

**In brief**

Dated 20<sup>th</sup> December 2018

The Bill amends several provision of the Companies Act, 2013.

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**The Companies (Amendment) Bill, 2018**

The Committee constituted by Government of India in July 2018 to review the existing framework dealing with offences under the Companies Act, 2013 and related matters and make recommendations to promote better corporate compliance submitted its report on 27<sup>th</sup> August 2018.

The Ministry of Law and Justice issued Companies (Amendment) Ordinance, 2018 further amending provisions of the Companies Act, 2013 based on the recommendations of the Committee.

The Companies (Amendment) Bill, 2018 was then introduced in the Lok Sabha on 20<sup>th</sup> December 2018 which **replaced the Companies (Amendment) Ordinance, 2018**

The Bill amends several provisions of the Companies Act, 2013. Among other matter, the amendments pertain to -

- ♦ Re-categorisation of certain Offences

- ♦ Issue of shares at a discount.
- ♦ Commencement of business
- ♦ Registration of charges
- ♦ Change in approving authority:
- ♦ Declaration of beneficial ownership

For details refer:

[https://www.prindia.org/sites/default/files/bill\\_files/Companies%20%28Amendment%29%20Bill%2C%202018.pdf](https://www.prindia.org/sites/default/files/bill_files/Companies%20%28Amendment%29%20Bill%2C%202018.pdf)

## In brief

Notice proposing amendments to the Companies Act, 2013 to strengthen the corporate governance and enforcement framework

# The Companies Act, 2013- Proposed Amendments

Based on recommendations made by the “Committee to review the offences under the Companies Act, 2013”, the MCA has noted that certain other amendments of urgent nature would be required to strengthen the corporate governance and enforcement framework. The amendments so noted have been formulated.

Among other things, these proposed amendments relate to:

- ♦ The company will need to take steps to identify significant beneficial owner and require him to comply with the provisions of Section 90.
- ♦ The National Financial Reporting Authority (NFRA) will perform its functions through various sub-divisions as may be prescribed.
- ♦ The Corporate Social Responsibility (CSR) amount remaining unspent should be transferred by the company within 30 days from the end of the financial year (FY) to a special account in any scheduled bank to be called the Unspent CSR Account, and such amount should be spent by the company in pursuance of its CSR Policy within a period of 3 FYs from the date of such transfer. Central Government (CG) may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions.
- ♦ Section 149 (Company to have Board of Directors) is proposed to be amended to provide that total pecuniary relationship with the company, its holding, subsidiary or associate companies, or their promoters or directors, should not exceed 25% of his total income, of which, professional or any services

rendered by him, other than such other services, as may be prescribed, should not account for more than 10% of his total income.

- ♦ Additional powers for the CG to take actions in cases of frauds and mismanagements

For details refer:

[http://www.mca.gov.in/Ministry/pdf/NoticeAmendmentsCA2013\\_05112018.pdf](http://www.mca.gov.in/Ministry/pdf/NoticeAmendmentsCA2013_05112018.pdf)

# Companies Act, 2013 – Rules and Amendment Rules

## In brief

- Notification of NFRA Rules, 2018-The Rules determine the jurisdiction, function and duties and powers of the NFRA.

(Notification dated 13<sup>th</sup> November 2018)

- Commencement Notification of various provisions of sub- section of Section 132 National Financial Reporting Authority (NFRA)

(Notification dated 24<sup>th</sup> October 2018)

## National Financial Reporting Authority Rules (NFRA) 2018

The MCA has notified the NFRA Rules, 2018 determining the jurisdiction, function and duties of the NFRA, as also its powers.

The NFRA will regulate accounting and audit standards and quality of service of auditors of:

- ♦ All companies whose securities are listed in India or outside.
- ♦ Unlisted companies with a paid up capital of not less than Rs 500 crore or an annual turnover of not less than Rs 1,000 crore or outstanding loans, debentures and deposits of not less than Rs 500 crore as on 31<sup>st</sup> March of immediately preceding FY.
- ♦ Insurance companies, banking companies and companies engaged in the generation or supply of electricity
- ♦ Offshore subsidiaries and associates of the above companies if their income or networth exceeds 20% of the income or networth of the parent company.

Among other matter, key aspects specified by the rules are as below:

- ♦ Function and duties of the authority
- ♦ Annual return to be filed by auditor
- ♦ Recommending accounting standards and auditing standards
- ♦ Monitoring and enforcing compliance with accounting standards and auditing standards
- ♦ Power to investigate and disciplinary proceedings
- ♦ Disciplinary proceeding and manner of enforcement of order passed
- ♦ Punishment for non-compliance

For details refer:

[http://www.mca.gov.in/Ministry/pdf/NFRA\\_Rules2018\\_13112018.pdf](http://www.mca.gov.in/Ministry/pdf/NFRA_Rules2018_13112018.pdf)

## Commencement Notification of various provisions of sub- section of Section 132 National Financial Reporting Authority (NFRA)

The CG has appointed 24<sup>th</sup> October 2018 as the date on which the provisions of sub-section (2),(4),(5),(10),(13),(14) and (15) of Section 132 of the Companies Act 2013 will come into force.

Among other matters, notified Sections are-

- ♦ NFRA is required to make recommendations to the CG, monitor and enforce the accounting standards and auditing standards.
- ♦ NFRA should look into the quality of services of the professionals associated with complying the above standards.
- ♦ NFRA will have the power to investigate into the matters of professional and other misconduct committed by any member or a firm of Chartered Accountants. Also, where such misconduct is proved, the NFRA will imposing penalty and debar the member/ firm from engaging to practice as a member of ICAI for such period as may be prescribed

For details refer:

[http://www.mca.gov.in/Ministry/pdf/CommencementNotification\\_24102018.pdf](http://www.mca.gov.in/Ministry/pdf/CommencementNotification_24102018.pdf)

## In brief

- Companies (Registered Valuers and Valuation) Fourth Amendment Rules 2018-insertion of new Rule 1(3) , revision of heading of Rule 1 , amendment of Rule 4 , etc.

(Notification dated 13<sup>th</sup> November 2018)

- Companies (Incorporation) Fourth Amendment Rules, 2018.- insertaion of new Rule 23A,41 etc.

(Notification dated 18<sup>th</sup> December 2018)

## Companies (Registered Valuers and Valuation) Fourth Amendment Rules 2018

Among other matters, amendment pertains to-

### ♦ Rule 1- Short title and commencement

The heading has been changed to '*Short title, commencement and application.*'. These Rules will apply for valuation in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities under the provision of the Act or these Rules. It has also been clarified that the conduct of valuation under any other laws including Income Tax, FEMA, SEBI etc. will not be affected by virtue of these Rules.

### ♦ Rule 4- Qualifications and experience

Earlier this Rule required that a person, apart from being a Professional (Chartered Accountant/ Company Secretary/ Cost Accountant) should also be a graduate. The requirement of being a graduate has been done away with.

For details refer:

[http://www.mca.gov.in/Ministry/pdf/CompaniesRegisteredValuers4AmdtRules\\_13112018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesRegisteredValuers4AmdtRules_13112018.pdf)

## Companies (Incorporation) Fourth Amendment Rules, 2018.

The MCA has amended the Companies (Incorporation) Rules, 2014. Among other matter, amendment pertains to the following-

- ♦ **23A Declaration at the time of commencement of business.**-This new Rules requires that the declaration under section 10A (as inserted by the Companies (Amendment) Ordinance, 2018) by a director should be in Form INC-20A and the contents of the said form shall be verified by a Company Secretary or a Chartered Accountant or a Cost Accountant, in practice. However, in case of a company pursuing objects requiring registration or approval from any sectoral regulators such as RBI, SEBI etc., the registration or approval, as the case may be, from such regulator shall also be obtained and attached with the declaration

- ♦ **41- Application under Section 14 for conversion of public company into private company**-The company should within 60 days of passing a special resolution should file e-Form No. RD-1 along with the requisite documents. At least 21 days before the date of filing of the application advertise in Form INC 25A, in a vernacular newspaper in the principal vernacular language in the district and in English language in an English newspaper, widely circulated in the State in which the registered office of the company is situated.

For details refer:

[http://www.mca.gov.in/Ministry/pdf/CompaniesFourthAmendmentRules\\_19122018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesFourthAmendmentRules_19122018.pdf)

## Circulars from the Ministry of Corporate Affairs (MCA)

### Circulars

#### **Relaxation of additional fees and extension of last date of filing of Forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act. 2013**

The MCA has decided to relax the additional fees payable by companies on e-forms AOC-4, AOC (CFS) AOC-4 XBRL and e- Form MGT-7 upto 31<sup>st</sup> December 2018 wherever additional fee is applicable.

For details refer:

[http://www.mca.gov.in/Ministry/pdf/NoticeAndCircularGC\\_30102018.pdf](http://www.mca.gov.in/Ministry/pdf/NoticeAndCircularGC_30102018.pdf)

#### **Relaxation of additional fees and extension of last date of in filling of CRA-4 (Cost Audit Report in XBRL format)**

The MCA has decided to relax the additional fees payable by companies on CRA-4 (Cost Audit Report in XBRL format) upto 31<sup>st</sup> December 2018, wherever additional fee is applicable.

For details refer:

[http://www.mca.gov.in/Ministry/pdf/CompaniesActCircular\\_14122018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesActCircular_14122018.pdf)

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#### **In brief**

- Relaxation of additional fees and extension of last date of filing of Forms MGT-7 and AOC-4 under the Companies Act. 2013

(Circular No. 10/2018 dated 29<sup>th</sup> October 2018)

- Relaxation of additional fees and extension of last date of in filling of CRA-4 (Cost Audit Report in XBRL format)

(Circular No. 11/2018 dated 10<sup>th</sup> December 2018)



# Securities and Exchange Board of India (SEBI)

## Circulars

### Disclosure of reasons for delay in submission of financial results by listed entities

Regulation 33 of the *SEBI (Listing and Obligation and Disclosure Requirements) Regulations, 2015*, *inter-alia*, specifies the timeline for submission of financial results by listed entities within 45/60 days from the end of the quarter/FY.

In case of non-compliance of various provisions of the listing regulations including non-submission/delayed submission of financial results, SEBI circular dated 3<sup>rd</sup> May 2018 prescribes a standard operating procedure to be followed. The circular also provides for aspects such as levy of penalties, freezing of promoter shareholding and suspension of trading.

The above circular requires disclosure of reasons for delay in submission of the financial results by listed entities:

- ♦ If a listed entity does not submit financial results within timeline specified in Regulation 33 of listing regulations, then it is required to disclose detailed reasons for such a delay to the stock exchanges within one working day of due date of submission of results
- ♦ If a listed entity has taken decision to delay the results prior to the due date, then it is required to disclose detailed reasons for such a delay to the stock exchanges within one working day of due date of such decision

The circular comes into force with immediate effect i.e. 19<sup>th</sup> November 2018.

For details refer:

[https://www.sebi.gov.in/legal/circulars/nov-2018/disclosure-of-reasons-for-delay-in-submission-of-financial-results-by-listed-entities\\_41040.html](https://www.sebi.gov.in/legal/circulars/nov-2018/disclosure-of-reasons-for-delay-in-submission-of-financial-results-by-listed-entities_41040.html)

### Disclosure of significant beneficial ownership in the shareholding pattern

On 14<sup>th</sup> June 2018, the MCA notified the Companies (Significant Beneficial Owners) Rules, 2018 under which various requirements pertaining to disclosures Regarding Significant Beneficial Owners have been specified.

The SEBI had earlier vide its circular No. CIR/CFD/CMD/13/2015 dated 30<sup>th</sup> November 2015, prescribed a format for disclosure of holding of specified securities and shareholding pattern. In the interest of transparency to the investors in the securities market, the SEBI, vide its above circular has modified the format for disclosure of Significant Beneficial Owners of specified securities for all listed entities.

**This circular will come into force with effect from the quarter ended 31<sup>st</sup> March 2019.**

For details refer:

[https://www.sebi.gov.in/legal/circulars/dec-2018/disclosure-of-significant-beneficial-ownership-in-the-shareholding-pattern\\_41245.html](https://www.sebi.gov.in/legal/circulars/dec-2018/disclosure-of-significant-beneficial-ownership-in-the-shareholding-pattern_41245.html)

## In brief

- Disclosure of reasons for delay in submission of financial results by listed entities

(Circular No. CIR/CFD/CMD/1/142/2018 dated 19<sup>th</sup> November 2018)

- Disclosure of significant beneficial ownership in the shareholding pattern

(Circular No. SEBI/HO/CMD1/CIR/P/2018/149 dated 7<sup>th</sup> December 2018)

## In brief

- SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018  
(Notification No. SEBI/LAD-NRO/GN/2018/47. dated 16<sup>th</sup> November 2018)

## Notifications

### SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018

On 16<sup>th</sup> November, 2018, the Listing Regulations were amended. Among , other matters, the amendments requires additional disclosure in an Annual Report. Every listed company should provide disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

- ♦ number of complaints filed during the FY.
- ♦ number of complaints disposed of during the FY.
- ♦ number of complaints pending as on end of the FY.

The amendments are **effective from 16<sup>th</sup> November 2018.**

For details refer:

[https://www.sebi.gov.in/legal/regulations/nov-2018/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-sixth-amendment-regulations-2018\\_41051.html](https://www.sebi.gov.in/legal/regulations/nov-2018/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-sixth-amendment-regulations-2018_41051.html)

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## In brief

- Report of Working Group on new standard on Insurance Contracts (equivalent to IFRS 17).

(Report dated 5<sup>th</sup> December 2018)

# Insurance Regulatory and Development Authority of India (IRDAI)

## Reports

### **Report of Working Group on new standard on Insurance Contracts (equivalent to IFRS 17)**

The International Accounting Standards Board (IASB) issued the new accounting standard on insurance contracts on 18<sup>th</sup> May 2017 (IFRS 17 *Insurance Contracts*) replacing IFRS 4. The IRDAI, reviewed the position of Implementation of Ind AS in the Insurance Sector in India and postponed the effective date of implementation of Ind AS by 2 years. Accordingly, the new effective date of convergence to Ind AS in the Insurance Sector is 1<sup>st</sup> April 2020.

In order to commence work on early adoption of new standard on insurance contracts in India equivalent of IFRS 17, a Working Group (WG) was constituted by the IRDAI.

As the accounting standard (IFRS 17) is very exhaustive, complex and introduces new concepts, hitherto not applied even internationally, the WG felt that it required a detailed study to check and verify its relevance and applicability in the Indian Context. Accordingly, the WG worked closely with ICAI which was preparing the Indian equivalent of the standard in order to ensure that the standard that may be notified will be in harmony with the Industry practices and to that extent, it is expected that no further 'carve-outs/ regulatory overrides' would be required by the Regulator

Among other matters, WG recommends that

Ind AS 117, Insurance Contracts, be applied by Indian insurers as per the timeline specified / notified by the MCA. Presently, transition to Ind AS is slated to happen on 1<sup>st</sup> April 2020 with comparatives as at 31<sup>st</sup> March 2019. The transition will necessitate insurers to move from a framework that is prescribed by regulations to a principle based Ind AS framework. The WG recommends that the IRDAI call for Ind AS compliant proforma FS as per the draft regulations proposed. This would enable understanding the impact of Ind AS 117 on the insurance industry.

For details refer:

<https://www.irdai.gov.in/ADMINCMS/cms/whatsNew/Layout.aspx?page=PageNo3682&flag=1>

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### In brief

- Clarification on Format for publishing financial results

The circular clarifies the applicability date of the notification on amendments to Schedule III.

## BSE/NSE Circulars

### Format for publishing financial results - Clarification

Division I, Division II and Division III of Schedule III to the Companies Act, 2013 were amended by the MCA, vide notification dated 11<sup>th</sup> October 2018. The notification did not specify the time period from which the amendment applies.

On 22<sup>nd</sup> November 2018, the National Stock Exchange and the BSE Ltd. issued a circular that clarifies the applicability date of the notification on amendments to Schedule III as follows-

- ♦ Listed entities are advised to follow existing formats till the quarter ending 31<sup>st</sup> December 2018. However, entities desiring to submit FS as per the new format prescribed by MCA, may have the option to present in the new format in addition to existing formats prescribed under the Companies Act, 2013.
- ♦ All Entities (including NBFCs) should follow amended formats, new Schedule III of Companies Act, 2013, for annual FS / quarter ending on or after 31<sup>st</sup> March 2019.

For details refer:

[https://www.nseindia.com/content/equities/NSE\\_Circular\\_22112018.pdf](https://www.nseindia.com/content/equities/NSE_Circular_22112018.pdf)

and

<https://beta.bseindia.com/corporates/Displaydata.aspx?Id=2a1421a9-cf06-47b0-bb7c-a7a0a7171cc7&Page=cir>

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# Accountancy and Audit

## Technical Guide (TG)

### In brief

- Technical Guide on the Functioning of Audit Committee and its Review Checklist

Provides guidance on the duties and roles of Audit Committee

- Technical Guide on Annual Return and GST Audit

Contains clause-by-clause analysis of Form GSTR-9, 9A and Form GSTR -9C

- Withdrawal of the IG on Auditor's Report under Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 and Amendment to Schedule III to Companies Act, 2013 with effect from 23<sup>rd</sup> November 2018.

### ♦ TG on the Functioning of Audit Committee and its Review Checklist

The ICAI has issued the TG on the functioning of audit committee and its review checklist. It aims to provide guidance on the Duties and Roles of Audit Committee for ensuring its effectiveness along with a specimen checklist for performance evaluation of Audit Committee and important Frequently Asked Questions (FAQs)

For details refer:

<https://resource.cdn.icai.org/52332clgc41963.pdf>

### ♦ TG on Annual Return and GST Audit

This Guide has been comprehensively designed and contains clause-by-clause analysis of Form GSTR-9, 9A and Form GSTR -9C. An attempt has been made in this guide to cover areas that are related to the basic principles, policies and special issues pertaining to conduct of a GST Audit; drawing up reconciliation statement in Form GSTR-9C and certifying; assistance in filing GSTR-9 Form.

For details refer:

<http://idtc-icai.s3.amazonaws.com/download/pdf18/TGon-Annual-Return&GST-Audit-221018.pdf>

## Implementation Guide (IG)

### ♦ Withdrawal of the IG on Auditor's Report under Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 and Amendment to Schedule III to Companies Act, 2013

Earlier the MCA required companies to make disclosure in their financial statement (FS) as to holding as well as dealing in specified bank notes (SBNs) during 8th November 2016 to 30th December 2016, through Companies (Audit and Auditors) Amendment Rules, 2017 and Amendment to Schedule III to the Companies Act, 2013.

In April 2017, Auditing and Assurance Standard Board (AASB) issued IG on Auditor's Report under Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 and Amendment to Schedule III to Companies Act, 2013 to provide guidance to the members on the matter

In September 2018, the Corporate Laws and Corporate Governance Committee stated that disclosure requirement are specific events and applicable only for FY 2016-2017 only and required disclosure are not applicable for the FY 2017-2018 and subsequent years. As a result AASB decided to withdraw the aforesaid IG. Accordingly, **IG is withdrawn with effect from** the date of hosting of this Announcement on the ICAI's website, i.e, **23<sup>rd</sup> November 2018.**

For details refer:

<https://resource.cdn.icai.org/52778aasb42307.pdf>

## In brief

### ▪ IG on Resignation/ Withdrawal from an Engagement to Perform Audit of Financial Statements

It provide guidance to auditors in case of resignation/ withdrawal from an engagement to perform audit of FS.

### ▪ Standards on Internal Audit

SIAs issued by the Internal Standard Board of the ICAI are a set of minimum requirements that apply to all members of the ICAI while performing internal audit of any entity or body corporate

### ♦ IG on Resignation/ Withdrawal from an Engagement to Perform Audit of Financial Statements

The IG contains guidance on various aspects of auditors' resignation like circumstances leading to withdrawal/ resignation, procedure to be followed by auditors in case of resignation, auditor's responsibilities and professional obligations to be complied with by auditors.

The objective of this IG is to provide guidance to auditors in case of resignation/ withdrawal from an engagement to perform audit of FS.

This IG is applicable in case of audits of all listed entities. In case of audits of banks, insurance companies and other corporate entities, the guidance given in this IG is to be also followed, as applicable.

For details refer:

<https://resource.cdn.icaai.org/52929aasbicai-igr.pdf>

### ♦ IG to SA 230, Audit Documentation (Revised 2018)

The ICAI issued the above revised IG since audit documentation is an essential element of audit quality and has always been a critical component of an audit process as it evidences the work done by the auditor.

The IG guide explains the requirements of the standard in the form of FAQ and responses to those FAQs. It also contains checklists of documentation requirements.

For details refer:

<https://resource.cdn.icaai.org/52985aasb42474.pdf>

## Standards on Internal Audit (SIA)

The Internal Audit Standard Board of the ICAI has, with other pronouncements, issued 5 SIAs. The SIAs are a set of minimum requirements that apply to all members of the ICAI while performing internal audit of any entity or body corporate.

The following internal audit related pronouncements have been issued:

- ♦ Preface to the Framework and Standards on Internal Audit
- ♦ Framework Governing Internal Audits
- ♦ Basic Principles of Internal Audit
- ♦ SIA 210 *Managing the Internal Audit Function*
- ♦ SIA 220 *Conducting Overall Internal Audit Planning @*
- ♦ SIA 310 *Planning the Internal Audit Assignment @*
- ♦ SIA 320 *Internal Audit Evidence @@*
- ♦ SIA 330 *Internal Audit Documentation*

@ Supersedes some part or all of the following current SIAs (recommendatory in nature): SIA 1 *Planning an Internal Audit*. and SIA 15 *Knowledge of the Entity and its Environment*  
@@ Supersedes SIA 3 *Documentation*

This Standard is applicable for internal audits beginning on or after a date to be notified by the Council of the Institute.

In case of SIAs issued by the ICAI for which a Guidance Note is already in existence, the Guidance Note will stand withdrawn from the date on which the Standard comes into effect.

For details refer:

[https://www.icaai.org/new\\_post.html?post\\_id=597](https://www.icaai.org/new_post.html?post_id=597)

## ICAI Annoucement

### Unique Document Identification Number

To secure the certificates/documents attested/certified by practicing Chartered Accountants and for tracing forged/wrong documents prepared by any third person misrepresenting himself as a Chartered Accountant, ICAI had implemented an innovative concept of UDIN i.e. Unique Document Identification Number.

ICAI has decided to mandate UDIN w.e.f 1<sup>st</sup> February 2019 in a phased manner as against the earlier announced date of 1<sup>st</sup> January 2019 .

For details refer:

[https://www.icaai.org/new\\_post.html?post\\_id=15314&c\\_id=240](https://www.icaai.org/new_post.html?post_id=15314&c_id=240)

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### In brief

#### ▪ Unique Document Identification Number

ICAI has decided to mandate UDIN w.e.f 1<sup>st</sup> February 2019 in a phased manner as against the earlier announced date of 1<sup>st</sup> January 2019



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## Key Take Away

- The Companies (Amendment) Bill , 2018 gives relief to both professionals and corporates by decriminalising a host of offences. It amends several provisions in the Companies Act, 2013 relating to penalties among others
- The proposal to amend The Companies Act, 2013 signifies efforts of MCA to align the Companies Act with SEBI Listing Regulations and implementation of effective corporate governance.
- The MCA has notified the NFRA Rules, taking away the CA Institute's monitoring and disciplinary powers over auditors of listed entities and large unlisted companies besides banks and insurance companies. The NFRA has become the all-powerful body when it comes to disciplining auditors and overseeing the quality of service rendered by chartered accountants at large entities.
- On 11<sup>th</sup> October 2018, MCA through its notification amended Schedule III to the Companies Act, 2013 Act. However, it was not clear from which quarter the financial results should follow the amended formats of the financial results. Therefore, SEBI issued a clarification relating to the applicability of formats for presentation of financial results.
- SEBI noted that there have been delays in the submission of financial results by certain listed entities in the past, but the reasons were not brought out clearly. So, investors were often left unaware as to the reasons for such delays which may have an impact on their investment decision. Hence, a need for disclosure of reasons for the delay in submission of financial results.
- The amendments to the Listing Regulations requires a disclosure to be made in the Corporate Governance of an Annual Report of every listed entity relating to number of complaints filed, disposed or pending under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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