

19. Accounts of companies

Obligation of company

Prepare BOA / BOOKS / FIS

for every F.Y.

Preparation OF BOA & BOOKS

True & fair view

explain the statement

Accrual Basis

Double entry system

Preservation

8 years

If CG ordered for longer period during investigation

Such longer period

Preservation Place

Registered office

Any place in India declared by BOD

Intimate it to ROC within 7 days (ROCs) of board

Preservation places for branches (Alternatives)

Indian branch

BOA & Books can be kept at branch itself

foreign branch

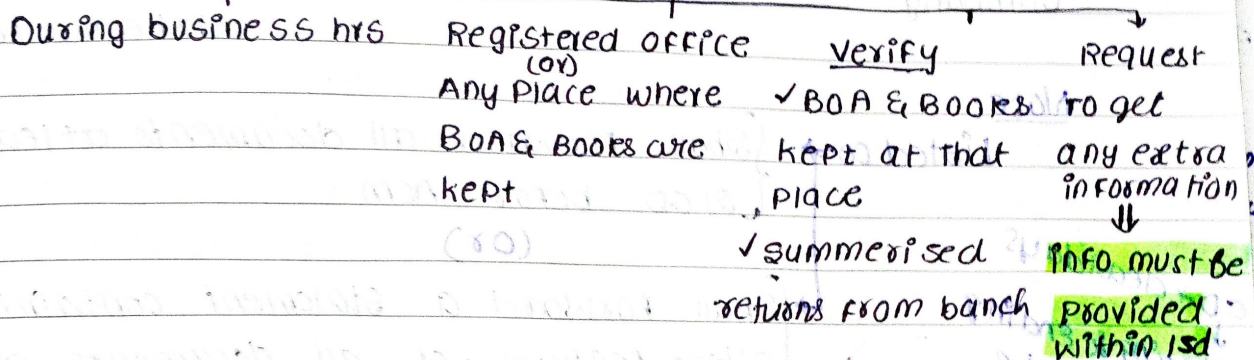
BOA & Books can be kept at branch itself

Must send Summearised
Returns Periodically

Must send Summearised
Returns Quarterly

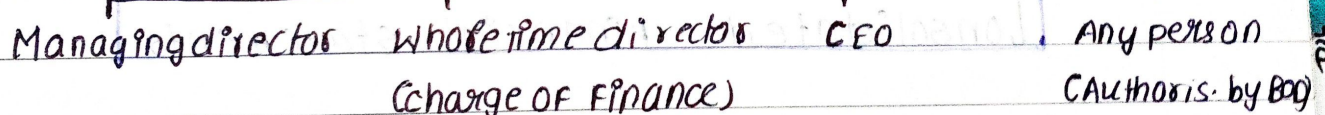
Inspection of BOA & Books

Director only

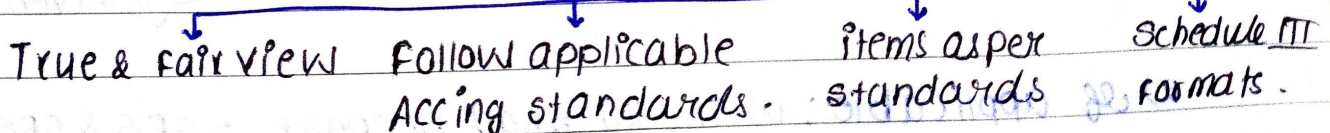


Note: Directors Cif authorised by BOB can inspect BOA & Books of Subsidiaries.

Persons responsible for maintaining
proper BOA & Books



Preparation of F/S



Note Above rules not applicable → Banking co
Insurance co
Electricity co
Similar co.

f/s → B/s + P&I + Cashflow statement + SOCIE + NOTES TO A/c's

Cashflow statement is → opc / smallco / domatco / Pvtco + startup
Optional no filing default

Inspection of f/s

Company → f/s + Audit report + Board Report → members & debenture trustee

Note:

Listed co → { Shall forward all documents at least
21 CD before ACM
(or)

cp + clear days
starting & ending
days must be
ignored

{ Shall forward a statement containing
salient features of all documents at least
21 CD before ACM
(+)
Shall make all documents available for
inspection

Consolidated financial statements

1. When applicable: if a company has

- Subsidiary (or)
- Associate (or)
- Joint venture

2) If applicable:

- The co shall prepare - SFS & CFS.
- Auditor shall Audit - SFS & CFS
- Shareholders shall approve - SFS & CFS
- Company shall file with ROC - SFS & CFS

- 3) Exemption :
- The company must be subsidiary (either whole ownership or partly)
 - Its holding co shall file CFS with ROC
 - All its members shall agree (for not to prepare CFS)
 - It shall be unlisted co.

Periodical Financial Results

↓ For unlisted co

↓ Within 30d of closure of prescribed period

↓ Prepare + Audit / limited + file these FIs with ROC
FIS Review of FIS

Reopening & Recasting of FIs which are already filed with ROC

Procedure:

- certain authorities shall make a request to NCI
- NCI shall consider the recommendation of all authorities
- NCI shall order for reopening & recasting

Which period FIs

Any F.Y. during

← Last 8 FY

last longer period directed by CG

Note: Revision once made is final

Voluntary Revision of FIs (or) Board Report

Issue:

- ✓ FIs are not prepared as per CA 2013
- ✓ B/R is not prepared as per CA 2013

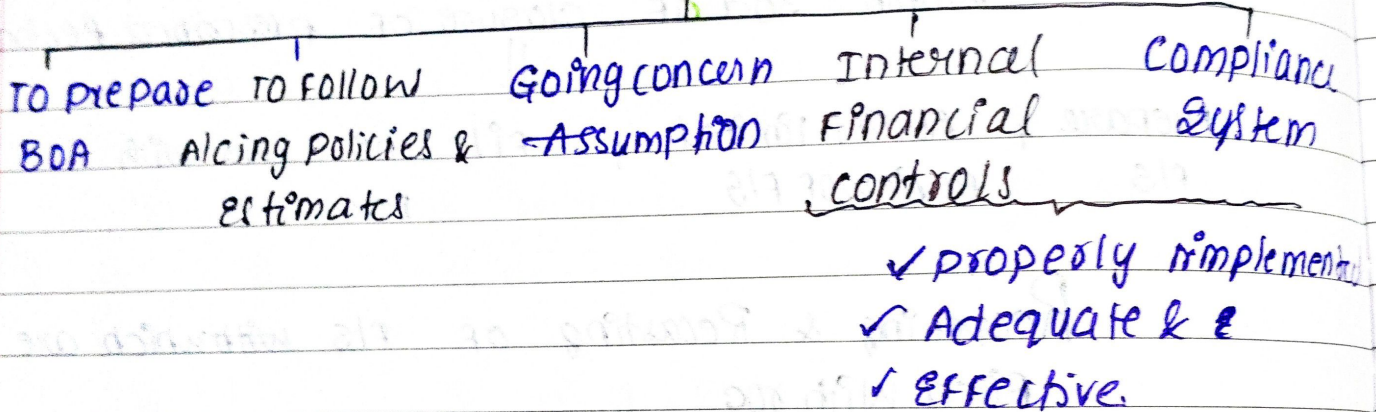
Solution

- ✓ co shall apply to NCIT for voluntary Revision
- ✓ NCIT may pass an order for revision

Related to Any of the last 3 FY
Note: maximum revisions allowed in a FY - only once

Directors Responsibility Statement

↓
Included in Board Report



Q 19.

Documents to be circulated

1) Documents : FS + AR + BR

If CFS is applicable

Provide

CFS (whole)

SFS (OWN)

SFS (ASST/JV) sub

↓
instead of sending it, company may send a statement containing silent features

2) To whom: members + Debenture trustee

3) Timing : Atleast 21 day before AGM

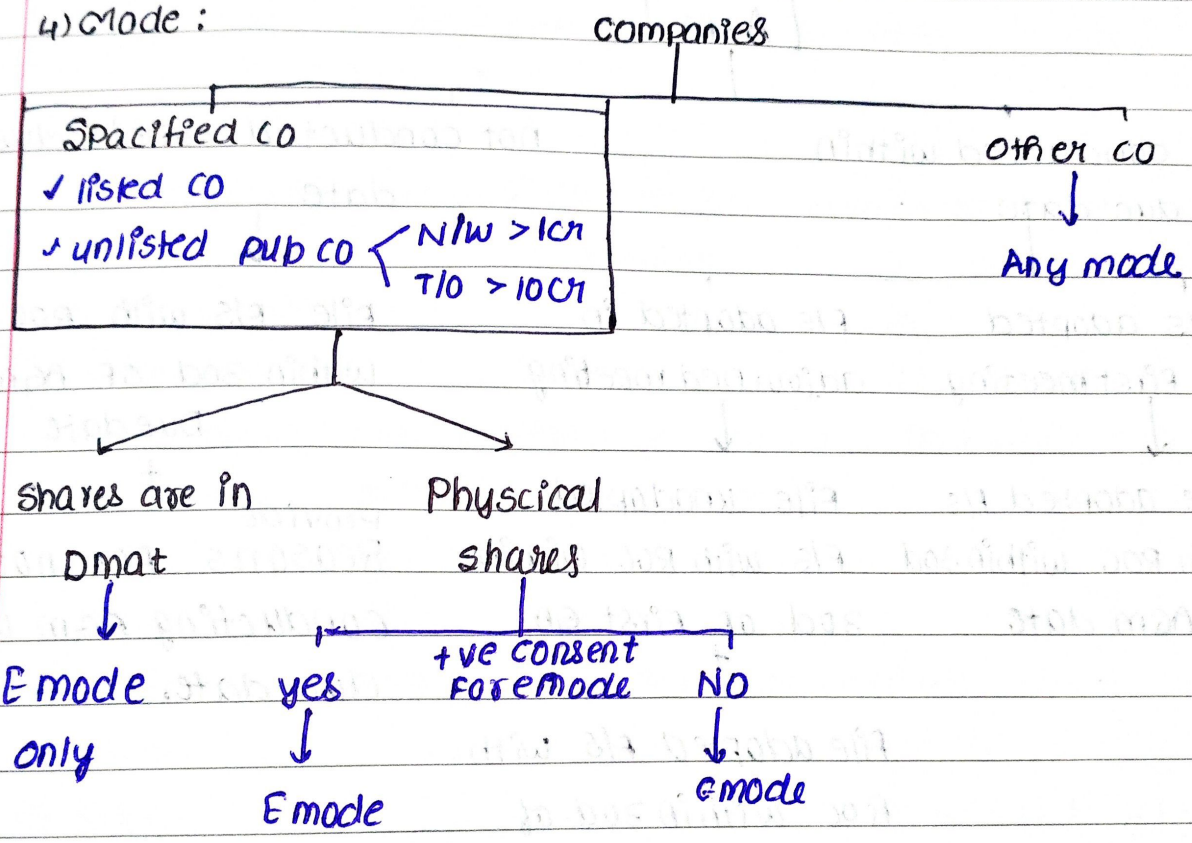
Exception

Exception
(shorter communication)

CO - shares ✓
 $\geq 50\%$ OF MEMBERS (V)
 And
 95% OF PUC (V)

CO - shares x
 $\geq 95\%$ OF TVP.

4) Mode :



5) website Placing: PS + AR + BR

if CFS is applicable

Include $\left\{ \begin{array}{l} \text{Sub/AS/JV (India) - Audited} \\ \text{Sub/AS/JV (O/S India) - } \end{array} \right.$

↓

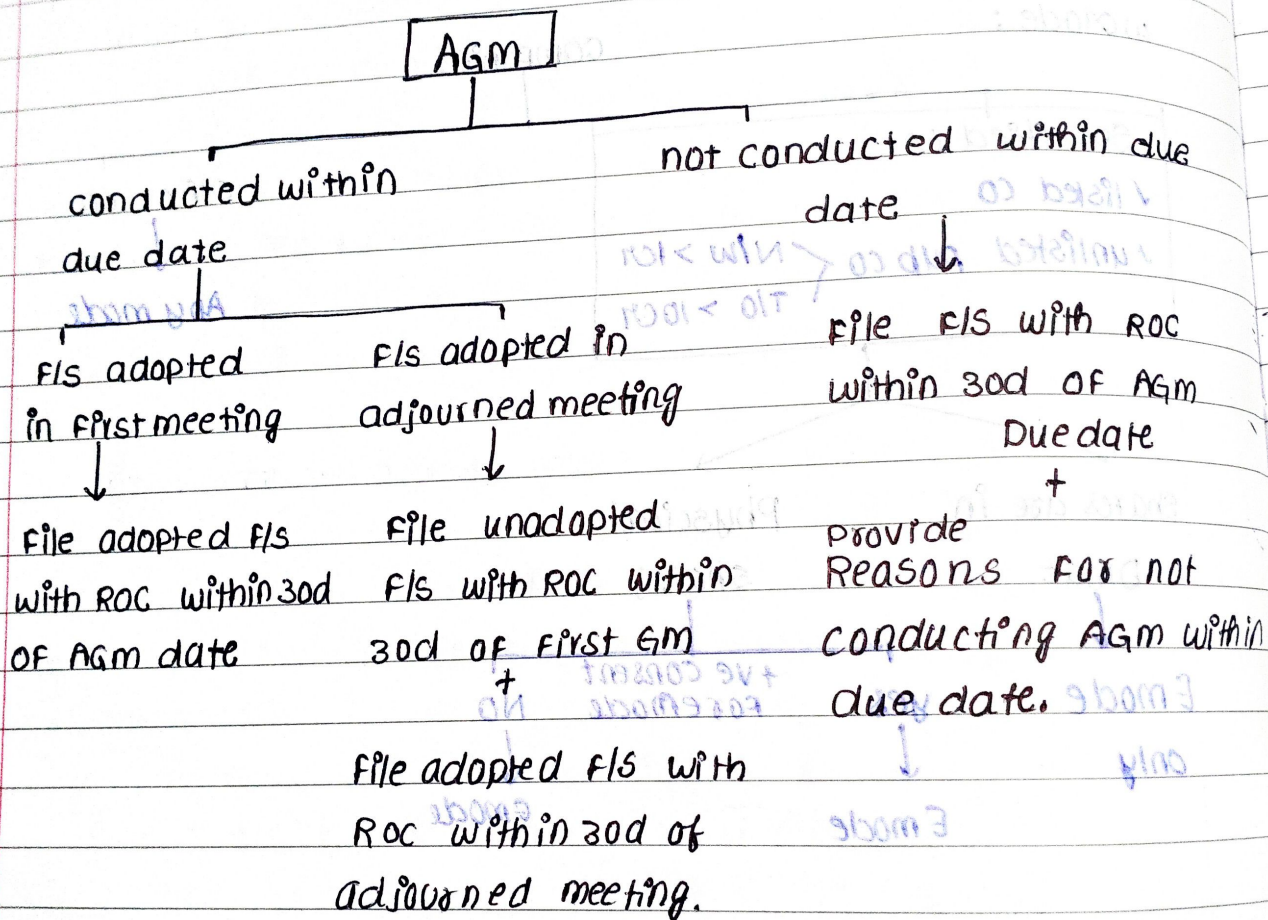
Audited SFs
 (unaudited) (CFS) As per Foreign Rule

Note:

include - Certified transaction where FIs are not in English

Q19. Filing of financial statements:

- 1) Form : AOC 4, AOC 4 CFS, AOC 4 NBFC (IND-AS), AOC CFS NBFC (Ind AS), AOC 4 XBRL
- 2) CBR-2 (IF CSR applicable)
- 2) Time limit : ① OPC - when 180d from end of FY.
② other co - within 30d.



3) Documents to be filed : FS + AR + BR

IF CFS is applicable

✓ CFS (whole)

✓ SFS (Sub/AS/JV) → Audited + SFS + English.

Note For Foreign Sub/AS/JV - IF audit is not possible ↓

For Foreign Sub/AS/JV -

IF SFS is not applicable - provide CFS only CFS is Applicable

provide un-audited SFS

Corporate Social Responsibility (CSR).

1. **Applicability:** Indian co : } → N/W : ≥ 500 cr (or)
Foreign co : } T/O : ≥ 1000 cr. of
NP : ≥ 5 cr.

Note: Calculation of Networth:

PUC + All reserves	-	Miscellaneous EXP
Except Revaluation		not yet written
Reserve		off.

2. **CSR committee:**

- a. **Applicability:** — [CSR EXP ≥ 50 Lakhs — Mandatory
Otherwise — Optional

b. **Composition:**

- General case - 2 directors + 1 independent director.
- If company not required to appoint independent director: 2 independent directors
- If co having : 2 directors
Only 2 directors
- Foreign co : 2 Indian Representatives.

c) **Role:**

- Frame CSR Policy
- Implement CSR Policy after BOD'S approval.

3. **Amount to be spent for CSR:**

CSR obligation = 2% OF AVG Net Profit
OF Last 3 F.Ys

= Business Profit

100% OF CSR Profit

≠ Business Profit

4) Time limit for 31st March of current FY.
Spending CSR Amt

5. Amount not spent within time limit

Unspent Amount

Related to Ongoing Project

otherwise

$C > 1\%$ but $\leq 3\%$

Deposit the unspent Amt. in a separate

BANK A/C

Within 30d of end of FY

If not spent within 3 years

Transfer to Sch VII Funds

Within 30d of end of 3rd year

Transfer to Sch VII Funds

Within 6m of end of FY

6. Consequences of Excess Spending

Carry forward & setoff for 3FY's

7. Administrative overheads;

$\leq 5\%$ of CSR Obligation

8. Which are not covered under CSR Activities

a) anything done in ordinary course of Business

(Exception: covid 19 vaccine)

b) Anything done outside India

(Exception: ...)

- Date / /
- c) Anything done for employees
 - d) Any Sponsorship with Marketing benefits.
 - e) Political donations.
 - f) Anything done under Statutory Obligation.

9. How to carry CSR Activities

- a) By company itself
- b) By collaborating with others
- c) By giving money to
 - Charitable (Registered under CSR) activities
 - Beneficiaries
 - Public Authority.

10) Impact assessment:

a) applicability : CO with avg CSR EXP OF 10 crores during last 3 FY (And) projects carried by such CO with min outlay of 1cr.

b) By Whom : Independent agency.

c) Time : After 1yr from completion of Project

d) Expenditure

for assessment : 2% of CSR Obligation (or) RS 50 Lakhs (maximum)

11. Reporting : CSR Annual report shall be annexed with Board report.