



MCA Updates

Analysis by SBC LLP



Mandatory use of Accounting Software having Audit Trail



From FY commencing on 01.04.2022, every Company shall use Accounting Software having feature to record audit trail of each transaction, creating the edit log of changes made & ensuring that the audit trail cannot be disabled.

Source: https://www.mca.gov.in/Ministry/pdf/AccountsAmendmentRules_24032021.pdf

Other Matters to be Included in Auditors Report



- Reporting regarding advances, loans & Investment other than disclosed in notes to account.
- Receiving of funds for further lending or investing other than disclosed in notes to accounts
- Dividend declared or paid is in compliance of section 123 of CA, 2013
- Comment of use of Accounting Software having Audit Trail & other rules therein.

Source: https://www.mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_24032021.pdf

Amendments in Schedule III from 1st day of April, 2021 – FY 2021-22

As per the amendments many new disclosure has been mandatory as detailed below:

- Disclosure of Shareholding of Promoter
- Trade Payables ageing schedule with age 1 year, 1-2 year, 2-3 year & More than 3 years
- Reconciliation of the gross and net carrying amounts of each class of assets
- Trade Receivables ageing schedule with age 1 year, 1-2 year, 2-3 year & More than 3 years



Amendments in Schedule III from 1st day of April, 2021 – FY 2021-22 (Continued)



- Detailed disclosure regarding title deeds of Immovable Property not held in name of the Company.
- Disclosure regarding revaluation & CWIP ageing
- Loans or Advances granted to promoters, directors, KMPs and the related parties
- Details of Benami Property held
- Reconciliation and reasons of material discrepancies, in quarterly statements submitted to bank and books of accounts.
- Disclosure where a company is a declared willful defaulter by any bank or financial Institution

Amendments in Schedule III from 1st day of April 2021 – FY 2021-22 (Continued)

- Relationship with Struck off Companies
- Pending registration of charges or satisfaction with Registrar of Companies
- Compliance with number of layers of companies
- Disclosure of 11 Ratios
- Compliance with approved Scheme(s) of Arrangements
- Utilization of Borrowed funds and share premium
- Details of transaction not recorded in the books that has been surrendered or disclosed as income in the tax assessments
- Disclosure regarding Corporate Social Responsibility
- Details of Crypto Currency or Virtual Currency

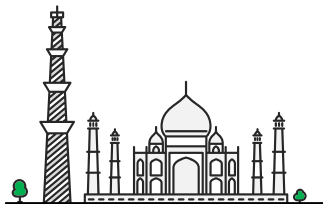


Contact us



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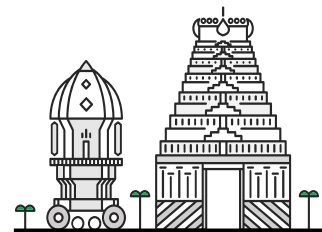
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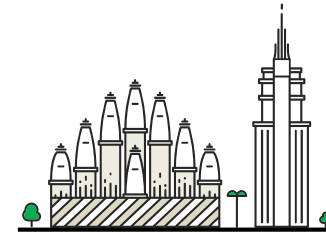
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Thank You



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