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MCA UPDATES FOR THE MONTH OF APRIL 2021

RULES

Companies (Accounts) Second Amendment Rules, 2021

01st April, 2021

(Effective from 1st April, 2021)

MCA has amended Companies (Accounts) Rules, 2014

1. Proviso to Rule 3 (1) has been amended:

As per the amendment, **on or after 1st April, 2022**, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

In simple words, the newly prescribed accounting software is now mandated to be used from April 01, 2021 onwards.

For more information visit [AccountsSecondAmendmentRules_13042021.pdf \(mca.gov.in\)](https://www.mca.gov.in/AccountantsSecondAmendmentRules_13042021.pdf)

Companies (Audit and Auditors) Second Amendment Rules, 2021

01st April, 2021

(Effective from 1st April, 2021)

MCA has amended Companies (Audit and Auditors) Rules, 2014 vide Companies (Audit and Auditors) Second Amendment Rules, 2021 dated 01st April, 2021.

1. In rule 11, clause (g) has been amended.

Clause (g)

Whether the company, **in respect of Financial Years commencing on or after 01st**

April, 2022, has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For more information visit [AuditAuditorsSecondAmendmentRules_13042021.pdf \(mca.gov.in\)](#)

CIRCULARS

GENERAL CIRCULAR NO. 05/2021

22nd April, 2021

Clarification on spending of CSR Funds for setting up makeshift hospitals and temporary COVID Care Facilities

MCA has clarified that spending of CSR Funds for “setting up makeshift hospitals and temporary COVID Care facilities” is an eligible CSR activity under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of healthcare, including preventive healthcare and, disaster management respectively.

For more information visit [GeneralCircularNo5_22042021.pdf \(mca.gov.in\)](#)

Hope the information will assist you in your Professional endeavours. In case of any query / information, please do not hesitate to write back to us at E: pschinki@gmail.com and M: +91 9050320565.

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Best Regards



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