



ACCOUNTING AND COMPANY LAW UPDATES

N. A. SHAH BULLETIN

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 N. A. SHAH ASSOCIATES LLP
Chartered Accountants



1 Accounting updates

- 1.1 EAC of the ICAI has opined that in respect of disputed income tax liabilities (where demand has been raised by income tax authorities for certain additions / disallowances), an element of judgement is required to be exercised to determine whether provision for such disputed tax amount and interest thereon is required to be made in accounts or should be treated as contingent liability. It requires assessment of likelihood of the outcome of the uncertainty in accordance with Ind AS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'. Based on the facts and circumstances of the case and all the evidence available as on the reporting date, if it is determined that it is more likely than not, that a present obligation exists at the end of the reporting period, the company should recognize a provision (if the recognition criteria are met). Further, where it is more likely, that no present obligation exist, the entity should disclose a contingent liability unless the possibility of an outflow of resources embodying economic benefit is remote.

For more information, [click here](#)

2 Company law updates

- 2.1 Following relaxations / clarifications are given by the MCA considering the current scenario of Corona Virus (COVID-19) in India:

- 2.1.1 Companies are allowed to hold EGM through video conferencing or other audio visual means along with e-voting facility / simplified voting through registered emails. Further, clarifications are also issued on modalities to be followed by the companies to conduct EGM.

For more information, [click here](#) and [click here](#)

- 2.1.2 Clarifications are given in the form of FAQs on eligibility of CSR expenditure related to COVID-19 activities.

For more information, [click here](#)

- 2.1.3 It is clarified that due-dates for filing and e-verification of IEPF e-forms are extended without additional fees till 30th September 2020.

For more information, [click here](#)

- 2.1.4 Extended timelines for (a) names reserved for new incorporation / change of name of companies and LLP's and (b) resubmission of forms.

For more information, [click here](#)

- 2.1.5 In case of companies whose financial year ended on 31st December 2020, additional time of three months is given to hold the AGM upto 30th September 2020.

For more information, [click here](#)

- 2.2 MCA has released list of forms which are eligible to be filed under 'Companies Fresh Start Scheme 2020' and 'LLP Settlement Scheme 2020'. It also includes forms which were required to be filed under the Companies Act, 1956.

For more information, [click here](#)

3 Other updates

- 3.1 The SEBI has granted relaxations from certain provisions of the SEBI (LODR) Regulations, 2015 to the listed entities (including reduction of time period of intimation to stock exchange of board meeting, buyback of shares etc.).

For more information, [click here](#) and [click here](#)

- 3.2 The Employees' Provident Fund Organisation has extended the timelines for payment and filing of return of provident fund contribution for the month of March 2020 from 15th April 2020 to 15th May 2020 respectively.

For more information, [click here](#)

- 3.3 ICAI has announced that its members may use electronic signature for signing audit reports and certificates.

For more information, [click here](#)

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
IASB	The International Accounting Standards Board
Ind AS	Indian Accounting Standards
IFRS	International Financial Reporting Standards
MCA	Ministry of Corporate Affairs
CSR	Corporate Social Responsibility
FAQs	Frequently Asked Questions
LLP	Limited Liability Partnership
SEBI	Securities and Exchange Board of India
LODR	Listing Obligations and Disclosure Requirements
EGM	Extra ordinary General Meeting
AGM	Annual General Meeting
IEPF	Investor Education and Protection Fund

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