

# **“New” amendments under The Companies Act, 2013 (Commencing from April 01, 2021 to June 30, 2021)**

## **PART I**

### **1. Amendment for use of Accounting Software having Audit Trail**

(i) Now all companies are “mandatory” required to use accounting software having audit trail of each transaction besides the original transactions were rectified or deleted. This requirement is applicable from April 01, 2021.

(ii) Applicability of this provision is deferred for 1 year, hence it is now applicable commencing from April 01, 2022 for the financial year ending March 31, 2023

### **2. Amendments for the preparation of Financial Statements (Schedule III)**

(i) “Disclosure” for the shareholding of the promoters

(ii) Trade “Payables” in the following ageing :- (a) From 0 to 1 Year (b) From 1 to 2 Year (c) From 2 to 3 Year (d) From 3 to Infinite years

(iii) “Reconciliation” of the gross and net (WDV) carrying amounts of each class of the assets

(iv) Trade “Receivables” in following ageing :- (a) From 0 to 1 Year (b) From 1 to 2 Year (c) From 2 to 3 Year (d) From 3 to Infinite years

(v) “Disclosure” for title deed of the Immovable Property “not” held in name of the Company.

(vi) “Disclosure” for revaluation of the fixed assets and Capital Work in Progress (CWIP) age wise.

(vii) “Disclosure” for Loans or Advances as granted to the promoters, directors, KMPs and other related parties.

(viii) "Disclosure" for the proceedings initiated or still pending under the Benami Transactions (Prohibition) Act, 1988 for the Benami Properties.

(ix) "Reconciliation" between the quarterly/monthly statements of the stock as per books and submitted to the bank. And also to give the reasons for the material discrepancies.

(x) "Disclosure" for declaring willful defaulter by a bank or financial Institution

(xi) "Disclosure" for the relationship with any struck off company.

(xii) "Disclosure" for pending registration of charges or pending satisfaction with Registrar of Companies (ROC) beyond statutory limits.

(xiii) "Disclosure" for compliances under the layer of companies.

(xiv) "Disclosure" for the following 11 Ratios:-

(a) Current Ratio

(b) Debt-Equity Ratio

(c) Debt Service Coverage Ratio

(d) Return on Equity Ratio

(e) Inventory turnover ratio

(f) Trade Receivables turnover ratio

(g) Trade payables turnover ratio

(h) Net capital turnover ratio

(i) Net profit ratio

(j) Return on Capital employed

(k) Return on investment

(xv) "Disclosure" for the compliance with approved Scheme(s) of the arrangements and deviation in accounting standard if any.

(xvi) "Disclosure" for the utilization of the borrowed funds and share premium.

(xvii) "Disclosure" for the transaction as "not" recorded in the books accounts but has been surrendered or disclosed as income in the tax assessments.

(xviii) "Disclosure" for the Corporate Social Responsibility (CSR)

- (xix) "Disclosure" for the Crypto Currency or Virtual Currency used by the company.
- (xx) "Rounding" of the figures in the financial statement is now mandatory and also is to be based on the "total income" in place of "total turnover".
- (xxi) "Disclosure" for the current maturities (within 12 months) against the long term borrowings.
- (xxii) "Disclosure" for the security deposits (given) is to be made under the head "other non current assets" in place of long term loans and advances
- (xxiii) "Disclosure" for the utilization against borrowed funds "other than" for the purpose it was borrowed.
- (xxiv) "Disclosure" for the revaluation of the Property Plant and Equipments (PPE) by the register valuer.
- (xxv) "Disclosure" for the intangible assets under the development age wise.
- (xxvi) "Disclosure" for the borrowed funds for the purpose of further lending, investment, guaranty or security to the third parties.
- (xxvii) These amendments are applicable from April 01, 2021. Hence these are applicable for the financial statements for the year ending March 31, 2022.

### **3. Applicability of the CARO 2020**

- (i) CARO 2020 is having 21 clauses where CARO 2016 is having 16 clauses.
- (ii) CARO 2020 is having 7 "new" clauses, where 1 clause of CARO 2016 is deleted and 1 clause of CARO 2016 is merged.  
Hence  $16 \text{ "old" clauses} + 7 \text{ "new" clauses} - 1 \text{ "old" clause is deleted} - 1 \text{ "old" clause is merged} = 21 \text{ "new" clauses}$
- (iii) CARO 2020 is applicable from April 01, 2021. Hence this is applicable for the financial statements for the year ending March 31, 2022