



COMPANIES (ACCOUNTS) AMENDMENT RULES, 2018 NOTIFIED BY MINISTRY OF CORPORATE AFFAIRS¹

MCA has notified the Companies (Accounts) Amendment Rules, 2018 incorporating additional disclosure requirements for financial statements of the Companies, including status of maintenance of cost records, measures to prevent sexual harassment of women, certain disclosures by OPC/ Small companies in abridged Financial Statements, etc.

The Notification dated July 31, 2018. Issued by MCA reads as under:

G.S. R. (E).—In exercise of the powers conferred by section 134 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Accounts) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Accounts) Amendment Rules, 2018.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Accounts) Rules, 2014, in rule 8,
 - (i) In sub-rule (5), after clause (viii) the following clauses shall be inserted, namely:-
 - “(ix) a disclosure, as to whether maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained,
 - (x) a statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013],”;
 - (ii) After sub-rule (5), the following rule shall be inserted, namely:-

“(6) This rule shall not apply to One Person Company or Small Company” . ;
 - (iii) After rule 8, the following rule shall be inserted, namely:-

“8A. Matters to be included in Board’s Report for One Person Company and Small Company.- (1) The Board’s Report of One Person Company and Small Company shall be prepared based on the stand alone financial statement of the company, which shall be in abridged form and contain the following:-

 - (a) The web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed;
 - (b) Number of meetings of the Board;
 - (c) Directors’ Responsibility Statement as referred to in sub-section (5) of section 134;
 - (d) Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government;

¹ Available at: http://www.mca.gov.in/Ministry/pdf/companisAccountsRules_31072018.pdf

- (e) Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report;
- (f) The state of the company's affairs;
- (g) The financial summary or highlights;
- (h) Material changes from the date of closure of the financial year in the nature of business and their effect on the financial position of the company;
- (i) The details of directors who were appointed or have resigned during the year;
- (j) The details or significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

(2) The Report of the Board shall contain the particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2.”.

Note : The principal notification was published in the Gazette of India vide G.S.R. 239(E), dated the 31st March, 2014 and subsequently amended vide notification number G.S.R. 723(E) dated the 14th October, 2014, G.S.R 37 (E) dated the 16th January, 2015, G.S.R. 680(E) dated the 04th September, 2015, G.S.R. 742(E) dated the 27th July, 2016 and G.S.R. 1371(E) dated the 07th November, 2017.

Team ICSI

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