

**GUIDANCE NOTE**  
**ON**  
**AOC-4**



**THE INSTITUTE OF**  
**Company Secretaries of India**  
**IN PURSUIT OF PROFESSIONAL EXCELLENCE**  
Statutory body under an Act of Parliament

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## **PREFACE**

Financial Statements are formal record of the financial operations and financial position of the Company. Financial statements provide information of great significance to the stakeholders. It gives a broad financial picture of the affairs of the company during the financial year.

Mandatory disclosure through financial statement including Auditor's Report and Board's Report is a method of providing information to the shareholders and the public about the financial position and activities of the company so as to enable its members to exercise a more intelligent and purposeful control thereon.

Financial Statements of a company are required to be filed with the Registrar along with Form AOC-4 every year for each Financial Year within thirty days of its annual general meeting. Along with the form, the documents such as Board's report, Auditors' report, Statement of subsidiaries in Form AOC-1, details of CSR policy etc. are filed.

The form is required to be pre-certified by a practicing professional including company secretary in practice. In order to guide the professionals in filling, filing and certifying Form AOC-4, this publication titled 'Guidance Note on AOC-4' is being released.

I commend the dedicated efforts put in by CS Deepa Khatri, Deputy Director and Ms. Hema Babbar, Assistant Director in writing the manuscript of this publication under the guidance of CS Alka Kapoor, Joint Secretary, Directorate of Corporate Laws and Governance, ICSI.

I appreciate and acknowledge the efforts of CS Vineet Chaudhary, Central Council Member and Chairman, Corporate Laws and Governance Committee, ICSI and CS Divesh Goyal, CS Deepak Gupta, CS Aishwarya Mohan Gahrana, Practising Company Secretaries for their inputs and guidance in reviewing the publication.

I am confident that the publication will prove to be of immense benefit to companies and professional.

In any publication, there is always scope for further improvement. I would personally be grateful to users and readers for offering their suggestions/ comments for further refinement.

**(CS Mamta Binani)**

Place : New Delhi

*President*

Date : August 05, 2016

Institute of Company Secretaries of India

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## **Guidance Note on AOC-4**

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### **INTRODUCTION**

Financial Statements are formal record of the financial operations and financial position of the Company. Financial statements are the heart and soul of Company's annual report. While financial statements do not provide answers, they provide information of great significance to the stakeholders. It gives a broad financial picture of the affairs of the company during the financial year.

Mandatory disclosure through financial statement including Auditor's Report and Board's Report is a method of providing information to the shareholders and the public about the financial position and activities of the company so as to enable its members to exercise a more intelligent and purposeful control thereon.

It is mandatory for the Board of Directors of every company to present financial statement (annual report) to the shareholders along with its report i.e. Board's Report. Financial statement prepared, presented and filed annually is the most important means of communication by the Board of Directors of a company with its shareholders.

As per section 137(1) of the Companies Act, 2013, every Company is required to file with the Registrar a copy of its financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the annual general meeting of the company within thirty days of such AGM. Section 403 prescribes the manner, fees or additional fees in this respect.

This Guidance Note intends to explain various features relating

to financial statements under the Companies Act, 2013. It is intended to guide the professionals in filling, filing and certifying the Form AOC-4. Financial Statements of a company includes Balance Sheet, Profit and Loss Account, Cash Flow statement (if applicable), statement of change in equity (if applicable) and any explanatory notes annexed to the financial statements.

## DEFINITIONS

- (i) **"accounting standards"** means the standards of accounting or any addendum thereto for companies or class of companies referred to in section 133. [Section 2(2)].
- (ii) **"associate company"**, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. [Section 2 (6)].  
*Explanation.*—For the purposes of this clause, "significant influence" means control of at least twenty per cent. of total share capital, or of business decisions under an agreement.
- (iii) **"auditing standards"** means the standards of auditing or any addendum thereto for companies or class of companies referred to in sub-section (10) of section 143. [Section 2(7)]
- (iv) **"authorised capital"** or **"nominal capital"** means such capital as is authorised by the memorandum of a company to be the maximum amount of share capital of the company. [Section 2 (8)]
- (v) **"book and paper"** and **"book or paper"** include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form. [Section 2 (12)]
- (vi) **"books of account"** includes records maintained in respect of—
  - (i) all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;
  - (ii) all sales and purchases of goods and services by the company;

- (iii) the assets and liabilities of the company; and
- (iv) the items of cost as may be prescribed under section 148 in the case of a company which belongs to any class of companies specified under that section. [Section 2 (13)]
- (vii) **"chartered accountant"** means a chartered accountant as defined in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 who holds a valid certificate of practice under sub-section (1) of section 6 of that Act. [Section 2 (17)]
- (viii) **"Chief Financial Officer"** means a person appointed as the Chief Financial Officer of a company Section 2 (19).
- (ix) **"company secretary"** or **"secretary"** means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.
- (x) **"electronic form"** with reference to information means any information generated, sent, received or stored in media, magnetic, optical, computer memory, micro film, computer generated micro fiche or similar device.
- (xi) **"electronic record"** means data, record or data generated, image or sound stored, received or sent in an electronic form or micro film or computer generated micro fiche.
- (xii) **"financial statement"** in relation to a company, includes—
  - (i) a balance sheet as at the end of the financial year;
  - (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year;
  - (iii) cash flow statement for the financial year;
  - (iv) a statement of changes in equity, if applicable; and
  - (v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv):  
Provided that the financial statement, with respect to One

Person Company, small company and dormant company, may not include the cash flow statement. [Section 2 (40)]

- (xiii) **“financial year”**, in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up: Provided that on an application made by a company or body corporate, which is a holding company or a subsidiary of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Tribunal may, if it is satisfied, allow any period as its financial year, whether or not that period is a year: Provided further that a company or body corporate, existing on the commencement of this Act, shall, within a period of two years from such commencement, align its financial year as per the provisions of this clause. [Section 2 (41)]
- (xiv) **“issued capital”** means such capital as the company issues from time to time for subscription Section 2 (50).
- (xv) **“net worth”** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation Section 2 (57).
- (xvi) **“officer who is in default”** [Section 2 (60)], for the purpose of any provision in this Act which enacts that an officer of the company who is in default shall be liable to any penalty or punishment by way of imprisonment, fine or otherwise, means any of the following officers of a company, namely:—
  - (i) whole-time director;
  - (ii) key managerial personnel;
  - (iii) where there is no key managerial personnel, such director

- or directors as specified by the Board in this behalf and who has or have given his or their consent in writing to the Board to such specification, or all the directors, if no director is so specified;
- (iv) any person who, under the immediate authority of the Board or any key managerial personnel, is charged with any responsibility including maintenance, filing or distribution of accounts or records, authorises, actively participates in, knowingly permits, or knowingly fails to take active steps to prevent, any default;
  - (v) any person in accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act, other than a person who gives advice to the Board in a professional capacity;
  - (vi) every director, in respect of a contravention of any of the provisions of this Act, who is aware of such contravention by virtue of the receipt by him of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with his consent or connivance;
  - (vii) in respect of the issue or transfer of any shares of a company, the share transfer agents, registrars and merchant bankers to the issue or transfer;
- (xvii) **“paid-up share capital”** or **“share capital paid-up”** means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paidup in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called [Section 2 (64)].
- (xviii) **“subscribed capital”** means such part of the capital which is for the time being subscribed by the members of a company Section 2 (86).
- (xix) **“turnover”** means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year Section 2 (91).

## **KEEPING OF THE BOOKS OF ACCOUNT AND FINANCIAL STATEMENT**

Section 128(1) of the Companies Act, 2013 requires every company to prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any.

The books shall be kept on accrual basis and according to the double entry system of accounting.

All or any of the books of account aforesaid and other relevant papers may be kept at any other place in India as may be decided by the Board of Directors. The notice regarding address at which books of account may be kept is required to be filed with the Registrar within seven days of passing of resolution by Board of Directors in **Form AOC-5** (Rule 2A of the Companies (Accounts) Rules, 2014).

Rule 3 of Companies (Accounts) Rules, 2014 allows and provides the manner for keeping books of account in electronic mode.

It provides that the information in the electronic record of the document shall be capable of being displayed in a legible form. There shall be a proper system for storage, retrieval, display or printout of the electronic records as the Audit Committee, if any, or the Board may deem appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law.

The back-up of the books of account and other books and papers of the company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.

In case a company has a branch office in India or outside India, it shall be deemed to have complied with these provisions, if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place.

The books of accounts maintained by the company within India shall be open for inspection at the registered office of the company

or at such other place in India by any director during business hours and in case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any director subject to such conditions as may be prescribed.

Rule 4 of Companies (Accounts) Rules, 2014 deals with the Conditions regarding maintenance and inspection of certain financial information by directors.-

- (1) The summarised returns of the books of account of the company kept and maintained outside India shall be sent to the registered office at quarterly intervals, which shall be kept and maintained at the registered office of the company and kept open to directors for inspection.
- (2) Where any other financial information maintained outside the country is required by a director, the director shall furnish a request to the company setting out the full details of the financial information sought, the period for which such information is sought.
- (3) The company shall produce such financial information to the director within fifteen days of the date of receipt of the written request.
- (4) The financial information required under sub-rules (2) and (3) shall be sought for by the director himself and not by or through his power of attorney holder or agent or representative.

### **PRESERVATION OF BOOKS OF ACCOUNT**

Section 128(5) provides that the books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.

Where an investigation has been ordered in respect of the company under Chapter XIV, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.

## PREPARATION OF FINANCIAL STATEMENT

The Companies Act, 2013 gives an inclusive definition of financial statements. As per clause (40) of section 2 of the Act:

“Financial statement” in relation to a company, includes—

- (i) a balance sheet as at the end of the financial year;
- (ii) a profit and loss account, or in the case of a company carrying on any activity not for profit, an income and expenditure account for the financial year;
- (iii) cash flow statement for the financial year;
- (iv) a statement of changes in equity, if applicable; and
- (v) any explanatory note annexed to, or forming part of, any document referred to in sub-clause (i) to sub-clause (iv):

Companies Act provides for the contents and disclosures required to be given in the financial statement. It also provides the detailed procedure of presenting the financial statement at the meeting of the shareholders and filing of these documents with Registrar of Companies.

Rule 4A of Companies (Accounts) Rules, 2014 i.e. Forms and items contained in financial statements provides that the financial statements shall be in the form specified in Schedule III to the Act and comply with Accounting Standards or Indian Accounting Standards as applicable.

The items contained in the financial statements shall be prepared in accordance with the definitions and other requirements specified in the Accounting Standards or the Indian Accounting Standards as the case may be.

Section 129 (1) requires that the financial statements shall give a true and fair view of the state of affairs of the company or companies and it shall:

- comply with the accounting standards notified under section 133; and
- shall be in the form or forms as may be provided for different class or classes of companies in Schedule III.

Section 129(1) is not applicable to any insurance or banking company or any company engaged in the generation or supply of electricity, or to any other class of company for which a form of financial statement has been specified in or under the Act governing such class of company.

Under Section 129(2) provides that at every annual general meeting of a company, the Board of Directors of the company shall lay before such meeting financial statements for the financial year.

Section 129 (3) provides that where a company has one or more subsidiaries, it shall, in addition to financial statements, prepare a consolidated financial statement of the company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the company along with the laying of its financial statement.

According to Section 129(4) the provisions of this Act applicable to the preparation, adoption and audit of the financial statements of a holding company shall, *mutatis mutandis*, apply to the consolidated financial statements referred to in sub-section (3).

Second proviso to section 129(3) provides that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.

Rule 6 deals with the manner of consolidation of accounts. It provides that the consolidation of financial statement of the company shall be made in accordance with the provisions of Schedule III and the applicable Accounting Standards.

In case of a company covered under sub-section (3) of section 129 which is not required to prepare consolidated financial statements under the Accounting Standards, it shall be sufficient if the company complies with provisions on consolidated financial statements provided in Schedule III of the Act.

Second Proviso to Rule 6 provides that nothing in this rule shall apply in respect of preparation of consolidated financial statements by a company if it meets the following conditions:-

- (i) it is a wholly-owned subsidiary, or is a partially-owned subsidiary of another company and all its other members, including those not otherwise entitled to vote, having been

intimated in writing and for which the proof of delivery of such intimation is available with the company, do not object to the company not presenting consolidated financial statements;

- (ii) it is a company whose securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India; and
- (iii) its ultimate or any intermediate holding company files consolidated financial statements with the Registrar which are in compliance with the applicable Accounting Standards.

#### **DEVIATIONS TO BE DISCLOSED**

In case the financial statements of a company do not comply with the accounting standards, the company shall disclose in its financial statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation.

#### **EXEMPTION TO CLASS OF COMPANIES**

Section 129(6) empowers the Central Government to exempt any class or class of companies to exempt any class or classes of companies from complying with any of the requirements of these provisions on its own or on an application by such class.

MCA exercising the power conferred by section 129(6) of the Companies Act, 2013, in public interest exempted the government companies producing Defence Equipment including Space Research from providing additional information required through para 5(ii)(a)(1), 5(ii)(a)(2), 5(ii)(e), 5(iii), 5(viii)(a), 5(viii)(b), 5(viii)(c) and 5(viii)(e) of the General instructions for preparation of Statement of Profit and Loss in Schedule III of the Companies Act, 2013

#### **STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES OR ASSOCIATE COMPANIES OR JOINT VENTURES : AOC-1**

The company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed.

Rule 5 of Companies (Accounts) Rules, 2014 Form of Statement containing salient features of financial statements of subsidiaries.- The statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to sub-section (3) of section 129 shall be in **Form AOC-1**.

*Explanation.*—For the purposes of this sub-section, the word “subsidiary” shall include associate company and joint venture.

#### **Format of AOC-1**

AOC-1 is divided in two parts. Part A relates to information relating to Subsidiaries. Part B relates to information relating to Associates and Joint Ventures.

In **Part A**, the Information in respect of each subsidiary to be presented with amounts in Rs. The important contents are as under:

- Name of the subsidiary
- The date since when subsidiary was acquired
- Reporting period for the subsidiary concerned, if different from the holding company's reporting period.
- Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.
- Share capital
- Reserves and surplus
- Total assets
- Total Liabilities
- Investments
- Turnover
- Profit before taxation
- Provision for taxation
- Profit after taxation
- Proposed Dividend
- Extent of shareholding (in percentage)

*Notes* : The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

In **Part B**, the Information in respect of each Associates and Joint Ventures to be presented. The important contents are as under:

Name of Associates or Joint Ventures

1. Latest audited Balance Sheet Date
2. Date on which the Associate or Joint Venture was associated or acquired
3. Shares of Associate or Joint Ventures held by the company on the year end
  - Amount of Investment in Associates or Joint Venture
  - Extent of Holding (in percentage)
4. Description of how there is significant influence
5. Reason why the associate/Joint venture is not consolidated
6. Net worth attributable to shareholding as per latest audited Balance Sheet
7. Profit or Loss for the year
  - (i) Considered in Consolidation
  - (ii) Not Considered in Consolidation.

The following information is also required:

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

### **SCHEDULE III – FORMAT OF FINANCIAL STATEMENT**

With respect to form and contents of financial statements, section 129 of the Act provides that the financial statements shall give a true and fair view of state of affairs of the company, comply with the accounting standards notified under section 133 and shall be in

the form or forms as may be provided for different class or classes of companies in **Schedule III**.

It may be noted that in Schedule III detailed instructions have been given for preparation of consolidated financial statements as consolidation of accounts of subsidiary companies is now made mandatory in section 129.

For the first time a provision has been made under Companies Act, 2013, for the companies having one or more subsidiaries that they will have to prepare a consolidated financial statement of the company and of all the subsidiaries in the form provided in schedule III. [Section 129(3)]

*Explanation.*—for the purposes of Section 129(3), the word “subsidiary” shall include Associate Company and joint venture.

For this purpose associate company has been defined under Section 2(6) of the Companies Act, 2013, company which has significant influence i.e. it has 20% of the total share capital of the other company or has control on the business decision under an agreement.

Performa of Balance sheet and Profit and Loss statement as per Schedule III is given as below:

**PART I — BALANCE SHEET**

*Name of the Company.....*

*Balance Sheet as at .....*

*(Rupees in.....)*

<i>Particulars</i>	<i>Note No.</i>	<i>Figures as at the end of current reporting period</i>	<i>Figures as at the end of the previous reporting period</i>
1	2	3	4

**I. EQUITY AND LIABILITIES**

**(1) Shareholders’ funds**

- (a) Share capital
- (b) Reserves and surplus

<i>Particulars</i>	<i>Note No.</i>	<i>Figures as at the end of current reporting period</i>	<i>Figures as at the end of the previous reporting period</i>
1	2	3	4

(c) Money received against  
share warrants

**(2) Share application money  
pending allotment**

**(3) Non-current liabilities**

- (a) Long-term borrowings
- (b) Deferred tax liabilities  
(Net)
- (c) Other Long term liabilities
- (d) Long-term provisions

**(4) Current liabilities**

- (a) Short-term borrowings
- (b) Trade payables
- (c) Other current liabilities
- (d) Short-term provisions

**TOTAL**

**II. ASSETS**

**(1) Non-current assets**

- (a) Fixed assets

<i>Particulars</i>	<i>Note No.</i>	<i>Figures as at the end of current reporting period</i>	<i>Figures as at the end of the previous reporting period</i>
1	2	3	4
(i) Tangible assets			
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long-term loans and advances			
(e) Other non-current assets			
<b>(2) Current assets</b>			
(a) Current investments			
(b) Inventories			
(c) Trade receivables			
(d) Cash and cash equivalents			
(e) Short-term loans and advances			
(f) Other current assets			
<b>TOTAL</b>			

*See accompanying notes to the Financial Statements.*

**PART II – STATEMENT OF PROFIT AND LOSS***Name of the Company.....**Profit and loss statement for the year ended .....**(Rupees in.....)*

<i>Particulars</i>	<i>Note No.</i>	<i>Figures as at the end of current reporting period</i>	<i>Figures as at the end of the previous reporting period</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
I Revenue from operations		xxx	xxx
II Other income		xxx	xxx
III Total Revenue (I + II)		xxx	xxx
IV Expenses:			
Cost of materials consumed		xxx	xxx
Purchases of Stock-in-Trade		xxx	xxx
Changes in inventories of finished goods work-in- progress and Stock-in-Trade		xxx	xxx
Employee benefits expense			
Finance costs			
Depreciation and amortiza- tion expense			
Other expenses			
Total expenses			
V Profit before exceptional and extraordinary items and tax (III - IV)		xxx	xxx
VI Exceptional items		xxx	xxx
VII Profit before extraordinary items and tax (V - VI)		xxx	xxx
VIII Extraordinary items		xxx	xxx
IX Profit before tax (VII- VIII)		xxx	xxx
X Tax expense:			
(1) Current tax		xxx	xxx

<i>Particulars</i>	<i>Note No.</i>	<i>Figures as at the end of current reporting period</i>	<i>Figures as at the end of the previous reporting period</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
(2) Deferred tax		xxx	xxx
XI Profit (Loss) for the period from continuing operations (VII-VIII)		xxx	xxx
XII Profit/(loss) from disconti- nuing operations		xxx	xxx
XIII Tax expense of disconti- nuing operations		xxx	xxx
XIV Profit/(loss) from Disconti- nuing operations (after tax) (XII-XIII)		xxx	xxx
XV Profit (Loss) for the period (XI + XIV)		xxx	xxx
XVI Earnings per equity share:			
(1) Basic			
(2) Diluted			

*See accompanying notes to the financial statements.*

### **Applicability of Schedule III and Audit compliance in case of foreign subsidiaries**

Fourth proviso to section 137(1) of the Act requires that a company should along with its financial statements to be filed with ROC, attach the financial statements of its subsidiary or subsidiaries which have been incorporated outside India and which have not established their place of business in India.

With respect to this requirement MCA has come out with a clarification vide General Circular 11/2015 dated 21st July, 2015 that:

- o in case of foreign subsidiary which is not required to get its financial statements audited as per legal requirements prevalent in the country of its incorporation and

- o which does not get such financial statements audited the Indian holding/parent company may place/file such unaudited financial statements to comply with the requirements of section 136(1) and section 137(1) of the Act, as applicable. These, however, would need to be translated in English, if these financial statements are not in English.

Further, the format of financial statements of foreign subsidiaries should be, as far as possible, in accordance with the requirements under the Companies Act, 2013. In case this is not possible, a statement indicating the reasons for deviation may be placed/ filed along with such financial statements.

#### **APPLICABILITY OF ACCOUNTING STANDARDS (AS)**

According to first proviso to Section 129(1), while preparing the Financial Statements in Schedule III, companies shall comply with Accounting Standards or Indian Accounting Standards as the case may be.

According to Rule 4A, the financial statements shall be in the form specified in Schedule III to the Act and comply with Accounting Standards or Indian Accounting Standards as applicable:

Provided that the items contained in the financial statements shall be prepared in accordance with the definitions and other requirements specified in the Accounting Standards or the Indian Accounting Standards, as the case may be.”

According to Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies and their auditors shall comply with the Indian Accounting Standards (Ind AS) specified in Annexure to these rules in preparation of their financial statements and audit respectively, in the following manner, namely:-

- (i) Any company (and its holding, subsidiary, joint venture or associate company) may comply with the Indian Accounting Standards (Ind AS) for financial statements for accounting periods beginning on or after 1st April, 2015, with the comparatives for the periods ending on 31st March, 2015, or thereafter;
- (ii) The following companies shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods

beginning on or after 1st April, 2016, with the comparatives for the periods ending on 31st March, 2016, or thereafter, namely:-

- companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of rupees five hundred crore or more;
- companies other than those covered above and having net worth of rupees five hundred crore or more;
- holding, subsidiary, joint venture or associate companies of the aforesaid companies covered above

(iii) The following companies shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods **beginning on or after 1st April, 2017**, with the comparatives for the periods ending on 31st March, 2017, or thereafter, namely:-

- companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees five hundred crore;
- companies other than those covered above, that is, unlisted companies having net worth of rupees two hundred and fifty crore or more but less than rupees five hundred crore.
- holding, subsidiary, joint venture or associate companies of companies covered above, as the case may be:

Accordingly, for the accounting periods beginning on or after 1st April, 2017 all listed companies and unlisted companies having net worth of rupees two hundred and fifty crore or more but less than rupees five hundred crore shall comply with Indian Accounting Standards (Ind AS).

Provided that nothing in this sub-rule (1) of Rule 4, except clause (i), shall apply to companies whose securities are listed or are in the process of being listed on SME exchange as referred to in Chapter XB or on the Institutional Trading Platform without initial public

offering in accordance with the provisions of Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

According to Rule 5 of the Companies (Indian Accounting Standards)(Amendment) Rules, 2016 The Banking Companies and Insurance Companies shall apply the Ind ASs as notified by the Reserve Bank of India (RBI) and Insurance Regulatory Development Authority (IRDA) respectively. An insurer or insurance company shall however, provide Ind AS compliant financial statement data for the purposes of preparation of consolidated financial statements by its parent or investor or venturer, as required by the parent or investor or venturer to comply with the requirements of these rules.

#### **COMPLIANCES FOR NBFCs**

Clause (iv) of Rule (1) provides that notwithstanding the requirement of clauses (i) to (iii) of sub rule (1) of Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015, Non-Banking Financial Companies (NBFCs) shall comply with the Indian Accounting Standards (Ind ASs) in preparation of their financial statements and audit respectively, in the following manner, namely:-

- (a) The following NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2018, with comparatives for the periods ending on 31st March, 2018, or thereafter—
  - (A) NBFCs having net worth of rupees five hundred crore or more;
  - (B) holding, subsidiary, joint venture or associate companies of companies covered under item (A), other than those already covered under clauses (i), (ii) and (iii) of sub-rule (1) of rule 4.
- (b) The following NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2019, with comparatives for the periods ending on 31st March, 2019, or thereafter—
  - (A) NBFCs whose equity or debt securities are listed or in the process of listing on any stock exchange in India or

outside India and having net worth less than rupees five hundred crore;

(B) NBFCs, that are unlisted companies, having net worth of rupees two-hundred and fifty crore or more but less than rupees five hundred crore; and

(C) holding, subsidiary, joint venture or associate companies of companies covered under item (A) or item (B) of sub-clause (b), other than those already covered in clauses (i), (ii) and (iii) of sub-rule (1) or item (B) of sub-clause (a) of clause (iv).

*Explanation.-* For the purposes of clause (iv) of sub rule (1) of Rule 4 of the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, if in a group of Companies, some entities apply Accounting Standards specified in the Annexure to the Companies (Accounting Standards) Rules, 2006 and others apply accounting standards as specified in the Annexure to these rules, in such cases, for the purpose of individual financial statements, the entities should apply respective standards applicable to them. For preparation of consolidated financial statements, the following conditions are to be followed, namely:-

- (i) where an NBFC is a parent (at ultimate level or at intermediate level), and prepares consolidated financial statements as per Accounting Standards specified in the Annexure to the Companies (Accounting Standards) Rules, 2006, and its subsidiaries, associates and joint ventures, if covered by clause (i), (ii) and (iii) of sub-rule (1) has to provide the relevant financial statement data in accordance with the accounting policies followed by the parent company for consolidation purposes (until the NBFC is covered under clause (iv) of sub-rule (1));
- (ii) where a parent is a company covered under clause (i), (ii) and (iii) of sub-rule (1) of rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and has an NBFC subsidiary, associate or a joint venture, the parent has to prepare Ind AS-compliant consolidated financial statements and the NBFC subsidiary, associate and a joint venture has to provide the relevant financial statement data in accordance

with the accounting policies followed by the parent company for consolidation purposes [until the NBFC is covered under clause (iv) of sub-rule (1)].

Clause (v) of Rule 4(1) provides that notwithstanding clauses (i) to (iv) of sub rule (1) of Rule 4, the holding, subsidiary, joint venture or associate companies of Scheduled commercial banks (excluding RRBs) would be required to prepare Ind AS based financial statements for accounting periods beginning from 1st April, 2018 onwards, with comparatives for the periods ending 31st March, 2018 or thereafter.

### **SIGNING OF FINANCIAL STATEMENTS BY BOARD**

The financial statements, including consolidated financial statements, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board at least by the chairperson of the company where he is authorised by the Board or by two directors out of which one shall be managing director and the Chief Executive Officer, if he is a director in the company, the Chief Financial Officer and the company secretary of the company, wherever they are appointed, or in the case of a One Person Company, only by one director, for submission to the auditor for his report thereon. [Section 134] The auditors' report shall be attached to every financial statement.

As per Rule 4 of the Companies (Meeting of Board and its powers) Rules, 2014, the item relating to approval of annual financial statements can not be dealt with in a meeting through video conferencing or other audio visual means.

Further the Audit Committee Meetings for consideration of accounts cannot be held through video conferencing or other audio visual means.

The Board's report and any annexures thereto under subsection (3) of section 134 shall be signed by its chairperson of the company if he is authorised by the Board and where he is not so authorised, shall be signed by at least two directors, one of whom shall be a managing director, or by the director where there is one director.

**Signing of the Attachments of Form AOC 4**

All the attachments to be uploaded with Form AOC-4 have to be duly signed as per the requirement of the Companies Act 2013, scanned copy of these financial statements & other documents are required to be uploaded on MCA portal.

*Note:* SD copies are not acceptable in case of AOC-4, hand signed copies are only accepted.

In case of the companies covered under XBRL requirement under the Companies (Filing of documents & Forms in Extensible Business Reporting Language) Rules, 2015, the financial statements to be uploaded on MCA portal, have to be in XBRL format. In this case the requirement of signing under hand is not a requisite.

**APPROVAL OF FINANCIAL STATEMENTS IN ANNUAL GENERAL MEETING**

As already discussed, sub-section (1) of section 137 requires that copy of financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the annual general meeting of the company, shall be filed within thirty days of such AGM.

Let us now discuss about the situations where the financial statements are not adopted at AGM or adjourned AGM or where the AGM of a company for any year has not been held etc.

As per the first proviso to section 137(1), where the financial statements are not adopted at annual general meeting or adjourned annual general meeting, such unadopted financial statements along with the required documents shall be filed with the Registrar within thirty days of the date of annual general meeting and Registrar shall take them in his records as Provisional till the financial statements are filed with him after their adoption in the adjourned annual general meeting for that purpose:

As per the second proviso to section 137(1), financial statements adopted in the adjourned annual general meeting shall be filed with Registrar within thirty days of the date of such adjourned annual general meeting with such fees or such additional fees as may be prescribed within the time specified under section 403:

As per the third proviso to section 137(1), One Person Company shall file a copy of the financial statements duly adopted by its member, along with all the documents which are required to be attached to such financial statements, within one hundred eighty days of closure of the financial year.

Sub-Section (2) of section 137 states that where the annual general meeting of a company for any year has not been held, the financial statements along with the documents required to be attached under sub-section (1), duly signed along with the statement of facts and reasons for not holding the annual general meeting shall be filed with the Registrar within 30 days of the last date before which the annual general meeting should have been held and in such manner, with such fees or additional fees as may be prescribed within the time specified, under section 403.

Penalty : If a company fails to file the copy of the financial statements under sub-section (1) or sub-section (2), as the case may be, before the expiry of the period specified in section 403, the company shall be punishable with fine of one thousand rupees for every day during which the failure continues but which shall not be more than ten lakh rupees, and the managing director and the Chief Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the directors of the company, shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both. [Section 137(3)]

#### **FILING OF FINANCIAL STATEMENT**

Financial Statements of a company are required to be filed with the Registrar along with Form AOC-4 every year for each Financial Year.

Sub section (41) of section 2 defines "financial year", in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on

the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up.

However on an application made by a company or body corporate, which is a holding company or a subsidiary of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Tribunal may, if it is satisfied, allow any period as its financial year, whether or not that period is an year.

Rule 12 of Companies (Accounts) Rules, 2014 requires that every company shall file its financial statements with Registrar in e-Form AOC-4 and Consolidated Financial Statements, if applicable in e-Form AOC-4 CFS. It further states that such class of companies as may be notified by Central Government from time to time shall mandatorily file their financial statement in XBRL format.

#### **Applicability of Form AOC-4 XBRL**

XBRL stands for “extensible business reporting language”. Ministry of Corporate affairs in its endeavor to bring harmony in filing of various reports by some big companies, introduced Companies (Filing of documents & Forms in Extensible Business Reporting Language) Rules, 2015.

As per Rule 3, following class of companies shall file their financial statements and other documents under section 137 of the Act, with the registrar in e-Form AOC-4 XBRL on or after 1st April 2014, namely:

- o All companies listed with any Stock Exchange(s) in India & their Indian subsidiaries
- o All companies having paid up capital of rupees five crore or above
- o All companies having turnover of rupees hundred crore or above
- o All companies which were hitherto covered under the companies (Filing of Documents & Forms in Extensible Business Reporting Language) Rules, 2011

Therefore, companies coming under the set criteria stated under Companies (Filing of documents & Forms in Extensible Business

Reporting Language) Rules, 2015, shall file its Financial Statements and other documents in e-form AOC-4 XBRL and rest of the companies may continue filing their financial statements in AOC-4 and AOC-4 CFS as the case may be.

However, according to proviso to Rule 3, companies in Banking, Insurance, Power Sector , Non-Banking Financial companies and Housing Finance Companies are exempted from XBRL filing.

### **Applicability of Form AOC-4 CFS**

AOC-4 CFS is the e-form for the companies required to prepare consolidated financial statements as per the provisions of sub-section (3) of section 129 of Companies Act, 2013. Further sub-section (4) of section 129 states that the provisions of this Act applicable to preparation, adoption and audit of the financial statements of holding company shall, mutatis mutandis, apply to the consolidated financial statements referred to in sub-section (3).

According to Rule 12(1) of the Company (Accounts) Rules 2014, companies having one or more subsidiaries within or outside India will have to file AOC-4 and AOC-4 CFS with respect to its financial statements and consolidated financial statements respectively.

*Explanation.*—for the purposes of consolidation, the word “subsidiary” shall include Associate Company and joint venture.

All the other companies, not falling in the above criteria for XBRL and CFS, shall file a single e-Form AOC-4 along with its financial statements and other documents as required under the Act.

### **Documents to be filed with AOC-4**

Form AOC-4 also requires some other documents to be filed in addition to the financial statements. These are:

1. \*Copy of financial statements duly authenticated as per section 134 (including Board’s report, auditors’ report and other documents)
2. Statement of subsidiaries as per section 129 – Form AOC-1
3. Statement of the fact and reasons for not adopting Financial statements in the annual general meeting (AGM)
4. Statement of the fact and reasons for not holding the AGM

5. Approval letter of extension of financial year or AGM
6. Supplementary or test audit report under section 143
7. Company CSR policy as per sub-section (4) of section 135
8. Details of other entity(s)
9. Details of salient features and justification for entering into contracts/Arrangements/transactions with related parties as per Sub-section (1) of section 188 - Form AOC-2
10. Details of comments of CAG of India
11. Secretarial Audit Report
12. Directors' report as per sub-section (3) of section 134
13. Details of remaining CSR activities
14. Optional attachment(s), if any.

All these and other compliances of Law with respect to filing of financial statements with ROC is ensured by making it compulsory for the companies to get a pre-certification of Form AOC-4 by a practicing professional which inter- alia- includes company secretary in whole time practice.

#### **APPOINTMENT OF PCS BY THE BOARD FOR CERTIFICATION OF AOC-4**

The following procedure should be adopted by the company for appointment of a PCS for certification of AOC-4:

The Board of the company should convene a Board meeting after giving notice to all the directors of the company in accordance with Section 173 of the Companies Act, 2013. The Board should consider the proposal to engage company secretary in practice for certification and filing the AOC-4 and pass Board resolution in the meeting. Company can engage Company Secretary in practice for certification and filing the AOC-4 by passing of circular resolution as per Section 175.

The resolution may mention the remuneration to be paid to such individual as company secretary in practice or authorize the Managing Director/any other director to fix the remuneration.

The engagement of PCS shall be made for conducting of the

specific work as mentioned in the board resolution. PCS should be provided with a copy of Board Resolution or an Authorisation Letter by the management of the company to provide his professional services with respect to certification and filing of **eForm AOC-4**.

#### **Certification of AOC-4**

As per Companies (Registration Offices and Fees) Amendment Rules, 2014, e-Form AOC-4 filed by companies, other than one person companies and small companies, under sub-rule (1) of rule 9, shall be pre-certified by a practicing professional which includes by a company secretary in whole time practice.

Extract of the certification part of Form No.AOC-4 is given below for your reference:

#### **Certificate by Practicing professional**

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and Rules there under for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order;

1. All the required attachments have been completely and legibly attached to this form;
2. It is understood that I shall be liable for action under Section 448 of the Companies Act, 2013 for wrong certification, if any found at any stage.
  - o Chartered Accountant (in whole time practice)
  - o Cost accountant (in whole time practice)
  - o Company secretary (in whole time practice)

Whether associate or fellow    o   Associate    o   Fellow

Membership Number

*Note* : Attention is drawn to provisions of section 448 and 449 which provide for punishment for false statement/certificate and punishment for false evidence respectively

#### **Signing of e-Form AOC-4**

Before filing on MCA website, e-Form AOC-4 has to be digitally signed by any of the following Key Managerial Personnel of the company:

- o Director
- o Manager
- o Secretary
- o CEO
- o CFO

Ensure the eForm is digitally signed by Director/Manager/Secretary/CEO/CFO

The person signing the e-Form should have registered his/her DSC with MCA. Disqualified Director should not sign the form.

#### **DIN, Income Tax PAN or Membership number of person signing AOC-4**

In case the person digitally signing the eForm is a Director of the company, his approved Director Identification Number (DIN) needs to be entered in the e- Form. DIN is an identification number allotted by Central Government to any Director of a company for the purpose of his identification as director of the company.

Where the e-Form is digitally signed by a CEO or CFO or Manager of the company then his Income Tax Permanent Account Number (PAN) needs to be entered in the e-Form.

Where the e-Form is digitally signed by a Company Secretary of the company then his membership number of Institute of Company Secretaries of India is to be entered in the e-Form.

### Statutory Fees for filing of e-Form AOC-4

Statutory fee for filing is based on the authorized capital of the Company, date of the event and date of filing. Additional fee is applicable in case the company files AOC-4 after thirty days from the date of annual general meeting or where no annual general meeting is held in any year, after thirty days from the last date on which the annual general meeting should have been held as per the provisions of the Companies Act, 2013.

#### Table of fees to be paid to the Registrar

For submitting, filing, registering or recording any document by this Act required or authorised to be submitted, filed, registered or recorded

- |  |         |
|--|---------|
| 1) In respect of a company having a share capital :<br>in respect of a company having a nominal share capital of up to Rs. 1,00,000. | Rs. 200 |
| in respect of a company having a nominal share capital of Rs. 1,00,000 or more but less than Rs.5,00,000.                            | Rs.300  |
| in respect of a company having a nominal share capital of Rs. 5,00,000 or more but less than Rs. 25,00,000                           | Rs.400  |
| in respect of a company having a nominal share capital of Rs.25,00,000 or more but less than Rs. 1 crore or more.                    | Rs.500  |
| in respect of a company having a nominal share capital of Rs. 1 crore or more.   | Rs.600  |
| 2) In respect of a company not having a share capital  | Rs. 200 |

**Table of additional fees applicable for delays in filing of Form AOC – 4**

<i>Sl.No.</i>	<i>Period of delays</i>	<i>Form including charge documents</i>
01	Up to 30 days	2 times of normal filing fees
02	More than 30 days and up to 60 days	4 times of normal filing fees
03	More than 60 days and up to 90 days	6 times of normal filing fees
04	More than 90 days	10 times of normal filing fees and up to 180 days
05	More than 180 days and up to 270 days	12 times of normal filing fees
06	In case of delay beyond 270 days	Second proviso to sub-section (I) of section 403 of the Act may be referred

**Revision of Financial Statements or Board's Report**

Companies Act, 2013 provides for revision of financial statements or Board's report under section 130 and Section 131. Section 130 deals with Re-opening of accounts on court's or Tribunal's orders. Section 131 deals with voluntary revision of financial statements or Board's report.

Section 131 (1) states that, If it appears to the directors of a company that—

- (a) the financial statement of the company; or
- (b) the report of the Board,

do not comply with the provisions of section 129 or section 134, they may prepare revised financial statement or a revised report in respect of any of the three preceding financial years after obtaining approval of the Tribunal on an application made by the company in form NCLT-1 and manner as may be prescribed and a copy of the order passed by the Tribunal shall be filed with the Registrar in Form INC-28 and SRN of INC-28 will be mention in the form AOC-4.

**Manner prescribed by the NCLT for Application:**

- (1) Where it appears to the directors of a company that the financial statement of the company or the report of the board do not comply with the provisions of section 129 or section 134, the application shall be filled in **Form No. NCLT-1** within fourteen days of the decision taken by the board.
- (2) In case the majority of the directors of the company or the auditor of the company has been changed immediately before the decision is taken to apply under section 131, the company shall disclose such facts in the application.
- (3) The application shall, *inter allia*, set forth the following particulars, namely.-
  - (a) financial year or period to which such accounts relates;
  - (b) the name and contact details of the managing director, chief financial officer, directors, company secretary and officer of the company responsible for making and maintaining such books of accounts and financial statements;
  - (c) where such accounts are audited, the name and contact details of the auditor or any former auditor who audited such accounts;
  - (d) copy of the board resolution passed by the board of directors;
  - (e) grounds for seeking revision of financial statement or board's report.
- (4) The company shall at least fourteen days before the date of hearing advertise the application in accordance with rule 35.
- (5) The Tribunal shall issue notice and hear the auditor of the original financial statement, if present auditor is different and after considering the application and hearing the auditor and any other person as the tribunal may deem fit, may pass appropriate order in the matter.
- (6) A certified copy of the order of the tribunal shall be filled with the registrar of companies within thirty days of the date of receipts of the certified copy.

- (7) On receipts of approval from Tribunal a general meeting along with reasons for change in financial statements may be published in newspaper in English and in vernacular language.
  - (8) In the general meeting, the revised financial statements, statement of directors and the statement of auditors may be put up for consideration before a decision is taken on adoption of the revised financial statements.
  - (9) On approval of the general meeting, the revised financial statements along with the statements of auditors or revised report of the board, as the case may be, shall be filed with the registrar of companies within thirty days of the date of approval by the general meeting.
- (2) Where copies of the previous financial statement or report have been sent out to members or delivered to the Registrar or laid before the company in general meeting, the revisions must be confined to—
- (a) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 129 or section 134; and
  - (b) the making of any necessary consequential alternation.
- (3) The Central Government may make rules as to the application of the provisions of this Act in relation to revised financial statement or a revised director's report and such rules may, in particular—
- (a) make different provisions according to which the previous financial statement or report are replaced or are supplemented by a document indicating the corrections to be made;
  - (b) make provisions with respect to the functions of the company's auditor in relation to the revised financial statement or report;
  - (c) require the directors to take such steps as may be prescribed.

Where the financial statements or board's report are revised for any of the above reason, it will call for filing of a revised financial

statements via e-Form AOC-4 within 30 days of adoption of such change in the AGM.

*Note* : Section 130 and 131 of Companies Act, 2013 come into force w.e.f. 1st June, 2016 MCA vide Notification No. S.O. 1934(E) dated 1st June, 2016.

### **Scope & Extent of work of PCS**

For the purpose of certification, PCS should carry out a scrutiny of the data available and check the correctness of the same. Pre-certification means certification of correctness of each document by a professional including Company Secretary in Practice before the same is filed with the Registrar in terms of the requirements of the Companies Act, 2013. The professional checks the correctness of the particulars stated in the form after due consideration of the provisions of the Act and the rules made there under. He also ensures that the particulars stated in the form are in agreement with the books and records of the company. If he notices any defect or finds that the information provided in the form is incomplete/defective, he appropriately advises/provides guidance for completion of document/rectification of defect and makes pre-certification only after completion/rectification of defects.

Pre-certification acts as a pre-emptive check to ensure that the particulars stated in the form or return are as per the books and records of the company and are true and correct. This would mean that the Registrar can rely on the certification of the Company Secretary in practice and take the document on record without further examination.

Thus, Pre-certification by a Company Secretary in practice ensures that no form or return is filed in the Office of Registrar of Companies which is defective or incomplete.

Once an e-form has been pre-certified by a professional towards its authenticity based on the particulars contained in the books of accounts and records of the company, ROC is entitled to take on record the e-form. If a professional gives a false certificate or omits any material information knowingly, he is liable to punishment under the provisions of the Act as well as liable for professional or other misconduct.

Although, the responsibility for the truthfulness and fairness of the financial statements is primarily of the Financial Auditor of the company. PCS should carry out a detailed scrutiny with respect to compliance of various provisions of Companies Act and rules and regulations made there under with respect to financial statements, board's report, corporate social responsibility and related party transaction etc.

PCS should carry out a detailed scrutiny and cross verification of documents. While doing the detailed scrutiny, he may rely on certified copies of the resolutions, forms, agreements and also certificates from the management.

### **RESPONSIBILITY OF PROFESSIONALS**

While the Companies Act, 2013 provides a new and significant area of practice for Company secretaries, it casts immense responsibility on the company secretaries. Company Secretaries must take care while certifying the Form AOC-4. Any failure or lapse on the part of PCS may attract penalty both under the Companies Act, 2013 as well as under the Company Secretaries Act, 1980 for professional or other misconduct.

#### **Penalty on Company Secretaries for false statement and wrong certification**

Company Secretaries must take care while certifying the e-Form AOC-4. Rule 8(7) of Companies (Registration Offices and Fees) Rules, 2014 states that it shall be the sole responsibility of the person who is signing the e-form and professional who is certifying the form to ensure that all the required attachments relevant to the form have been attached completely and legibly as per provisions of the Act, and rules made thereunder. Further Rule 8(9) states that where any instance of filing document, application or return etc., containing a false or misleading information or omission of material fact, requiring action under section 448 and 449 is observed, the person shall be liable under section 448 and 449 of the Act. Any failure or lapse on the part of PCS may attract penalty under-

- Companies Act 2013;
- Company Secretaries Act, 1980.

## 1. Companies Act, 2013

Company secretary in practice may attract the provisions of section 447, sections 448 and 449 of Companies Act, 2013.

Section 447 deals with punishment for fraud which provides that any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. In case, the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

Section 448 provides that if in any return, report, certificate, financial statement, prospectus, statement or other document required by, or for, the purposes of any of the provisions of this Act or the rules made thereunder, any person makes a statement,—

(a) which is false in any material particulars, knowing it to be false; or

(b) which omits any material fact, knowing it to be material,

he shall be liable under section 447 of the Act.

In view of this, a professional will be penalised under section 448 in case he makes the statement, which is false in any material particulars, knowing it to be false, or which omits any material fact knowing it to be material.

### **Authority to initiate action against Professionals**

MCA vide its circular no. 10/2014 dated 07.05.2014 has clarified that Regional director/ ROC would initiate action under section 448 and 449 of the Act in the cases of submitting false or misleading or incorrect information.

Cases u/s 448 and 449 also would be referred to the concerned Institute for conducting disciplinary proceedings against the errant member as well as MCA will debar the concerned professional from filing any document on the MCA portal in future.

## 2. Company Secretaries Act, 1980

PCS may be liable for various actions by Disciplinary Committee of the ICSI as mentioned under section 21B (3) of Company Secretaries Act, 1980, in case, the Committee is of the opinion that a member is guilty of a professional or other misconduct as mentioned in clause 5,6,7,8, and 9 of Part I of second schedule to the Act.

Disciplinary Committee shall also have jurisdiction over cases referred to it by MCA.

The Company secretary in Practice shall be liable for professional or other misconduct mentioned in First and Second Schedule or both the Schedules to the Company Secretaries Act, 1980 and where held guilty, be liable for the following Actions :

- (i) Where found guilty of professional or other misconduct mentioned in the First Schedule;
  - (a) reprimand;
  - (b) removal of name from the Register of members upto a period of three months;
  - (c) fine which may extend to one lakh rupees.
- (ii) Where found guilty of professional or other misconduct mentioned in the Second Schedule;
  - (a) reprimand;
  - (b) removal of name from the Register of members permanently or such period as may be thought fit by the disciplinary Committee;
  - (c) fine which may extend to five lakh rupees

### Consequences of not filing AOC-4

#### For the Director

- (1) If the company has not filed the copy of financial statements before the expiry of period of 270 days from the date by which it should have been filed with fee and additional fees,

every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both (Section 137)

- (2) If the company has not filed its financial statements for continuous period of three financial years, then every person who is or has been director of that company shall not be eligible for re-appointment as Director of that company or appointed in any other company for a period of five years from the date on which the said company fails to do so. (Section 164(2))
- (3) If in Financial Statement, any Director or any Person makes a statement (a) which is false in any material particulars, knowing it to be false; or (b) which omits any material fact, knowing it to be material, he shall be punishable with imprisonment for a term which shall not be less than 6 months but which may extend to 10 years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. (Section 448)

Under section 245, the class of shareholders or depositors may file an application with the Tribunal alleging that the management or conduct of the affairs of any company are being conducted in a manner prejudicial to the interest of the company, its members or depositors. Such class action may include suite against the company, its directors, officers, experts or any other person for wrongful or fraudulent act. The order passed by the Tribunal shall be binding on the Company, its directors and officers.

#### **For the Company**

- (1) If the company has not filed its Financial Statements before the expiry of period of 270 days from the date by which it should have been filed with fee and additional fees, the company shall be punishable with fine of one thousand rupees for every day during which the failure continues but which shall not be more than ten lakhs rupees (Section 137)
- (2) If the Company has defaulted in filing Financial Statements

for the immediately preceding five financial years, the Company may be wound up by the Tribunal. (Section 271)

- (3) If the Company has not filed its Financial Statements for last two financial years, it will be termed as “inactive company” [Section 455(1) explanation]
- (4) If the Company has not filed its Financial Statements for two financial years consecutively, the Registrar shall issue notice to the Company and enter its name in the Register of Dormant Companies. [Section 455(4)]

### **COMPOUNDING OF OFFENCES (Section 441)**

<i>Compliance of Section under Companies Act, 2013</i>	<i>Section 137 - Filing of Financial Statements</i>
Particular section under which offence is punishable	Section 137(3)
Who is punishable (Compounding application to be made by)	Company and Every officer in default
Period (or) / (and) Amount of fine	(1) Company- fine of Rs. 1,000 for every day during which default continues, which shall not be more than Rs. 10,00,000 (2) Every officer in default- 6 months imprisonment OR fine of not less than Rs. 1,00,000 which may extend to Rs. 5,00,000, OR with both.

Provisions and procedure for compounding of offences, which are punishable under Companies Act, 2013 are stipulated under Section 441. Only those offences which are punishable with either penalty or with penalty or imprisonment are compoundable under Section 441. Therefore, offence which is specifically punishable only with imprisonment or with imprisonment and fine is non-compoundable. The default under section 137 is compoundable

offence. Any offences punishable with fine only may be compounded by the Tribunal or where the maximum amount of fine which may be imposed for such offence does not exceed five lakh rupees, by the Regional Director or any officer authorized by the Central Government. Any offence which is punishable with imprisonment or fine or with both, shall be compoundable with the permission of the Special Court, in accordance with the procedure laid down in the Code of Criminal Procedure, 1973 for compounding of a offences. As an offence of non-filing of Financial Statements, every officer of the company who is default is punishable with imprisonment or with fine or with both, the offence shall be compoundable with the permission of the Special Court, in accordance with the procedure laid down in the Code of Criminal Procedure, 1973 for compounding of offences.

#### **CHECKLIST FOR FILLING E-FORM AOC-4 (Financial and other documents)**

The e-Form AOC-4 is divided into six segments, a brief description of every segment is as under with guidance for filling of the form:

#### **I. INFORMATION AND PARTICULARS IN RESPECT OF BALANCE SHEET**

##### **Part A**

##### **General Information of the company**

##### **Points for Verification**

1. Check Memorandum of Association for Authorised capital.
2. Check Register of Members for number of members.
3. Check Corporate Identity Number (CIN) of the company as allotted by Registrar of companies (ROC).
4. In case, there is any Change in the Prefilled email Id and Telephone Number, the same should be updated. However changes would be taken up in MCA records based on the relevant eForm filing. Please note that the telephone number with STD code should be that of the company and not of the practicing professional.
5. Website address of the company should be correct.

6. Filing of this form is allowed only for financial years starting on or after 1st April 2014 as provided under Companies Act, 2013.
7. In case of One Person Company, fields w.r.to AGM would not be applicable.
8. Check DIR-3 (Application for allotment of DIN).
9. Check the Register of directors/KMPs.
10. Check [www.icsi.edu](http://www.icsi.edu) for Membership number of Company Secretary.
11. Check minutes of Board Meeting in which Board's report was approved and Financial statement was approved.
12. Check the copy of Notice of Annual General Meeting and minutes of Annual General Meeting (AGM) and adjourned AGM if any to verify the date of Annual General Meeting.
13. Check the Register of members of the company to identify the holding company and % of shares held by that company (holding company). The same can also be verified from the Note on Share Capital in the Balance Sheet.
14. Check Register of Investment of the company for relevant period to determine % and number of shares held by the company in other companies.
15. Check Register of members of other company (if available), for cross verification of Holding and Subsidiary relation of the company.
16. Check the Auditor's Report, also the contract with the Auditor and Form ADT-1 for details relating to statutory auditor, to be filled in point number 10 of the e-form.
17. Check the provisions of Companies Act, 2013 and rules there under w.r.to applicability of schedule III and provisions w.r.to consolidation of financial statements.
18. Check whether Company has any subsidiary, associate company for consolidation of accounts.
19. Check the signed copy Financial statement & Directors' report to verify the signature of the Director and auditor who have sign such documents.

**Part - B****Points for Verification**

1. Verify the figures of Balance Sheet items from the audited balance sheet.
2. Check whether the provisions of section-73 to section-76 of the Companies Act are complied with w.r.to acceptance of deposits.
3. Check whether the provisions of section -185/186 of the Act are complied with with respect to loans and advances made by the company.
4. Check the Credit Ratings of the company, PCS can ask the management of the company to provide such details, this will help him to check if the company has complied with law w.r.to the loans and deposits.
5. Check the Register of members for filling the paid up capital held by foreign company in financial parameters.
6. Check shares Bought Back Register for filling the details of share bought back in financial parameters.
7. Check Register of Deposits for filling the details w.r.to deposits accepted , renewed, matured etc. in the financial parameters.
8. Check the Form PAS-3 or Listing Approval of the Company with respect to Public issue of share capital.
9. Check shelf prospectus if any and information memorandum attached thereto.
10. Check that allotment against Public Issue of securities be in dematerialized form.
11. Check provisions of Articles of Association (AOA) of the company w.r.to Bonus shares, Right shares, buy back of shares etc.
12. Net worth of the company to be filled in financial parameters is to be calculated from audited balance sheet figures, in accordance with Section 2(57) of the Act.

13. Check Fixed Asset Register for filling in the figures of Gross fixed assets and depreciation/amortization in the financial parameters.

## **II. INFORMATION AND PARTICULARS IN RESPECT OF PROFIT AND LOSS ACCOUNT**

### **Points for Verification**

1. Verify the Board's resolution in which dividend was proposed.
2. Verify earning per share (EPS) and diluted EPS from the notes forming part of financial statements (audited).
3. Income and expenditure in foreign currency can be checked from relevant extracts from notes to accounts on AS 11 or Ind AS 21 as the case may be.
4. Transaction with related parties can be checked from relevant extracts from notes to accounts on AS 18 or Ind AS 24 as the case may be.
5. Refer Indian Trade Classification (ITC) and/or National Product Classification for Services (NPCS) to check the product or service category of the company.

## **III. REPORTING OF CORPORATE SOCIAL RESPONSIBILITY**

### **Points for Verification**

1. Check Board's report for composition of Corporate Social Responsibility Committee. Minutes of the Board Meeting may also be checked with respect to Board's Resolution for constitution of CSR Committee.
2. Check that at least one director of the CSR committee is an independent director in case of a Listed Company.
3. Verify CSR Policy of the company to be indicative of activities as specified in Schedule VII of the Act.
4. Whether company's CSR policy displayed on its website.
5. Check Board's report whether disclosing CSR Policy and composition of CSR Committee.
6. Check if the company fails to spend CSR amount, Board has in its report specified the reason for not spending the amount

7. Verify that 'Net Profit' is calculated as per provisions of section 198 of the Companies Act, 2013, that is before tax net profit. Check whether the Net Profit so calculated is 5 crore or more.
8. Check whether 'Net Worth' of company is 500 crore or more. Net Worth here implies aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
9. Check whether 'Turnover' of the company is 1000 crore or more. Turnover" means the aggregate value of the realisation of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.
10. The term 'spend' in accounting parlance generally means the liabilities incurred during the relevant accounting period.
11. Check whether preference is given to local areas for spending the amount earmarked for CSR. In caes of multi-location operations, the company could exercise discretion in choosing the area to which it wants to give preference.
12. Expenditure on administrative overheads in building CSR capacities can be factored into CSR cost where the expenditure does not exceed 5% of total CSR expenditure of company in one financial year. PCS needs to check on this aspect.
13. Check various notifications/circulars issued by MCA from time to time for clarifying on various aspects of CSR. Circular No. 21/2014 is one such circulars. PCS should be well updated on all these clarifications in order to form a correct opinion.

#### **IV. DISCLOSURE ABOUT RELATED PARTY TRANSACTIONS**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section

(1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- As per this requirement even the related party transaction are on arm length and ordinary course of business, company have to disclose the details of contract/arrangement with related party u/s 188.
- Company required to disclose these information only when the company entered into seven transaction mentioned in 188(1) (a) to (g).

#### **Points for Verification**

1. Check Register of Directors and Key Managerial Personnel.
2. Check the Register of contracts or arrangements in which directors are interested.
3. Check the Register of members to identify related parties.
4. Check the Register of Investment of the company to identify related parties.
5. Check Register of Disclosure of Interest by directors.
6. PCS may ask the management to provide him with the list of following parties :
  - Associates,
  - Joint Ventures,
  - Key Managerial Personnel (KMP),
  - Relatives of KMPs,
  - Holding company,
  - Subsidiary company,
  - Fellow subsidiary

The above information can be verified from Form MGT-9, AOC-2 or from the Notes on the Financial Statements on Related Party Disclosures (AS-18).

7. Check from Form AOC-2 in the Board's report for disclosure of related party transactions (RPTs) which are not in ordinary

course of business or not at arm's length price and material contracts or arrangement or transactions which are at arm's length price. [Section 188]

8. Whether prior approval of Board taken for entering into related party transactions.
9. Whether ordinary resolution passed at the general meeting in case of company is covered under the first proviso of Section 188 read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 if RPT is not at arm's length price and also not in the ordinary course of business.
10. In case of listed companies, policy of dealing with RPTs to be disclosed on website and in annual return.
11. Whether prior approval of shareholders taken in case of material RPTs by listed companies.

#### **V. AUDITOR'S REPORT**

1. In case of a Govt. company, select whether Comptroller and Auditor General of India (CAG of India) has commented upon or supplemented the audit report under section 143 of the Companies Act, 2013.
2. Whether auditor's report has been qualified or has any reservations or contains adverse remarks, if Yes then the details thereof needs to be filled in the respective fields that are opened on choosing Yes option. In case of choosing No option, there will be no further details required to be filled.
3. Whether Companies (Auditor's Report) Order, 2015 (CARO) is applicable on the company, , if Yes then the details, viz auditor's comments on various particulars thereof needs to be filled in the respective fields that are opened on choosing Yes option. In case of choosing No option, there will be no further details required to be filled.

#### **VI. MISCELLANEOUS**

1. Select, whether Secretarial Audit is applicable, if Yes then the details thereof needs to be filled in the respective fields

that are opened on choosing Yes option. In case of choosing No option, there will be no further details required to be filled.

2. Select, whether the detailed disclosures with respect to Director's report under sub-section (3) of section 134 is attached. Details disclosures in Form MR-3.

**Various attachments are required to be uploaded with eform AOC-4**

1. \*Copy of financial statements duly authenticated as per section 134 (including Board's report, auditors' report and other documents).
2. Statement of subsidiaries as per section 129 – Form AOC-1.
3. Statement of the fact and reasons for not adopting Financial statements in the annual general meeting (AGM).
4. Statement of the fact and reasons for not holding the AGM.
5. Approval letter of extension of financial year or AGM.
6. Supplementary or test audit report under section 143.
7. Company CSR policy as per sub-section (4) of section 135.
8. Details of other entity(s).
9. Details of salient features and justification for entering into contracts/ Arrangements/transactions with related parties as per Sub-section (1) of section 188 - Form AOC-2.
10. Details of comments of CAG of India.
11. Secretarial Audit Report.
12. Directors' report as per sub-section (3) of section 134.
13. Details of remaining CSR activities.
14. Optional attachment(s), if any.

**I. DECLARATION****Points for Verification**

1. Minutes book of Board Meeting in which Director/Manager/CEO/CFO was authorized to sign this form to check resolution no. and date of Board Meeting.
2. Certified true copy of the resolution in which Director/Manager/CEO/CFO is authorized to file the form.

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## **Annexure I**

### **Relevant Sections under the Companies Act, 2013**

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#### **CHAPTER IX – ACCOUNTS OF COMPANIES**

##### **Section 128 : Books of account, etc. to be kept by company**

- (1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting:

Provided that all or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place:

Provided further that the company may keep such books of account or other relevant papers in electronic mode in such manner as may be prescribed.

- (2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-section (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-section (1).
- (3) The books of account and other books and papers maintained

by the company within India shall be open for inspection at the registered office of the company or at such other place in India by any director during business hours, and in the case of financial information, if any, maintained outside the country, copies of such financial information shall be maintained and produced for inspection by any director subject to such conditions as may be prescribed:

Provided that the inspection in respect of any subsidiary of the company shall be done only by the person authorised in this behalf by a resolution of the Board of Directors.

- (4) Where an inspection is made under sub-section (3), the officers and other employees of the company shall give to the person making such inspection all assistance in connection with the inspection which the company may reasonably be expected to give.
- (5) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order:  
Provided that where an investigation has been ordered in respect of the company under Chapter XIV, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.
- (6) If the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other person of a company charged by the Board with the duty of complying with the provisions of this section, contravenes such provisions, such managing director, whole-time director in charge of finance, Chief Financial officer or such other person of the company shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees or with both.

#### **Section 129 : Financial Statement**

- (1) The financial statements shall give a true and fair view of

the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III:

Provided that the items contained in such financial statements shall be in accordance with the accounting standards:

Provided further that nothing contained in this sub-section shall apply to any insurance or banking company or any company engaged in the generation or supply of electricity, or to any other class of company for which a form of financial statement has been specified in or under the Act governing such class of company:

Provided also that the financial statements shall not be treated as not disclosing a true and fair view of the state of affairs of the company, merely by reason of the fact that they do not disclose—

- (a) in the case of an insurance company, any matters which are not required to be disclosed by the Insurance Act, 1938, or the Insurance Regulatory and Development Authority Act, 1999;
  - (b) in the case of a banking company, any matters which are not required to be disclosed by the Banking Regulation Act, 1949;
  - (c) in the case of a company engaged in the generation or supply of electricity, any matters which are not required to be disclosed by the Electricity Act, 2003;
  - (d) in the case of a company governed by any other law for the time being in force, any matters which are not required to be disclosed by that law.
- (2) At every annual general meeting of a company, the Board of Directors of the company shall lay before such meeting financial statements for the financial year.
  - (3) Where a company has one or more subsidiaries, it shall, in addition to financial statements provided under sub-section

(2), prepare a consolidated financial statement of the company and of all the subsidiaries in the same form and manner as that of its own which shall also be laid before the annual general meeting of the company along with the laying of its financial statement under sub-section (2):

Provided that the company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in such form as may be prescribed:

Provided further that the Central Government may provide for the consolidation of accounts of companies in such manner as may be prescribed.

*Explanation.*—For the purposes of this sub-section, the word “subsidiary” shall include associate company and joint venture.

- (4) The provisions of this Act applicable to the preparation, adoption and audit of the financial statements of a holding company shall, mutatis mutandis, apply to the consolidated financial statements referred to in sub-section (3).
- (5) Without prejudice to sub-section (1), where the financial statements of a company do not comply with the accounting standards referred to in sub-section (1), the company shall disclose in its financial statements, the deviation from the accounting standards, the reasons for such deviation and the financial effects, if any, arising out of such deviation.
- (6) The Central Government may, on its own or on an application by a class or classes of companies, by notification, exempt any class or classes of companies from complying with any of the requirements of this section or the rules made thereunder, if it is considered necessary to grant such exemption in the public interest and any such exemption may be granted either unconditionally or subject to such conditions as may be specified in the notification.
- (7) If a company contravenes the provisions of this section, the managing director, the whole-time director in charge of finance, the Chief Financial Officer or any other person

charged by the Board with the duty of complying with the requirements of this section and in the absence of any of the officers mentioned above, all the directors shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

*Explanation.*—For the purposes of this section, except where the context otherwise requires, any reference to the financial statement shall include any notes annexed to or forming part of such financial statement, giving information required to be given and allowed to be given in the form of such notes under this Act.

**Section 130: Re-opening of accounts on court's or Tribunal's orders.**

1. A company shall not re-open its books of account and not recast its financial statements, unless an application in this regard is made by the Central Government, the Income-tax authorities, the Securities and Exchange Board, any other statutory regulatory body or authority or any person concerned and an order is made by a court of competent jurisdiction or the Tribunal to the effect that—
  - (i) the relevant earlier accounts were prepared in a fraudulent manner; or
  - (ii) the affairs of the company were mismanaged during the relevant period, casting a doubt on the reliability of financial statements:

Provided that the court or the Tribunal, as the case may be, shall give notice to the Central Government, the Income-tax authorities, the Securities and Exchange Board or any other statutory regulatory body or authority concerned and shall take into consideration the representations, if any, made by that Government or the authorities, Securities and Exchange Board or the body or authority concerned before passing any order under this section.

- (2) Without prejudice to the provisions contained in this Act the accounts so revised or re-cast under sub-section (1) shall be final.

**Section 131: Voluntary revision of financial statements or Board's report.**

(1) If it appears to the directors of a company that—

- (a) the financial statement of the company; or
- (b) the report of the Board,

do not comply with the provisions of section 129 or section 134 they may prepare revised financial statement or a revised report in respect of any of the three preceding financial years after obtaining approval of the Tribunal on an application made by the company in such form and manner as may be prescribed and a copy of the order passed by the Tribunal shall be filed with the Registrar:

Provided that the Tribunal shall give notice to the Central Government and the Incometax authorities and shall take into consideration the representations, if any, made by that Government or the authorities before passing any order under this section:

Provided further that such revised financial statement or report shall not be prepared or filed more than once in a financial year:

Provided also that the detailed reasons for revision of such financial statement or report shall also be disclosed in the Board's report in the relevant financial year in which such revision is being made.

(2) Where copies of the previous financial statement or report have been sent out to members or delivered to the Registrar or laid before the company in general meeting, the revisions must be confined to—

- (a) the correction in respect of which the previous financial statement or report do not comply with the provisions of section 129 or section 134; and
- (b) the making of any necessary consequential alternation.

(3) The Central Government may make rules as to the application of the provisions of this Act in relation to revised financial

statement or a revised director's report and such rules may, in particular—

- (a) make different provisions according to which the previous financial statement or report are replaced or are supplemented by a document indicating the corrections to be made;
- (b) make provisions with respect to the functions of the company's auditor in relation to the revised financial statement or report;
- (c) require the directors to take such steps as may be prescribed.

**Section 136: Right of member to copies of audited financial statement.**

- (1) Without prejudice to the provisions of section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting:

Provided that in the case of a listed company, the provisions of this sub-section shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements:

Provided further that the Central Government may prescribe

the manner of circulation of financial statements of companies having such net worth and turnover as may be prescribed:

Provided also that a listed company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company:

Provided also that every company having a subsidiary or subsidiaries shall,—

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
  - (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.
- (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-section (1) at its registered office during business hours.
- (3) If any default is made in complying with the provisions of this section, the company shall be liable to a penalty of twenty-five thousand rupees and every officer of the company who is in default shall be liable to a penalty of five thousand rupees.

**Section 137: Copy of financial statement to be filed with Registrar.**

- (1) A copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this Act, duly adopted at the annual general meeting of the company, shall be filed with the Registrar within thirty days of the date of annual general meeting in such manner, with such fees or additional fees as may be prescribed within the time specified under section 403:

Provided that where the financial statements under sub-section (1) are not adopted at annual general meeting or

adjourned annual general meeting, such unadopted financial statements along with the required documents under sub-section (1) shall be filed with the Registrar within thirty days of the date of annual general meeting and the Registrar shall take them in his records as provisional till the financial statements are filed with him after their adoption in the adjourned annual general meeting for that purpose:

Provided further that financial statements adopted in the adjourned annual general meeting shall be filed with the Registrar within thirty days of the date of such adjourned annual general meeting with such fees or such additional fees as may be prescribed within the time specified under section 403:

Provided also that a One Person Company shall file a copy of the financial statements duly adopted by its member, along with all the documents which are required to be attached to such financial statements, within one hundred eighty days from the closure of the financial year:

Provided also that a company shall, along with its financial statements to be filed with the Registrar, attach the accounts of its subsidiary or subsidiaries which have been incorporated outside India and which have not established their place of business in India.

- (2) Where the annual general meeting of a company for any year has not been held, the financial statements along with the documents required to be attached under sub-section (1), duly signed along with the statement of facts and reasons for not holding the annual general meeting shall be filed with the Registrar within thirty days of the last date before which the annual general meeting should have been held and in such manner, with such fees or additional fees as may be prescribed within the time specified, under section 403.
- (3) If a company fails to file the copy of the financial statements under sub-section (1) or sub-section (2), as the case may be, before the expiry of the period specified in section 403, the company shall be punishable with fine of one thousand rupees for every day during which the failure continues but

which shall not be more than ten lakh rupees, and the managing director and the Chief Financial Officer of the company, if any, and, in the absence of the managing director and the Chief Financial Officer, any other director who is charged by the Board with the responsibility of complying with the provisions of this section, and, in the absence of any such director, all the directors of the company, shall be punishable with imprisonment for a term which may extend to six months or with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees, or with both.

## Annexure II

### Relevant Rules

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#### COMPANIES (ACCOUNTS) RULES, 2014

##### **Rule 3: Manner of books of account to be kept in electronic mode**

- (1) The books of account and other relevant books and papers maintained in electronic mode shall remain accessible in India so as to be usable for subsequent reference.
- (2) The books of account and other relevant books and papers referred to in sub-rule (1) shall be retained completely in the format in which they were originally generated, sent or received, or in a format which shall present accurately the information generated, sent or received and the information contained in the electronic records shall remain complete and unaltered.
- (3) The information received from branch offices shall not be altered and shall be kept in a manner where it shall depict what was originally received from the branches.
- (4) The information in the electronic record of the document shall be capable of being displayed in a legible form.
- (5) There shall be a proper system for storage, retrieval, display or printout of the electronic records as the Audit Committee, if any, or the Board may deem appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law:

Provided that the back-up of the books of account and other books and papers of the company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.

- (6) The company shall intimate to the Registrar on an annual basis at the time of filing of financial statement-
- (a) the name of the service provider;
  - (b) the internet protocol address of service provider;
  - (c) the location of the service provider (wherever applicable);
  - (d) where the books of account and other books and papers are maintained on cloud, such address as provided by the service provider.

*Explanation.-* For the purposes of this rule, the expression "electronic mode" includes "electronic form" as defined in clause (r) of sub-section (1) of section 2 of Information Technology Act, 2000 (21 of 2000) and also includes an electronic record as defined in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000) and "books of account " shall have the meaning assigned to it under the Act.

**Rule 4: Conditions regarding maintenance and inspection of certain financial information by directors**

- (1) The summarised returns of the books of account of the company kept and maintained outside India shall be sent to the registered office at quarterly intervals, which shall be kept and maintained at the registered office of the company and kept open to directors for inspection.
- (2) Where any other financial information maintained outside the country is required by a director, the director shall furnish a request to the company setting out the full details of the financial information sought, the period for which such information is sought.
- (3) The company shall produce such financial information to the director within fifteen days of the date of receipt of the written request.
- (4) The financial information required under sub-rules (2) and (3) shall be sought for by the director himself and not by or through his power of attorney holder or agent or representative.

**Rule 4A : Forms and items contained in financial statements**

The financial statements shall be in the form specified in Schedule III to the Act and comply with Accounting Standards or Indian Accounting Standards as applicable.

Provided that the items contained in the financial statements shall be prepared in accordance with the definitions and other requirements specified in the Accounting Standards or the Indian Accounting Standards as the case may be.

**Rule 5: Form of Statement containing salient features of financial statements of subsidiaries**

The statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures under the first proviso to sub-section (3) of section 129 shall be in Form AOC-1.

**Rule 6: Manner of consolidation of accounts**

The consolidation of financial statements of the company shall be made in accordance with the provisions of Schedule III of the Act and the applicable accounting standards:

Provided that in case of a company covered under sub-section (3) of section 129 which is not required to prepare consolidated financial statements under the Accounting Standards, it shall be sufficient if the company complies with provisions on consolidated financial statements provided in Schedule III of the Act.

"Provided further that nothing in this rule shall apply in respect of preparation of consolidated financial statements by a company if it meets the following conditions:-

- (i) it is a wholly-owned subsidiary, or is a partially-owned subsidiary of another company and all its other members, including those not otherwise entitled to vote, having been intimated in writing and for which the proof of delivery of such intimation is available with the company, do not object to the company not presenting consolidated financial statements;
- (ii) it is a company whose securities are not listed or are not in

the process of listing on any stock exchange, whether in India or outside India; and

- (iii) its ultimate or any intermediate holding company files consolidated financial statements with the Registrar which are in compliance with the applicable Accounting Standards."

Provided also that nothing contained in this rule shall, subject to any other law or regulation, apply for the financial year commencing from the 1st day of April, 2014 and ending on the 31st March, 2015, in case of a company which does not have a subsidiary or subsidiaries but has one or more associate companies or joint ventures or both, for the consolidation of financial statement in respect of associate companies or joint ventures or both, as the case may be. "

Provided also that nothing in this rule shall apply in respect of consolidation of financial statement by a company having subsidiary or subsidiaries incorporated outside India only for the financial year commencing on or after 1st April, 2014.

**Rule 12: Filing of financial statements and fees to be paid thereon**

- (1) Every company shall file the financial statements with Registrar together with Form AOC-4 and the consolidated financial statement, if any, with Form AOC-4 CFS.
- (2) The class of companies as may be notified by the Central Government from time to time, shall mandatorily file their financial statement in Extensible Business Reporting Language (XBRL) format and the Central Government may specify the manner of such filing under such notification for such class of companies.

*Explanation.-* For the purposes of this sub-rule, the term "Extensible Business Reporting Language" means a standardised language for communication in electronic form to express, report or file financial information by companies under this rule.

- (3) The fees or additional fees referred to in sub-section (1) of section 137 and in the second proviso to the said sub-section and in sub-section (2) of the said section shall be as specified in the Companies (Registration Offices and Fees) Rules, 2014.

**COMPANIES (REGISTRATION OFFICES AND FEES) RULES, 2014****Rule 8: Authentication of documents**

- (1) An electronic form shall be authenticated by authorised signatories using digital signature.
- (2) Where there is any change in directors or secretaries, the form relating to appointment of such directors or secretaries has to be filed by an continuing director or the secretary of the company.
- (3) The authorised signatory and the professional, if any, who certify e-form shall be responsible for the correctness of the contents of e-form and correctness of the enclosures attached with the electronic form.
- (4) Every person authorised for authentication of e-forms, documents or applications etc., which are required to be filed or delivered under the Act or rules made there under, shall obtain a digital signature certificate from the Certifying Authority for the purpose of such authentication and such certificate shall not be valid unless it is of class II or Class III specification under the Information Technology Act, 2000 (21 of 2000).
- (5) The electronic forms required to be filed under the Act or the rules thereunder shall be authenticated on behalf of the company by the Managing Director or Director or Secretary of the Company or other key managerial personnel.
- (6) Scanned image of documents shall be of original signed documents relevant to the e-forms or forms and the scanned document image shall not be left blank without bearing the actual signature of authorised person.
- (7) It shall be the sole responsibility of the person who is signing the form and professional who is certifying the form to ensure that all the required attachments relevant to the form have been attached completely and legibly as per provisions of the Act, and rules made thereunder to the forms or application or returns filed.
- (8) The documents or form or application filed may contain a

power of attorney issued to an Advocate or Chartered Accountant or Cost Accountant or Company Secretary who is in whole time practice and to any others person supported by Board resolution to make representation to the registering or approving authority failing which a Director or key managerial personnel can make representation before such authority.

- (9) Where any instance of filing document, application or return etc, containing a false or misleading information or omission of material fact, requiring action under section 448 or section 449 is observed, the person shall be liable under section 448 and 449 of the Act.
- (10) Without prejudice to any other liability, in case of certification of any form, document, application or return under the Act containing wrong or false or misleading information or omission of material fact or attachments by the person, the Digital Signature Certificate shall be de-activated by the Central Government till a final decision is taken in this regard.
- (11) The Central Government shall set up and maintain for filing of electronic forms, documents and applications, and for viewing and inspection of documents in the electronic registry or for obtaining certified copies thereof-
  - (a) a website or portal to provide access to the electronic registry; and
  - (b) as many Registrar's Facilitation Offices as may be necessary and at such places and for such time as the Central Government may determine
- (12) (a) The following e-forms filed by companies, other than one person companies and small companies, under sub-rule (1) of rule 9, shall be pre-certified by the Chartered Accountant or the Company Secretary or as the case may be the Cost Accountant, in whole-time practice, namely:-  
INC-21, INC-22, INC-28, PAS-3, SH-7, CHG-1, CHG-4, CHG-9, MGT- 14, DIR-6, DIR-12, MR-1, MR-2, MSC-1, MSC-3, MSC-4, GNL-3, ADT-1, NDH-1, NDH-2, NDH-3;
- (b) The following e-forms filed by companies, other than one

person companies and small companies, under sub-rule (1) of rule 9, shall be pre-certified in the following manner, namely:—

- (i) GNL-1 - optional pre-certification by the Chartered Accountant or the Company Secretary or as the case may be the Cost Accountant, in whole-time practice;
  - (ii) DPT-3 – certification by Auditors of the company;
  - (iii) MGT-10-certification by a Company Secretary in whole-time practice;
  - (iv) AOC-4- certification by a Chartered Accountant in whole-time practice;
- (c) E-form DIR-3 shall be filed along with attestation of photograph, identity proof and proof of residence of the applicant by the Chartered Accountant or the Company Secretary or as the case may be the Cost Accountant, in whole-time practice.

**Rule 9: Maintaining documents electronically.**

- (1) The Central Government shall set up and maintain a secure centralised electronic registry in which all the applications, financial statement, prospectus, return, register, memorandum, articles, particulars of charges, or any particulars or returns or any other documents under the Act shall be filed and stored electronically.
- (2) Every document or certificate or notice or other document required to be registered or authenticated by the Registrar or an officer of the Central Government under the Act or rules made thereunder, shall be registered or authenticated through a valid digital signature of such person or a system generated digital signature.
- (3) The Registrar shall issue document, certificate, notice, receipt, approval or communicate endorsement or acknowledgement in the electronic mode:

Provided that where the Registrar is not able to issue any certificate, receipt, endorsement, acknowledgement or approval in electronic mode for the reasons to be recorded in

writing, he may issue such certificate or receipt or endorsement, acknowledgement or approval in the physical form under manual signature affixing seal of his office.

- (4) The Registrar may send any document, certificate, notice or any other communication to the company or its authorised representative or directors or both in the electronic manner for which the company shall create and maintain at all times a valid electronic addresses including e-mail, user identifications capable of receiving and acknowledging the receipt of the document, certificate, notice or other communication, automated or otherwise

#### **COMPANIES (MEETINGS OF BOARD AND ITS POWERS) RULES, 2014**

##### **RULE 15 – CONTRACT OR ARRANGEMENT WITH A RELATED PARTY**

A company shall enter into any contract or arrangement with a related party subject to the following conditions, namely:-

- (1) The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-
- (a) the name of the related party and nature of relationship;
  - (b) the nature, duration of the contract and particulars of the contract or arrangement;
  - (c) the material terms of the contract or arrangement including the value, if any;
  - (d) any advance paid or received for the contract or arrangement, if any;
  - (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
  - (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
  - (g) any other information relevant or important for the Board to take a decision on the proposed transaction.

- (2) Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement-
- (3) For the purposes of first proviso to sub-section (1) of section 188, except with the prior approval of the company by a resolution, a company shall not enter into a transaction or transactions, where the transaction or transactions to be entered into,—
- (a) as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188, with criteria as mentioned below –
- (i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten per cent. of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
  - (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten per cent. of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
  - (iii) leasing of property of any kind exceeding ten per cent. of the net worth of the company or ten per cent. of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188;
  - (iv) availing or rendering of any services, directly or through appointment of agent, exceeding ten per cent. of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

*Explanation.*—It is hereby clarified that the limits specified in sub-clauses (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

- (b) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of subsection (1) of section 188; or
- (c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one per cent. of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

*Explanation.-* (1) The Turnover or Net Worth referred in the above sub-rules shall be computed on the basis of the Audited Financial Statement of the preceding Financial year.

- (2) In case of a wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and the holding company.
- (3) The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars, namely:—
  - (a) name of the related party ;
  - (b) name of the director or key managerial personnel who is related, if any;
  - (c) nature of relationship;
  - (d) nature, material terms, monetary value and particulars of the contract or arrangement;
  - (e) any other information relevant or important for the members to take a decision on the proposed resolution.

**COMPANIES (FILING OF DOCUMENTS AND FORMS IN EXTENSIBLE BUSINESS REPORTING LANGUAGE) RULES, 2015****Rule 3 – Filing of financial statement with Registrar**

The following class of companies shall file their financial statement and other documents under section 137 of the Act, with the Registrar in e-form AOC-4 XBRL given in Annexure-I for the financial years commencing on or after 1st April 2014 using the XBRL taxonomy given in Annexure II, namely:-

- (i) all companies listed with any Stock Exchange(s) in India and their Indian subsidiaries; or
- (ii) all companies having paid up capital of rupees five crore or above;
- (iii) all companies having turnover of rupees hundred crore or above; or
- (iv) all companies which were hitherto covered under the Companies (Filing of documents and Forms in Extensible Business Reporting Language) Rules, 2011:

Provided that the companies in banking, insurance, power sector, non-banking financial companies and housing finance companies need not file financial statements under this rule .

**COMPANIES (INDIAN ACCOUNTING STANDARDS) Rules, 2015****Rule 3 - Applicability of Accounting Standards**

- (1) The accounting standards as specified in the Annexure to these rules to be called the Indian Accounting Standards (Ind AS) shall be the accounting standards applicable to classes of companies specified in rule 4.
- (2) The Accounting standards as specified in Annexure to the Companies (Accounting Standards) Rules, 2006 shall be the Accounting Standards applicable to the companies other than the classes of companies specified in rule 4.
- (3) A company which follows the Indian Accounting Standards (Ind AS) specified in Annexure to these rules in accordance with the provisions of rule 4 shall follow such standards only.

- (4) A company which follows the accounting standards specified in Annexure to the Companies (Accounting Standards) Rules, 2006 shall comply with such standards only and not the Standards specified in Annexure to these rules.

**Rule 4 - Obligation to comply with Indian Accounting Standards (Ind AS)**

- (1) The Companies and their auditors shall comply with the Indian Accounting Standards (Ind AS) specified in Annexure to these rules in preparation of their financial statements and audit respectively, in the following manner, namely:-
- (i) any company and its holding, subsidiary, joint venture or associate company may comply with the Indian Accounting Standards (Ind AS) for financial statements for accounting periods beginning on or after 1st April, 2015, with the comparatives for the periods ending on 31st March, 2015, or thereafter;
  - (ii) the following companies shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods beginning on or after 1st April, 2016, with the comparatives for the periods ending on 31st March, 2016, or thereafter, namely:-
    - (a) companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of rupees five hundred crore or more;
    - (b) companies other than those covered by sub-clause (a) of clause (ii) of sub-rule (1) and having net worth of rupees five hundred crore or more;
    - (c) holding, subsidiary, joint venture or associate companies of companies covered by sub-clause (a) of clause (ii) of sub- rule (1) and sub-clause (b) of clause (ii) of sub- rule (1) as the case may be; and
  - (iii) the following companies shall comply with the Indian Accounting Standards (Ind AS) for the accounting periods beginning on or after 1st April, 2017, with the

comparatives for the periods ending on 31st March, 2017, or thereafter, namely:-

- (a) companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees five hundred crore;
  - (b) companies other than those covered in clause (ii) of sub-rule (1) and sub-clause (a) of clause (iii) of sub-rule (1), that is, unlisted companies having net worth of rupees two hundred and fifty crore or more but less than rupees five hundred crore;
  - (c) holding, subsidiary, joint venture or associate companies of companies covered under sub-clause (a) of clause (iii) of sub-rule (1) and sub-clause (b) of clause (iii) of sub-rule (1), as the case may be;
- (iv) Notwithstanding the requirement of clauses (i) to (iii), Non-Banking Financial Companies (NBFCs) shall comply with the Indian Accounting Standards (Ind ASs) in preparation of their financial statements and audit respectively, in the following manner, namely:-
- (a) The following NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2018, with comparatives for the periods ending on 31st March, 2018, or thereafter—
    - (A) NBFCs having net worth of rupees five hundred crore or more;
    - (B) holding, subsidiary, joint venture or associate companies of companies covered under item (A), other than those already covered under clauses (i), (ii) and (iii) of sub-rule (1) of rule 4.
  - (b) The following NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2019, with comparatives for the periods ending on 31st March, 2019, or thereafter—
    - (A) NBFCs whose equity or debt securities are listed

or in the process of listing on any stock exchange in India or outside India and having net worth less than rupees five hundred crore;

- (B) NBFCs, that are unlisted companies, having net worth of rupees two-hundred and fifty crore or more but less than rupees five hundred crore; and
- (C) holding, subsidiary, joint venture or associate companies of companies covered under item (A) or item (B) of sub-clause (b), other than those already covered in clauses (i), (ii) and (iii) of sub-rule (1) or item (B) of sub-clause (a) of clause (iv).

*Explanation.-* For the purposes of clause (iv), if in a group of Companies, some entities apply Accounting Standards specified in the Annexure to the Companies (Accounting Standards) Rules, 2006 and others apply accounting standards as specified in the Annexure to these rules, in such cases, for the purpose of individual financial statements, the entities should apply respective standards applicable to them. For preparation of consolidated financial statements, the following conditions are to be followed, namely:-

- (i) where an NBFC is a parent (at ultimate level or at intermediate level), and prepares consolidated financial statements as per Accounting Standards specified in the Annexure to the Companies (Accounting Standards) Rules, 2006, and its subsidiaries, associates and joint ventures, if covered by clause (i), (ii) and (iii) of sub-rule (1) has to provide the relevant financial statement data in accordance with the accounting policies followed by the parent company for consolidation purposes (until the NBFC is covered under clause (iv) of sub-rule (1));
- (ii) where a parent is a company covered under clause (i), (ii) and (iii) of sub-rule (1) and has an NBFC subsidiary, associate or a joint

venture, the parent has to prepare Ind AS-compliant consolidated financial statements and the NBFC subsidiary, associate and a joint venture has to provide the relevant financial statement data in accordance with the accounting policies followed by the parent company for consolidation purposes (until the NBFC is covered under clause (iv) of sub-rule (1).

- (v) Notwithstanding clauses (i) to (iv), the holding, subsidiary, joint venture or associate companies of Scheduled commercial banks (excluding RRBs) would be required to prepare Ind AS based financial statements for accounting periods beginning from 1st April, 2018 onwards, with comparatives for the periods ending 31st March, 2018 or thereafter:

Provided that nothing in this sub-rule, except clause (i), shall apply to companies whose securities are listed or are in the process of being listed on SME exchange as referred to in Chapter XB or on the Institutional Trading Platform without initial public offering in accordance with the provisions of Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

*Explanation 1.* - SME Exchange shall have the same meaning as assigned to it in Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

*Explanation 2.* - "Comparatives" shall mean comparative figures for the preceding accounting period.

- (2) For the purposes of calculation of net worth of companies under sub-rule (1), the following principles shall apply, namely:-
- (a) the net worth shall be calculated in accordance with the stand-alone financial statements of the company as on 31st March, 2014 or the first audited financial statements for accounting period which ends after that date;

- (b) for companies which are not in existence on 31st March, 2014 or an existing company falling under any of thresholds specified in sub-rule (1) for the first time after 31st March, 2014, the net worth shall be calculated on the basis of the first audited financial statements ending after that date in respect of which it meets the thresholds specified in sub-rule (1).

*Explanation.-* For the purposes of sub-clause (b), the companies meeting the specified thresholds given in sub-rule (1) for the first time at the end of an accounting year shall apply Indian Accounting Standards (Ind AS) from the immediate next accounting year in the manner specified in sub-rule (1).

*Illustration .-* (i) The companies meeting threshold for the first time as on 31st March, 2017 shall apply Ind AS for the financial year 2017-18 onwards.

(ii) The companies meeting threshold for the first time as on 31st March, 2018 shall apply Ind AS for the financial year 2018-19 onwards and so on.

- (2A) For the purposes of calculation of net worth of Non-Banking Financial Companies covered under clause (iv) of sub-rule (1), the following principles shall apply, namely:-

- (a) the net worth shall be calculated in accordance with the stand-alone financial statements of the NBFCs as on 31st March, 2016 or the first audited financial statements for accounting period which ends after that date;
- (b) for NBFCs which are not in existence on 31st March, 2016 or an existing NBFC falling first time, after 31st March, 2016, the net worth shall be calculated on the basis of the first audited stand-alone financial statements ending after that date, in respect of which it meets the thresholds.

*Explanation.-* For the purposes of sub-clause (b), the NBFCs meeting the specified thresholds given in sub-clause (b) of clause (iv) of sub-rule (1) for the first time at the end of an accounting year shall apply Indian Accounting Standards (Ind

ASs) from the immediate next accounting year in the manner specified in sub- clause (b) of clause (iv) of sub-rule (1).

*Illustration* - (i) The NBFCs meeting threshold for the first time as on 31st March, 2019 shall apply Ind AS for the financial year 2019-20 onwards.

(ii) The NBFCs meeting threshold for the first time as on 31st March, 2020 shall apply Ind AS for the financial year 2020-21 onwards and so on.”;

- (3) Standards in Annexure to these rules once required to be complied with in accordance with these rules, shall apply to both stand-alone financial statements and consolidated financial statements.
- (4) Companies to which Indian Accounting Standards (Ind AS) are applicable as specified in these rules shall prepare their first set of financial statements in accordance with the Indian Accounting Standards (Ind AS) effective at the end of its first Indian Accounting Standards (Ind AS) reporting period.

*Explanation.*- For the removal of doubts, it is hereby clarified that the companies preparing financial statements applying the Indian Accounting Standards (Ind AS) for the accounting period beginning on 1st April, 2016 or 1st April, 2018, as the case may be shall apply the Indian Accounting Standards (Ind AS) effective for the financial year ending on 31st March, 2017 or 31st March, 2019, as the case may be

- (5) Overseas subsidiary, associate, joint venture and other similar entities of an Indian company may prepare its standalone financial statements in accordance with the requirements of the specific jurisdiction:

Provided that such Indian company shall prepare its consolidated financial statements in accordance with the Indian Accounting Standards (Ind AS) if it meets the criteria as specified in sub-rule (1).

- (6) Indian company which is a subsidiary, associate, joint venture and other similar entities of a foreign company shall prepare its financial statements in accordance with the Indian

Accounting Standards (Ind AS) if it meets the criteria as specified in sub-rule (1).

- (7) Any company opting to apply the Indian Accounting Standards (Ind AS) voluntarily as specified in sub-rule (1) for its financial statements shall prepare its financial statements as per the Indian Accounting Standards (Ind AS) consistently.
- (8) Once the Indian Accounting Standards (Ind AS) are applied voluntarily, it shall be irrevocable and such companies shall not be required to prepare another set of financial statements in accordance with Accounting Standards specified in Annexure to Companies (Accounting Standards) Rules, 2006.
- (9) Once a company starts following the Indian Accounting Standards (Ind AS) on the basis of criteria specified in sub-rule (1), it shall be required to follow the Indian Accounting Standards (Ind AS) for all the subsequent financial statements even if any of the criteria specified in this rule does not subsequently apply to it.

**Rule 5- Exemptions.-** The Banking Companies and Insurance Companies shall apply the Ind ASs as notified by the Reserve Bank of India (RBI) and Insurance Regulatory Development Authority (IRDA) respectively. An insurer or insurance company shall however, provide Ind AS compliant financial statement data for the purposes of preparation of consolidated financial statements by its parent or investor or venturer, as required by the parent or investor or venturer to comply with the requirements of these rules.

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## Annexure III

### Form No. AOC-4

<p><b>"FORM NO. AOC - 4</b></p> <p>[Pursuant to section 137 of the Companies Act, 2013 and sub-rule (1) of Rule 12 of Companies (Accounts) Rules, 2014]</p>	 <p style="font-size: small;">सत्यमेव जयते</p>	<p><b>Form for filing financial statement and other documents with the Registrar</b></p>
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**Form Language o English o Hindi**

**Refer the instruction kit for filing the form.**

Note-

- All fields marked in \* are to be mandatorily filled.
- Figures appearing in the e-Form should be entered in Absolute Rupees only. Figures should not be rounded off in any other unit like hundreds, thousands, lakhs, millions or crores.

Authorised capital of the company as on the date of filing

Number of members of the company as on the date of filing

#### **SEGMENT- I: INFORMATION AND PARTICULARS IN RESPECT OF BALANCE SHEET**

##### Part A

#### **I. General information of the company**

1. (a) \*Corporate identity number (CIN) of company
- (b) Global location number (GLN) of company
2. (a) Name of the company

- (b) Address of the registered office of the company
- (c) \*e-mail id of the company
3. \*Financial year to which financial statements relates
- From  (DD/MM/YYYY) To  (DD/MM/YYYY)
4. (a) \*Date of Board of Directors' meeting in which financial statements are approved  (DD/MM/YYYY)
- (b) (i) \*Nature of financial statements
- (ii) Nature of revision o Financial statement  
o Directors' Report o Both
- (iii) Whether provisional financial statements filed earlier  
o Yes o No o Not applicable
- (iv) Whether adopted in adjourned AGM o Yes o No o Not applicable
- (v) Date of adjourned AGM in which financial statements were adopted
- (vi) SRN of form INC-28
- (vii) SRN of form AOC-4
- (viii) Date of order of competent authority  (DD/MM/YYYY)
- (c) Details of director(s), manager, secretary, CEO, CFO of the company who have signed the financial statements

Provide Director Identification number (DIN) in case of director and Income – tax permanent account number (Income-tax PAN) in case of manager, secretary, CEO, CFO.

DIN or Income-tax PAN	Name	Designation	Date of signing of financial statements

5. (a) \*Date of Board of Directors' meeting in which Boards' report referred under section 134 was approved  (DD/MM/YYYY)

(b) Details of Director(s) who have signed the Boards' report Pre-fill

DIN	Name	Designation	Date of signing of Boards' report

6. \*Date of signing of reports on the financial statements by the auditors  (DD/MM/YYYY)

7. (a) \*Whether annual general meeting (AGM) held o Yes o No o Not applicable

(b) If yes, date of AGM  (DD/MM/YYYY)

(c) \*Due date of AGM  (DD/MM/YYYY)

(d) \*Whether any extension for financial year or AGM granted o Yes o No

(e) If yes, due date of AGM after grant of extension

(DD/MM/YYYY)

8. (a) \*Whether the company is a subsidiary company as defined under clause (87) of section 2 o Yes o No

(b) CIN of the holding company, if applicable

(c) Name of the holding company

(d) Provision pursuant to which the company has become a subsidiary

9. (a) \* Whether the company has a subsidiary company as defined under clause (87) of section 2 o Yes o No

(b) If yes, then indicate number of subsidiary company(ies)

Pre-fill All

I. CIN of subsidiary company

Name of the subsidiary company

Provision pursuant to which the company has become a subsidiary

10. \*Number of auditors
- I. \*(a) Income- tax PAN of auditor or auditor's firm
- \*(b) Category of auditor                      Individual                      Auditor's firm
- \*(c) Membership number of auditor or auditor's firm registration number
- \*(d) SRN of form ADT-1  Pre- Fill
- \*(e) Name of the auditor or auditor's firm
- \*(f) Address of the auditor or auditor's firm
- Line I
- Line II
- \*City
- \*State
- Country
- \*Pincode
- (g) Details of the member signing for the above firm
- Name of the member
- Membership number
11. (a) \*Whether Schedule III of the Companies Act, 2013 is applicable  
 Yes     No
- (b) \*Type of Industry
- Note: In case the type of industry is other than Banking or Power or Insurance or NBFC, then select Commercial and Industrial (CGI).
12. \*Whether consolidated financial statements required or not     Yes  No
13. (a) \*Whether company is maintaining books of account and other relevant books and papers in electronic form     Yes     No

- (b) Complete Postal Address of the Place of maintenance of computer servers (Storing Accounting Data)

\*Line I

Line II

\*State/Union Territory

\*District

\*ISO Country code

Country

\*Phone (with STD/ISD code)

- (c) Particulars of the service provider (if any)

(i) Name of the service provider

(ii) Internet protocol address of service provider

(iii) Location of the service provider

(iv) Whether books of account and other books and papers are maintained on cloud  Yes  No

Address as provided by the service provider

**Part –B**

**I. Balance Sheet**

<i>Particulars</i>	<i>Figures as at the end of (Current reporting period) (in Rs.)</i> <input type="text"/> (DD/MM/YYYY)	<i>Figures as the end of (Previous reporting period) (in Rs.)</i> <input type="text"/> (DD/MM/YYYY)
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholders' funds</b>		
(a) Share capital		
(b) Reserves and surplus		
(c) Money received against share warrants		

(2) Share application money pending allotment		
(3) Non-current liabilities		
(a) Long-term borrowings		
(b) Deferred tax liabilities (net)		
(c) Other long term liabilities		
(d) Long term provisions		
(4) Current liabilities		
(a) Short-term borrowings		
(b) Trade payables		
(c) Other current liabilities		
(d) Short-term provisions		
TOTAL	0.00	0.00
<b>II. ASSETS</b>		
(1) Non-current assets		
(a) Fixed assets		
(i) Tangible assets		
(ii) Intangible assets		
(iii) Capital work-in progress		
(iv) Intangible assets under development		
(b) Non-current Investments		
(c) Deferred tax assets (net)		
(d) Long-term loans and advances		

(e) Other non-current assets		
(2) Current assets		
(a) Current investments		
(b) Inventories		
(c) Trade receivables		
(d) Cash and cash equivalents		
(e) Short-term loans and advances		
(f) Other current assets		
TOTAL	0.00	0.00

**II. Detailed Balance sheet items (Amount in Rupees)**

**A. Details of long term borrowings (unsecured)**

**B.**

<i>Particulars</i>	<i>Current reporting period</i>	<i>Previous reporting period</i>
Bonds/ debentures		
Term Loans		
- From banks		
- From other parties		
Deferred payment liabilities		
Deposits		
Loans and advances from related parties		
Long term maturities of financial lease obligations		
Other loans & advances		
Total long term borrowings (unsecured)	0.00	0.00
Out of above total, aggregate amount guaranteed by directors		

**B. Details of short term borrowings (unsecured)**

<i>Particulars</i>	<i>Current reporting period</i>	<i>Previous reporting period</i>
Loans repayable on demand		
- From banks		
- From other parties		
Loans and advances from related parties		
Deposits		
Other loans and advances		
Total short term borrowings (unsecured)		
Out of above total, aggregate amount guaranteed by directors		

**C. Details of long term loans and advances (unsecured, considered good)**

<i>Particulars</i>	<i>Current reporting period</i>	<i>Previous reporting period</i>
Capital advances		
Security deposits		
Loans and advances to other related parties		
Other loans and advances		
Total long term loan and advances		
<i>Less</i> : Provision/ allowance for bad and doubtful loans and advances		
- From related parties		
- From others		
Net long term loan and advances (unsecured, considered good)		
Loans and advances due by directors/ other officers of the company		

**D. Details of long term loans and advances (doubtful)**

	<i>Current reporting period</i>	<i>Previous reporting period</i>
Capital advances		
Security deposits		
Loans and advances to related parties		
Other loans and advances		
Total long term loan and advances		
Less : Provision/ allowance for bad and doubtful loans and advances		
- From related parties		
- From others		
Net long term loan and advances (doubtful)	0.00	0.00
Loans and advances due by directors/ other officers of the company		

**E. Details of trade receivables**

<i>Particulars</i>	<i>Current reporting period</i>		<i>Previous reporting period</i>	
	<i>Exceeding six Months</i>	<i>Within six months</i>	<i>Exceeding six Months</i>	<i>Within six months</i>
Secured, considered good				
Unsecured, considered good				
Doubtful				
Total trade receivables	0.00	0.00	0.00	0.00
Less: provision/ allowance for bad and doubtful debts				
Net trade receivables	0.00	0.00	0.00	0.00
Debt due by (directors/ others officers of the company				

**III \*Financial parameters – Balance sheet items (Amount in Rupees) as on financial year end date**

1	Amount of issue for contracts without payment received in cash during reporting period	
2	Share application money given	
3	Share application money given during the reporting period	
4	Share application money received during the reporting period	
5	Share application money received and due for refund	
6	Paid-up capital held by foreign company	%
7	Paid-up capital held by foreign holding and/ or through its subsidiaries	%
8	Number of shares bought back during the reporting period	
9	Deposits accepted or renewed during the reporting period	
10	Deposits matured and claimed but not paid during the reporting period	
11	Deposits matured and claimed but not paid	
12	Deposits matured, but not claimed	
13	Unclaimed matured debentures	
14	Debentures claimed but not paid	
15	Interest on deposits accrued and due but not paid	
16	Unpaid dividend	
17	Investment in subsidiary companies	
18	Investment in government companies	
19	Capital reserve	
20	Amount due for transfer to Investor Education and Protection Fund (IEPF)	
21	Inter-corporate deposits	
22	Gross value of transaction as per AS- 18 (if applicable)	
23	Capital subsidies or grants received from government authority(ies)	
24	Calls unpaid by directors	
25	Calls unpaid by others	
26	Forfeited shares (amount originally paid-up)	
27	Forfeited shares reissued	

28	Borrowing from foreign institutional agencies	
29	Borrowing from foreign companies	
30	Inter-corporate borrowings -secured	
31	Inter-corporate borrowings –unsecured	
32	Commercial Paper	
33	Conversion of warrants into equity shares during the reporting period	
34	Conversion of warrants into preference shares during the reporting period	
35	Conversion of warrants into debentures during the reporting period	
36	Warrants issued during the reporting period (In foreign currency)	
37	Warrants issued during the reporting period (In Rupees)	
38	Default in payment of short term borrowings and interest thereon	
39	Default in payment of long term borrowings and interest thereon	
40	Whether any operating lease has been converted to financial lease or vice-versa  Provides details of such conversions	<input type="radio"/> Yes <input type="radio"/> No
41	Net Worth of the company	
42	Number of shareholders to whom shares allotted under private placement during the reporting period	
43	Secured Loan	
44	Gross fixed assets (including intangible assets)	
45	Depreciation and amortization	
46	Miscellaneous expenditure to the extent not written off or adjusted	
47	Unhedged Foreign Exchange Exposure	

**IV. Share capital raised during the reporting period (Amount in Rupees)**

<i>Particulars</i>	<i>Equity shares</i>	<i>Preference shares</i>	<i>Total</i>
(a) Public issue			0.00
(b) Bonus issue			0.00
(c) Rights issue			0.00
(d) Private placement arising out of conversion of debentures or preference shares			0.00
(e) Other private placement			0.00
(f) Preferential allotment arising out of conversion of debentures or preference shares			0.00
(g) Other preferential allotment			0.00
(h) Employee Stock Option Plan (ESOP)			0.00
(i) Other			0.00
(j) Total amount of share capital raised during the reporting period			

**V. Details related to cost records and cost audit**

1. \*Whether maintenance of cost records by the company has been mandated under Companies (Cost Records and Audit) Rules, 2014

Yes  No

If yes, Central Excise Tariff Act Heading in which the product/ service is covered

2. If yes, Central Excise Tariff Act Heading in which the product/ service is covered

**SEGMENT II: INFORMATION AND PARTICULARS IN RESPECT OF PROFIT AND LOSS ACCOUNT**

**I. Statement of Profit and Loss**

Particulars	Figures for the period (Current reporting period) From <input type="text"/> (DD/MM/YYYY) To <input type="text"/> (DD/MM/YYYY)	Figures for the period (Previous reporting period) From <input type="text"/> (DD/MM/YYYY) To <input type="text"/> (DD/MM/YYYY)
(I) Revenue from operations		
Domestic turnover		
(i) Sale of goods manufactured		
(ii) Sale of goods traded		
(iii) Sale or supply of services		
Export turnover		
(i) Sale of goods manufactured		
(ii) Sale of goods traded		
(iii) Sale or supply of services		
(II) Other Income		
(III) Total Revenue (I+II)	0.00	0.00
(IV) Expenses		
Cost of materials consumed		
Purchases of stock in trade		
Changes in inventories of		
• Finished goods		
• Work-in-progress		
• Stock in trade		
Employee benefit expenses		
Managerial remuneration		
Payment to Auditors		
Insurance expenses		
Power and fuel		
Finance cost		
Depreciation and amortization expenses		
Other expenses		
Total expenses	0.00	0.00
(V) Profit before exceptional and extraordinary items and tax (III-IV)	0.00	0.00

(VI) Exceptional items		
(VII) Profit before extraordinary items and tax (V-VI)	0.00	0.00
(VIII) Extraordinary items		
(IX) Profit before tax (VII+VIII)	0.00	0.00
(X) Tax Expense		
(1) Current tax		
(2) Deferred tax		
(XI) Profit/(Loss) for the period from continuing operations (IX-X)	0.00	0.00
(XII) Profit /(Loss) from discontinuing operations		
(XIII) Tax expense of discontinuing operations (XIV) Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)	0.00	0.00
(XV) Profit /(Loss) (XI+XIV)	0.00	0.00
(XVI) Earnings per equity share before extraordinary items		
(1) Basic		
(2) Diluted		

## II. Detailed Profit and Loss items (Amount in Rupees)

### A. Details of earning in foreign exchange

<i>Particulars</i>	<i>Current reporting period</i>	<i>Previous reporting period</i>
Export of goods calculated on FOB basis		
Interest and dividend		
Royalty		
Know- how		
Professional and consultation fees		
Other income		
Total Earning in Foreign Exchange	0.00	

**B. Details of expenditure in foreign exchange**

<i>Particulars</i>	<i>Current reporting period</i>	<i>Previous reporting period</i>
Import of goods calculated on CIF basis		
(i) Raw material		
(ii) Component and spare parts		
(iii) Capital goods		
Expenditure on account of		
Royalty		
Know-how		
Professional and consultation fees		
Interest		
Other matters		
Dividend paid		
Total Expenditure in foreign exchange	0.00	0.00

**III. \*Financial parameters – Profit and loss account items (amount in Rupees) during the reporting period**

1	Proposed Dividend		%
2	Earnings per share (in Rupees)	Basic	
		Diluted	
3	Income in foreign currency		
4	Expenditure in foreign currency		
5	Revenue subsidies or grants received from government authority(ies)		
6	Rent paid		
7	Consumption of stores and spare parts		
8	Gross value of the transaction with the related parties as per AS-18 (if applicable)		
9	Bad debts of related parties as per AS-18 (if applicable)		

**IV. Details related to principal products or services of the company**Total number of product/ services category(ies) Product or service category code (ITC/NPCS 4 digit code) Description of the product or service category Turnover of the product or service category (in Rupees) 

Highest turnover contributing product or service code (ITC/NPCS 8 digit code)

Description of the product or service Turnover of highest contributing product or service (in Rupees) 

*Note* – Please refer to 'Indian Trade Classification' based on harmonized commodity description and coding system issues by the ministry of Commerce & Industry for Product Codes and National Product Classification for Services (NPCS) for Services codes issued by Ministry of Statistics & Programme Implementation, Government of India.

**Segment III: Reporting of Corporate Social Responsibility (CSR)**

1. (a) (i) \*Whether CSR is applicable as per section 135 o Yes o No  
 (ii) Turnover (in Rs.)  
 (iii) Net worth (in Rs.)
- (b) Net profits for last three financial years  
 Financial year ended   
 Profit before tax (In Rs.)   
 Net Profit computed u/s 198 adjusted  
 as per rule 2(1)(f) of the Companies  
 (CSR Policy) Rules, 2014 (in Rs.)
2. Average net profit of the company for last three financial years (as defined in explanation to sub-section (5) section 135 of the Act)  (in Rupees)
3. Prescribed CSR Expenditure (two per cent. of the amount as in item 2 above)  (in Rupees)
4. (a) Total amount spent on CSR for the financial year  (in Rupees)
- (b) Amount spent in local area  (in Rupees)

- (c) Manner in which the amount spent during the financial year as detailed below:

Number of CSR activities

(If number of programmes/projects/activities is more than twenty, submit the remaining details in EXCEL sheet as specified in instruction kit):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>S. No.</i>	<i>CSR project or activity identified</i>	<i>Sector in which the Project is covered</i>	<i>Projects or programs - Specify the State / Territory where the Project/Program was undertaken</i>	<i>Projects or programs - Specify the district where projects or programs was undertaken</i>	<i>Amount outlay (budget) or project wise (in Rs.)</i>	<i>Amount spent on the projects or programs (in Rs.)</i>	<i>Expenditure on Administrative heads (in Rs.)</i>	<i>Mode of Amount Spent</i>
1.								
2.								
3.								
TOTAL								

5. Give details (name, address and email address) of implementing agency(ies)

6. Explanation for not spending

If others, specify

7. Whether a responsibility statement of the CSR Committee on the implementation and monitoring of CSR Policy is enclosed to the Board's Report  Yes  No

**SEGMENT IV: DISCLOSURE ABOUT RELATED PARTY TRANSACTIONS**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Number of contracts or arrangements or transactions not at arm's length basis

<i>Name(s) of the related party</i>	<i>Nature of relationship</i>	<i>Nature of contracts/ arrangements/transactions</i>	
<i>Duration of the contracts / arrangements/ transactions</i>	<i>Date of approval by the Board</i>	<i>Amount paid as advances, if any</i>	<i>Date on which the resolution was passed in general meeting as required under first proviso to section 188</i>

2. Number of material contracts or arrangement or transactions at arm's length basis

<i>Name (s) of the related party</i>	<i>Nature of relationship</i>	<i>Nature of contracts/ arrangements/ transactions</i>	
<i>Duration of the contracts / arrangements/transactions</i>	<i>Date of approval by the Board</i>	<i>Amount paid as advances, if any</i>	

**Segment V: Auditor's Report**

- I. (a) In case of a government company, whether Comptroller and Auditor-General of India (CAG of India) has commented upon or supplemented the audit report under section 143 of the Companies Act, 2013

Yes  No

- (b) If yes, provide following details:-

<i>S.No.</i>	<i>Provide details of comment(s) or supplement(s) received from CAG of India</i>	<i>Board of Director's reply(ies) on comments received from CAG of India</i>

(c) Whether Comptroller and Auditor-General of India has conducted supplementary or test audit under section 143 o Yes o No

II. Details of remarks made by auditors and applicability of CARO

1. \*Whether auditors' report has been qualified or has any reservations or contains adverse remarks o Yes o No

2. If yes, number of qualifications or reservations or adverse remarks

<i>S.No.</i>	<i>(a) Auditors' qualifications, reservations or adverse remarks in the auditors' report</i>	<i>(b) Directors' comments on qualifications, reservations or adverse remarks of the auditors as per Board's report</i>
I		
II		

3. \*Whether Companies (Auditors' Report) Order (CARO) applicable

o Yes o No

4. Auditors' comment on the items specified under Companies (Auditors' Report) Order (CARO)

<i>Particulars</i>	<i>Auditors' comments on the report</i>
Fixed assets Inventories Loans given by the company Acceptance of Public Deposits Maintenance of Cost records Statutory dues Term loans Fraud noticed Others	

**SEGMENT-VI- Miscellaneous**

1. \*Whether the Secretarial Audit is applicable      o Yes o No
2. \*Whether detailed disclosures with respect to Directors' report under sub-section (3) of section 134 is attached.      o Yes o No

**Attachments****List of Attachment**

1. *Copy of financial statements duly authenticated as per section 134 (including Board's report, auditors' report and other documents)	Attach	
2. Statement of subsidiaries as per section 129 – Form AOC-1	Attach	
3. Statement of the fact and reasons for not adopting Financial statements in the annual general meeting (AGM)	Attach	
4. Statement of the fact and reasons for not holding the AGM	Attach	
5. Approval letter of extension of financial year or AGM	Attach	
6. Supplementary or test audit report under section 143	Attach	
7. Company CSR policy as per sub-section (4) of section 135	Attach	
8. Details of other entity(s)	Attach	
9. Details of salient features and justification for entering into contracts/ Arrangements/transactions with related parties as per Sub-section (1) of section 188 - Form AOC-2	Attach	
10. Details of comments of CAG of India	Attach	
11. Secretarial Audit Report	Attach	
12. Directors' report as per sub-section (3) of section 134	Attach	
13. Details of remaining CSR activities	Attach	
14. Optional attachment(s), if any	Attach	

### Declaration

I am authorized by the Board of Directors of the Company vide \*resolution number \* dated to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

1. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company.
2. All the required attachments have been completely and legibly attached to this form.

**\*To be digitally signed by**  

\*Designation

\*Director identification number of the director;

or PAN of the manager or CEO or CFO; or

Membership number of the secretary

### Certificate by Practicing professional

I declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and Rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original/certified records maintained by the Company/applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed. I further certify that:

1. The said records have been properly prepared, signed by the required officers of the Company and maintained as per the relevant provisions of the Companies Act, 2013 and were found to be in order;
2. All the required attachments have been completely and legibly attached to this form;

3. It is understood that I shall be liable for action under Section 448 of the Companies Act, 2013 for wrong certification, if any found at any stage.

- o Chartered Accountant(in whole-time practice) or
- o Cost Accountant (in whole-time practice) or
- o Company secretary(in whole-time practice) or

Whether associate or Fellow o Associate o Fellow

Membership Number

Certificate of practice number

**Note: Attention is drawn to provisions of Section 448 and 449 which provide for punishment for false statement / certificate and punishment for false evidence respectively.**

For office use only :

Affix filing details

eForm Service request number (SRN)

eForm filing date  (DD/MM/YYYY)

**Digital signature of the authorising officer**

This e-Form is hereby registered   Confirm Submission

Date of signing  (DD/MM/YYYY)

OR

This eform has been taken on file maintained by the registrar of companies through electronic mode and on the basis of statement of correctness given by the filing company

[F. No. 1/19/2013 CL-V-Part]  
AMARDEEP SINGH BHATIA, Jt. Secy.

Note : The principal notification was published in the Gazette of India vide No. G.S.R. 239(E), dated 31.03.2014 and was amended vide notification number G.S.R. 723(E) dated 14.10.2014, G.S.R 37 (E) dated 16.01.2015, and G.S.R. 680(E) dated 04.09.2015

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