

1. The Ministry of Corporate Affairs, Government of India, vide Notification No. G.S.R. 739(E), dated 7th December, 2006, notified Companies (Accounting Standards) Rules 2006, in the Official Gazette. Rule 1, sub-rule (2), provided that the said Rules “shall come into force on the date of their publication in the Official Gazette”. Rule 3, sub-rule (2), of the said Rules provided that the Accounting Standards viz., AS 1 to AS 7 and AS 9 to AS 29, prescribed therein “shall come into effect in respect of accounting periods commencing on or after the publication of these Accounting Standards.”

2. Ministry of Corporate Affairs, vide its Notification No. G.S.R. 364 (E) dated 30th March, 2016, has issued Companies (Accounting Standards) Amendment Rules 2016, amending AS 2, AS 4, AS 13, AS 21 and AS 29; and replacing the existing AS 6 and AS 10 with revised AS 10. While sub-rule (2) of Rule 1 of the aforesaid Amendment Rules provides that these Rules shall come into force on the date of their publication, these Rules do not specify in respect of which accounting periods the amended Accounting Standards shall come into effect. It is noted that Rule 3, sub-rule (2), of the 2006 Rules, the relevant extract of which is reproduced in paragraph 1 above, has not been amended by the said Amendment Rules. In view of this, many stakeholders have approached the Institute of Chartered Accountants of India, to seek guidance on the applicability of the amended Accounting Standards particularly in the case of listed companies who prepared their financial results of preceding quarters based on the unamended Accounting Standards.

3. With a view to have consistent approach by companies on the applicability of the Accounting Standards as amended by the Companies (Accounting Standards) Amendment Rules, amended Accounting Standards should be followed for accounting periods commencing on or after the date of publication of the notification in the Official Gazette.

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