

Section 128 Books of Accounts

audit trail data software
BOA can maintain → accessible in India → main servers in India
↑ in e mode 100% data from IP address to ROC
electronic mode
Penalty (₹2000-50000)

Every company
↓
Every financial year

Maintenance

- True and fair
- Explanation
- Accrual
- Double entry

Definition
Sec. 2(13)

- B/S: assets and liabilities
- Trading and P/L: Sales and Purchase
- Cash flow statement: Receipts and Payments

Period of maintenance

- = 8 yrs
- > 8 yrs (if ordered by CG)
- < 8 yrs (if company incorporated is less than 8 yrs)

Place of Business

- Registered office
- any other place in India as the BOD may decide

Decisions के 7 days के अंदर ROC को ज्ञो notice देना

BOA of Branch

kept at branch
↓
Summarised returns sent periodically to R.C.

Inspection

- BOA kept @ RO or any other place in India
- ↓
- any director business has.
- BOA of subsidiary can be inspected by any person authorised by BOD of holding co.
- ↓
- Officers/employees of subsidiary should give full assistance to the authorised person.

Liability

↓
managing Director, WTD (Finance) CAO, other authorised person liable for Books of accounts.

Company will have to provide FI within 15 days.

Other FI can be requested by the director HIMSELF

any director can inspect this summary

Summarised returns sent quarterly to India

Financial information maintained outside India

Date
Page
classmate

Section 129 Requirements of a financial Statements

Section 2(40)

- Balance Sheet (as on end of year)
- Profit and loss A/c (Income and Expenditure A/c). → Section 8 company
- Cash flow Statement → Receipts and Payments (Section 8 co., Small co., OPC, Dormant co. X)
- Statement of changes in equity, if applicable
- Notes to Accounts (integral part of financial statement)

Section 129

- True and fair view, AG under Sec. 133 Schedule III
- Non applicability: special act companies (Ex - Banking, insurance, electricity)
- Lay down FS at every AGM
- If co. has subsidiary/associates, prepare CFS also. Rules for CFS as mutandis - mutandis with FS
- If deviating from AG under Sec. 133

specify the deviation reasons for deviation financial effect of deviation

* Exemptions to B Ltd. from Preparation of CFG -

A Ltd $\xrightarrow{\text{wholly/ partially owned}}$ B Ltd $\xrightarrow{\quad}$ C Ltd.

B Ltd need not prepare CFG if B Ltd ^{and its/ect} is an unlisted company, A Ltd has already prepared CFG, B Ltd other members does not have objection.

Other members of company
to written intimation and
proof of delivery of
these is with company.

including preference shareholders
(otherwise not entitled to vote)

$\Rightarrow$

Section 130
Re-opening of Accounts or
Court's or Tribunal
Orders

*

CGI, ITA / SBI,
Statutory body,
other person concerned

application $\rightarrow$

Court/NCLT

A

B

* B $\xrightarrow{\text{notice asking for representations}}$ A

* Order of Court $\rightarrow$ relevant earlier accounts were prepared in fraudulent manner
 $\rightarrow$ affairs of the company are mismanaged casting a doubt on reliability of FG.

* Max. 8 years books of account can be represented

* Revision accounts shall be final

$\Rightarrow$

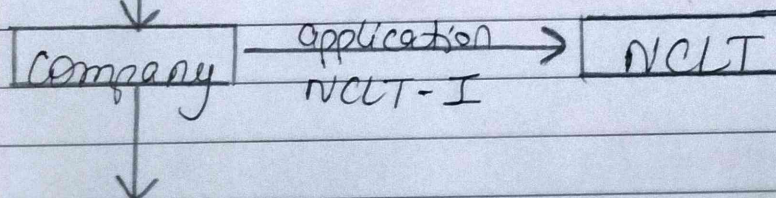
Section 131 Voluntary Revision of Financial Statements or Board's Report

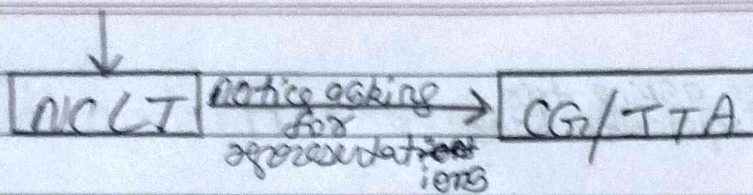
- PY. 3 years FG/Board's report can be revised
- Reason for Revision

operation of law fraud
(Sec. 129/134) X

- Board of Directors' decision to Revision

14 days

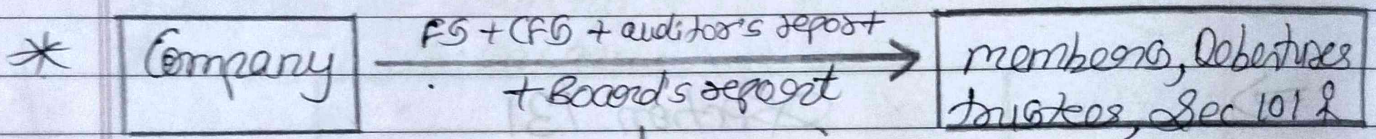




- Revision can be done once in a FY.
- Board's report & revision with full detailed reasons.

⇒

Section 136
Rights of Members to receive copies of audited financial statement.



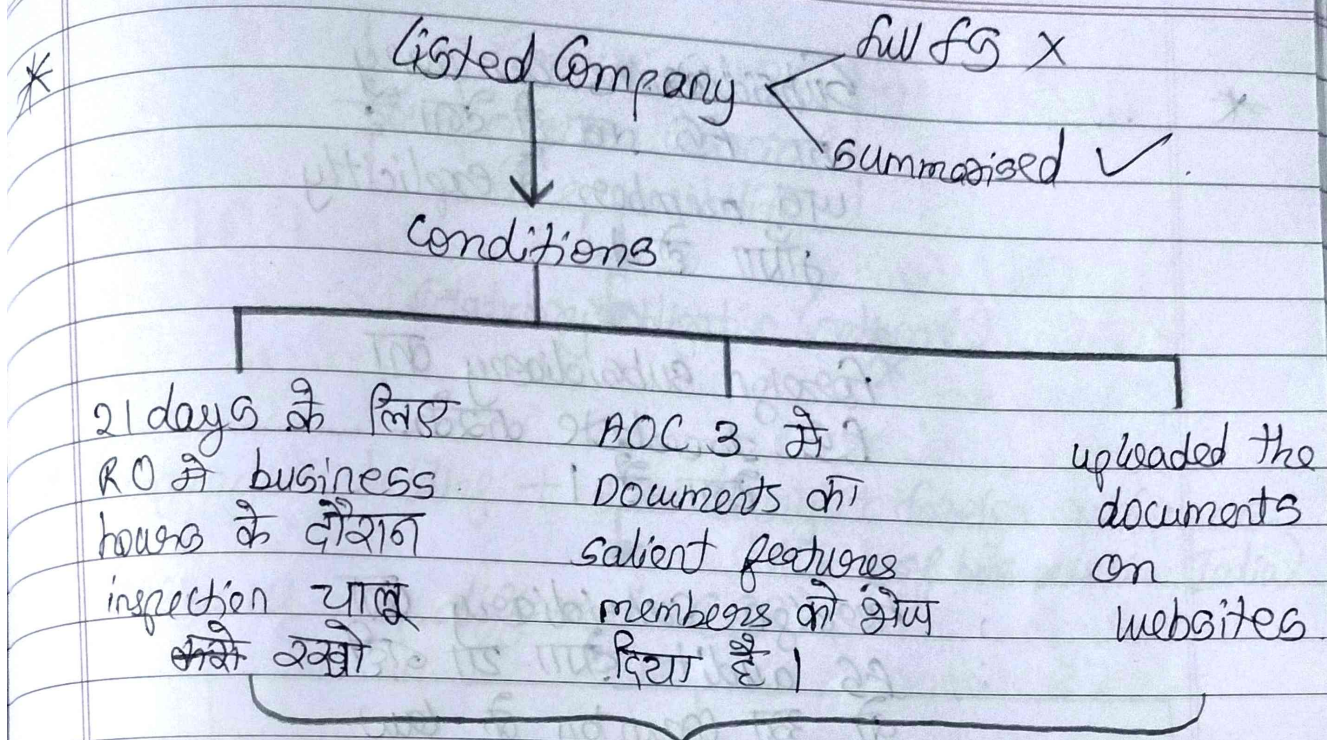
at least 21 days before the meeting

14 days (Sec. 8 Company)

Shorter days possible

[if agreed by
Sec. 101 EGM
shorter notice point]

If meeting called at shorter notice, then उसी ही shorter days में notice मिलेगा।



But if Shareholders asks
for full information,
Company will have
to provide

* Listed company and
unlisted companies
(networth less than 1
crore and upto 10
crore)

may send
documents
ELECTRONICALLY.

*

Subsidiaries company
का FG नव ही देना है
यव member नै explicitly
भोगा हे।



foreign subsidiary का
FG translate करके
देना है।



foreign subsidiary का
FG audit देना या नही
को उस country के law
पे depend करेगा।

* Constitution of CoR committee



≥ 3 directors (≥ 1 independent)



If no independent director, ≥ 2 directors



In case of private company ≥ 2 directors

Section 135 Corporate Social Responsibility

↓
Statutory obligation (Optional)

* Company + holding + subsidiary + foreign co. (place of business in India)
(all will do different CSR)

5 cr
net
Profit.

(OR)

500 cr
net
worth

(OR)

1000 cr
Turnover

in the Immediate
previous year.

Then in current year CSR committee will
should formed

↓
not required if CSR
expenditure ≤ 50 lakhs

↓
in these case, BOD will
carry out the functions

* Duties

Duties

CSR Committee

- Formulate and recommend CSR policy to BOD
- Recommend CSR expenditure to BOD
- Monitor the compliance

BOD

- Approve the CSR policy
- Disclosures in Board's report and website
- Oversee implementation

* Amount of CSR Expenditure

↓
Average of Previous 3 yrs
profit $\times 2\%$

↓
If expenditure done is more, then it can be set off ^{immediate} in next succeeding 3 years

↓
In 2% expenditure, 5% administrative overheads charge can be done.

* CGR Project

Normal Project

Multiyear Project

* Ongoing project (≤ 3 years)

if initially ongoing or all, it can become ongoing afterwards.

BOD will give reasonable justification

year of commencement of project not bounded

* Amount unspent on CGR

Normal Project

Transfer the unspent amount to schedule VII fund within 6 months from end of year.

(if initially ongoing or all, it can become ongoing afterwards; no problem)

BOD reasonable justification है देगा।

Multiyear Ongoing project

Transfer the unspent amount to UNSPENT CGR A/c with 30 days of end of year.

utilise these amount within 3 years from date of transfer

If not transfer the amt to schedule VII fund within 30 days from end of 3rd year

* Activities not C&R

- (a) Normal course of business ^{अपना} activities
- (b) Statutory objections
- (c) amount constituted to political party
- (d) Sponsorship basis - marketing benefits
- (e) Ad. Activities benefiting only employees
- (f) activities done outside India

↓
Exception :

Training of sport
personnel outside
India who will represent
at national / International
level को माना जाएगा

* Net Profit ^{calculation} for C&R

↓
Exceptions Excluding

↓
Overseas Branch
को कमाया हुआ
धन

↓
Dividend received
from company
jo already
C&R follow
करती है

*

IMPACT ASSESSMENT

If in previous 3 years there
was obligation of >10 crore CSR

तो current year में ≥ 1 crore outlay
वाले CSR projects को last 1 year
में complete होना है, उसका एक independent
agency assessment करेगा।