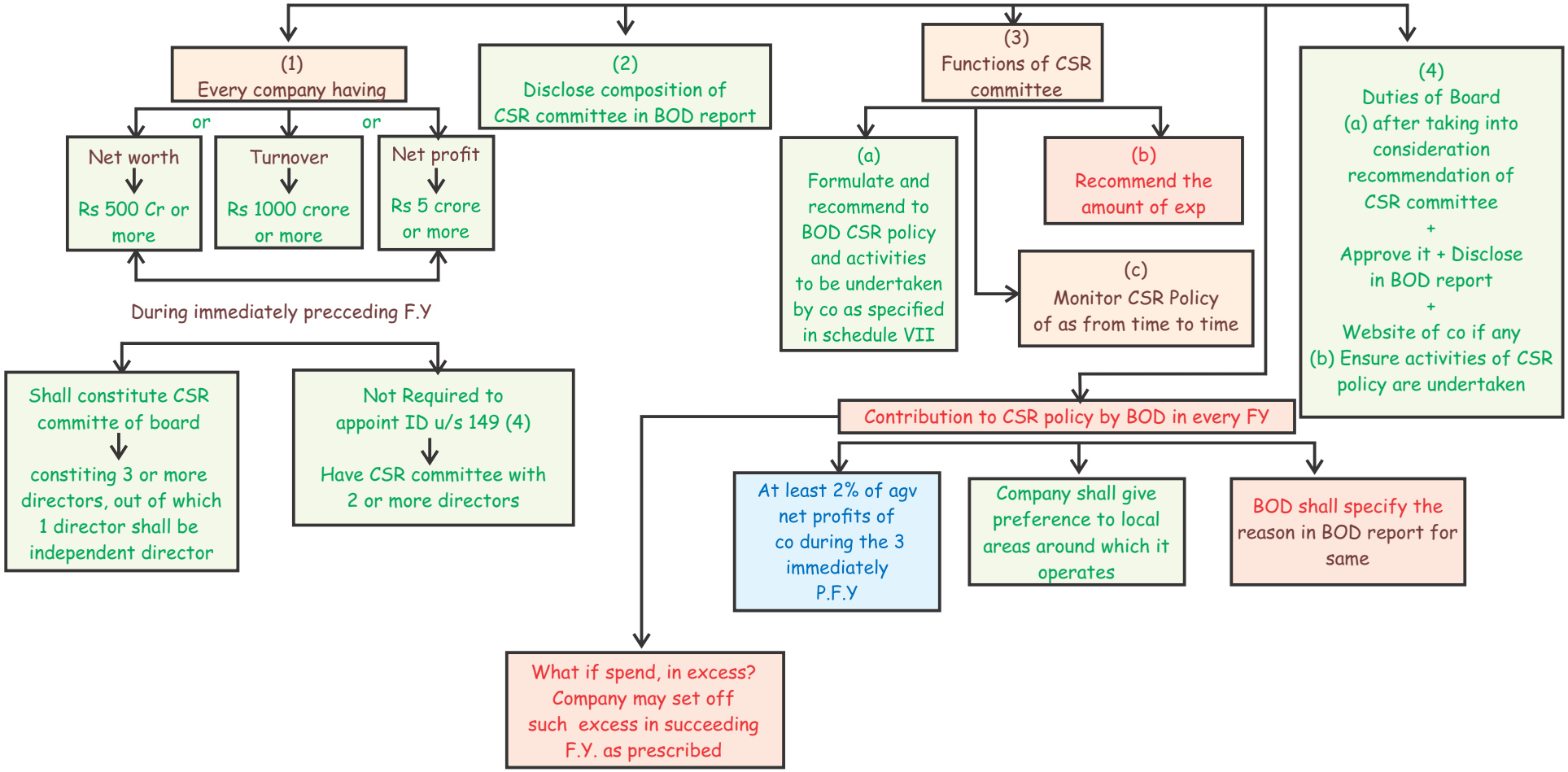
Section - 135 - Corporate social Responsibility



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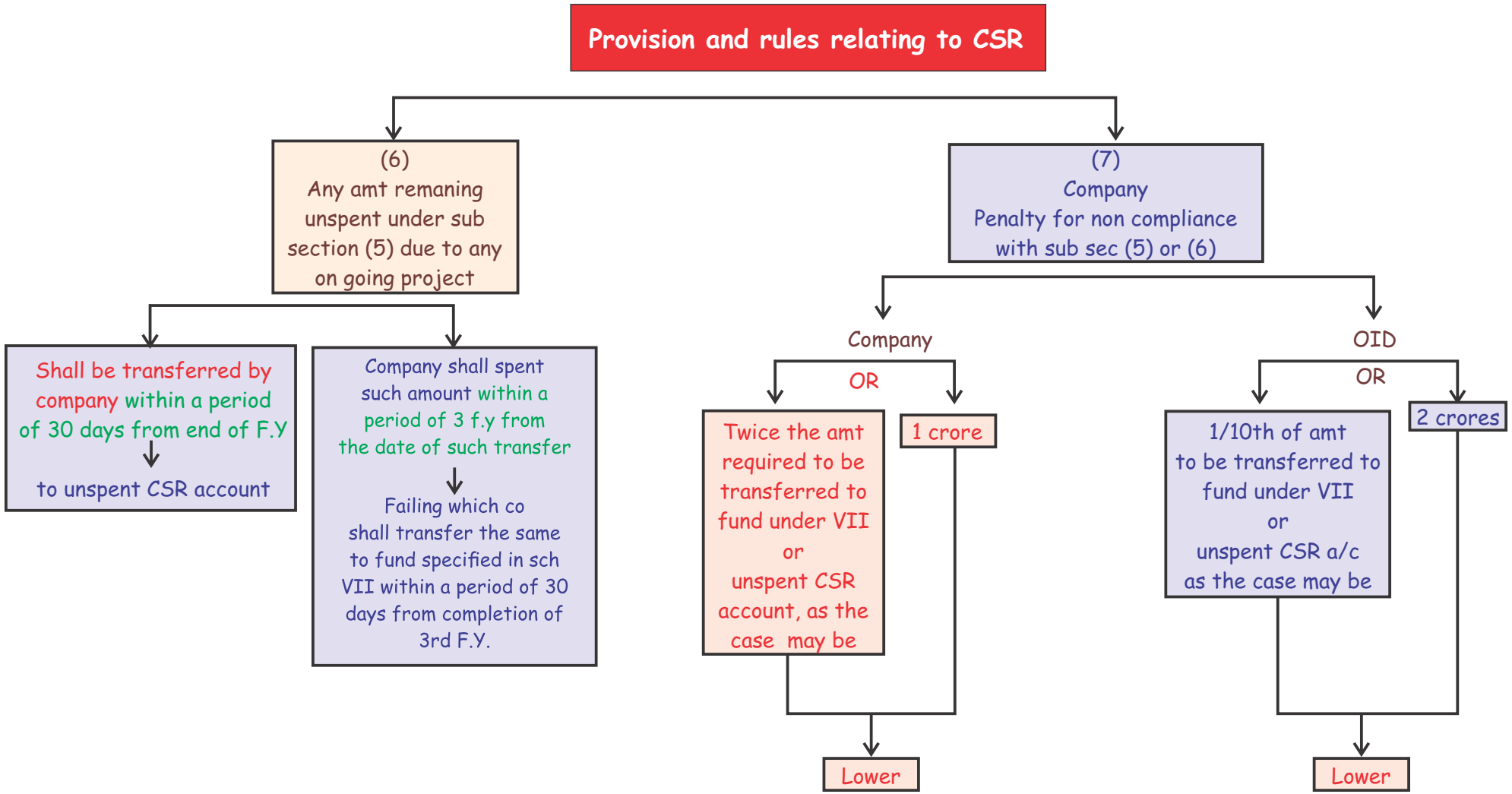

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Section -136- Right of member to copies of Audited financial statement

(1)
Copy of F.S. + CFS + Audit report + other document

Sent to Every → Proviso

Member | Trustee | other person

Atleast 21 days before GM [14 Days for sec 8 co.]

What if sent less than 21 days? Deemed to be duly sent if so agreed by members

or

Co having share capital → Majority in number entitled to vote + represent not less than 95% P.u.s.c. Carrying V.R.

Not having share capital → Min 95% of T.V.R.

Proviso - deemed compliance

LISTED COMPANY

- if copies of docs are made available for inspection.
- At R.D.
- For a period of 21 days before meeting.

During business hours

+

Statement containing salient features of such documents in form AOC - 3 is sent to such persons not less than 21 days before the meeting unless share holder ask for full financial statements.

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Proviso

- Company
  - and
    - Listed co's
    - Public companies
      - and
        - Net worth more than 1 Cr.
        - Turnover more than 10 crore
      - F.S. may be sent
        - E mode
          - Shareholder holding shares in D-mat + Email -ID Reg with depository
          - Shareholders not holding shares in demat but consent give to rec in e-mode.
        - Physical
          - in all other case.
- EVERY LISTED COMPANY having subsidiaries (s)
  - Shall also place seperate audited accounts for each subsidiary on its website, if any.
  - having Foreign subs
    - Required to prepare CFS under law of those country.
      - It is sufficient to place CFS of such foreign sub in website of listed company.
    - Not required to get its F.S. audited under law of those country
      - Holding co may place unaudited F.S. on its website.
        - However, if F.S. is in language other than english.
          - Translated copy of F.S. in english shall also be placed.

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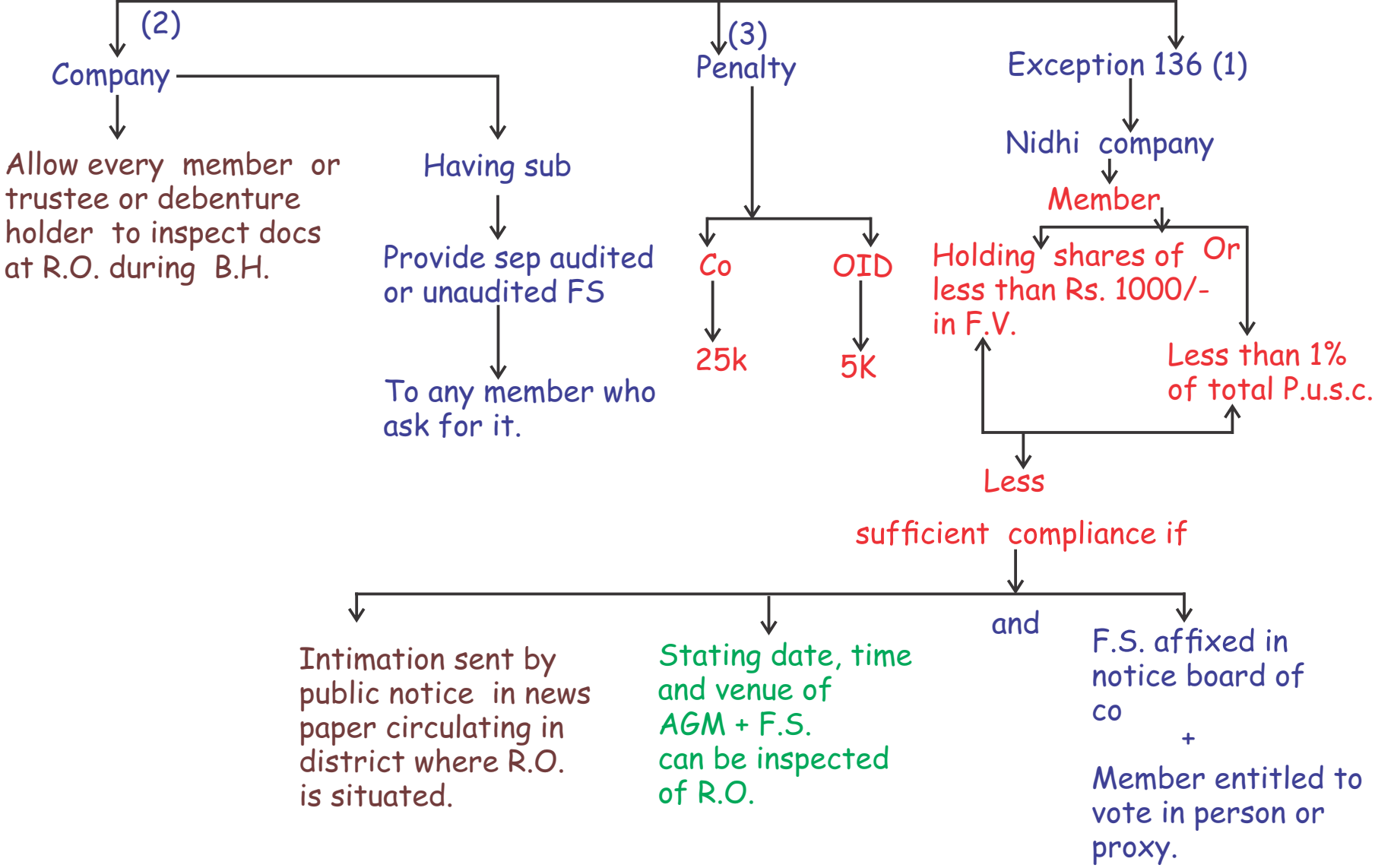
Provision and Exception



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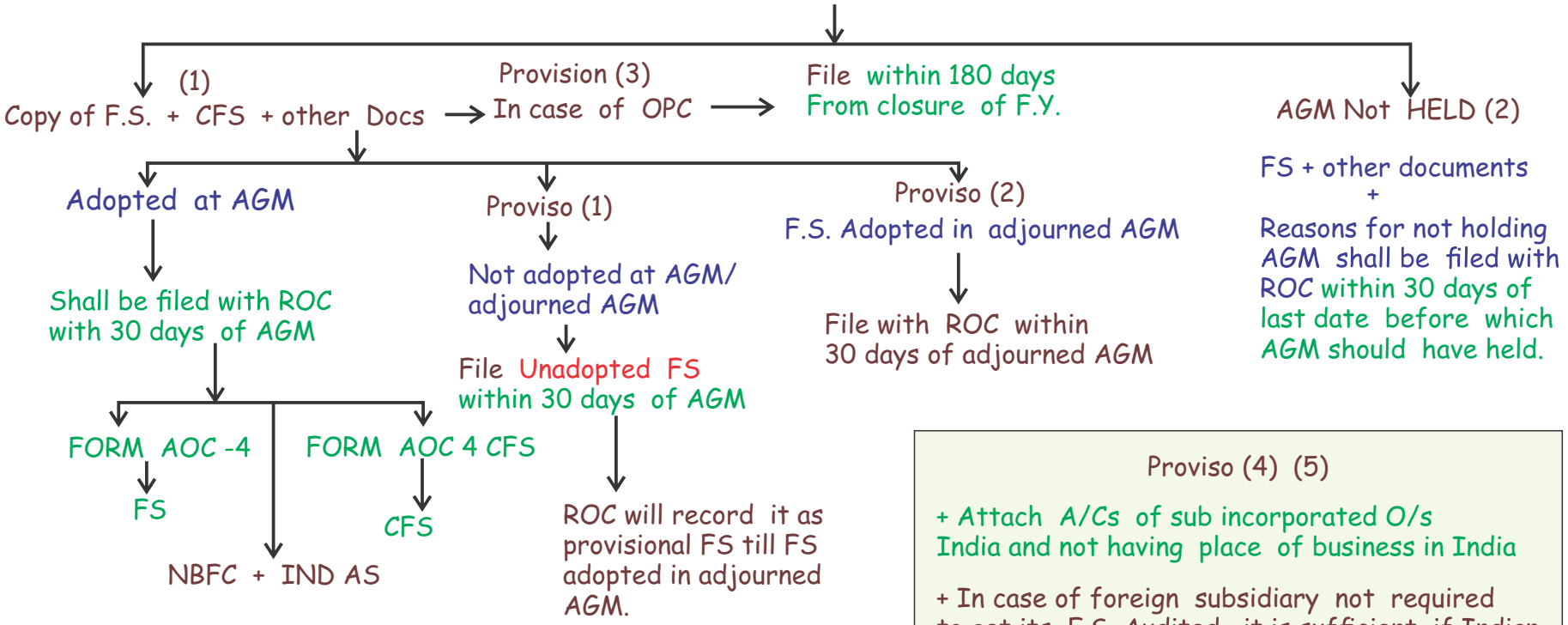
Section - 137 - Copy of Financial statement to be filed with Registrar



Proviso (4) (5)

+ Attach A/Cs of sub incorporated O/s India and not having place of business in India

+ In case of foreign subsidiary not required to get its F.S. Audited, it is sufficient if Indian company files such unaudited FS along with reason in declaration

+ if FS is in language other than english, along with translated copy of FS in english.

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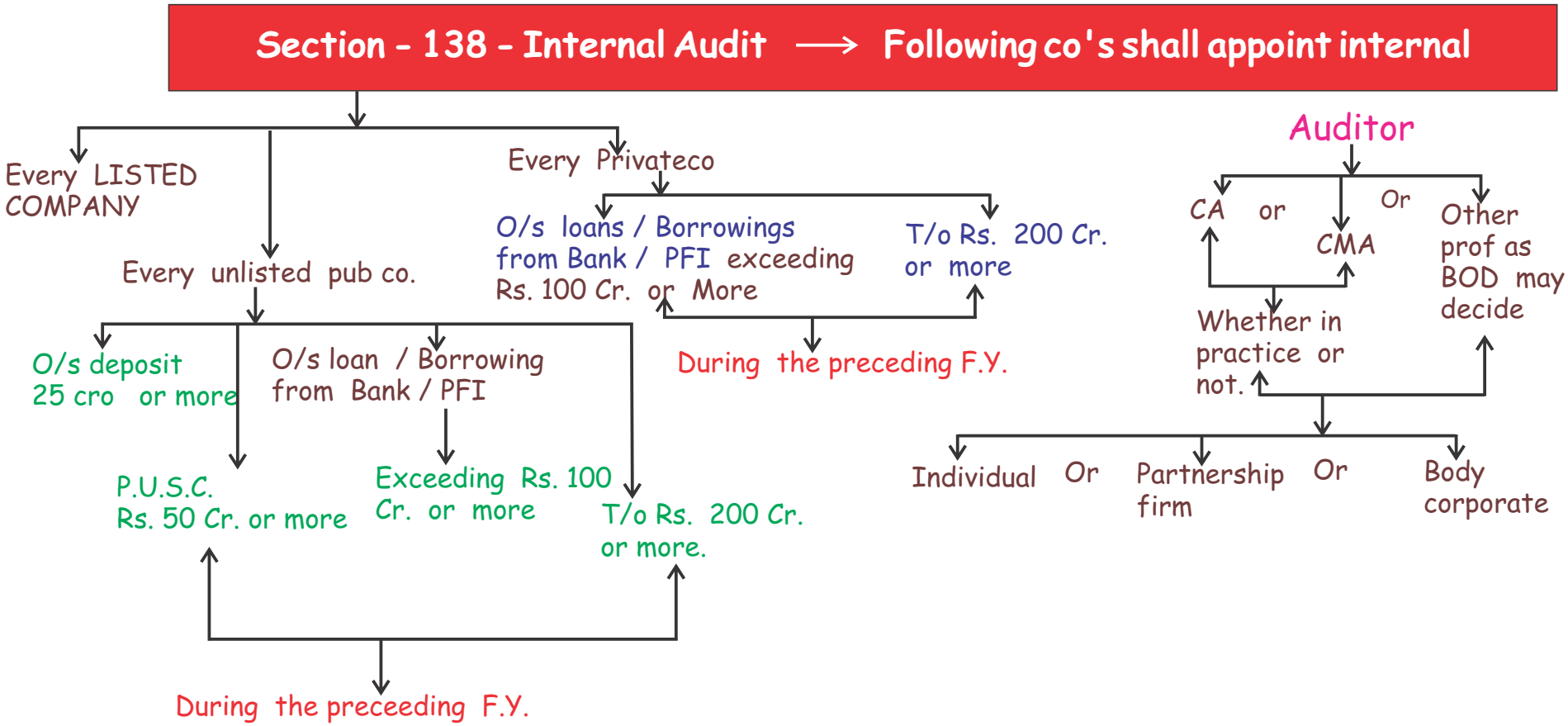

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Section 132 - constitution of national financial reporting authority

(1)
C.G. by NIOD
Constitute NFRA

(2)
NFRA shall perform its Functions through such divisions as may be pPrescribed.

(3)
Function of NFRA

- (a) Make recommendation to C.G. on formulation of accounting and auditing policies and standards.
- (b) Monitor and enforce the compliance of same.
- (c) Oversee the quality of service rendered by professionals
- (d) Perform other functions relating to (a), (b), (c)

(3A)
Composition of NFRA

- Each division shall be presided over by chair person or a full time member authorised by chairperson.
- Chair person and members shall make a declaration of Independence to C.G. before appointment.
- There shall be an executive body of NFRA Consisting chairpersonand full time members for efficient discharge of Function.
- Chair person and members in FULL TIME EMPLOYMENT with NFRA shall not be associated with
  - Audit firms
  - consultancy firms

  During the course of appointment.
  +
  Two years after ceasing to held such appointment.

(3B)
NFRA SHALL

- Meet at suh times and place to transact business as prescribed.
- Maintain such Books of accounts and other book as C.G. + CAG Prescribe.
- Head office DELHI
- Accounts of NFRA shall be audited by C and AG and audit report shall be forwarded annually to C.G. by NFRA
- Prepare annual report for each F.Y. and forward a copy to C.G. and C.G. will put the report before parliament.

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POWER OF NFRA - Section 132 (4)

Power to investigate either

- Suo motu
- or on reference made by C.G.
- into the matters of professional or other misconduct

Committed by any member or Firms of chartered accountant, registered under CA, Act1949.

No other body can initiate or continue proceeding where NFRA is investigating.

Have some powers as of civil court under code of civil procedure 1908

(i) Discovery and production of BOA and other docs.

(ii) Summoning and enforcing attendance of persons and examining him on oath.

(iii) Inspection of any books, register and docs of any person.

(iv) issuing commissions For examination of witness or documents.

Where professional or other misconduct is proved

Penalty of Not less than

- 1 Lakh → Max five times of fees recd → Individuals
- 5 Lakh → Max ten times of fees recd.

Debarring member or firm from

- Being appointed as auditor or internal auditor
- or Performing any valuation.

For minimum period of 6 months or higher but not exceeding 10 years as determined by NFRA.

ANY Person Aggrieved by on order of NFRA may prefer an appeal to Appellate Tribunal.

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