

ACCOUNTS OF COMPANIES



PROUD MOMENT FOR MEPL CONGRATULATIONS TO ALL THE RANK HOLDERS FROM MEPL
RECORD BREAKING MORE THAN 1000+ AIRS TILL NOW

CA

AIR 2	AIR 3	AIR 3	AIR 15
AIR 16	AIR 23	AIR 24	AIR 28
AIR 29	AIR 30	AIR 31	AIR 32
AIR 32	AIR 34	AIR 34	AIR 35
AIR 35	AIR 37	AIR 40	AIR 42
AIR 44	AIR 44	AIR 47	AIR 49
	AIR 50		

CS

AIR 1	AIR 1	AIR 1	AIR 1
TWO TIMES AIR 1 CS EXECUTIVE & CS PROFESSIONAL			
AIR 2	AIR 2	AIR 3	AIR 3
AIR 3	AIR 3	AIR 4	AIR 4
AIR 4	AIR 4	AIR 4	AIR 5
AIR 5	AIR 5	AIR 5	AIR 6
AIR 6	AIR 6	AIR 8	AIR 8
AIR 9	AIR 10	AIR 10	AIR 10
AIR 10	AIR 11	AIR 12	AIR 12
AIR 13	AIR 14	AIR 15	AIR 15
AIR 17	AIR 17	AIR 17	AIR 18
AIR 18	AIR 19	AIR 20	AIR 21

CMA

AIR 01	AIR 01	AIR 01	AIR 01	AIR 01
AIR 02	AIR 02	AIR 03	AIR 05	AIR 06
AIR 07	AIR 7	AIR 7	AIR 07	AIR 8
AIR 8	AIR 09	AIR 13	AIR 15	AIR 16
AIR 17	AIR 17	AIR 21	AIR 25	AIR 26
AIR 27	AIR 28	AIR 28	AIR 31	AIR 31
AIR 33	AIR 37	AIR 38	AIR 40	AIR 40
AIR 42	AIR 44	AIR 44	AIR 45	AIR 46
AIR 46	AIR 46	AIR 49	AIR 49	AIR 50

SEC - 128 - BOOKS OF ACCOUNTS

As per Sec2(13),
BOA includes

Receipts &
Payments book

Purchase and Sales
Book of Goods and
Services

Assets and
Liabilities Book

Book recording
items of cost u/s
148

PLACE OF BOOKS OF ACCOUNTS

SHALL BE
KEPT AT THE
RO OF THE
COMPANY

PROVIDED
THAT IF BOD
WANTS IT
CAN

KEEP AT ANY
PLACE IN
INDIA BY
PASSING
BOARD
RESOLUTION
AT

BM AND
SHALL HAVE
TO INFORM
ROC THE
EXACT
ADDRESS OF

SUCH
PLACES
WITHIN 7
DAYS IN
FORM AOC
5.

ACCRUAL BASIS OF ACCOUNTING

COMPULSORY

DOUBLE ENTRY BOOK KEEPING SYSTEM

COMPULSORY

BRANCH ACCOUNTS

COMPULSORY OUTSIDE INDIA

SHALL SEND SUMMARIZED RETURNS OF ITS ACCOUNTS AT CO'S REGISTERED OFFICE

AT QUARTERLY INTERVALS

TIME LIMIT OF PRESERVATION

- Minimum 8 years from the end of relevant FY.
- However, if CG has directed the company to preserve its BOA for higher period because of investigation conducted of such company.
- Under Chapter XIV of this Act,
- then company shall preserve for such higher period.

Inspection of BOA during business hours can be done by –

- ROC
- CG'S OFFICER
- SEBI
- MEMBER IF AUTHORIZED BY ARTICLES
- DIRECTOR, HOWEVER IF WANTS INFORMATION OF ACCOUNTS OF BRANCH O/S INDIA
- THEN SUCH INFORMATION SHALL BE GIVEN WITHIN 15 DAYS OF REQUEST
- HOLDING CO. MAY AUTHORISE ITS ANY DIRECTOR TO INSPECT BOA OF SUBSIDIARY

CAN BOA BE MAINTAINED ELECTRONICALLY

YES, AND IT SHALL
REMAIN ACCESSIBLE
IN INDIA

AT ALL TIMES

SO AS TO BE
USABLE FOR
FUTURE REFERENCE

FEATURES OF ACCOUNTING SOFTWARE

FOR FY COMMENCING ON
OR AFTER 1/4/23

THE FOLLOWING
FEATURES ARE
MANDATORY

RECORDING AUDIT TRAIL
OF EACH TRANSACTION

CREATING AN EDIT LOG OF
EACH CHANGE IN BOA
ALONG WITH ITS DATE

ENSURING THAT AUDIT
TRAIL CANNOT BE
DISABLED

**BOA SHALL BE
RETAINED
COMPLETELY IN
ORIGINAL FORMAT**



**OR IN A FORMAT
WHICH SHALL
ACCURATELY PRESENT
THE INFORMATION**



**ACCOUNTS RECEIVED
FROM BRANCH
OFFICE SHALL REMAIN
UNALTERED**



**BACKUP MUST BE
TAKEN ON A DAILY
BASIS AND KEPT IN
SERVERS PHYSICALLY
LOCATED IN INDIA**



**SHOULD CONTAIN
PROPER SYSTEM OF
RETRIEVAL, STORAGE
AND PRINT-OUT**



**SHOULD BE
DISPLAYED IN LEGIBLE
FORM**

INTIMATION TO REGISTRAR- INFORMATION OF SERVICE PROVIDER

FOLLOWING SHALL BE INTIMATED TO ROC ON AN ANNUAL BASIS AT THE TIME OF FILING OF F/S

- NAME OF THE SERVICE PROVIDER
- IP ADDRESS OF SERVICE PROVIDER
- LOCATION OF SERVICE PROVIDER
- IF BOA IS MAINTAINED ON CLOUD , SUCH ADDRESS AS PROVIDED BY SERVICE PROVIDER
- IF SERVICE PROVIDER IS LOCATED OUTSIDE INDIA , THE NAME AND ADDRESS OF THE PERSON IN CONTROL OF BOA IN INDIA

PERSONS RESPONSIBLE TO MAINTAIN BOA

**MANAGING
DIRECTOR**

**WHOLE TIME
DIRECTOR , IN
CHARGE OF FINANCE**

**CHIEF FINANCIAL
OFFICER**

**ANY OTHER PERSON
CHARGED BY BOD
WITH THE DUTY OF
MAINTAINING BOA**

PENALTY FOR CONTRAVENTION

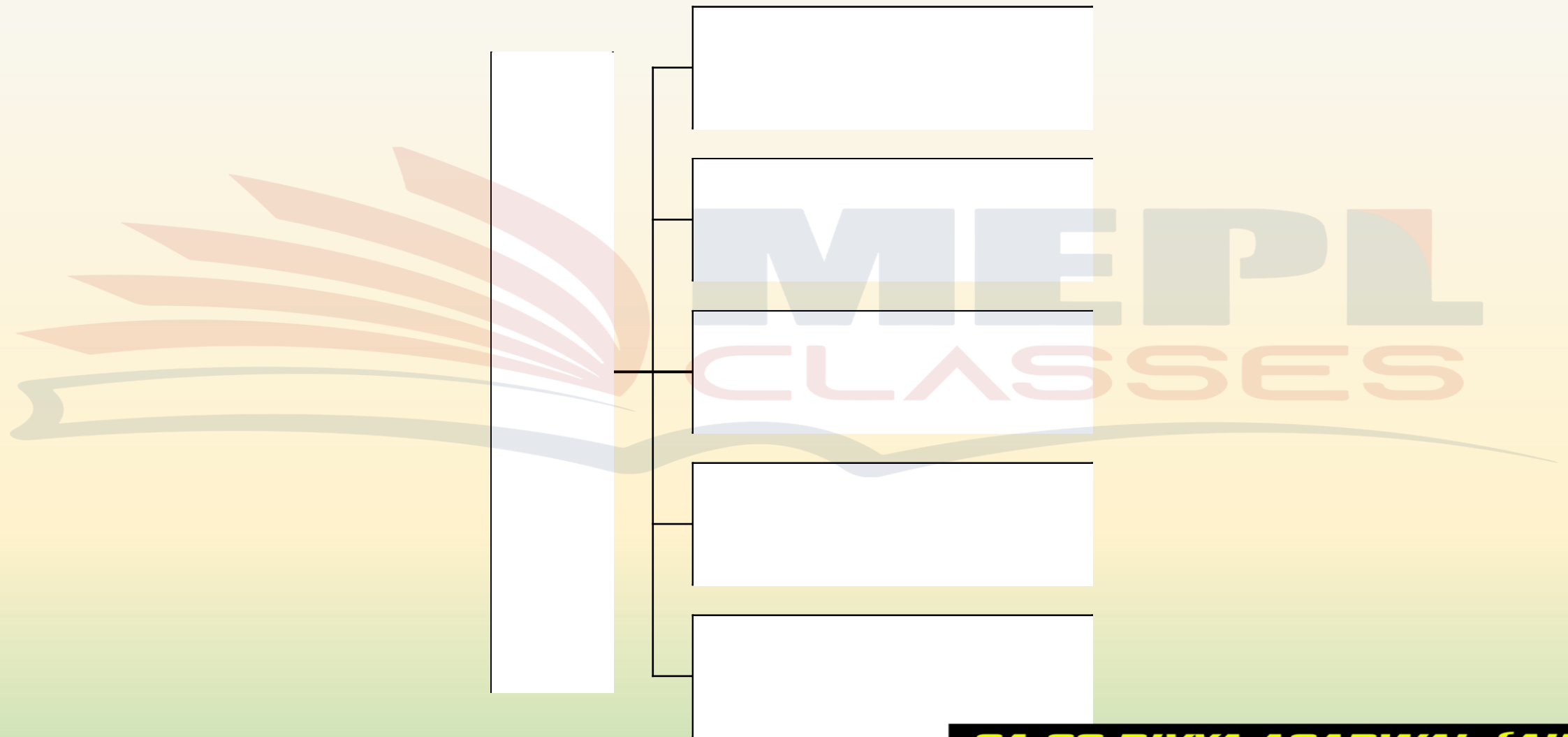
MINIMUM

₹50,000/-

MAXIMUM

₹5,00,000/-

SEC - 129 - FINANCIAL STATEMENTS



Provided that
financial
statements of

may not include
Cash Flow
Statement.

OPC,

Small Company,

Dormant
Company &

Start Up Private
Company

Every Company shall prepare its Financial Statements which should comply with the following conditions to exhibit true and fair view:-

- Comply all applicable standards on Accounting
- Comply with Schedule III
- In case of banking , insurance & electricity Co. comply with SC- III on those matters which are not inconsistent with their own Specific acts.

Every company shall prepare its financial statements in Form AOC 4.

Every company having subsidiary, associate, joint venture shall prepare Consolidated Financial Statements in Form AOC4.

Every company having subsidiary, associate, joint venture shall mention the salient features of financial statements of its subsidiary, associate, joint venture in Form AOC 1.

**AS 22/Ind AS 12 i.e.,
accounting for deferred
taxes exempted for the
following**

**Govt Company engaged in
NBFC**

PF 9

**Infrastructure Finance
Leasing Company whose at
least 75% of total revenue
is due to transactions with
Govt/ Govt Co**

**Segment Reporting
in AS 17 shall not
apply on Govt Co**

**engaged in defense
production.**

Example: HAL, BEL

Consolidated Financial Statements Rules shall not apply on the following:-

- Holding Co having wholly owned Subsidiary
- Holding Co having Subsidiary but taken approval from its members
- If ultimate holding co does its consolidation
- Subsidiary not listed anywhere

**Persons
responsible
to prepare
financial
statements**

MD

WTD in charge of Finance

CFO

**ANY OTHER PERSON OF CO. CHARGED BY BOD WITH
SUCH DUTY**

**PENALTY FOR
CONTRAVENTION**

MINIMUM

MAXIMUM

**OR UP TO 1YEAR
IMPRISONMENT
OR BOTH.**

₹50,000/-

₹5,00,000/-

Sec - 130 - Reopening of Books of Accounts on NCLT's Order

No co. shall reopen its BOA and recasts its financial statements unless ordered by NCLT on an application made by:

- CG (MCA)
- SEBI
- IT Authorities
- Regulatory Body or any other person

Grounds of such Application

- Relevant earlier accounts were prepared fraudulently
- OR
- The affairs of the Co during relevant earlier years were mismanaged casting a doubt on the reliability of financial statements.

Before passing any order NCLT will send notice to CG, SIR & give them opportunity to represent.

The accounts so prepared and the financial statements recasted be final.

Such re opening of BOA can be done for Max 8 preceeding FY or such higher number of FYs if ordered by CG during investigation.

Sec 131 Voluntary Revision of Financial Statements and Board Report

1. Where to BOD it appears that Financial Statements or Board Report do not comply with Sec 129 or 134 they may prepare revised FS or BR after taking NCLT's approval on application made by co to NCLT. Such revision allowed immediately preceding for maximum 3 immediately FYs.

Provided that NCLT on receiving such application shall send notices to CG(MCA), IT Authority & SEBI (in case of listed Co) seeking thereon representation.

2. Where the Financial Statements or Board Report have been the circulated by the Co to its members then the revision in FS or BR shall be limited only to make necessary with Sec 129 or 134 respectively.

3. CG has the power to make Rules.

Basis	Sec 130	Sec 131
1. Deal with	Compulsory reopening of BOA and recasting of FS on NCLT's order.	Voluntary revision of FS and BR after NCLT's approval Co.
2. Who will apply?	CG SIR	Company
3. To whom	NCLT	NCLT

Basis	Sec 130	Sec 131
4. Grounds	Either (a) earlier accounts prepared fraudulently or (b) affairs of co mismanaged during relevant FY casting on doubt reliability of FS.	FS not complying Sec 129 or BR not complying Sec 134
5. Time limit	Maximum 8 immediately preceding FYs or higher period if ordered by CG during	Maximum 3 immediately preceding FYs.
6. Changes	Any changes may be made.	Restricted only to ensure compliance with Sec 129 & 134.

Sec 134 Signing of Financial Statements

Chairperson if authorized by BOD otherwise by atleast 2 directors out of which 1 shall be MD if any and

CEO &

CFO &

CS

In case of OPC both Financial Statement & BR are signed by only 1 Director.

Signing of Board Report

Chairperson if authorized by BOD otherwise by atleast 2 directors out of which 1 shall be MD if any.

Contents of Boards Report u/s 134

A. Annual Return's web link/ address.

B. Number of Board Meeting.

C. C

CSR details

Conservation of energy, technology absorption & foreign exchange

Comments of BOD on remarks of auditor /CS

Changes in material financial position

Contract with related Parties in AOC 2.

Co's affairs states

D. D

Director's Appointment & Remuneration Policy

Details of fraud reported by auditor

Declaration by 2nd Director

Dividend & Transfer to reserve

Development & implementation of risk mgt system

DRS (Director's Responsibility Statement)

- Loan, Investment, Guarantees , Security given by company.
- Listed company, unlisted public company having PUSC 25 Cr shall mention evaluation of performance of BOD, Committees , directors.

Such other matters as prescribed under Rule 8 of Companies(accounts) Rule 2014

Financial Summary

Change in the nature of business

Change in Dir/ KMP

Change in Subsidiary/ Associate

Integrity Expertise of 2nd Dir

Deposits from public

Significant orders passed by Tribunal

Whether costing u/s 148 records maintained

Whether internal complaint committee set up to present sexual harassment under sexual harassment of women (Prevention) Act 2013

Director's Responsibility Statement will contain 6 matters:-

Accounting Standards & 2nd AS whenever applicable have been followed

Accounting policies are proper

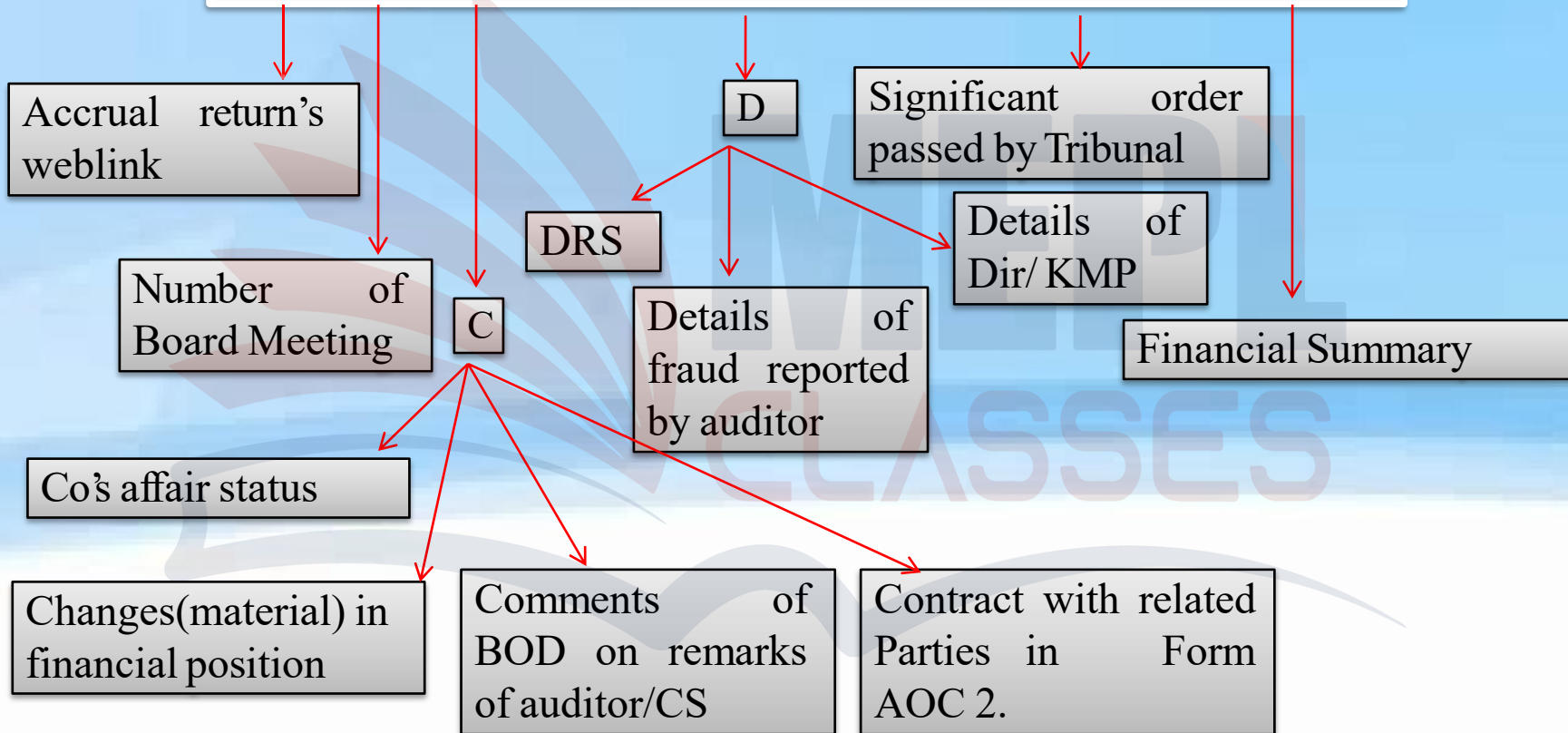
Accounting records are adequate

Accounts have been prepared on going concern basis

In case of listed entity, internal financial controls are adequately made or not

Compliance of applicable fees have been ensured

Board Report of OPC & Small Co shall contain only following matters prescribed under Rule 8A



CA CS Divya Agarwal (AIR 3)

Punishment for construction of any provisions of Sec 134

Company

Min Fine 50000
Max Fine 25 lakhs

OID

Min Fine 50000
Max Fine 5 lakhs

OR

Upto 3yrs imprisonment

OR

Both



SECTION 135 - CSR - APPLICABILITY

Any Co(including foreign Co) satisfying any of the 3 conditions in immediately preceding FY

Provided that if the above Co ceases to satisfy the above 3 limits for continuous 3 FYs then CSR shall not apply unless limit is attracted again.

N/W – MIN 500 CRORES

T/O – MIN 1000 CRORES

NET PROFIT – MIN 5 CRORES



What are the obligations if Sec 135 attracted?

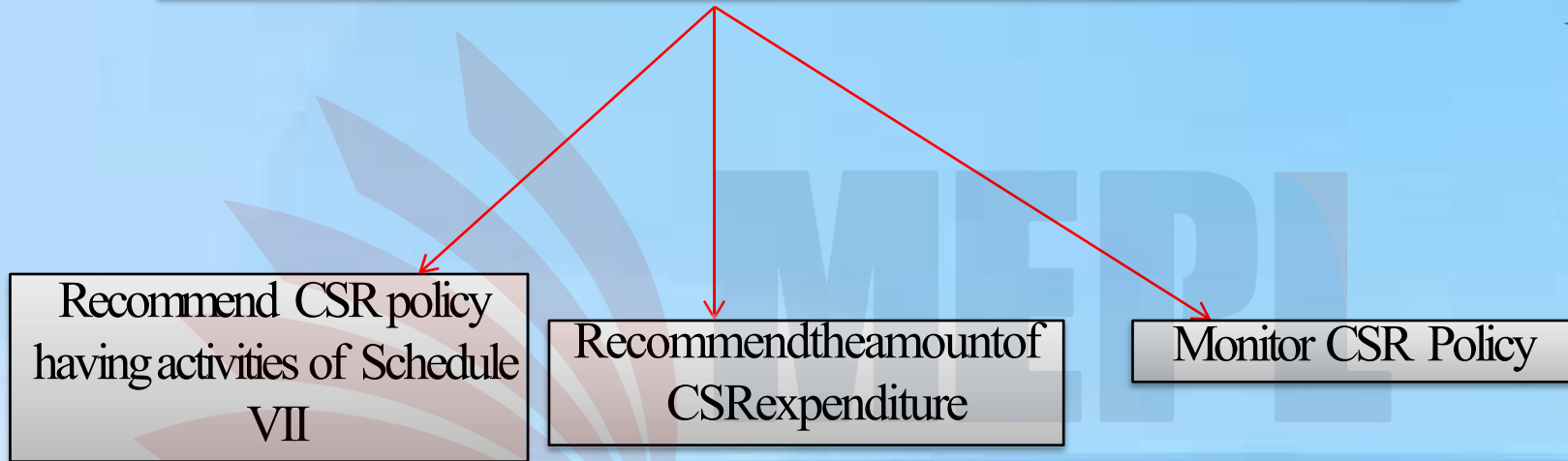
Constitute of CSR committee

1. having at least 3 directors out of which / shall be Ind Dir.
2. Cannot read to appoint Ind Dir shall constitute CSR committee with only 2 Dir.
3. Pvt Co shall constitute CSR committee with only 2 Dir.
4. Foreign Co shall constitute CSR committee with only 2 persons out of which shall be resident in India.

Spend at least 2%* Aug NP of immediately preceding 3 FYs.

1. NP is computed u/s 198.
2. 2 items shall be excluded from NP.
 - a. Profits from overseas branches.
 - b. Dividend received from companies on which sec 135 is applicable.

Functions/ Role of CSR Committee



Role of BOD

Approve CSR policy recommended by CSR committee

Make necessary CSR expenditure

What activities will not continue CSR?

Activities outside India

Activities done for employees & their family members

Political contribution
u/s 182

Any activity undertaken in the ordinary course of business except pharma Companies for COVID19 vaccination/drugs

How to do CSR/ Mode of CSR

Co can directly do CSR expenditure or

By opening a Sec 8 Company or

By contributing to are registered society/trust having good track record in last 3 FYs.



Disclosure of CSR

Board Report

Company's Website

CA CS Divya Agarwal (AIR 3)

8. Schedule VII Activities of CSR (Acronym + HEEENAS)

1. Eradication of hunger poverty, malnutrition.
2. Promotion of Education.
3. Promotion of Gender Equality.
4. Protection of Environment.
5. Protection of National Heritage.
6. Measures for the benefits of Armed Forces Veterans, war widows.
7. Promotion of Rural Sports, naturally recognized sports, Paralympic & Olympics sports.
8. Contribution to PM National Relief fund or PM CARES (Citizen's Assistance & Relief in Emergency situation) fund.
9. Contribution to technology incubators or R&D projects related to development of COVID 19 vaccination/drugs.
10. Rural Area development.
11. Slum Area development (slum areas is areas notified by CG/SG/Local Authority as slum).



Sec136 Circulation of Accounts

1. Applicability:- Every Co- shall circulate

Audited financial Statements
including Consolidated
financial statement if any
and

Auditor's Report and

Other documents like
Board Report



2. To whom shall it be circulated

Members

Debenture Trustee

Any other person
required by law



3. Time limit of circulation

Atleast 21 days before AGM

But in case of Sec 8 Co it
atleast 14 clear days notice
before AGM



4. Manner of Circulation by listed co or unlisted public Co having NW > 1Cr & T/o > 10 Cr

SH holding shares –
circulate electronically

Others physically



5.It shall be sufficient compliance of low if listed co instead of circulating all required documents, just keep at Co's RO atleast 21 clear days before AGM for inspection during business hours and circulate only SALIENT FEATURES in FORMAOC 3.

6.Listed Co. shall upload on its website its audited financial statement along with Consolidated Financial Statements if any.

7.Listed Co having one or more subsidiaries subsidiaries whether in or outside India shall upload their individual audited financial statements also on its website.

Provided that if listed Co is having Foreign Subsidiary

Which is not required to prepare stand alone/individual financial statement & is required to prepare only consolidated Financial statement as part foreign law

Listed Co shall upload such Consolidated first only

Which is not required to get its first audited & so it has not got its FS audited

Listed Co shall upload unaudited FS of such foreign subsidiary & if its in language other than english then translated copy in english also



8. Penalty for contravention

Company

Rs 25000

OID

Rs 5000