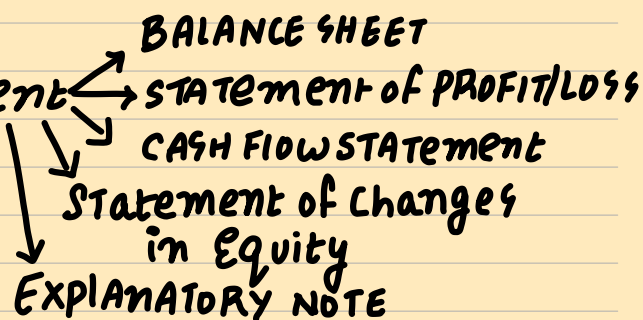
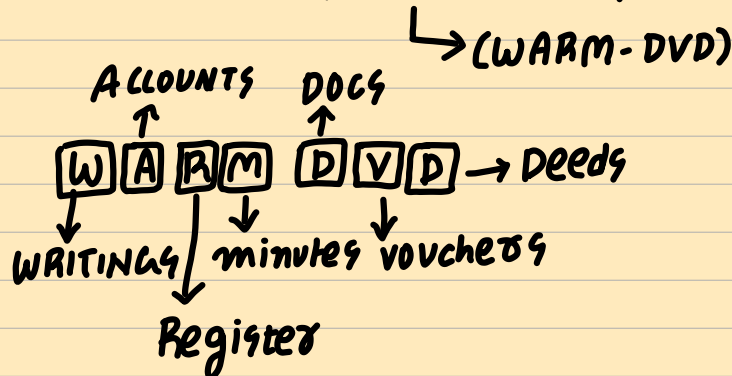


ACCOUNTS OF COMPANIES [128-138]

BOA - BOOKS OF ACCOUNT

FS - FINANCIAL STATEMENT

B & P - BOOKS & PAPERS



EXEMPTION OF CASH FLOW STATEMENT

- SMALL COMPANY
- OPC
- DORMANT COMPANY
- START-UP COMPANY

BOA

- SALE & PURCHASE
- ASSETS & LIABILITIES
- MONEY RECEIVED & SPENT
- COST RECORD - VIS 148

128

BOOKS OF ACCOUNTS

- BOA/FS PREPARED & KEPT AT REGISTERED OFFICE
- TRUE & FAIR VIEW - AFFAIRS OF COMPANY
- ACCRUAL + DOUBLE ENTRY SYSTEM
- OTHER PLACE OTHER THAN R.O. ☒

BUT ONLY IN INDIA (MANDATORY)
&

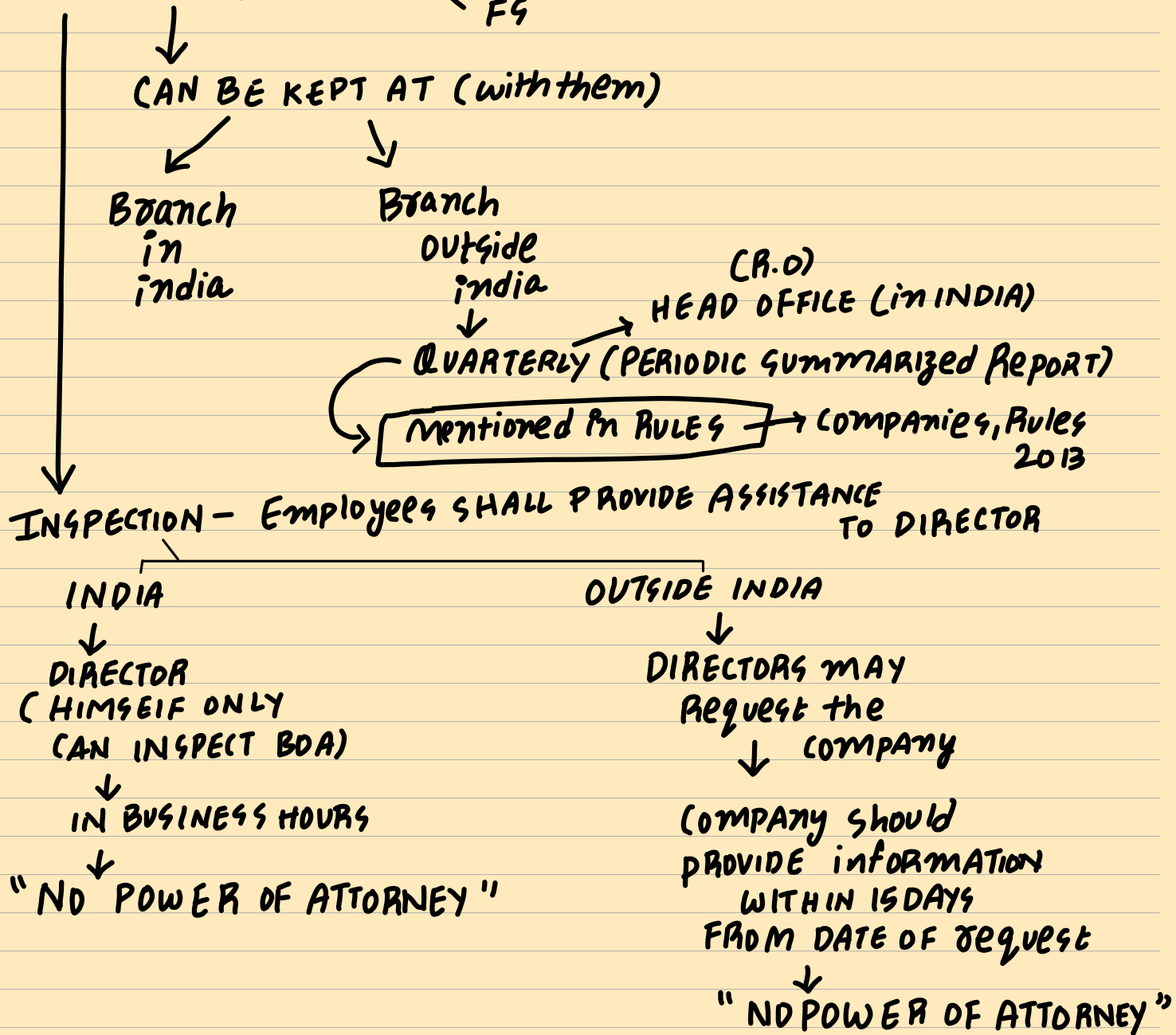
Decided By BOD AOC-5 → ROC
WITHIN 7 DAYS OF SHIFT

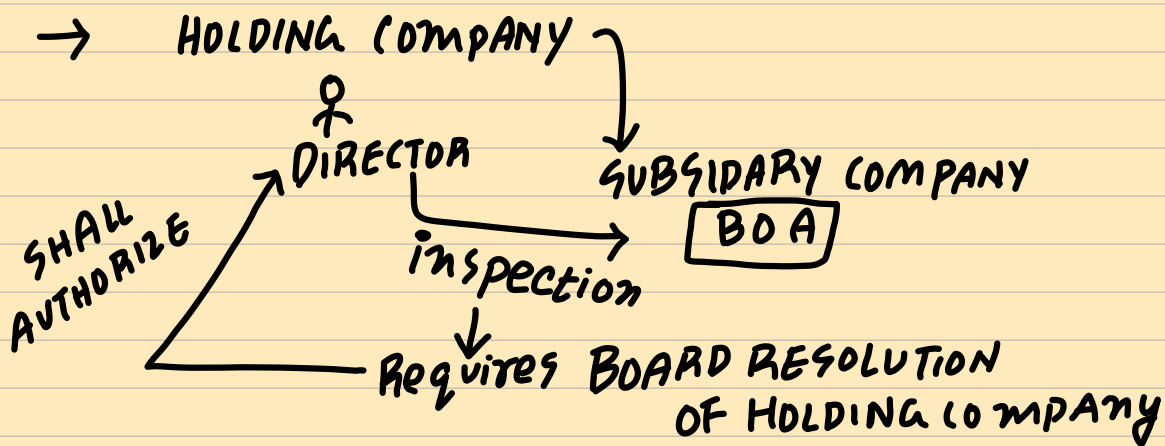
E-MODE

- It can be kept - electronically - ACCESSIBLE 24/7
- SOFTWARE FEATURES REQUIRED
 - AUDIT TRAIL
 - AUDIT TRAIL CANT BE DISABLED
 - EDIT LOG + DATE

- IT SHALL BE RETAINED IN ORIGINAL FORM
- LEGIBLE FORM
- SYSTEM — STORAGE, RETRIEVAL, DISPLAY, PRINTOUT
- DISPOSE ☒
- BACK-UP - DAILY BASIS
- Server Details - Report (Annually) —> ROC

= BRANCH ACCOUNTS < BOA
FS





— BOA → SHALL BE PRESERVED IN GOOD CONDITION
FOR MIN 8 YEARS FROM DATE OF ENTRY

— IF CENTRAL GOVERNMENT — IN CASE OF
INVESTIGATION — PRESERVATION
MAY ORDER
TO PRESERVE
FOR LONGER PERIOD

— RESPONSIBILITY OF BOA

(a) MANAGING DIRECTOR

(b) CFO

(c) WTD (Finance)

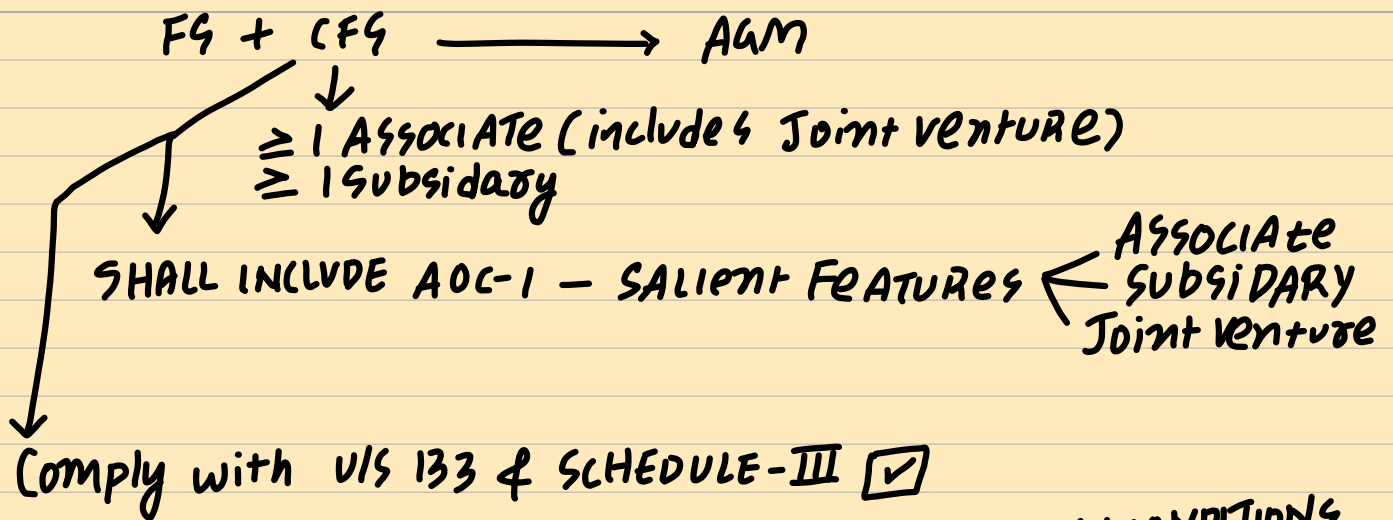
(d) OTHER PERSON (AUTHORIZED BY BOB)

OID
FINE
= ₹50000 - ₹500000

129 FINANCIAL STATEMENTS

- TRUE & FAIR VIEW — AFFAIR
- AG V/S 133 ☒
- SCHEDULE — III

CFs = CONSOLIDATED FINANCIAL STATEMENT



CONDITIONS — SHOULD NOT PREPARE CFs (ALL CONDITIONS MUST BE SATISFIED)

- 1) WHOLLY / PARTLY OWNED subsidiary
(+) + other members (READY TO VOTE) → (IN WRITING) NO OBJECTION
↓
ON NOT PREPARING CFs
- 2) NOT listed / NOT in the process of listing
(+) → CFs has been filed with ROC
PARENT COMPANY
- 3) Ultimate → CFs has been filed with ROC
PARENT COMPANY

FS — Compliance V/S 133 — IF Deviation

- ↓
- Responsibility
- (a) MANAGING DIRECTOR
- (b) CFO
- (c) WTD (Finance)
- (d) OTHER PERSON (AUTHORIZED BY BOD)
- Reason for Deviation
NATURE of Deviation
Financial impact of such Deviation

IF ANY CONTRAVENTION — JAIL UPTO 1 YEAR

(IMPRISONED) (OR)

FINE 50000 — 500000

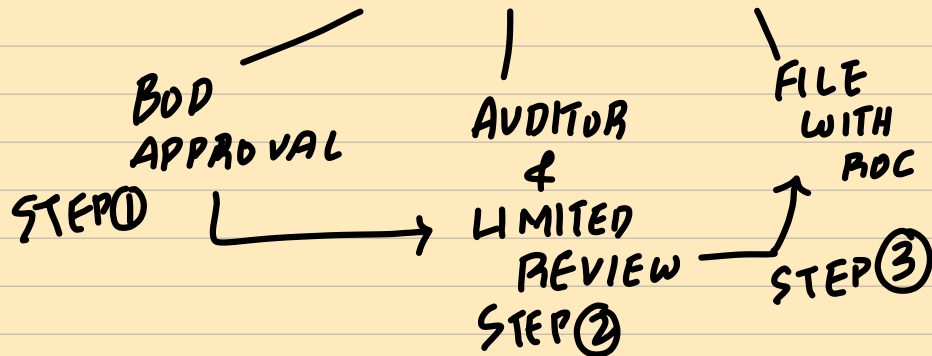
(OR) BOTH

129 A

Periodical Financial Results

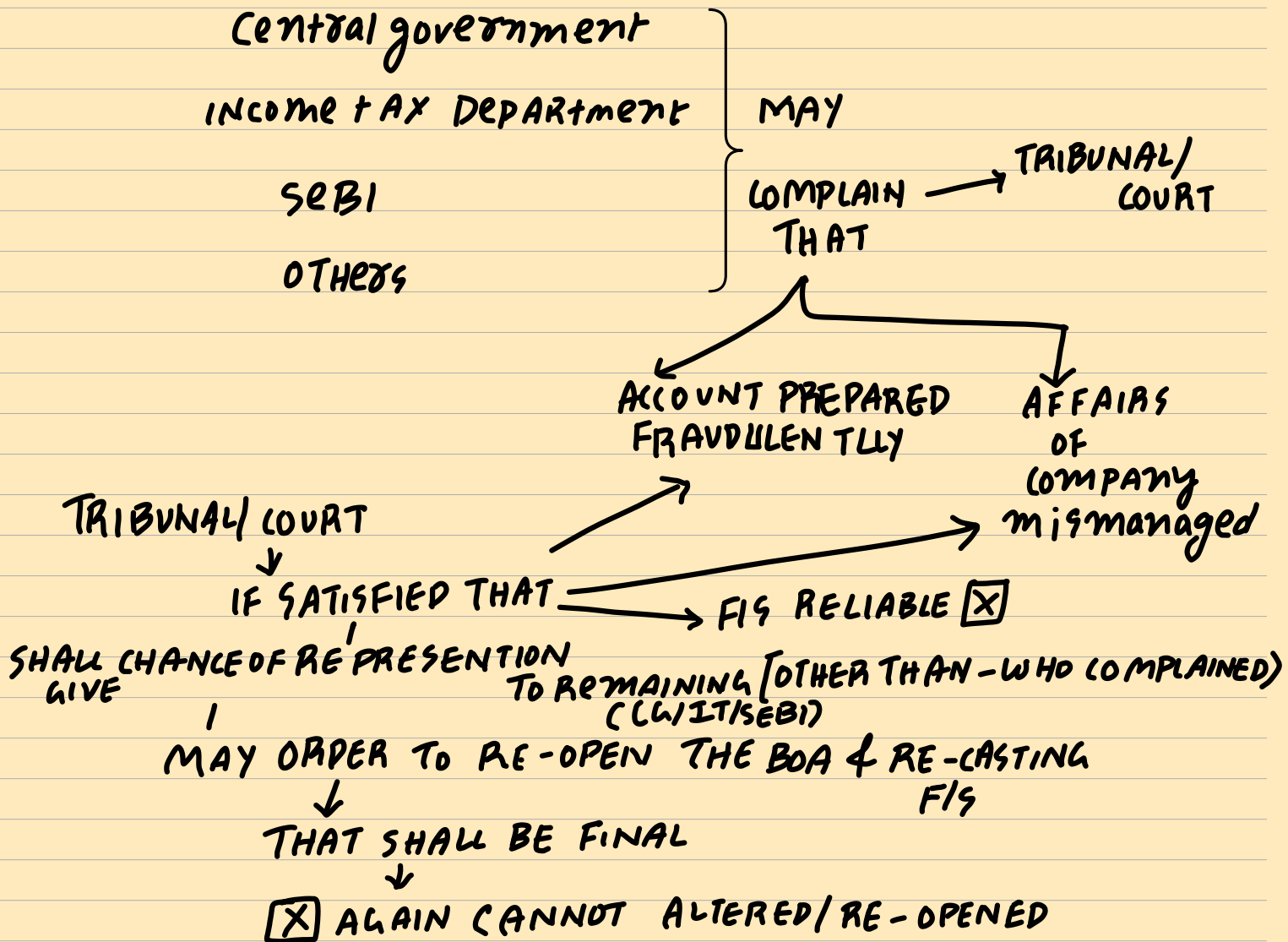
↓
APPLICABLE TO UNLISTED COMPANIES - PRESCRIBED

— PERIODICAL FINANCIAL STATEMENTS



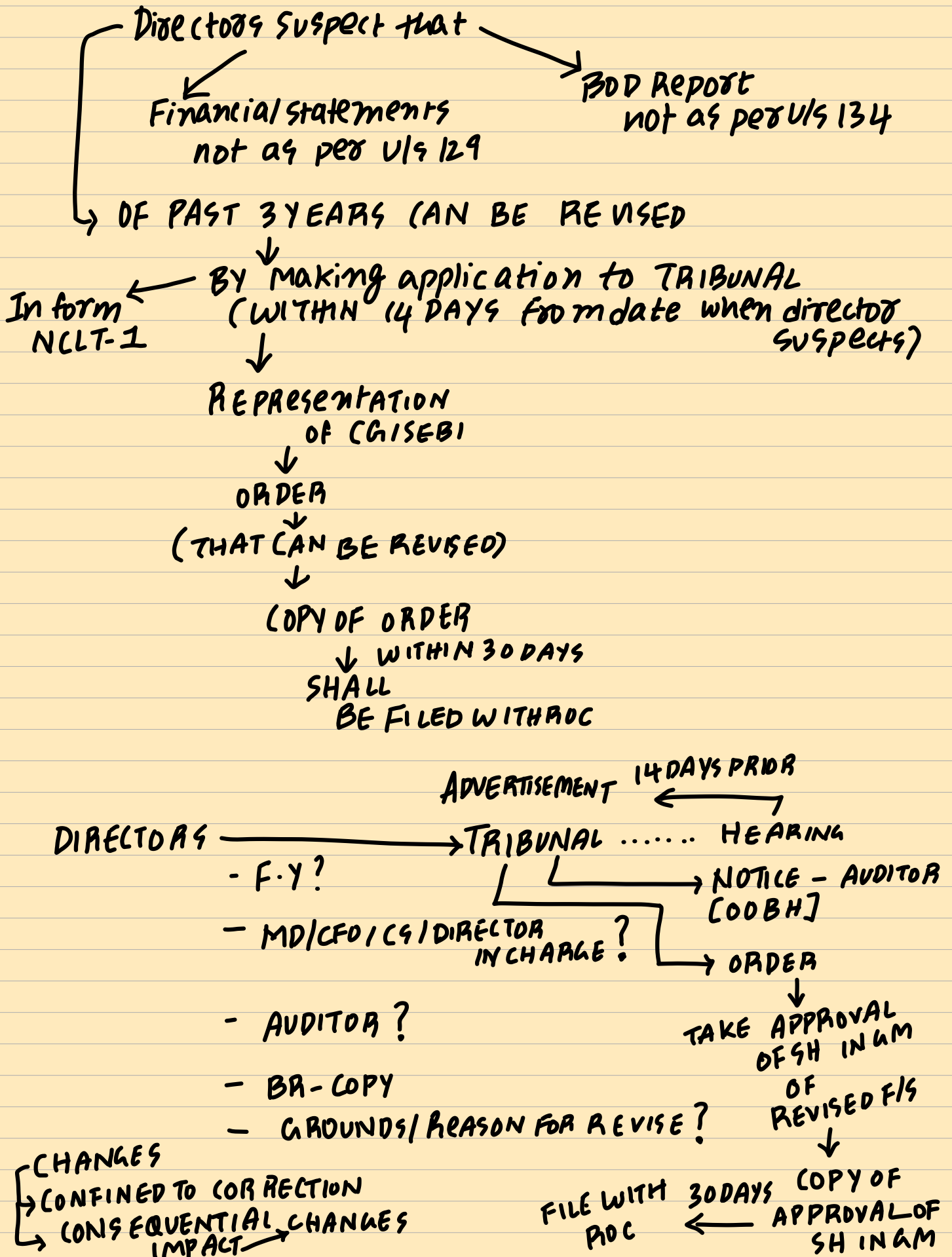
130

RE-OPENING OF BOA & RECASTING OF FS



131

VOLUNTARY Revision of Financial Statements



BASIC - DIFFERENCE

130

BOA & FIS

COURT / TRIBUNAL

CG
SEBI
IT DEPARTMENT
OTHER

BR ☒

8 YEARS - CAN BE
REVISED

FRAUD

131

FIS & BOARD
REPORT

TRIBUNAL

DIRECTOR

BR ☒

3 YEARS - CAN
BE REVISED

CORRECTION

133

ACCOUNTING STANDARDS

ICAI + NREFA $\xrightarrow{\text{RECOMMEND}}$ CG

134

FINANCIAL STATEMENT & BOARD REPORT

↓

FS

↓

- APPROVAL OF BOD

- SIGNED BY CHAIRMAN (if authorized by BOD)

↓ if not

- SIGNED BY BOD (At least 2 Directors include 1 MD)

- IN CASE OF OPC - SIGNED BY 1 DIRECTOR

- SIGNED BY CHAIRMAN (if authorized by BOD)

↓ if not

- SIGNED BY BOD (At least 2 Directors include 1 MD)

- SIGNED BY CEO + CFO + CS

- IN CASE OF OPC - SIGNED BY 1 DIRECTOR

CONTENTS OF BOARD REPORT

- ANNUAL RETURN
- NO. OF BOARD MEETING
- FRAUD
- DECLARATION BY INDEPENDENT DIRECTOR
- Company affairs
- Related party transactions/Contracts/Agreements
- Amount to be transferred to Reserve
- Dividend (Recommended Amount)
- Other matters

NOTE: 1) DISCLOSURES MADE IN F/S, NOT REQUIRED TO DISCLOSE AGAIN IN BOARD REPORT

2) IN CASE OF OPC & SMALL COMPANY, ABRIDGED BOARD REPORT IS ENOUGH.

DIRECTOR'S RESPONSIBILITY STATEMENT [DRS]

a) BOA $\xrightarrow{\text{AS PER}}$ AS V/S 133

↓
without any "material departure"

b) Accounting policies

/
Judgement

PRUDENTLY

\ consistent

c) CARE - ACCOUNTS

NO FRAUD

ASSETS

BOD REPORT

AUDITOR'S REPORT

FS

CFs

Explanatory Statement

TO SHAREHOLDERS
AT GM

d) BOA - Going Concern Basis

e) IFC - Internal Financial Control

f) Law - Compliance - System

ADEQUATE
OPERATING
EFFECTIVELY

135

CORPORATE SOCIAL RESPONSIBILITY

COMPANY → AOC-4 → + CSR 2 → ROC

CSR Committee
↓
- COMPANY HAVING
N/W - ≥ 500 CR
T/O - ≥ 1000 CR
NP - ≥ 5 CR
(Before TAX)-EXCLUDES OVERSEAS PROFIT DIVIDEND FROM INDIAN CO.

P.F.Y - IN PRECEEDING FINANCIAL YEAR

Constitution:
- 3 DIRECTOR (1 INDEPENDENT DIRECTOR)

- Private Company

2 DIRECTOR

NON-APPLICABILITY
CSR AMOUNT ≤ 50 LAKHS

CSR Committee NOT REQUIRED

* Admin overheads

CAN BE UP TO 5% OF CSR AMOUNT

CSR amount
↓
2% of Avg NP (last 3 F.Y.)

PREFERENCE
↓
LOCAL AREAS

DEFAULT IN CSR SPEND

COMPANY
[2X CSR Amount (OR) 1 CRORE]

OLD
[1/10th of CSR Amount (OR) 2 LAKH]

STATUTORY OBLIGATION
ACTIVITIES NOT ALLOWED
- SPONSORSHIP
- EMPLOYEES
- POLITICAL
- OUTSIDE INDIA
EXCEPT: SPORTS TRAINING (INTERNATIONAL)

WHICHEVER IS LOWER

EXCESS

CARRY FORWARD

(EXCESS EXCLUDES SURPLVS)

[+] [INCOME ON CSR EXPENSE] (WITHIN 6 MONTHS)

BOARD RESOLUTION REQUIRED FOR SET-OFF

[NON-BUSINESS INCOME] SURPLVS UTILIZATION

UNSPENT CSR ACCOUNT (WANT TO SPEND IN CSR)

SHORT-OFF

NORMAL

DISCLOSED IN VIS 134 BOARD REPORT

(+) T/R TO SCHEDULE VII

ONGOING (< 3 YEARS)

END OF FY

30 DAYS

3 YRS

UNSPENT CSR ACCOUNT

T/R TO SCHEDULE VII

30 DAYS

IMPLEMENTATION OF CSR ITSELF

- SEC8
- PUBLIC TRUST
- SOCIETY

UNIQUE CSR REG. NO. → PROVIDES FORM CSR-1 TO ROC

ANNUAL REPORT ON CSR (+)

IMPACT ASSESSMENT

CSR OBLIGATION ≥ 1 CRORE

min + 4 (COMPLETED > 1 YEAR (CSR PROJECT))

IMPACT ASSESSMENT EXPENSE

DEEMED TO BE CSR EXPENSES

TO THE EXTENT

a) CSR X 2% AMOUNT OF THAT YEAR
b) 50 LAKH

NOTE: CAPITAL expenditure can be done in CSR only by the name of SEC8, TRUST, SOCIETY Registered

136

Right to member:

member
debenture
Trustee
Entitled person

F9

CF9

AUDITOR'S REPORT
OTHER DOCS

GENERAL MEETING

sent to

BUT WHEN?

21 DAYS BEFORE/PRIOR
TO GENERAL MEETING

CAN BE SENT IN SHORTER
PERIOD NOTICE

APPROVAL OF

IF SHARE
CAPITAL IS
THERE

MAJORITY (+)
95% OF PVSC

IF SHARE
CAPITAL
NOT
THERE

95% OF VP

Similar APPROVAL NEEDED
for EGM

IN CASE OF
LISTED
COMPANY

ALL DOCS - INSPECTION
(+) AT R.O

SALIENT
FEATURES
[FORM AOC-3]

SHARE WITH
SHAREHOLDERS
(UNLESS THEY
DIDN'T ASK
FULL DETAILS)

12 DAYS PRIOR TO GM

F9 & CF9

SHALL UPLOADED
IN WEBSITE

SUBSIDIARIES
[EACH]

SEPARATELY (INDEPENDENT)
AUDITED F/S
(STANDLONE)

SHALL BE
UPLOADED IN
WEBSITE

IF ANY
SUBSIDIARY → OUTSIDE
INDIA

IF THEY
PREPARED CF9

UPLOAD
THE CF9 ☒
IN WEBSITE

(TRANSLATE TO - ENGLISH)

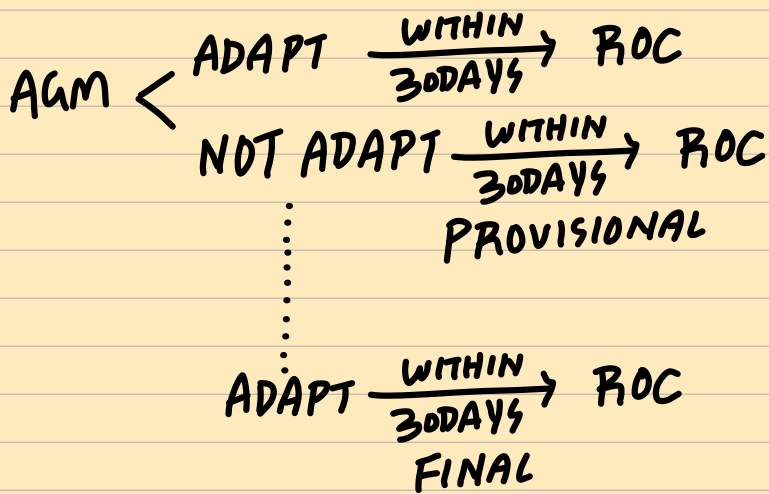
IF THEY ARE NOT
REQUIRED TO GET AUDITED
(AS PER FOREIGN LAW)

UNAUDITED F/S SHALL BE
UPLOAD

BUSINESS
HOURS
[R.O]
AOC CAN RESTRICT
UPTO 2 HOURS

137

- $FS = (AOC-4)$
 - $CFs = (AOC-4 CFs)$
 - $NBFC (9nd AS) = (AOC-4 NBFC (Ind AS))$
 - $NBFC (9nd AS) (CFs) = (AOC-4 CFs NBFC (Ind AS))$
- } → ROC



- AOC-4 X BRL - N/A ← NBFC HFC INSURANCE CO.
- listed Companies or subsidiary of listed company IN INDIA
 - PVCL = ≥ 5 CRORE
 - T/O = ≥ 100 CRORE
 - F/S AS PER IND-AS

FAILURE TO FILE F/S

- (a) Managing Director (if not)
 - (b) CFO ← (if not)
 - (c) DIRECTOR (AUTHORIZED BY BOD) IN CHARGE (if not)
 - (d) All DIRECTORS
- } ₹10000
[+]100/DAY
TO THE
EXTENT
OF 50000

(+)

COMPANY WILL BE LIABLE FOR - [₹10000
[+]100/DAY
TO THE EXTENT
OF 2 LAKHS]

138

INTERNAL AUDIT → PRIVATE → THRESHOLD LIMITS

PUBLIC COMPANY

every listed company

THRESHOLD LIMITS

OUTSTANDING DEPOSIT = ≥ 25 CRORE (Anytime)
(OR)
PAID UP SHARE CAPITAL = ≥ 50 CRORE (At the End of F.Y)
(OR)
OUTSTANDING LOAN = ≥ 100 CRORE (Anytime)
(BANK / PFI)
(OR)
TURNOVER = ≥ 200 CRORE (At the End of F.Y)

TURNOVER = ≥ 200 CR
(OR) [At End of F.Y]

OUTSTANDING LOAN = ≥ 100 CRORE (Anytime)
(BANK / PFI)

★ WHO CAN BE INTERNAL AUDITOR?

- INDIVIDUAL
- FIRM
- BODY CORPORATE
- LLP
- Employee