

CORPORATE LAWS

CA. Premal Gandhi, CS. Mahesh Soni

Rules notified by Ministry of Corporate Affairs from 23.03.2021 till 22.04.2021

1. Central Government has amended Companies (Accounts) Rules, 2014 by introducing the Companies (Accounts) Amendment Rules, 2021 vide Notification G.S.R. 205(E) dated 23.03.2021. The new Rules have amended Rule 3 to include Manner of Books of Account to be kept in electronic mode and Rule 8 to include Matters to be considered in the Board's Report w.e.f. 01.04.2021.
2. Central Government has further amended Companies (Accounts) Rules, 2014 by introducing Companies (Accounts) Second Amendment Rules, 2021 vide Notification G.S.R. 247(E) dated 01.04.2021. The new Proviso to sub-rule (1) of Rule 3, states that the companies using accounting software for maintaining books of accounts need to have a feature of recording audit trail (edit log) facility for financial year commencing on or after 01.04.2022.
3. Central Government has amended Companies (Audit and Auditors) Rules, 2014 by introducing the Companies (Audit and Auditors) Amendment Rules, 2021 vide Notification G.S.R. 206(E) dated 24.03.2021. The new Rules have amended Rule 11 to include Other Matters in Auditors' report pertaining to Ultimate Beneficiaries, Funding Parties, Material mis-statements, Dividend declared or paid and recording of Audit Trail facility w.e.f. 01.04.2021.
4. Central Government has further amended Companies (Audit and Auditors) Rules, 2014 by introducing Companies (Audit and Auditors) Second Amendment Rules, 2021 vide Notification G.S.R. 248(E) dated 01.04.2021. The new Rule 11 (g) is applicable to companies with financial year commencing on or after 01.04.2022 to use an accounting software with a feature of recording audit trail (edit log) facility of all transactions.