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1 Accounting and auditing updates

1.1 EAC of the ICAI has opined that expenses in the nature of period costs (such as salaries) incurred before acquiring the intangible asset (License) cannot be capitalized in accordance with AS 26 'Intangible Assets' as such costs are not directly attributable for making the asset ready for its intended use.

- The Committee is of the view that the cost incurred on account of salaries of engineers/technicians are the cost of holding the team of engineers till the time the License is acquired rather than the cost incurred to acquire the License.

For more information, [click here](#)

1.2 ICAI has issued following standards / guidance books / educational material:

SAE 3410 'Assurance engagements on greenhouse gas statements'	This standard deals with assurance engagements to report on entity's GHG statement. It provides guidance in certifying GHG emissions of entities either for their internal management purposes, or for regulatory purposes. For more information, click here
Handbook on audit of CSR activities	This handbook provides guidance on accounting, auditing and monitoring aspects of CSR expenditures. For more information, click here
Educational material on Ind AS 23 'Borrowing Cost'	This educational material provides guidance on the implementation of Ind AS 23 for recognising the borrowing costs incurred by entities, a summary of standard and FAQs. For more information, click here

2 Company law updates

2.1 MCA has extended due date for filing of following:

Extension type	Extension details
E-form AOC-4, AOC-4 (CFS), AOC-4 (XBRL) and AOC-4 (Non XBRL)	These forms for the financial year ended 31 st March 2020 can be filed upto 15 th February 2021. For more information, click here
AGMs / EGMs through VC or OAVM	MCA has extended the time period for holding EGMs through postal ballot from 31 st December 2020 to 30 th June 2021. These relaxations have also been extended to AGMs due to be held in the year 2020 or has become due in the year 2021 i.e. to conduct their AGM through VC or OAVM on or before 31 st December 2021. Further, it is clarified that this extension shall not be construed as extension of due date and legal action will be there for companies who have not adhered to timelines. For more information, click here and click here

- 2.2 MCA has introduced scheme for condonation of delay, in submission of e-forms with ROC without making payment of additional fees, for companies restored on ROC between 1st December 2020 and 31st December 2020, u/s 252 of the Companies Act, 2013. E-forms (except form for change in share capital and charge related documents) can be filed under this scheme between 1st February 2021 to 31st March 2021.

For more information, [click here](#)

- 2.3 MCA has clarified that spending of CSR funds for carrying out awareness campaigns / program or public outreach campaigns on COVID 19 vaccination program is an eligible CSR activity.

For more information, [click here](#)

- 2.4 Following sections of the Companies (Amendment) Act, 2020 are notified on 22nd January 2021:

Section of Companies (Amendment) Act, 2020	Amended Section of the Companies Act, 2013	Section pertains to
2	Clause 52 of Section 2	Definition of listed company
11	62(1)(a)(i)	Further issue of share capital
Clause c of Section 18	89	Declaration in respect of beneficial interest in any share
21	105(5)	Proxies
Clause ii of Section 22	117(3)(g)	Resolutions and agreements to be filed
25	Insertion of new Section 129A	Periodical financial results
27	135	Corporate social responsibility
53	379	Application of the Act to foreign companies
55	Insertion of new Section 393A	Exemptions under this chapter
58	410	Constitution of Appellate Tribunal
59	Insertion of new Section 418A	Benches of Appellate Tribunal
60	435 (1)	Establishment of Special Courts
62	446B	Lesser penalties for one person companies or small companies
64	452(2)	Punishment for wrongful withholding of property
65	454(3)	Adjudication of Penalties

For more information, [click here](#)

2.5 MCA has issued the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 which is notified in gazette on 22nd January 2021 and key changes includes:

- Increased role of Board and CFO to monitor the progress and utilization of CSR funds
- On-going multi-year CSR project timeline is now stated to not exceed beyond 3 years
- Excess CSR amount spent (over & above 2%) is now allowed to be set-off in next 3 years
- Treatment of unspent CSR amount to specified funds
- Implementation through third parties who are registered with the MCA
- Other changes like CSR in the form of creation or acquisition of capital assets, additional disclosure on websites regarding composition of CSR committee, CSR policy and projects approved by the board.

For more information, [click here](#)

3 Other updates

3.1 ICAI has issued clarification that statutory auditors can share feedback / client information with Credit Rating Agencies if permitted by auditee client.

For more information, [click here](#)

3.2 ICAI has extended condonation scheme to regularize non-generation of UDINs. As per extended scheme, the documents signed between 1st February 2019 till 31st January 2021 the UDINs can be generated upto 28th February 2021.

For more information, [click here](#)

3.3 SEBI has given relaxations for listed entities in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode, are extended till December 31, 2021.

For more information, [click here](#)

Glossary:

EAC	Expert Advisory Committee
ICAI	Institute of Chartered Accountants of India
GHG	Greenhouse gas statement
CSR	Corporate Social Responsibility
FAQ	Frequently Asked Questions
MCA	Ministry of Corporate Affairs
AGM	Annual General Meeting
EGM	Extra Ordinary General Meeting
VC	Video Conference
OAVM	Other Audio Visual Means
ROC	Registrar of Companies

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