



SFS Advisors Pvt. Ltd.
One Shelter, Multiple Solutions

MCA Updates

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1. Mandatory use of Accounting Software having Audit Trail :

From FY commencing on 01.04.2021, 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.

Link: http://mca.gov.in/Ministry/pdf/AccountsAmendmentRules_24032021.pdf

2. Other Matters to be Included in Auditors Report

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

Link: http://mca.gov.in/Ministry/pdf/AuditAuditorsAmendmentRules_24032021.pdf

3. Amendments in Schedule III from 1st day of April, 2021 :

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



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- a. Disclosure of Shareholding of Promoters
- b. Trade Payables ageing schedule with age 1 year, 1-2 year, 2-3 year & More than 3 years
- c. Reconciliation of the gross and net carrying amounts of each class of assets
- d. Trade Receivables ageing schedule with age 1 year, 1-2 year, 2-3 year & More than 3 years
- e. Detailed disclosure regarding title deeds of Immovable Property not held in name of the Company.
- f. Disclosure regarding revaluation & CWIP ageing.
- g. Loans or Advances granted to promoters, directors, KMPs and the related parties
- h. Details of Benami Property held
- i. Reconciliation and reasons of material discrepancies, in quarterly statements submitted to bank and books of accounts.
- j. Disclosure where a company is a declared wilful defaulter by any bank or financial Institution
- k. Relationship with Struck off Companies
- l. Pending registration of charges or satisfaction with Registrar of Companies
- m. Compliance with number of layers of companies
- n. Disclosure of 11 Ratios
- o. Compliance with approved Scheme(s) of Arrangements
- p. Utilisation of Borrowed funds and share premium
- q. Details of transaction not recorded in the books that has been surrendered or disclosed as income in the tax assessments
- r. Disclosure regarding Corporate Social Responsibility
- s. Details of Crypto Currency or Virtual Currency

Link: http://mca.gov.in/Ministry/pdf/ScheduleIIIAmendmentNotification_24032021.pdf

We trust you will find this insight informative as well as useful.

For any queries, you can write to us at info@sfsadvisors.co.in

Disclaimer: This insight is meant for informational purpose only and should not be considered as an advice or opinion.

**Best Regards,
Team SFS**