



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

CMA BHAWAN

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Ref. No.: DoS-Academics/9/08-02/2015-16

August 25, 2015

Sub: Clarification for December 2015 term of Examination

This is to bring to the notice for further clarification to all concerned that the followings shall be applicable for December 2015 term of Examination.

(A) Academic Issues

Sl.No.	Issue	Applicable for	Reference to Papers	Facilities provided
1	<i>Companies (Cost Records & Audit) Rules, 2014</i> <i>Note:</i> <i>(This is already applicable since June-2015 Exam)</i>	CMA Intermediate	Paper 10 - Cost & Management Accountancy - Section B (Group II)	❖ Soft copy available in website ❖ Printed Hard copies served to all students
		CMA Final	Paper 19 - Cost & Management Audit (Group IV)	
2	Companies Act,2013 Note: There are some sections of Companies Act 2013 which is not yet enforced. Hence, for those, corresponding sections of Companies Act,1956, as applicable for Examinations of the Institute is to be referred.	CMA Intermediate and Final	Paper 6 - Laws, Ethics & Governance (Group I) Paper 12 - Company Accounts & Audit (Group II) Paper 13 - Corporate Laws & Compliance (Group III) Paper 18 - Corporate Financial Reporting (Group IV) Paper 19 - Cost and Management Audit (Group IV)	❖ List of notified sections applicable for December 2015 term is enclosed (Annexure 1)
3	CARO, 2015 - Companies(Auditor's Report) Order, 2015	CMA Intermediate and Final	P12 - Company Accounts & Audit P13 - Corporate Laws & Compliance	❖ Supplementary reading material attached (Annexure 2)
4	Finance Act,2014 Assessment Year 2015-16	CMA Intermediate	P7 - Direct Taxation (Wealth Tax Act,1957 since repealed as per Finance Act,2015, hence, excluded from December 2015 term) P11 - Indirect Taxation	<u>Wealth Tax is excluded.</u> Revised weightage: ❖ Income Tax (75 marks) ❖ International Taxation(25 marks)
		CMA Final	P16 - Tax Management and Practice	As per Finance Act,2014 ❖ Wealth Tax is excluded

Note:

(1)Foreign Trade Policy,2015 is not made applicable for December 2015 term of Examination. However, it shall be made applicable from June 2016 term of Examination

(2)Amendments made through Finance Act,2015 - for Indirect Taxation is not made applicable for December,2015 term of Examination. Hence, as per the prevailing procedure, the amendments prescribed vide Finance Act, 2015 shall be made applicable for June 2016 and December 2016 terms of Examination.

(3)Wealth Tax Act,1957, since repealed vide Finance Act,2015 - is excluded from December 2015 term of Examination.

Mirajib Das



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(B) Administrative Issues

Sl.No.	Issue	Applicable for	Earlier Notification
1	Completion of "On-line Assessment Test" after completion of 100-hours Compulsory Training	CMA Intermediate students registered on or after 1st February 2015, having completed their 100-hours Compulsory Computer Training and recommended to the Directorate of Studies Dates for "On-line Assessment Test" : September, 2015 - 14th to 18th (8am to 10pm) October, 2015 - 14th to 18th (8am to 10pm) November, 2015 - 16th to 20th (8am to 10pm)	Ref. No.: DOS/08/05-02/2015-16, Kolkata, May 8, 2015
2	Completion of Self-Assessment Test for Postal students	CMA Intermediate students having registered to the Course w.e.f. 01.01.2015	Ref. No.: DoS/12-03/2014-15, Kolkata, December 19, 2014
3	For DENOVO registration	CMA Intermediate and Final Students - only for those whose registration validity period of 7-years expired from the date of registration/de-novo registration	As per regulation
4	For Qualification based subject exemption	CMA Intermediate and Final Students- for those who are eligible based on qualification	Laid down procedure
5	For exemption from undergoing Computer Training	CMA Intermediate and Final students- for those who are eligible to claim, shall be granted the exemption, subject to successful completion of "On-line Assessment Test"	Laid down procedure [Refer Test dates mentioned in (1)above]
6	For Revalidation of Coaching	CMA Intermediate and Final Students - only for those coaching completion validity has expired. CMA Intermediate and Final - apply online CMA Intermediate - "Take-a-test" (24x7) for submission of assignment. CMA Final - submit hardcopy of assignment.	Laid down procedure (+) Ref. No.: DoS/12-03/2014-15 Kolkata, December 19, 2014
7	For exemption from undergoing CSS Training	CMA Intermediate students - only for those who possess requisite experience and satisfies the laid down conditions for being eligible to avail the same	Laid down procedure

All concerned are requested to make appropriate advisory and facilitate students.

(Chiranjib Das)

Joint Director, Head - Academics & Tax Research Department
& In-Charge - Directorate of Studies

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- 1) All Regional Councils of the Institute- for information & necessary action
- 2) All Chapters of Institute - for information & necessary action
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- 6) All HODs in Headquarters including Delhi Office, Hyderabad Center of Excellence - for kind information.
- 7) Notice Boards
- 8) IT Dept - requested to upload this information in the website as appropriate.
- 9) Members of the Council for kind information

Notified Sections for December 2015 (Annexure 1)

A TABLE SHOWING ENFORCEMENT OF PROVISIONS OF COMPANIES ACT, 2013 FROM DIFFERENT DATES

Sections of Companies Act, 2013 notified till 30th June 2015

Section	Heading	Date	Corresponding Sections of Companies Act, 1956 still in force as related provisions of Companies Act 2013 is not enforced/not applicable
CHAPTER I: Preliminary			
1	Short title, extent, commencement and application	29-8-2013	
2	Definitions		
2(1)	"abridged prospectus"	12-9-2013	
2(2)	"accounting standards"	1-4-2014	
2(3)	"alter" or "alteration"	12-9-2013	
2(4)	"Appellate Tribunal"	12-9-2013	
2(5)	"articles"	12-9-2013	
2(6)	"associate company"	12-9-2013	
2(7)	"auditing standards"	1-4-2014	
2(8)	"authorised capital" or "nominal capital"	12-9-2013	
2(9)	"banking company"	12-9-2013	
2(10)	"Board of Directors" or "Board"	12-9-2013	
2(11)	"body corporate" or "corporation"	12-9-2013	
2(12)	"book and paper" and "book or paper"	12-9-2013	
2(13)	"books of account"	1-4-2014	
2(14)	"branch office"	12-9-2013	
2(15)	"called-up capital"	12-9-2013	
2(16)	"charge"	12-9-2013	
2(17)	"chartered accountant"	12-9-2013	
2(18)	"Chief Executive Officer"	12-9-2013	
2(19)	"Chief Financial Officer"	12-9-2013	
2(20)	"company"	12-9-2013	
2(21)	"company limited by guarantee"	12-9-2013	
2(22)	"company limited by shares"	12-9-2013	
2(23)	Company Liquidator	Not yet enforced	-
2(24)	"company secretary" or "secretary"	12-9-2013	
2(25)	"company secretary in practice"	12-9-2013	
2(26)	"contributory"	12-9-2013	
2(27)	"control"	12-9-2013	
2(28)	"cost accountant"	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

2(29) [except sub-clause (iv)]	"court"	12-9-2013	
2(30)	"debenture"	12-9-2013	
2(31)	"deposit"	1-4-2014	
2(32)	"depository"	12-9-2013	
2(33)	"derivative"	12-9-2013	
2(34)	"director"	12-9-2013	
2(35)	"dividend"	12-9-2013	
2(36)	"document"	12-9-2013	
2(37)	"employees' stock option"	12-9-2013	
2(38)	"expert"	12-9-2013	
2(39)	"financial institution"	12-9-2013	
2(40)	"financial statement"	12-9-2013	
2(41)	"financial year"	1-4-2014	
2(42)	"foreign company"	1-4-2014	
2(43)	"free reserves"	12-9-2013	
2(44)	"Global Depository Receipt"	12-9-2013	
2(45)	"Government company"	12-9-2013	
2(46)	"holding company"	12-9-2013	
2(47)	"independent director"	1-4-2014	
2(48)	"Indian Depository Receipt"	1-4-2014	
2(49)	"interested director"	12-9-2013	
2(50)	"issued capital"	12-9-2013	
2(51)	"key managerial personnel"	12-9-2013	
2(52)	"listed company"	12-9-2013	
2(53)	"manager"	12-9-2013	
2(54)	"managing director"	12-9-2013	
2(55)	"member"	12-9-2013	
2(56)	"memorandum"	12-9-2013	
2(57)	"net worth"	12-9-2013	
2(58)	"notification"	12-9-2013	
2(59)	"officer"	12-9-2013	
2(60)	"officer who is in default"	12-9-2013	
2(61)	"Official Liquidator"	12-9-2013	
2(62)	"One Person Company"	1-4-2014	
2(63)	"ordinary or special resolution"	12-9-2013	
2(64)	"paid-up share capital" or "share capital paid-up"	12-9-2013	
2(65)	"postal ballot"	12-9-2013	
2(66)	"prescribed"	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

2(67)[except sub-clause (ix)]	"previous company law"	12-9-2013	
2(68)	"private company"	12-9-2013	
2(69)	"promoter"	12-9-2013	
2(70)	"prospectus"	12-9-2013	
2(71)	"public company"	12-9-2013	
2(72)	"public financial institution"	12-9-2013	
2(73)	"recognised stock exchange"	12-9-2013	
2(74)	"register of companies"	12-9-2013	
2(75)	"Registrar"	12-9-2013	
2(76)	"related party"	12-9-2013	
2(77)	"relative"	12-9-2013	
2(78)	"remuneration"	12-9-2013	
2(79)	"Schedule"	12-9-2013	
2(80)	"scheduled bank"	12-9-2013	
2(81)	"securities"	12-9-2013	
2(82)	"Securities and Exchange Board"	12-9-2013	
2(83)	"Serious Fraud Investigation Office"	1-4-2014	
2(84)	"share"	12-9-2013	
2(85)	"small company"	1-4-2014	
2(86)	"subscribed capital"	12-9-2013	
2(87) [except the proviso and Explanation (d)]	"subsidiary company" or "subsidiary"	12-9-2013	
2(87) [Explanation (d)]		1-4-2014	
2(88)	"sweat equity shares"	12-9-2013	
2(89)	"total voting power"	12-9-2013	
2(90)	"Tribunal"	12-9-2013	
2(91)	"turnover"	12-9-2013	
2(92)	"unlimited company"	12-9-2013	
2(93)	"voting right"	12-9-2013	
2(94)	"whole-time director"	12-9-2013	
2(95)	words defined in allied Acts	12-9-2013	
CHAPTER II: Incorporation of Company and Matters Incidental thereto			
3	Formation of company	1-4-2014	
4	Memorandum	1-4-2014	
5	Articles	1-4-2014	
6	Act to override memorandum, articles, etc.	1-4-2014	

Notified Sections for December 2015 (Annexure 1)

7 [except sub-section (7)]	Incorporation of company	1-4-2014	
8[except sub-section (9)]	Formation of companies with charitable objects, etc. ,	1-4-2014	
9	Effect of registration	1-4-2014	
10	Effect of memorandum and articles	1-4-2014	
11	Commencement of business, etc (Omitted w.e.f. 29.5.2015)	29.5.2015	
12	Registered office of company	1-4-2014	
13	Alteration of memorandum	1-4-2014	
14 [except second proviso to sub-section (1) and subsection (2)]	Alteration of articles	1-4-2014	
15	Alteration of memorandum or articles to be noted in every copy	1-4-2014	
16	Rectification of name of company	1-4-2014	
17	Copies of memorandum, articles, etc., to be given to members	1-4-2014	
18	Conversion of companies already registered	1-4-2014	
19	Subsidiary company not to hold shares in its holding company	12-9-2013	
20	Service of documents	1-4-2014	
21	Authentication of documents, proceedings and contracts	12-9-2013	
22	Execution of bills of exchange, etc.	12-9-2013	
CHAPTER III: Prospectus and Allotment of securities			
23 [except clause (b) of sub-section (1) and sub-section (2)]	Public offer and private placement	12-9-2013	
23 [clause (b) of sub-section (1) and sub-section (2)]		1-4-2014	
24	Power of Securities and Exchange Board to regulate issue and transfer of securities, etc.	12-9-2013	
25 [except sub-section (3)]	Document containing offer of securities for sale to be deemed prospectus	12-9-2013	
25 [sub-section (3)]		1-4-2014	
26	Matters to be stated in prospectus	1-4-2014	
27	Variation in terms of contract or objects in prospectus	1-4-2014	
28	Offer of sale of shares by certain members of company	1-4-2014	
29	Public offer of securities to be in dematerialised form	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

30	Advertisement of prospectus	12-9-2013	
31	Shelf prospectus	12-9-2013	
32	Red herring prospectus	12-9-2013	
33 [except sub-section (3)]	Issue of application forms for securities	12-9-2013	
33 [Sub-section (3)]		1-4-2014	
34	Criminal liability for mis-statements in prospectus	12-9-2013	
35 [except clause (e) of sub-section (1)]	Civil liability for mis-statements in prospectus	12-9-2013	
35 [Clause (e) of sub-section (1)]		1-4-2014	
36	Punishment for fraudulently inducing persons to invest money	12-9-2013	
37	Action by affected persons	12-9-2013	
38	Punishment for personation for acquisition, etc., of securities	12-9-2013	
39 [except sub-section (4)]	Allotment of securities by company	12-9-2013	
39 [Sub-section (4)]		1-4-2014	
40 [except sub-section (6)]	Securities to be dealt with in stock exchanges	12-9-2013	
40 [Sub-section (6)]		1-4-2014	
41	Global depository receipt	1-4-2014	
42	Offer or invitation for subscription of securities on private placement	1-4-2014	
CHAPTER IV: Share Capital and Debentures			
43	Kinds of share capital	1-4-2014	
44	Nature of shares or debentures	12-9-2013	
45	Numbering of shares	12-9-2013	
46	Certificate of shares	1-4-2014	
47	Voting rights	1-4-2014	
48	Variation of shareholders' Rights	Not yet enforced	106 107
49	Calls on shares of same class to be made on uniform basis	12-9-2013	
50	Company to accept unpaid share capital, although not called up	12-9-2013	
51	Payment of dividend in proportion to amount paid-up	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

52	Application of premiums received on issue of shares	1-4-2014	
53	Prohibition on issue of shares at discount	1-4-2014	
54	Issue of sweat equity shares	1-4-2014	
55 [except sub-section (3)]	Issue and redemption of preference shares	1-4-2014	
56	Transfer and transmission of securities	1-4-2014	
57	Punishment for personation of shareholder	12-9-2013	
58	Refusal of registration and appeal against refusal	12-9-2013	
59	Rectification of register of members	12-9-2013	
60	Publication of authorised, subscribed and paid-up capital	12-9-2013	
61 [except proviso to clause (b) of sub-section (1)]	Power of limited company to alter its share capital	1-4-2014	
62 [except sub-sections (4) to (6)]	Further issue of share capital	1-4-2014	
63	Issue of bonus shares	1-4-2014	
64	Notice to be given to Registrar for alteration of share capital	1-4-2014	
65	Unlimited company to provide for reserve share capital on conversion into limited company	12-9-2013	
66	Reduction of share capital	Not yet enforced	100 101 102 103 104 105
67	Restrictions on purchase by company or giving of loans by it for purchase of its shares	1-4-2014	
68	Power of company to purchase its own securities	1-4-2014	
69	Transfer of certain sums to capital redemption reserve account	12-9-2013	
70 [except sub-section (2)]	Prohibition for buy-back in certain circumstances	12-9-2013	
70 [sub-section (2)]		1-4-2014	
71 [except sub-sections (9) to (11)]	Debentures	1-4-2014	
72	Power to nominate	1-4-2014	
CHAPTER V: Acceptance of Deposits by Companies			
73	Prohibition on acceptance of deposits from public	1-4-2014	
74 [sub-section (1)]	Repayment of deposits, etc., accepted before commencement of this Act	1-4-2014	

Notified Sections for December 2015 (Annexure 1)

74 [sub-sections (2) and (3)]	Repayment of deposits, etc., accepted before commencement of this Act	6-6-2014	
75	Damages for fraud	Not yet enforced	-
76	Acceptance of deposits from public by certain companies	1-4-2014	
76A	Punishment for contravention of section 73 or section 76.	29.5.2015	
CHAPTER VI: Registration of Charges			
77	Duty to register charges, etc.	1-4-2014	
78	Application for registration of charge	1-4-2014	
79	Section 77 to apply in certain matters	1-4-2014	
80	Date of notice of charge	1-4-2014	
81	Register of charges to be kept by Registrar	1-4-2014	
82	Company to report satisfaction of charge	1-4-2014	
83	Power of Registrar to make entries of satisfaction and release in absence of intimation from company	1-4-2014	
84	Intimation of appointment of receiver or manager	1-4-2014	
85	Company's register of charges	1-4-2014	
86	Punishment for contravention	12-9-2013	
87	Rectification by Central Government in register of charges	1-4-2014	
CHAPTER VII: Management and Administration			
88	Register of members, etc.	1-4-2014	
89	Declaration in respect of beneficial interest in any share	1-4-2014	
90	Investigation of beneficial ownership of shares in certain cases	1-4-2014	
91	Power to close register of members or debenture holders or other security holders	12-9-2013	
92	Annual return	1-4-2014	
93	Return to be filed with Registrar in case promoters' stake changes	1-4-2014	
94	Place of keeping and inspection of registers, returns, etc.	1-4-2014	
95	Registers, etc., to be evidence	1-4-2014	
96	Annual general meeting	1-4-2014	
97	Power of Tribunal to call annual general meeting	Not yet enforced	167
98	Power of Tribunal to call meetings of members, etc.	Not yet enforced	186
99	Punishment for default in complying with provisions of sections 96 to 98	Not yet enforced	168
100 [except sub-section (6)]	Calling of extraordinary general meeting	12-9-2013	
100 [Sub-section (6)]		1-4-2014	
101	Notice of meeting	1-4-2014	
102	Statement to be annexed to notice	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

103	Quorum for meetings	12-9-2013	
104	Chairman of meetings	12-9-2013	
105 [except the third and fourth proviso of sub-section (1) and sub-section (7)]	Proxies	12-9-2013	
105 [Third and Fourth proviso to sub-section (1) and subsection (7)]		1-4-2014	
106	Restriction on voting rights	12-9-2013	
107	Voting by show of hands	12-9-2013	
108	Voting through electronic means	1-4-2014	
109	Demand for poll	1-4-2014	
110	Postal ballot	1-4-2014	
111	Circulation of members' resolution	12-9-2013	
112	Representation of President and Governors in meetings	12-9-2013	
113 [except clause (b) of sub-section (1)]	Representation of corporations at meeting of companies and of creditors	12-9-2013	
113 [Clause (b) of sub-section (1)]		1-4-2014	
114	Ordinary and special resolutions	12-9-2013	
115	Resolutions requiring special notice	1-4-2014	
116	Resolutions passed at adjourned meeting	12-9-2013	
117	Resolutions and agreements to be filed	1-4-2014	
118	Minutes of proceedings of general meeting, meeting of Board of Directors and other meeting and resolutions passed by postal ballot	1-4-2014	
119 [except sub-section (4)]	Inspection of minute-books of general meeting	1-4-2014	
120	Maintenance and inspection of documents in electronic form	1-4-2014	
121	Report on annual general meeting	1-4-2014	
122	Applicability of this Chapter to One Person Company	1-4-2014	
CHAPTER VIII: Declaration and Payment of Dividend			
123	Declaration of dividend	1-4-2014	
124	Unpaid Dividend Account	Not yet enforced	205A 205B
125	Investor Education and Protection Fund	Not yet enforced	205C

Notified Sections for December 2015 (Annexure 1)

126	Right to dividend, rights shares and bonus shares to be held in abeyance pending registration of transfer of shares	1-4-2014	
127	Punishment for failure to distribute dividends	12-9-2013	
CHAPTER IX: Accounts of Companies			
128	Books of account, etc., to be kept by company	1-4-2014	
129	Financial statement	1-4-2014	
130	Re-opening of accounts on Court's or Tribunal's orders	Not yet enforced	-
131	Voluntary revision of financial statements or Board's	Not yet enforced	-
132	Constitution of National Financial Reporting Authority	Not yet enforced	210A
133	Central Government to prescribe accounting standards	12-9-2013	
134	Financial Statement, Board's report, etc	1-4-2014	
135	Corporate Social Responsibility	1-4-2014	
136	Right of member to copies of audited financial statement	1-4-2014	
137	Copy of financial statement to be filed with Registrar	1-4-2014	
138	Internal Audit	1-4-2014	
CHAPTER X: Audit and Auditors			
139	Appointment of auditors	1-4-2014	
140	[except second proviso to sub-section (4) and subsection (5)] Removal, resignation of auditor and giving of special notice	1-4-2014	
141	Eligibility, qualifications and disqualifications of auditors	1-4-2014	
142	Remuneration of auditors	1-4-2014	
143	Powers and duties of auditors and auditing standards	1-4-2014	
144	Auditor not to render certain services	1-4-2014	
145	Auditors to sign audit reports, etc	1-4-2014	
146	Auditors to attend general meeting	1-4-2014	
147	Punishment for contravention	1-4-2014	
148	Central Government to specify audit of items of cost in respect of certain companies	1-4-2014	
CHAPTER XI: Appointment and Qualification of Directors			
149	Company to have Board of Directors	1-4-2014	
150	Manner of selection of independent directors and maintenance of data bank of independent directors	1-4-2014	
151	Appointment of director elected by small shareholders	1-4-2014	
152	Appointment of directors	1-4-2014	
153	Application for allotment of Director Identification Number	1-4-2014	
154	Allotment of Director Identification Number	1-4-2014	

Notified Sections for December 2015 (Annexure 1)

155	Prohibition to obtain more than one Director Identification Number	1-4-2014	
156	Director to intimate Director Identification Number	1-4-2014	
157	Company to inform Director Identification Number to Registrar	1-4-2014	
158	Obligation to indicate Director Identification Number	1-4-2014	
159	Punishment for contravention	1-4-2014	
160	Right of persons other than retiring directors to stand for directorship	1-4-2014	
161 [except sub-section (2)]	Appointment of additional director, alternate director and nominee director	12-9-2013	
161 [Sub-section (2)]		1-4-2014	
162	Appointment of directors to be voted individually	12-9-2013	
163	Option to adopt principle of proportional representation for appointment of directors	12-9-2013	
164	Disqualifications for appointment of director	1-4-2014	
165	Number of directorships	1-4-2014	
166	Duties of directors	1-4-2014	
167	Vacation of office of director	1-4-2014	
168	Resignation of director	1-4-2014	
169 [except sub-section (4)]	Removal of directors	1-4-2014	
170	Register of directors and key managerial personnel and their shareholding	1-4-2014	
171	Members' right to inspect	1-4-2014	
172	Punishment	1-4-2014	
CHAPTER XII: Meeting of Board and its Powers			
173	Meetings of Board	1-4-2014	
174	Quorum for meetings of Board	1-4-2014	
175	Passing of resolution by circulation	1-4-2014	
176	Defects in appointment of directors not to invalidate actions taken	12-9-2013	
177	Audit committee	1-4-2014	
178	Nomination and remuneration committee and stallholders relationship committee	1-4-2014	
179	Powers of Board	1-4-2014	
180	Restrictions on powers of Board	12-9-2013	
181	Company to contribute to bona fide and charitable funds, etc	12-9-2013	
182	Prohibitions and restrictions regarding political contributions	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

183	Power of Board and other persons to make contributions to national defence fund, etc	12-9-2013	
184	Disclosure of interest by director	1-4-2014	
185	Loan to directors, etc	12-9-2013	
186	Loan and investment by company	1-4-2014	
187	Investments of company to be held in its own name	1-4-2014	
188	Related party transactions	1-4-2014	
189	Register of contracts or arrangements in which directors are interested	1-4-2014	
190	Contract of employment with managing or whole-time directors	1-4-2014	
191	Payment to director for loss of office, etc., in connection with transfer of undertaking, property or shares	1-4-2014	
192	Restriction on non-cash transactions involving directors	12-9-2013	
193	Contract by One Person Company	1-4-2014	
194	Prohibition on forward dealings in securities of company by director or key managerial personnel	12-9-2013	
195	Prohibition on insider trading of securities	12-9-2013	
CHAPTER XIII: Appointment and Remuneration of Managerial Personnel			
196	Appointment of managing director, whole-time director or manager	1-4-2014	
197	Overall maximum managerial remuneration and managerial remuneration in case of absence or inadequacy of profits	1-4-2014	
198	Calculation of profits	1-4-2014	
199	Recovery of remuneration in certain cases	1-4-2014	
200	Central Government or company to fix limit with regard to remuneration	1-4-2014	
201	Forms of, and procedure in relation to, certain applications	1-4-2014	
202	Compensation for loss of office of managing or whole-time director or manager	12-9-2013	
203	Appointment of key managerial personnel	1-4-2014	
204	Secretarial audit for bigger companies	1-4-2014	
205	Functions of company secretary	1-4-2014	
CHAPTER XIV: Inspection, Inquiry and Investigation			
206	Power to call for information, inspect books and conduct inquiries	1-4-2014	
207	Conduct of inspection and inquiry	1-4-2014	
208	Report on inspection made	1-4-2014	
209	Search and seizure	1-4-2014	
210	Investigation into affairs of company	1-4-2014	

Notified Sections for December 2015 (Annexure 1)

211	Establishment of Serious Fraud Investigation Office	1-4-2014	
212	[except references of sub-section (10) of section 66, sub-section (5) of section 140, section 213, sub-section (1) of section 251 and sub-section (3) of section 339 made in sub-section (6) and also sub-sections (8) to (10)] Investigation into affairs of company by Serious Fraud Investigation Office	1-4-2014	
213	Investigation into company's affairs in other cases	Not yet enforced	237
214	Security for payment of costs and expenses of investigation	1-4-2014	
215	Firm, body corporate or association not to be appointed as inspector	1-4-2014	
216	[except sub-section (2)] Investigation of ownership of company	1-4-2014	
217	Procedure, powers, etc., of inspectors	1-4-2014	
218	Protection of employees during investigation	Not yet enforced	635B
219	Power of inspector to conduct investigation into affairs of related companies, etc.	1-4-2014	
220	Seizure of documents by inspector	1-4-2014	
221	Freezing of assets of company on inquiry and investigation	Not yet enforced	-
222	Imposition of restrictions upon securities	Not yet enforced	250
223	Inspector's report	1-4-2014	
224	[except sub-section (2) and (5)] Actions to be taken in pursuance of inspector's report	1-4-2014	
225	Expenses of investigation ,	1-4-2014	
226	Voluntary winding-up of company, etc., not to stop investigation proceedings	Not yet enforced	250A
227	Legal advisers and bankers not to disclose certain information	Not yet enforced	251
228	Investigation, etc., of foreign companies	1-4-2014	
229	Penalty for furnishing false statement, mutilation, destruction of documents	1-4-2014	
CHAPTER XV: Compromises, Arrangement and Amalgamations			
230	Power to compromise or make arrangements with creditors and members	Not yet enforced	390 391 393 394A

Notified Sections for December 2015 (Annexure 1)

231	Power of Tribunal to enforce compromise or arrangement	Not yet enforced	392
232	Merger and amalgamation of companies	Not yet enforced	394
233	Merger or amalgamation of certain companies	Not yet enforced	-
234	Merger or amalgamation of company with foreign company	Not yet enforced	-
235	Power to acquire shares of shareholders dissenting from scheme or contract approved by majority	Not yet enforced	395
236	Purchase of minority shareholding	Not yet enforced	-
237	Power of Central Government to provide for amalgamation of companies in public interest	Not yet enforced	396
238	Registration of offer of schemes involving transfer of shares	Not yet enforced	-
239	Preservation of books and papers of amalgamated companies	Not yet enforced	396A
240	Liability of officers in respect of offences committed prior to merger, amalgamation, etc.	Not yet enforced	-
CHAPTER XVI: Prevention of Oppression and Mismanagement			
241	Application to Tribunal for relief in cases of oppression, etc.	Not yet enforced	397 398
242	Powers of Tribunal	Not yet enforced	401 402 403 404
243	Consequence of termination or modifications of certain agreements	Not yet enforced	407
244	Right to apply under section 241	Not yet enforced	399
245	Class action	Not yet enforced	-
246	Application of certain provisions to proceedings under section 241 or section 245	Not yet enforced	406
CHAPTER XVII: Registered Valuers			
247	Valuation by registered valuers	Not yet enforced	-
CHAPTER XVIII: Removal of Names of Companies from the Register of Companies			
248	Power of Registrar to remove name of company from register of companies	Not yet enforced	560
249	Restrictions on making application under section 248 in certain situations	Not yet enforced	-
250	Effect of company notified as dissolved	Not yet enforced	-
251	Fraudulent application for removal of name	Not yet enforced	-
252	Appeal to Tribunal	Not yet enforced	560
CHAPTER XIX: Revival and Rehabilitation of Sick Companies Register			
253	Determination of sickness	Not yet enforced	424A
254	Application for revival and rehabilitation	Not yet enforced	-
255	Exclusion of certain time in computing period of limitation	Not yet enforced	-
256	Appointment of interim administrator	Not yet enforced	-
257	Committee of creditors	Not yet enforced	-
258	Order of Tribunal	Not yet enforced	-

Notified Sections for December 2015 (Annexure 1)

259	Appointment of administrator	Not yet enforced	-
260	Powers and duties of company administrator	Not yet enforced	424H
261	Scheme of revival and rehabilitation	Not yet enforced	424D
262	Sanction of scheme	Not yet enforced	424D
263	Scheme to be binding	Not yet enforced	-
264	Implementation of scheme	Not yet enforced	-
265	Winding up of company on report of company administrator	Not yet enforced	424G
266	Power of Tribunal to assess damages against delinquent directors, etc.	Not yet enforced	424K
267	Punishment for certain offences	Not yet enforced	424L
268	Bar of jurisdiction	Not yet enforced	-
269	Rehabilitation and Insolvency Fund	Not yet enforced	441C
CHAPTER XX: Winding Up			
270	Modes of winding up	Not yet enforced	425
271	Circumstances in which a company may be wound up by Tribunal	Not yet enforced	433 434
272	Petition for winding up	Not yet enforced	439 439A
273	Powers of Tribunal	Not yet enforced	443
274	Directions for filing statement of affairs	Not yet enforced	446A
275	Company Liquidators and their appointments	Not yet enforced	448 450
276	Removal and replacement of liquidator	Not yet enforced	-
277	Intimation to company liquidator, provisional liquidator and Registrar	Not yet enforced	444 445
278	Effect of winding up order	Not yet enforced	447
279	Stay of suits, etc., on winding up order	Not yet enforced	446(1)/(4)
280	Jurisdiction of Tribunal	Not yet enforced	446(2)
281	Submission of report by Company Liquidator	Not yet enforced	455
282	Directions of Tribunal on report of Company Liquidator	Not yet enforced	-
283	Custody of company's properties	Not yet enforced	456 468
284	Promoters, directors, etc., to co-operate with Company Liquidator	Not yet enforced	-
285	Settlement of list of contributories and application of assets	Not yet enforced	426 467
286	Obligations of directors and managers	Not yet enforced	427
287	Advisory Committee	Not yet enforced	464 465
288	Submission of periodical reports to Tribunal	Not yet enforced	-
289	Power of Tribunal on application for stay of winding up	Not yet enforced	466
290	Powers and duties of Company Liquidator	Not yet enforced	457 458

Notified Sections for December 2015 (Annexure 1)

291	Provision for professional assistance to Company Liquidator	Not yet enforced	459
292	Exercise and control of Company Liquidator's powers	Not yet enforced	460
293	Books to be kept by Company Liquidator	Not yet enforced	461
294	Audit of Company Liquidator's accounts	Not yet enforced	462
295	Payment of debts by contributory and extent of setoff	Not yet enforced	469
296	Power of Tribunal to make calls	Not yet enforced	470
297	Adjustment of rights of contributories	Not yet enforced	475
298	Power to order costs	Not yet enforced	476
299	Power to summon persons suspected of having property of company, etc.	Not yet enforced	477
300	Power to order examination of promoters, directors, etc.	Not yet enforced	478
301	Arrest of person trying to leave India or abscond	Not yet enforced	479
302	Dissolution of company by Tribunal	Not yet enforced	481
303	Appeals from orders made before commencement of Act	Not yet enforced	483
304	Circumstances in which company may be wound up voluntarily	Not yet enforced	484
305	Declaration of solvency in case of proposal to wind up voluntarily	Not yet enforced	488
306	Meeting of creditors	Not yet enforced	500 501
307	Publication of resolution to wind up voluntarily	Not yet enforced	485
308	Commencement of voluntary winding up	Not yet enforced	486
309	Effect of voluntary winding up	Not yet enforced	487
310	Appointment of Company Liquidator	Not yet enforced	490 502 504
311	Power to remove and fill vacancy of Company Liquidator	Not yet enforced	492 506
312	Notice of appointment of Company Liquidator to be given to Registrar	Not yet enforced	493 516
313	Cesser of Board's powers on appointment of Company Liquidator	Not yet enforced	491 505
314	Powers and duties of Company Liquidator in voluntary winding up	Not yet enforced	512
315	Appointment of committees	Not yet enforced	503
316	Company Liquidator to submit report on progress of winding up	Not yet enforced	496 508
317	Report of Company Liquidator to Tribunal for examination of persons	Not yet enforced	519
318	Final meeting and dissolution of company	Not yet enforced	497 509
319	Power of Company Liquidator to accept shares, etc., as consideration for sale of property of company	Not yet enforced	494
320	Distribution of property of company	Not yet enforced	511

Notified Sections for December 2015 (Annexure 1)

321	Arrangement when binding on company and creditors	Not yet enforced	517
322	Power to apply to Tribunal to have questions determined, etc.	Not yet enforced	518
323	Costs of voluntary winding up	Not yet enforced	520
324	Debts of all descriptions to be admitted to proof	Not yet enforced	528
325	Application of insolvency rules in winding up of insolvent companies	Not yet enforced	529
326	Overriding preferential payments	Not yet enforced	529A
327	Preferential payments	Not yet enforced	530
328	Fraudulent preference	Not yet enforced	531
329	Transfers not in good faith to be void	Not yet enforced	531A
330	Certain transfers to be void	Not yet enforced	532
331	Liabilities and rights of certain persons fraudulently preferred	Not yet enforced	533
332	Effect of floating charge	Not yet enforced	534
333	Disclaimer of onerous property	Not yet enforced	535
334	Transfers, etc., after commencement of winding up to be void	Not yet enforced	536
335	Certain attachments, executions, etc., in winding up by Tribunal to be void	Not yet enforced	537
336	Offences by officers of companies in liquidation	Not yet enforced	538 539
337	Penalty for frauds by officers	Not yet enforced	540
338	Liability where proper accounts not kept	Not yet enforced	541
339	Liability for fraudulent conduct of business	Not yet enforced	542
340	Power of Tribunal to assess damages against delinquent directors, etc.	Not yet enforced	543
341	Liability under sections 339 and 340 to extend to partners or directors in firms or companies	Not yet enforced	544
342	Prosecution of delinquent officers and members of company	Not yet enforced	545
343	Company Liquidator to exercise certain powers subject to sanction	Not yet enforced	546
344	Statement that a company is in liquidation	Not yet enforced	547
345	Books and papers of company to be evidence	Not yet enforced	548
346	Inspection of books and papers by creditors and contributories	Not yet enforced	549
347	Disposal of books and papers of company	Not yet enforced	550
348	Information as to pending liquidations	Not yet enforced	551
349	Official Liquidator to make payments into public account of India	Not yet enforced	552
350	Company Liquidator to deposit monies into scheduled bank	Not yet enforced	553

Notified Sections for December 2015 (Annexure 1)

351	Liquidator not to deposit monies into private banking account	Not yet enforced	554
352	Company Liquidation Dividend and Undistributed Assets Account	Not yet enforced	555
353	Liquidator to make returns, etc.	Not yet enforced	556
354	Meetings to ascertain wishes of creditors or contributories	Not yet enforced	557
355	Court, Tribunal or person, etc., before whom affidavit may be sworn	Not yet enforced	558
356	Powers of Tribunal to declare dissolution of company void	Not yet enforced	559
357	Commencement of winding up by Tribunal	Not yet enforced	441
358	Exclusion of certain time in computing period of limitation	Not yet enforced	458A
359	Appointment of Official Liquidator	Not yet enforced	-
360	Powers and functions of Official Liquidator	Not yet enforced	-
361	Summary procedure for liquidation	Not yet enforced	-
362	Sale of assets and recovery of debts due to company	Not yet enforced	-
363	Settlement of claims of creditors by Official Liquidator	Not yet enforced	-
364	Appeal by creditor	Not yet enforced	-
365	Order of dissolution of company	Not yet enforced	-
CHAPTER XXI: Companies Authorised to Register under this Act			
366	Companies capable of being registered	1-4-2014	
367	Certificate of registration of existing companies	1-4-2014	
368	Vesting of property on registration	1-4-2014	
369	Saving of existing liabilities	1-4-2014	
370 (except the proviso)	Continuation of pending legal proceedings	1-4-2014	
371	Effect of registration under this Part	1-4-2014	
372	Power of Court to stay or restrain proceedings	Not yet enforced	580 586
373	Suits stayed on winding up order	Not yet enforced	581 587
374	Obligation of Companies registering under this Part	1-4-2014	
375	Winding up of unregistered companies	Not yet enforced	582 583
376	Power to wind up foreign companies, although dissolved	Not yet enforced	584
377	Provisions of Chapter cumulative	Not yet enforced	589
378	Saving and construction of enactments conferring power to wind up partnership firm, association or company, etc., in certain cases	Not yet enforced	590
CHAPTER XXII: Companies Incorporated Outside India			
379	Application of Act to foreign companies	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

380	Documents, etc., to be delivered to Registrar by foreign companies	1-4-2014	
381	Accounts of foreign company	1-4-2014	
382	Display of name, etc., of foreign company	12-9-2013	
383	Service on foreign company	12-9-2013	
384	Debentures, annual return, registration of charges, books of account and their inspection	1-4-2014	
385	Fee for registration of documents	1-4-2014	
386 [except clause (a)]	Interpretation	12-9-2013	
386 [Clause (a)]		1-4-2014	
387	Dating of prospectus and particulars to be contained therein	1-4-2014	
388	Provisions as to expert's consent and allotment	1-4-2014	
389	Registration of prospectus	1-4-2014	
390	Offer of Indian Depository Receipts	1-4-2014	
391 [Sub-section (1)]	Application of sections 34 to 36 and Chapter XX	1-4-2014	
392	Punishment for contravention	1-4-2014	
393	Company's failure to comply with provisions of this Chapter not to affect validity of contracts, etc	1-4-2014	
CHAPTER XXIII: Government Companies			
394	Annual reports on Government companies	12-9-2013	
395	Annual reports where one or more State Governments are members of companies	1-4-2014	
CHAPTER XXIV: Registration Offices and Fees			
396	Registration offices	1-4-2014	
397	Admissibility of certain documents as evidence	1-4-2014	
398 (both inclusive)	Provisions relating to filing of applications, documents, inspection, etc., in electronic form	1-4-2014	
399 [except reference of word Tribunal in sub-section (2)]	Inspection, production and evidence of documents kept by Registrar	1-4-2014	
400	Electronic form to be exclusive, alternative or in addition to physical form	1-4-2014	
401	Provision of value added services through electronic form	1-4-2014	
402	Application of provisions of Information Technology Act, 2000	1-4-2014	
403	Fee for filing, etc	1-4-2014	
404	Fees, etc., to be credited into public account	1-4-2014	

Notified Sections for December 2015 (Annexure 1)

CHAPTER XXV: Companies to furnish Information or Statistics			
405	Power of Central Government to direct companies to furnish information or statistics	12-9-2013	
CHAPTER XXVI: Nidhis			
406	Power to modify Act in its application to Nidhis	1-4-2014	
CHAPTER XXVII: National Company Law Tribunal and Appellate Tribunal			
407	Definitions	12-9-2013	
408	Constitution of National Company Law Tribunal	12-9-2013	
409	Qualification of President and Members of Tribunal	12-9-2013	
410	Constitution of Appellate Tribunal	12-9-2013	
411	Qualifications of Chairperson and members of Appellate Tribunal	12-9-2013	
412	Selection of Members of Tribunal and Appellate Tribunal	12-9-2013	
413	Term of office of President, Chairperson and other Members	12-9-2013	
414	Salary, allowances and other terms and conditions of service of Members	12-9-2013	
415	Acting President and Chairperson of Tribunal or Appellate Tribunal	Not yet enforced	10FH 10FS
416	Resignation of Members	Not yet enforced	10FI 10FU
417	Removal of Members	Not yet enforced	10FJ 10FV
418	Staff of Tribunal and Appellate Tribunal	Not yet enforced	10FK 10GA
419	Benches of Tribunal	Not yet enforced	10FL
420	Orders of Tribunal	Not yet enforced	10FM
421	Appeal from orders of Tribunal	Not yet enforced	10FQ
422	Expeditious disposal by Tribunal and Appellate Tribunal	Not yet enforced	-
423	Appeal to Supreme Court	Not yet enforced	10GF
424	Procedure before Tribunal and Appellate Tribunal	Not yet enforced	10FZA
425	Power to punish for contempt	Not yet enforced	10G
426	Delegation of powers	Not yet enforced	10FO
427	President, Members, officers, etc., to be public servants	Not yet enforced	10FY
428	Protection of action taken in good faith	Not yet enforced	10FZ
429	Power to seek assistance of Chief Metropolitan Magistrate, etc.	Not yet enforced	10FP
430	Civil court not to have jurisdiction	Not yet enforced	10 10GB
431	Vacancy in Tribunal or Appellate Tribunal not to invalidate acts or proceedings	Not yet enforced	10GC

Notified Sections for December 2015 (Annexure 1)

432	Right to legal representation	Not yet enforced	106D
433	Limitation	Not yet enforced	106E
434	Transfer of certain pending proceedings	Not yet enforced	647A
CHAPTER XXVIII: Special Courts			
435	Establishment of Special Courts	Not yet enforced	-
436	Offences triable by Special Courts	Not yet enforced	-
437	Appeal and revision	Not yet enforced	-
438	Application of Code to proceedings before a Special Court	Not yet enforced	-
439	Offences to be non-cognizable	12-9-2013	
440	Transitional provisions	Not yet enforced	-
441	Compounding of certain offences	Not yet enforced	621A
442	Mediation and conciliation penal	1-4-2014	
443	Power of Central Government to appoint company prosecutors	12-9-2013	
444	Appeal against acquittal	12-9-2013	
445	Compensation for accusation without reasonable cause	12-9-2013	
446	Application of fines	12-9-2013	
CHAPTER XXIX: Miscellaneous			
447	Punishment for fraud	12-9-2013	
448	Punishment for false statements	12-9-2013	
449	Punishment for false evidence	12-9-2013	
450	Punishment where no specific penalty or punishment is provided	12-9-2013	
451	Punishment in case of repeated default	12-9-2013	
452	Punishment for wrongful withholding of property	12-9-2013	
453	Punishment for improper use of "Limited" or "Private Limited"	12-9-2013	
454	Adjudication of penalties	1-4-2014	
455	Dormant company	1-4-2014	
456	Protection of action taken in good faith	12-9-2013	
457	Non-disclosure of information in certain cases	12-9-2013	
458	Delegation by Central Government of its powers and functions	12-9-2013	
459	Powers of Central Government or Tribunal to accord approval, etc., subject to conditions and to prescribe fees on applications	12-9-2013	
460	Condonation of delay in certain cases	12-9-2013	
461	Annual report by Central Government	12-9-2013	

Notified Sections for December 2015 (Annexure 1)

462	Power to exempt class or classes of companies from provisions of this Act	12-9-2013	
463	Power of court to grant relief in certain cases	12-9-2013	
464	Prohibition of association or partnership of persons exceeding certain number	1-4-2014	
465	Repeal of certain enactments and savings	Not yet enforced	2(10A) 10E 10F 581A to 581ZT 634A 645 646 647 648 652 653 654 656 658
466	Dissolution of Company Law Board and consequential provisions	Not yet enforced	10FA
467	Power of Central Government to amend Schedules	12-9-2013	
468	Powers of Central Government to make rules relating to winding up	12-9-2013	
469	Power of Central Government to make rules	12-9-2013	
470	Power to remove difficulties	12-9-2013	
Schedule-I	Specimen Memorandum and Articles of Association	1-4-2014	
Schedule-II	Useful Lives to Compute Depreciation	1-4-2014	
Schedule-III	General Instructions for Preparation of Balance Sheet and Statement of Profit and Loss of a Company	1-4-2014	
Schedule-IV	Code for Independent Directors	1-4-2014	
Schedule-V	Part I: Conditions to be fulfilled for the appointment of a managing or whole-time director or a manager without the approval of the Central Government Part II: Remuneration Part III: Provisions applicable to Parts I and II of this Schedule Part IV: Exemption	1-4-2014	
Schedule-VI	Infrastructural projects/facilities – Scope of	1-4-2014	
Schedule-VII	Activities which may be included by Companies in their Corporate Social Responsibility Policies	1-4-2014	

Reporting under Companies (Auditor's Report) Order, 2015

The Ministry of Corporate Affairs, on 10th April, 2015, notified the Companies (Auditor's Report) Order, 2015 (CARO, 2015).

(i) Commencement: Financial Year start on or after 01/04/2014

(ii) Companies Exempted from the Applicability of CARO

CARO is not applicable to the following companies:

1. Banking Company,
2. Insurance Company,
3. Section 8 (formerly Section 25) Company,
4. Small Company within the meaning of Sec 2(85) of the Companies Act, 2013,
5. One Person Company and
6. Select class of Private Company.

(iii) Select class of Private Companies to which CARO is not Applicable

CARO is not applicable to private limited companies which fulfils all the following conditions throughout the reporting period covered by the audit report :

- (i) its paid-up capital and reserves are ₹ 50 lacs or less;
- (ii) its outstanding loan from any bank or financial institution are ₹ 25 lacs or less; and
- (iii) its turnover does not exceed ₹ 5 crores

A private limited company, in order to be exempt from the applicability of CARO, must satisfy all the conditions mentioned above cumulatively. In other words, even if one of the conditions is not satisfied, a private limited company's auditor has to report on the matters specified in the Order.

(iv) Small Company under the Companies Act, 2013

Sec 2(85) of the Companies Act, 2013 defines a small company. As present, It is a private company whose paid-up share capital does not exceed ₹ 50 lacs and turnover as per its last profit and loss account does not exceed ₹ 2 crores

From December 2015 Examination (Annexure 2)

Provided that nothing aforesaid shall apply to (A) a holding company or a subsidiary company; (B) a company registered under section 8; or (C) a company or body corporate governed by any special Act.

(v) "Paid up Capital" under Companies Act, 2013

Sec 2(64) of the Companies Act, 2013 defines the expression paid-up share capital or share capital paid-up to mean such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up 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;

Paid-up share capital would include both equity share capital as well as the preference share capital. While calculating the paid-up capital, amount of calls unpaid should be deducted from and the amount originally paid-up on forfeited shares should be added to the figure of paid-up capital. Share application money received should not be considered as part of the paid-up capital.

(vi) "Reserves" under Companies Act, 2013

The term "reserves" has not been defined under the Companies Act, 2013. However, the Guidance Note on Terms Used in Financial Statements issued by ICAI defines the term "reserve" as, "The portion of earnings, receipts or other surplus of an enterprise (whether capital or revenue) appropriated by management for a general or specific purpose other than provision for depreciation or diminution in the value of assets or for a known liability. The reserves are primarily of two types: capital reserves and revenue reserves". One may also refer Para 18 of the Statement on CARO 2003 for further clarification.

(vii) "Turnover" under Companies Act, 2013

The term "turnover" has been defined in Section 2(91) of the Companies Act, 2013 to mean 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.

(viii) Applicability of CARO 2015 be illustrated through some examples

Sl. No.	Example	Applicability	Comments
1	Public company (irrespective of size of its paid up capital, reserves & turnover)	Yes	Applicable to all Public Cos except certain

From December 2015 Examination (Annexure 2)

			categories exempted
2	Private company having paid up capital of ₹25 lacs, Reserves of ₹50 lacs and Turnover of ₹1 Crores	No	General exemption to Small Company
3	Private company having paid up capital of ₹51 lacs with no Reserves and Turnover	Yes	
4	Private Company (a subsidiary of public company) having paid up capital of ₹25 lacs with no Reserves and Turnover	Yes	Deemed to be a Public Company. Is not a Small Company too.
5	Private Company (an associate of public company) having Paid up Capital of ₹25 lacs with Reserves of ₹1 Crores and Turnover of ₹2 Crores	No	General exemption to Small Company
6	Private Company having Paid up Capital of ₹25 lacs with Reserves of ₹26 lacs and Turnover of ₹3 Crores	Yes	
7	Private Company which is a holding company having paid up capital of ₹25 lacs, Reserves of ₹26 lacs and turnover of not more than ₹2 crores	Yes	Not a Small Company u/s 2(85)
8	Private Company which is a subsidiary company having paid up capital & reserves of ₹20 lacs each and turnover of ₹50 lacs, outstanding loan of ₹26 lacs from a bank	Yes	Not a Small Company u/s 2(85)

Detailed order of the Ministry of Corporate Affairs, Government of India, dated 10th April, 2015 relating to CARO is reproduced below.

From December 2015 Examination (Annexure 2)

MINISTRY OF CORPORATE AFFAIRS

ORDER

New Delhi, the 10th April, 2015

S.O. 990(E).—In exercise of the powers conferred by sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013) and in supersession of the Companies (Auditor's Report) Order, 2003, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 480 (E), dated the 12th June, 2003, except as respects things done or omitted to be done before such supersession, the Central Government, after consultation with the Institute of Chartered Accountants of India, constituted under the Chartered Accountants Act, 1949 (38 of 1949), hereby makes the following Order, namely:—

1. Short title, application and commencement. –

- (1)** This order may be called the Companies (Auditor's Report) Order, 2015.
- (2)** It shall apply to every company including a foreign company as defined in clause (42) of section 2 of the Companies Act, 2013 (18 of 2013) [hereinafter referred to as the Companies Act], except –
 - (i) a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949 (10 of 1949);
 - (ii) an insurance company as defined under the Insurance Act, 1938 (4 of 1938);
 - (iii) a company licensed to operate under section 8 of the Companies Act;
 - (iv) a One Person Company as defined under clause (62) of section 2 of the Companies Act and a small company as defined under clause (85) of section 2 of the Companies Act; and
 - (v) a private limited company with a paid up capital and reserves not more than rupees fifty lakh and which does not have loan outstanding exceeding rupees twenty five lakh from any bank or financial institution and does not have a turnover exceeding rupees five crore at any point of time during the financial year.
- (3)** It shall come into force on the date of its publication in the Official Gazette.

2. Auditor's report to contain matters specified in paragraphs 3 and 4. - Every report made by the auditor under section 143 of the Companies Act, on the accounts of every company examined by him to which this Order applies for the financial year commencing on or after 1st April, 2014, shall contain the matters specified in paragraphs 3 and 4.

From December 2015 Examination (Annexure 2)

3. Matters to be included in the auditor's report. - The auditor's report on the account of a company to which this Order applies shall include a statement on the following matters, namely:—

Fixed Assets

- (i) (a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;

Inventory

- (ii) (a) whether physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported; (c) whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;

Loans and Advances

- (iii) whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,
- (a) whether receipt of the principal amount and interest are also regular; and
- (b) if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;

Internal Control

- (iv) is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.

From December 2015 Examination (Annexure 2)

Deposits

- (v) in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?

Cost Accounting Records

- (vi) where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;

Statutory Dues

- (vii) (a) is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.
- (b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).
- (c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

Extent of Accumulated Losses

- (viii) whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;

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Repayment of Dues

- (ix) whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;

Guarantee by the Company

- (x) whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;

Use of Funds

- (xi) whether term loans were applied for the purpose for which the loans were obtained;

Fraud

- (xii) whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.

4. Reasons to be stated for unfavourable or qualified answers.–

- (1) Where, in the auditor's report, the answer to any of the questions referred to in paragraph 3 is unfavourable or qualified, the auditor's report shall also state the reasons for such unfavourable or qualified answer, as the case may be.
- (2) Where the auditor is unable to express any opinion in answer to a particular question, his report shall indicate such fact together with the reasons why it is not possible for him to give an answer to such question.