

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,  
SECTION 3, SUB-SECTION (i)]

Government of India  
Ministry of Corporate Affairs

NOTIFICATION

New Delhi the 23<sup>rd</sup> June, 2021

G.S.R..... (E).— In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and in supersession of the Companies (Accounting Standards) Rules, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 739 (E), dated the 07th December, 2006 [and amended from time to time vide numbers G.S.R. No. 212(E), dated the 27th March, 2008, G.S.R. 225(E), dated the 31st March, 2009, G.S.R. 378(E), dated the 11th May, 2011, G.S.R. 913(E), dated the 29th December, 2011, G.S.R. 914(E), dated the 29th December, 2011, G.S.R. 364(E), dated the 30th March, 2016 and G.S.R. 569(E) dated the 18th June, 2018], except as respects things done or omitted to be done before such supersession, the Central Government, after consultation with the National Financial Reporting Authority constituted under section 132 of the said Act, hereby makes the following rules, namely:—

**1. Short title and commencement.-** (1) These rules may be called the **Companies (Accounting Standards) Rules, 2021**.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.-** (1) In these rules, unless the context otherwise requires,-

(a) “Accounting Standards” means the standards of accounting or any addendum thereto as specified in rule 3;

(b) “Act” means the Companies Act, 2013 (18 of 2013);

(c) “Annexure” in relation to these rules means the Annexure containing the Accounting Standards (AS) appended to these rules;

(d) “Enterprise” means a ‘company’ as defined in clause (20) of section 2 of the Act;

(e) “Small and Medium Sized Company” (SMC) means, a company-

(i) whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;

(ii) which is not a bank, financial institution or an insurance company;

(iii) whose turnover (excluding other income) does not exceed two hundred and fifty crore rupees in the immediately preceding accounting year;

(iv) which does not have borrowings (including public deposits) in excess of fifty crore rupees at any time during the immediately preceding accounting year; and

(v) which is not a holding or subsidiary company of a company which is not a small and medium-sized company.

**Explanation.-** For the purposes of this clause, a company shall qualify as a Small and Medium Sized Company, if the conditions mentioned therein are satisfied as at the end of the relevant accounting period.

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the meanings respectively assigned to them in the Act.

**3. Accounting Standards.-** (1) The Central Government hereby specifies Accounting Standards 1 to 5, 7 and 9 to 29 as recommended by the Institute of Chartered Accountants of India, which are specified in the Annexure to these rules.

(2) The Accounting Standards shall come into effect in respect of accounting periods commencing on or after the 1<sup>st</sup> day of April, 2021.

**4. Obligation to comply with Accounting Standards.-** (1) Every company, other than companies on which Indian Accounting Standards as notified under Companies (Indian Accounting Standards) Rules, 2015 are applicable, and its auditor(s) shall comply with the Accounting Standards in the manner specified in the Annexure.

(2) The Accounting Standards shall be applied in the preparation of Financial Statements.

**5. Qualification for exemption or relaxation in respect of SMC.-** An existing company, which was previously not a Small and Medium Sized Company (SMC) and subsequently becomes a SMC, shall not be qualified for exemption or relaxation in respect of Accounting Standards available to a SMC until the company remains a SMC for two consecutive accounting periods.

[F. No. 17/151/2013-CL-V (Pt.)]

  
23/6/21  
K. V. R. MURTY, Jt. Secy.