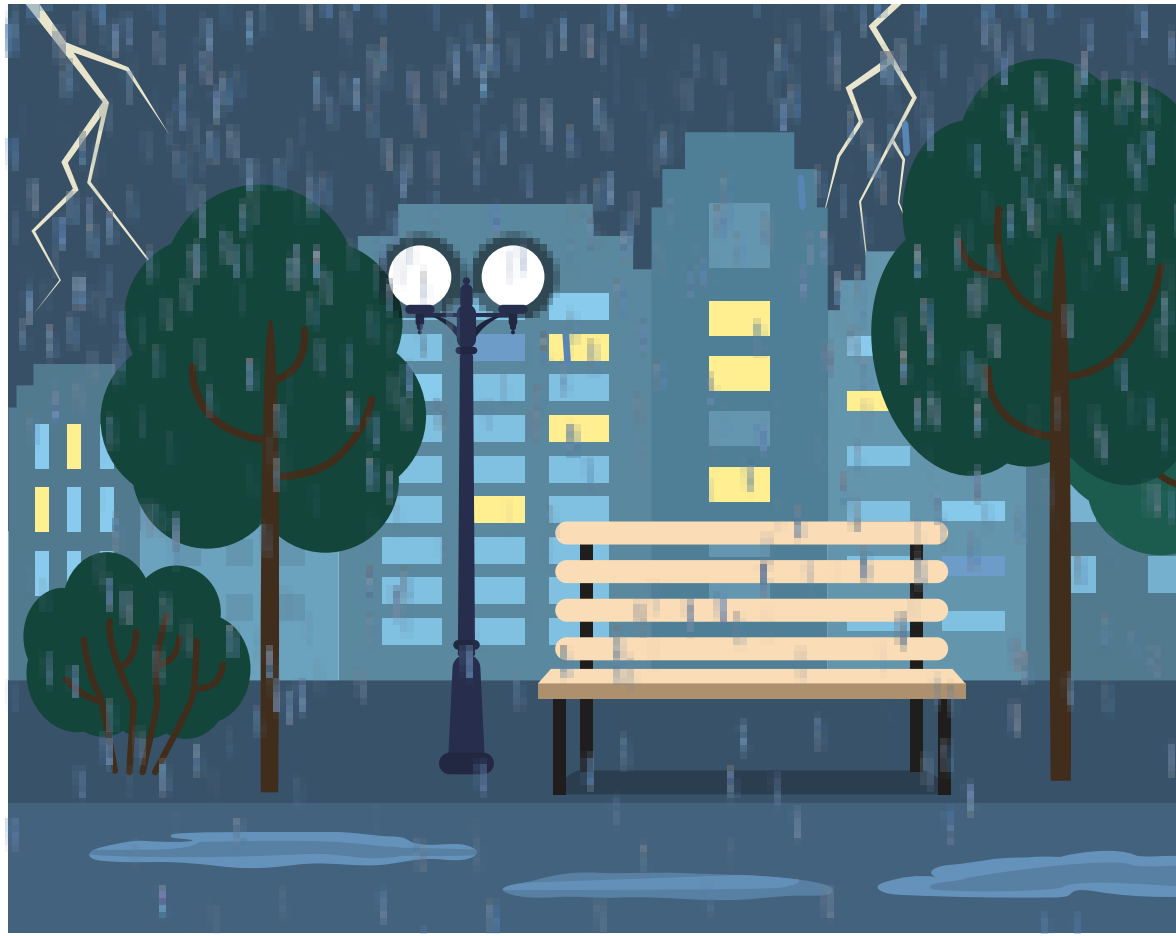
Appropriate declarations from the borrowers would be required to be obtained by the NBFCs in accordance with the detailed guidelines on loans and advances. Additionally, disclosures regarding loans sanctioned to senior officers or their relatives would be required to be made in the annual financial statements in a prescribed format.

- **Loans and advances to real estate sector** – The borrowers from this sector are required to obtain prior permission from government/local government/other statutory authorities for the project. The disbursements should be made only after the borrower has obtained requisite clearances from the government/other statutory authorities.

Guidelines for NBFC-Base Layer

A Board approved policy should be in place for grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding. The policy should prescribe a threshold beyond which loans to above mentioned persons would be reported to the Board of Directors. A disclosure is required in the annual financial statements stating the aggregate amount of such sanctioned loans and advances.

Effective date: The guidelines would be effective from 1 October 2022.



1. RBI issues clarification with regard to the revised regulatory framework for NBFCs - Scale Based Regulation

d. Large Exposures Framework for NBFC-Upper layer

Large Exposure (LE) refers to the sum of all exposure values of an NBFC-Upper layer to a counterparty and/or a group of connected counterparties, if it is **equal to or above 10 percent** of the NBFC-Upper layer's eligible capital base. The guidelines issued by RBI in this regard, set out to identify large exposures, refine the criteria for grouping of connected counterparties and put in place reporting norms for large exposures. The guidelines would be applicable to NBFC-Upper layer, both at the standalone and consolidated (group) level, comprising of both on and off-balance sheet exposures.

Reporting considerations: NBFC-Upper layer would report its large exposures to RBI as per the reporting template prescribed in the Large Exposure Framework (LEF). LEF reporting should cover the following:

- All exposures, meeting the definition of large exposure
- All other exposures, measured in a prescribed manner
- Exempted exposures with values equal to or above 10 per cent of NBFC-Upper layer's eligible capital base
- 10 largest exposures to counterparties (irrespective of their values relative to NBFC-Upper layer's eligible capital base).

LEF limits: A summary of the LEF limits is given below:

Particulars	NBFC-Upper layer (Other than IFC)	NBFC-Upper layer (IFC)
Single counterparty	• 20 per cent • Additional 5 per cent with Board of Director's approval • Additional 5 per cent if exposure towards infrastructure loan/investment (Singly counterparty limit shall not exceed 25 per cent in any case.)	• 25 per cent • Additional 5 per cent with Board of Director's approval
Group of connected counterparties	• 25 per cent • Additional 5 per cent with Board of Director's approval	35 per cent

(Source: RBI circular on Large Exposures Framework for Non-Banking Financial Company - Upper Layer, issued on 19 April 2022.)

Effective date: These instructions would be applicable from 1 October 2022.

1. RBI issues clarification with regard to the revised regulatory framework for NBFCs - Scale Based Regulation

e. Compliance function and role of Chief Compliance Officer

Compliance risk is 'the risk of legal or regulatory sanctions, material financial loss or loss of reputation an NBFC may suffer, as a result of its failure to comply with laws, regulations, rules and codes of conduct, etc. applicable to its activities. Thus, it is essential to monitor and mitigate compliance risk. Accordingly, as per the SBR, NBFC-Upper layer and NBFC-Middle layer are required to have an independent Compliance Function and a Chief Compliance Officer (CCO).

Taking this requirement into consideration, RBI has prescribed a set of minimum guidelines with respect to the compliance function and role of the CCO. According to the guidelines introduced, the Board/Board Committee[9] must ensure that an appropriate compliance policy is put in place, implemented and periodicity of review of compliance risk determined. It has also prescribed an active role for the senior management with respect to carrying out compliance risk identification and assessment exercise, at least once a year (annual review) and submitting to the Board/Board Committee its review of the compliance failures identified, consequential losses, regulatory actions taken, etc.

Responsibilities of Compliance Function: The compliance function would be responsible for undertaking the following activities at the minimum:

- Assisting the Board of Directors and senior management in overseeing the implementation of compliance policy
- Playing the central role in identifying the level of compliance risk in the organisation and ensuring that appropriate risk mitigants are put in place
- Monitoring and testing compliance by performing sufficient and representative compliance testing and reporting its results to the senior management
- Ensuring compliance of regulatory and supervisory directions given by RBI and other regulators[10] in a time bound and sustainable manner.

Roles and responsibilities of CCO: CCO is required to be appointed for a minimum tenure of not less than three years[11]. Some of the key roles and responsibilities of the CCO include:

- CCO should be the head of the compliance department of the NBFC
- CCO should be a member of the 'new product' committee/s and the nodal point of contact between the NBFC and the regulators/supervisors
- CCO has authority to communicate with the staff members and have access to all records and information, necessary to enable her/him in carrying out the entrusted responsibilities[12]
- CCO can participate in the structured and other routine discussions with RBI and other regulators.

Effective date: NBFC-Upper layer and NBFC-Middle layer should put in place a Board of Directors approved policy and a compliance function, including the appointment of a CCO latest by 1 April 2023 and 1 October 2023 respectively.

9. Board Committee means 'Audit Committee of the Board', wherever applicable under extant regulations
10. Directions issued by other regulators should be complied with, in cases where the activities of the entity are not limited to the regulation/supervision of RBI. Any discomfort conveyed to the NBFC, or action taken, if any by other authorities should be brought to the notice of RBI.
11. In exceptional cases, the Board of Directors/Board Committee could relax the minimum tenure by one year, provided appropriate succession planning has been put in place.
12. Dual Hatting' must be avoided, i.e., the CCO should not be given any responsibility that brings elements of conflict of interest. CCO should not be a member of any committee which conflicts her/his role as CCO with responsibility as a member of the committee. In case CCO is a member of any such committee, it should only be an advisory role.

1. RBI issues clarification with regard to the revised regulatory framework for NBFCs - Scale Based Regulation

f. Guidelines on compensation of Key Managerial Personnel (KMP) and senior management in NBFCs

In order to address issues arising out of excessive risk-taking approach caused by misaligned compensation packages, the SBR required NBFC-Middle layer and NBFC-Upper layer to put in place a compensation policy that is approved by the Board of Directors. In this regard, RBI has issued broad guidelines for formulating compensation policies of KMP and members of senior management. As per the guidelines, the compensation policy of an NBFC should at the minimum include the following provisions:

- **Constitution of Nomination and Remuneration Committee (NRC):** NBFC-Middle layer and NBFC-Upper layer should constitute an NRC, which would have the constitution, powers, functions and duties as laid down in the 2013 Act. The NRC may work in close coordination with the Risk Management Committee of the NBFC to achieve effective alignment between compensation and risks. The NRC may also ensure 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors in the Board of Directors of the NBFC.
- **Principles for fixed/variable pay structures:** The proportion of variable pay in total compensation of a director or KMP should be commensurate with the role and prudent risk-taking profile of KMPs/senior management.
- **Malus[13] /clawback[14] provisions:** The deferred compensation to directors/KMP/members of senior management may be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year.

Effective date: These guidelines would come into effect from 1 April 2023.

Key takeaways

SBR framework introduced by the RBI intends to bridge the regulatory gap between the banks and large NBFCs, whose size of operations is more or less in line with that of banks. It also aims to address the risks faced by NBFCs, enhance their capacity to absorb such risk, and protect the interest of depositors who have placed their deposits with NBFCs.

Also read, KPMG in India's Accounting and Auditing Update June 2022 edition for detailed read on these provisions

(**Source:** RBI circular no RBI/2022-23/24 dated 11 April 2022 ; circular no RBI/2022-23/26, RBI/2022-23/29, RBI/2022-23/30 and RBI/2022-23/32 dated 19 April 2022 and circular no RBI/2022-23/36 dated 29 April 2022)

13. A malus arrangement permits the NBFC to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred
14. A clawback arrangement is a contractual agreement between the employees and the NBFC in which the employee agrees to return previously paid or vested remuneration to the NBFC under certain circumstances

2. RBI has issued guidelines on provisioning for investments in security receipts

RBI issued the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (MD-TLE) in September 2021 which lays down a comprehensive, self-contained set of regulatory guidelines governing transfer of stressed loan exposures[15].

Clause 77 of the MD-TLE, provides that investments in Security Receipts (SRs)/Pass Through Certificates (PTCs)/other securities issued by Asset Reconstruction Companies (ARCs) shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

Provided that when transferors invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the transferors shall carry the investment in their books on an ongoing basis, until its transfer or realisation, at the lower of the redemption value of SRs arrived based on the NAV as above, and the Net Book Value (NBV) of the transferred stressed loan at the time of transfer.

On 28 June 2022, RBI issued the circular to provide a glide path for entities to ensure smooth implementation of clause 77 of the MD-TLE. In respect of valuation of investments in SRs outstanding on the date of issuance of MD-TLE (September 24, 2021), the difference between the carrying value of such SRs and the valuation arrived at as on the next financial reporting date after the date of issuance of MD-TLE, in terms of clause 77 of the MD-TLE, may be provided over a five-year period starting with the financial year ending 31 March 2022 - i.e. from FY2021-22 till FY2025-26. However, subsequent valuations of investments in such SRs on an ongoing basis would be strictly in terms of the provisions of MD-TLE.

All lending institutions should put in place a board approved plan to ensure that the provisioning made in each of the financial years as per the guidelines above is not less than one fifth of the required provisioning on this count.

All other provisions of the MD-TLE shall continue to be applicable, as hitherto.

(Source: RBI circular no. RBI/2022-23/78DOR.STR.REC.51/21.04.048/2022-23 dated 28 June 2022)

15. Stressed loans are loans classified as NPAs or as Special Mention Accounts (SMAs)

3. IRDAI prescribed accounting of premium, claims and related expenses on estimation basis

Currently, the Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002 provides the following guidelines for recognition of premium:

i. Premium should be recognised as an income over the contract period or the period of risk, whichever is appropriate

ii. Premium received in advance is the premium where the period of inception of the risk is outside the accounting period and is to be shown under current liabilities

iii. 'Unallocated premium' includes premium deposit and premium which has been received but for which risk has not commenced. It is to be shown under current liabilities.

IRDAI observed that while some of the reinsurers are accounting for the premium on an 'actual' basis, some others are recognising it on an 'estimation' basis. The premium is accounted on an estimation basis by the reinsurers due to the following reasons:

- Lag or delay in receiving the statement of accounts from the insurer(s)
- Alignment of accounting practices with parent organisation.

Given that a significant part of the premium is being accounted on an estimation basis, IRDAI, vide circular dated 15 June 2022, has prescribed the guidelines with respect to accounting and disclosures of premium recognised on an estimation basis in the annual report. As per the prescribed guidelines, the Foreign Reinsurers Branch (FRBs)/reinsurers shall ensure that in the annual financial statements, no premium is accrued/accounted on an estimate basis at least upto third quarter of each financial year.

However, for the fourth quarter ending on 31 March, where the statement of accounts has not been received in time, the premium, losses and related expenses may be accounted on an estimation basis, subject to the conditions as specified by the IRDAI.

(Source: IRDAI circular no. IRDA/F&A/CIR/MISC/123/6/2022 dated 15 June 2022)

4. ICAI announced effective date of SAE 3410

In February 2021, ICAI issued Standard on Assurance Engagements (SAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* equivalent to ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the International Auditing and Assurance Standards Board (IAASB) of International Federation of Accountants (IFAC). The standard SAE 3410 deals with assurance engagements to report on an entity's greenhouse gas (GHG) statement.

Recently, on 2 May 2022, ICAI announced that the effective date of application of SAE 3410 would be as follows:

i. Voluntary basis for assurance reports covering periods ending on 31 March 2023

ii. Mandatory basis for assurance reports covering periods ending on or after 31 March 2024

(Source: ICAI notification dated 2 May 2022)

5. ICAI publications

The table below provides an overview of some important publications released by the ICAI during the quarter:

Publications	Particulars
Implementation guides and educational material	The MCA amended Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2021 amending Rule 11 by adding new Rule 11(e) which deals with reporting on lending or receiving funds via pass through entities marked for ultimate beneficiary and new Rule 11(f) which deals with reporting on the payment/declaration of dividend. The new reporting requirements are applicable for audits of financial year 2021-22 and onwards. In April 2022, ICAI has issued an 'Implementation Guide (IG) on these new reporting requirements. The guide contains detailed guidance on various aspects of reporting under Rule 11(e) and 11(f) like analysis of Rules, management's responsibilities in respect of disclosures in financial statements under the Schedule III to the 2013 Act, various audit procedures to be performed, reporting requirements, illustrative formats of confirmation letters and management representations.
Technical guide on financial statements of non-corporate entities	The Accounting Standard Board (ASB) of ICAI has issued the Technical guide on financial statements of Non corporate entities. The objective of this Technical Guide is to deal with applicability of Accounting Standards (AS) to the non-corporate entities and to prescribe format of the financial statements for the non-corporate entities. It has been clarified that Limited Liability Partnerships (LLPs) form of entities are not required to follow this Technical Guide.

(Source: Implementation Guide on reporting under Rule 11 (e) and Rule 11 (f) of the Companies (Audit and Auditors Rules, 2014, April 2022, Technical Guide on Financial Statements of Non-Corporate Entities, June 2022)

6. EACs issued by ICAI during the quarter ended 30 June 2022

Topic	Month
Accounting treatment of borrowing costs incurred by parent company in respect of borrowings made for acquisition of investments in subsidiary company under Ind AS	April 2022
Classification of business activity as operating activity or investing activity under Ind AS 7, *Statement of Cash Flows*	May 2022
Estimation of Final Mine Closure Plan and treatment of the same in the books of account on year-on-year basis under Ind AS	June 2022

(Source: The Chartered Accountant – ICAI Journal for the month of April 2022, May 2022 and June 2022)

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