



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Corporate Laws & Corporate Governance Committee The Institute of Chartered Accountants of India

19th March, 2021

ANNOUNCEMENT

Sub: **Commencement notification of provisions of Companies (Amendment) Act, 2020 relating to Remuneration of Non-Executive Director w.e.f. 18th March, 2021**

This is to inform you that the Central Government has appointed the 18th March, 2021 as the date on which the following provisions of the Companies (Amendment) Act, 2020 shall come into force namely:

S No.	Section of the Companies (Amendment) Act, 2020	Section of the Companies Act, 2013	Particulars
1	Section 32	Insertion of proviso to Section 149(9)	Remuneration of Independent Director
2	Section 40	Section 197(3)	Overall Maximum Managerial Remuneration and Managerial Remuneration in Case of Absence or Inadequacy of Profits

Accordingly, after amendment, non-executive directors including independent directors may receive remuneration, in case of absence or inadequacy of profits, in accordance with Schedule V of the Companies Act, 2013.

Notification is available at the link-

http://www.mca.gov.in/Ministry/pdf/CommencementNotification_18032021.pdf

Members may note the above.

Sincerely Yours,

Chairman and Vice Chairman
Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India