Provisions Relating to Accounts under Companies Act, 2013.

The Provisions relating to Books of Accounts & Financial Statements are pretty much similar to Companies Act 1956. Section 129 talks about Financial Statements. The Financial Statements must be True & Fair & shall comply with Accounting Standards issued by Institute of Chartered Accountants of India. The Financial Statements must be in Form or Forms as prescribed in Schedule III. The Schedule III is same as Schedule VI of Companies Act 1956. The Schedule III contains Format for Balance sheet & Profit & Loss Account, General Instructions on how to treat items in Financial Statements. The Financial Statements shall also contain Auditors Report, Report of Board of Directors & Directors Responsibility Statement.

Mode of maintaining Books of Accounts: Companies Act has given legal sanctity to keeping of Books of Accounts under Electronic mode. The Backup of Books of Account shall be kept in servers which are located in India only. The Company shall intimate the Registrar on an Annual Basis the name of Service Provider, IP address of Service Provider, location of Service provider etc

Board Report: The Report of Board shall contain Information like Conservation of Energy, Technology absorption, Foreign exchange earning & outgo, financial summary, change in nature of Business, Details of key managerial personnel, details relating to deposits etc

Directors Responsibility Statement: DRS shall contain the matters like whether Accounting Standards have been followed, Accounting policies are applied consistently. It should also state that whether Financial Statements are prepared on going concern basis etc.

Filing of Financial Statement with Registrar: The Financial Statements shall be laid before the Board & after its approval the same shall be filed with Registrar with in 30 days of AGM. Failure of non filing would attract a fine of Rs 1000 per day limited to Rs 10 lakh. The Form to file Financial Statement with Registrar is Form AOC-4

Directors can Inspect Books of Account during Business hours

Circulation of Financial Statement: In case of Listed Companies & public companies having Networth of 1 crore or more & turnover of 10 crore or more the financial Statement can be circulated in electronic mode.

Reopening of Accounts: A Company has no option to Reopen its Books of Accounts. In only following cases the Company can reopen or recast its financial statement

1. Accounts were prepared in fraudulent manner

2. Affairs of company are mismanaged

Voluntary Revision of Financial Statements: A company may voluntarily Revise its Financial Statement if it appears that Financial Statement do not comply with the provisions of section 129 or 134.

The Books of Account shall be maintained for a period of 8 years.

CS Rakesh Chandak

e-mail- rc9024820381@gmail.com

csrakeshchandak@gmail.com