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Accounts of the Company

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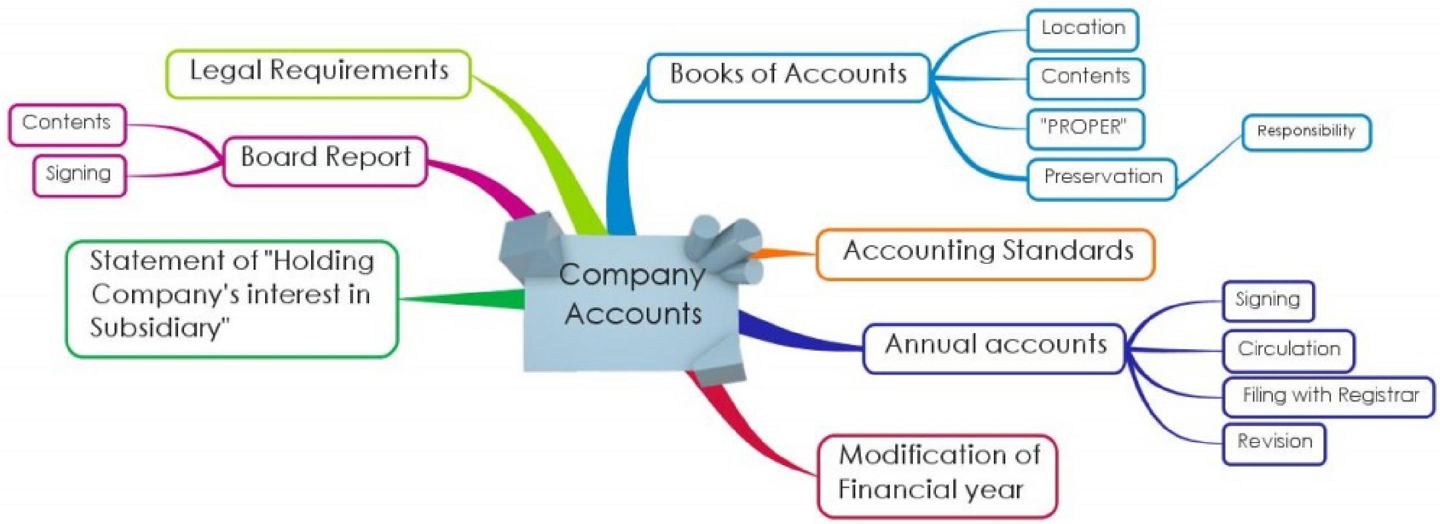

Some essential points to be known while dealing with the accounts of a company.

Where the books of account should be kept?

1. At registered place.
2. At any other place, only if, Board resolution is passed and notice is given within 7 days for passing the resolution.

How long can a financial year be?

Maximum 15 months and can be extended to 18 months with permission of registrar.

Which employees' particulars must be disclosed?

1. Who received Rs. 60 Lakhs or more in a year.
2. Who received Rs. 5 Lakhs or more in a month.
3. Who holds 2% or more equity, and receive remuneration > received by MD, WTD or Manager.

Who will sign annual accounts?

Manager/Secretary + 2 directors (if there is an MD then one of the directors must be MD and if there is only 1 director in India then it can be signed by only 1 director).

Who will sign the Board Report?

Chairman, if board authorizes, or
Directors (if there is a MD then one of the directors must be MD and if there is only 1 director in India then it can be signed by only 1 director)

What if accounts of the company are demanded by any stakeholders?

Must be provided within 7 days of demand.

Time limit of filing annual accounts with registrar?

Within 30 days of "holding the AGM/should have been held."

What if AGM didn't held?

Statement of reasons need to be given.

What if accounts are needed to be revised before adoption of accounts?

Only if:

1. Accounts are not circulated (already approved ones).
2. Auditor's report on modified account is given.
3. Reason is provided by the auditor.
4. Auditor withdraws copy of earlier report given.

What if accounts are needed to be revised after adoption of accounts?

Not even possible, except when,

1. It is for showing true and fair view.
2. It is for meeting the technical requirements of law.

Can you expand a little bit on holding company accounts?

1. Extent of holdings in subsidiary company should be stated.
2. Profits not shown of subsidiary should be stated.
3. Profits shown of subsidiary should be stated.
4. F/Y of holding and subsidiary must coincide or FY of subsidiary must end before of that of holding co. (with a gap of maximum 6 months) but duration of both must be equal.