












**Chengalpattu District Branch of SIRC of ICAI
(Formerly known as Kanchipuram District Branch)**

E- NewsLetter JULY 2022



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ARTICLES INVITED FROM MEMBERS:

Note: Articles are invited from members for publishing in newsletter. The articles shall be either on the specific subject or a general article. Members can mail their article with Name, Membership Number, Mobile Number, Residential Address, Office Address & Photo to our Mail mentioned below

Note: The views expressed in the articles published are their own views and Chengalpattu District Branch does not endorse or take responsibility for the views expressed in the articles.

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E-NEWSLETTER

CHENGALPATTU DISTRICT BRANCH OF SIRC OF ICAI

From the Chairman's Desk



Greetings to all the esteemed members,

Happy CA day to all the fellow members...

I take this opportunity to thank you all for the support and tireless work rendered towards our branch.

Seminars and talent based activities conducted in our premises last month were a huge success, once again thanks to all for your efforts.

We, on the occasion of CA day have organised for a blood donation camp, at our branch. Hope all participated in this good cause. Other activities like Padyatra, tree planting etc have been arranged on the same day as part of our celebrations.

Virtual cpe meetings covering a wide range of topics were successful and beneficial to all the members. Expecting more meetings in the near future.

Once again, a very happy CA day

CA. Sathiyarayanan K R
Chairman

01.07.2022

BRANCH MOBILE NO: 8056244300

OPPRESSION AND MISMANAGEMENT IN COMPANY**LAW**

CS SRIDHARAN A.M. ADVOCATE, CHENNAI

Oppression and mis-management

Sec.241 (a)

Covers continuing acts and the acts which have been concluded

Any member of a company who complains that-

the affairs of the company have been or are being conducted in a manner prejudicial to public interest or

in a manner prejudicial or oppressive to him or any other member or members or

in a manner prejudicial to the interests of the company;

Sec.397 and 398 combined into a single section

Sec.241 deals with oppression and mis-mangement;

Clause (a) deals with oppression and mismanagement;

Clause (b) deals with mis-management likely to occur on account of change in management

Sec.241(b)

Any member of a company who complains that the material change, not being a change brought about by, or in the interests of, any creditors, including debenture holders or any class of shareholders of the company has taken place in the management or control of the Company whether by an alteration in the Board of Directors, or manager, or

in the ownership of the company's shares, or

if it has no share capital, in its membership or

in any other manner whatsoever, and

that by reason of such change, it is likely that the affairs of the company will be conducted in a manner prejudicial to its interests or its members or any class of them

Sec.241(2) equivalent to Sec.401

The Central Government, if it is of the opinion that the affairs of the company are being

conducted in a manner prejudicial to public interest, it can apply Sec.408 of 1956 Act is not imported into 1956 Act

LIMITATION

Sec. 433 The provisions of the Limitation Act, 1963 shall, as far as may be, apply to proceedings or appeals before the Tribunal or the Appellate Tribunal, as the case may be.

ESQUIRE ELECTRONICS INC. V.NETHERLANDS INDIA COMMUNICATIONS ENTERPRISES LTD [2018] 143 CLA 433 (NCLAT)*In a petition for relief from oppression and mismanagement, the appellant cannot rake up any issue of a period which is three years prior to the date of filing of the petition.*

PARA 12: We agree with the finding of Tribunal that section 433 of the Companies Act, 2013 ('Act of 2013') makes it clear that the provisions of Limitation Act, 1963 apply to proceedings or appeals before the Tribunal or the Appellate Tribunal, as the case may be. The Tribunal also rightly held that the petitions under sections 397 and 398 are enforceable like decree and for all purposes a suit within the meaning of Code of Civil Procedure. We also agree with the finding of the Tribunal that the suit for which there is no prescribed period is provided as per article 113 of Limitation Act, 1963, period of limitation is three years. For the reason aforesaid we agree with the finding of the Tribunal that appellant(s) cannot rake up any issue which is barred by limitation, i.e., of a period which is three years prior to the date of filing of the petition.

ESQUIRE ELECTRONICS INC. V.NETHERLANDS INDIA COMMUNICATIONS ENTERPRISES LTD [2018] 143 CLA 433 (NCLAT)

PARA 19: For the reasons and finding as recorded above, we set aside the part of impugned judgment dated 6th October,2016 passed in Company Petition No. 108/ND/2016 in so far as it relates to maintainability of the petition for the period 2013, 2014 and 2015 onwards and remit the case to National Company Law Tribunal, Principal Bench, New Delhi to take decision on merit, limiting the prayer with regard to alleged "oppression and mismanagement", if any, made between the year 2013 onwards.

Praveen Shankaralayam Vs. Elan Professional Appliances Pvt. Ltd. and Ors., MANU/NC/0079/2016

Para 25. It is thus evident that the cause of action to the petitioner has arisen in the year 2009 to February, 2012. The present petition has been filed first on 01.10.2015 before the erstwhile CLB and then re-filed somewhere in 2016. Taking the period of limitation on the date of first filing on 01.10.2015, it is hopelessly time barred as apart of the cause of action had arisen to the petitioner in February, 2012. There is no provision for condoning the delay in filing of suits and such like rights are known as imperfect rights. In other words, these rights are recognised by law but no complaint of their breach could be made on account of efflux of time.

B. K. Educational Services Private Limited Vs. Parag Gupta, AIRONLINE 2018 SC 391

PARA 27

for applications filed under Sec 7 and 9 limitation act is applicable since the inception of the code. If default occurred over a period of three years prior to the date of filing the application, the application is barred by Article 137 of the limitation save and except in those cases where Sec.5 can be applied to condone the delay in filing such application.

Devas Multimedia Private Limited Vs. Antrix Corporation Corporation Limited, AIRONLINE SC 33

PARA 8.22

As we have pointed out elsewhere, the contours of fraud as delineated in Sec.271(c) of the Companies Act, 2013 cover three aspects namely, (i) the affairs of the company being conducted in a fraudulent manner; (ii) the company was formed for fraudulent and unlawful purpose, and (iii) the persons concerned in the formation and management of its affairs have been guilty of fraud, misfeasance or misconduct in connection therewith. As rightly pointed out by the Tribunal, a singular act of omission or commission may constitute fraud and even a series of acts may constitute fraud. A fraudulent act may be different from the fraudulent manner in which an act is performed. The words, "conduct of the affairs of a company in a fraudulent manner" indicate that the process was a continuing one. If the conduct of the affairs of the Company in a fraudulent manner is a continuing process, the right to apply becomes recurring.

MEANING OF OPPRESSION

Shanti Prasad Jain Vs. Kalinga Tubes Ltd., MANU/SC/0368/1965

PARA 20As has already been indicated, it is not enough to show that there is just and equitable cause for winding up the company, though that must be shown as preliminary to the application of Section 397, It must further be shown that the conduct of the majority shareholders was oppressive to the minority as members and this requires that events have to be considered not in isolation but as a part of a consecutive story. There must be continuous acts on the part of the majority shareholders, continuing up to the date of petition, showing that the affairs of the company were being conducted in a manner oppressive to some part of the members. The conduct must be burdensome, harsh and wrongful and mere lack of confidence between the majority shareholders and the minority shareholders would not be enough unless the lack of confidence springs from oppression of a minority by a majority in the management of the company's affairs, and such oppression must involve at least an element of lack of probity or fairdealing to a member in the matter of his proprietary rights as a shareholder.

PAST CONDUCTS

Palghat Exports P. Ltd. Vs. V. Chandran [1994] 13 CLA 192 (KER.)

No scope for relief under section 397 for past oppression, which does not persist – Recovery of money invested not also the object

WHO CAN APPLY

Sec.244

In case of a company having share capital

In terms of numbers of members

In terms of issued capital

In case of a company not having a share capital
not less than one fifth of the total number of members

Under Sec.244(1) proviso, the tribunal may waive all or any of the requirements

Qualification to file a petition

T.N.K. Govindaraju Chetty and Co. and other Vs. Kadri Mills (CBE) Ltd. and other (1999) 96 Com.Cas 871 (CLB)

When the share holding of a petitioner is reduced below 10 percent due to further allotment of share and such allotment itself is questioned in a petition under Sec.397/398, the petition should be held to be maintainable on the strength of his holding before the further allotment of shares

Vijayan Rajes and another Vs. MSP Plantations Pvt. Ltd., Bangalore and others, 2010 (1) AIR Kar R 384

Para 32 :

.....If the date of presentation of the petition should be looked into in a technical way, it could defeat the very purpose of the legislative enactment of Sec.397 and 398 of this Act, as the overbearing majority shareholders can simply by highhanded action or even for other purpose and by oppressive methods, dismember minority shareholders and leave with no remedies as the dismembered minority shareholders technically do no quality for maintaining a petition under Sec.399 of the Act, being not member at all. As the minority shareholders will be complaining only after the acts occurred and when they have been removed from the membership of the company, the understanding and interpretation to be given to section 399 is only so as further the object of relief to be given in a situation governed by Sec.397 and 398 of the Act and not to foreclose the option to an aggrieved person and to deny the very relief sought to be extended to a complaining minority shareholder(s) envisaged under Sec.397 and 398 of the Act.

World Wide Agencies P. Ltd. and another Vs. Margaret T.Desor and others (1990) 67 Com. Cas 607 (SC);

The legal representatives of deceased member whose name is still on the register of members are entitled to file a petition

Dhananjay Pande Vs. Dr. Bais Surgicaland medical Institute P. Ltd. and others (2005) 65 CLA 164 (CLB)

By not allotting shares against the application money the respondents cannot unsuit the petitioner in the proceeding for relief against oppression/mismanagement on the ground that he is not a member of the company. The CLB is a court of equity and the matter has to be considered on equitable grounds. Therefore, even assuming that no shares were allotted to the petitioner, yet is declared to be shareholder for the purposes of the petition as if he was/he is entitled to allotment of shares against application money

Aruna Oswal Vs. Pankaj Oswal, AIRONLINE 2020 SC 621

Distinguished the judgement in Worldwide Agencies

Sec.72 of the Companies Act

Waiver

CYRUS INVESTMENTS (P.) LTD. V.TATA SONS LTD. [2017] 141 CLA 368 (NCLAT)

Exceptional circumstances waiver is to be given

Held 18.37% of issued equity share capital and 2.17% of the issued share capital

This was admitted shareholding of the petitioners on the date of filing the petition. Hence, there was a need to obtain waiver

Removal from the office of Executive Chairman

TATA CONSULTANCY SERVICES LTD. V.CYRUS INVESTMENTS (P.) LTD. AND OTHERS, [2021] 162 CLA 1 (SC)

Removal of director whether it was oppressive or prejudicial to members should be seen, legality or illegality cannot be seen

Removal from the office of Executive Chairman cannot be called an act of oppression

The petitioner invited the removal from the office of director by his own actions.

All the acts complained of, the petitioner was either party or happened with his knowledge
No case of Oppression is made out

Hanuman Prasad Bagri Vs. Bagrees Cereals Pvt. Ltd., and others, AIR 2001 SUPREME COURT 1416

Ground of termination of directorship of petitioner – would not entitle such person to ask for winding up on just and equitable grounds in as much as there is an appropriate remedy by way of company suit which can give him relief if such action had been taken by the Company on inadequate ground

M.S.D.C. Radharamanan Vs. M.S.D. Chandrasekara Raja and another

No case of oppression is made out; there are only two shareholders; deadlock is created; order of CLB directing the respondent to buy the shares of the petitioner was upheld

Doctrine of Legitimate Expectation

V.S. Krishnan and others Vs. Westfort Hitech Hospital Limited and others (2008) 142 Comp cas 235 (SC)

There is no understanding that petitioners would be offered permanent directorship – 1/3rd of directors are bound to retire – legitimate expectation cannot be extended to

Fiduciary duty of a director

Dale and Carrington Investment (P) Ltd and another Vs. P.K. Prathapan and others, AIR 2005 SUPREME COURT 1624

Though Sec.81 is not applicable to a private limited company, the directors owe a fiduciary duty to shareholders in case of further issue of shares

Doctrine bona-fide interest and doctrine of proper purpose

Sangramsinh P Gaekwad and others Vs. Shantadevi P. Gaekwad (Dead) by LRs and others, AIR 2005 SUPREME COURT 809

Para 44: A director of a company indisputably stand in a fiduciary capacity vis-à-vis the Company. He must act for the paramount interest of the company. He does not have any statutory duty to perform so far as individual shareholders are concerned subject of course to any special arrangement which may be entered into or a special circumstance that may arise in a particular case. Each case, thus, is required to be considered having regard to the fact-situation obtaining therein and having regard to the existence of any special arrangement or special circumstance.

Incidental control over the Company

Needle Industries (India) Ltd., and ors Vs. Needle Industries Newey (India) Holding Ltd., and others, AIR 2001 SUPREME COURT 1416

The fact that by the issue of shares, the directors succeed also or incidentally, in maintaining their control over the company or in newly acquiring it, does not amount to an abuse of their fiduciary power

Application of partnership principles

Quasi partnership

Kilpest Private Limited and others Vs. Shekar Mehra (199) 87 Comp Cas 615 (SC)

Issue of further shares - a single act - whether oppressive

Tea Brokers Private Limited Vs. Hemandra Prasad Barooah (1998) 5 CLJ 463 (CAL)

Transfer of shares in violation of articles

A. Arumugam and others Vs. Pioneer Bakeries P. Ltd. and others (2008) 141 Com cas 391 (CLB)

V. Ramesh Kumar and others (2008) 141 com cas 915 (CLB)

No member shall be entitled to transfer his shares in the company save with the previous sanction of the board of directors

No share shall be transferred to a non member as long as any member is willing to purchase the same at a mutually agreeable value between the transferor and the transferee

CARO 2020 & SCHEDULE III AMENDMENTS

CA. R S BALAJI B.COM., FCA

OTHER DUTIES: SEC 143 (9), (10), (11)

1. Auditor Shall comply with Auditing Standards.
2. CG may prescribe such standards recommended by ICAI, in consultation and after examining by NFRA [National Financial Reporting Authority]
3. CG may order for inclusion of Statement on Specified matters in the Auditors Report for specified Companies.

**APPLICABILITY OF CARO 2020**

25TH FEBRUARY, 2020, CARO 2020 WAS APPLICABLE FOR THE FINANCIAL YEAR 2019-20 ONWARDS.



SUBSEQUENTLY AMENDED VIDE ITS ORDER DATED 24TH MARCH, 2020 FOR THE DEFERMENT OF CARO 2020 FROM FY 2019-20 TO 2020-21.



MCA FURTHER DEFERRED THE APPLICABILITY OF CARO 2020 FROM FINANCIAL YEAR 2020-21 TO 2021-22 VIDE ITS ORDER DATED 17TH DECEMBER, 2020.

Applicability of CARO 2020 - No Change

CARO 2020 applies to all Companies including a Foreign Company.

Exceptions: CARO does not apply to the following classes of Companies -

1. Banking Company,
2. Insurance Company,
3. Section 8 Companies
4. One Person Company and
5. Small company

Exemption to Private Limited Company

Private Limited Company - Exemption

The Order exempts from its application a Private Limited Company which fulfils all the following conditions throughout the reporting period covered by the audit report:

1. Should not be a Subsidiary or Holding Company of a Public Company,
2. Aggregate of Paid-Up Capital and Reserves should \leq Rs.1 Crore on the balance sheet date,
3. Total Borrowings from Bank or Financial Institution should \leq Rs.1 Crore at any point of Time,
4. Turnover should \leq Rs.10 Crores.

CARO on Consolidated FS

CARO 2020 shall not apply to the auditor's report on consolidated financial statements except clause (xxi) of paragraph 3.

Matters to be reported

7: 7: 7

Clause (i) – Property, Plant and Equipment

CARO, 2016	CARO, 2020
(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situations of Fixed Assets.	(a) (A) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment; (B) whether the company is maintaining proper records showing full particulars of intangible 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.	(b) whether these Property, Plant and Equipment 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;
((c) whether the title deeds of immovable properties are held in the name of the Company. If not, provide the details thereof.	(c) whether the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. If not, provide the details thereof in the format; 4343+7
	(d) Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer. Specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;
	(e) Whether any proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder; if so, whether the Company has appropriately disclosed the details in its financial statements;

Key Changes in Reporting Clause (i)

1. Separate Reporting for PPE and Intangible Assets instead of Fixed Assets
2. No Reporting on title deeds, where Company is lessee and lease agreement is duly executed in favour of the Company
3. Specific details are required to be given in case title deeds are not held in name of the Company
4. New sub-clause (d) has been inserted which requires specific reporting on revaluation of PPE or intangible assets or both
5. New sub-clause (e) has been inserted which requires specific reporting on any proceedings initiated or pending against the Company under Benami Transactions (Prohibition) Act, 1988 for holding Benami Property.

Key Points for Consideration**Revaluation Details:**

The auditor while reporting under this clause has to consider the requirements of section 247 of the Act - "Valuation by Registered Valuers". He shall also retain the Valuation report as part of his documentation.

Principles stated in SA 500 regarding use of Managements Expert shall be applied by the auditor while considering the word done by the registered Valuer.

Benami Transactions:

Reporting under this clause is limited to the adequacy of disclosure in the financial statements and to cases where proceedings are initiated with the company being treated as a "benamidar".

The reporting is not applicable where the notice is received by the company as a beneficial owner.

Changes in Schedule (III) Disclosure**Tangible and Intangible Assets**

Under the Disclosure of Non-Current Asset, Existing Terms of Property Plant and Equipment is changed as Tangible and Intangible Assets.

New Reporting for Revaluation and Other Adjustments

A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations, amount of change due to revaluation and other adjustments and the related depreciation and impairment losses/reversals shall be disclosed separately.

Whether the Company has revalued its Tangible Assets and, if so, whether the revaluation is based on the valuation by a Registered Value as defined under section 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Title Deeds of Immovable Property

Whether the title deeds of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) recognised in the financial statements are held in the name of the company. If not, following details to be disclosed in the specified Format (where such immovable property is jointly held with others, details are required to the extent of the company's share)

Details of Benami Property held

Where any proceedings have been initiated or pending against the company for holding any Benami property as defined under the Prohibition of Benami Property Transactions Act, 1988 and Rules thereunder; the company shall disclose the following:

- Details of such property, including year of acquisition
- Amount thereof
- Details of Beneficiaries
- Nature of proceedings, status of same and company's view on same.

For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following information to be disclosed:

Intangible assets under development	Maximum period envisaged for completion	To be completed in		
		Less than 1 year	1-3 years	More than 3 years
Project 1				
Project 2				

Clause (ii) - Inventory

CARO, 2016	CARO, 2020
Clause (ii) Whether Physical Verification of Inventory has been conducted at reasonable intervals by the Management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account.	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account; (b) whether during any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns/statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. If not, give details.

Key Changes in Reporting (ii) - Inventory

Auditor to report whether the coverage and procedure of physical verification by the management is appropriate or not

Discrepancies to be reported for each class of inventory only if it is 10% or more in the aggregate

New sub-clause (b) has been inserted which requires auditors to report whether the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account

(Note: This Reporting is applicable only in case the company has been sanctioned

working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions and they are secured against current assets of the Company)

Key Points for Consideration**Inventory Verification:**

As per AS 2/ Ind AS 2, common classifications of inventories include-

- raw materials and components,
- work in progress,
- finished goods,
- stores and spares, and loose tools.
- merchandise, production supplies,
- Goods-in-transit (will form part of the relevant class of inventory to which the goods belong).

A. The 10% threshold for reporting must be applied on a net basis after adjusting excesses and shortages within the class of an inventory and must be based on value for each class of Inventory.

B. For the purpose of reporting under this clause, materiality threshold as may be applicable for the auditee is not relevant. What is of relevance is discrepancy of 10% or more in value, for any class of inventory, which may or may not be material, but reporting is required in such cases.

Reporting on Stock / Debtor Statements submitted to Bank:
his clause does not require reporting where sanction of working capital limits is unsecured or it is sanctioned on the basis of assets other than current assets.

The utilisation may be less than the sanctioned limit of ` 5 crores but such cases will also be covered for the purpose of reporting.

Meaning of the term "sanction" - it is to include fresh sanction during the year as well as limits renewed or due for renewal during the year.

For returns/statements submitted on a monthly basis eg. for the months of April, May and June, the auditor would be required to verify the returns/statements solely for the month of June, being the relevant return as at the end of a quarter.

Changes in Schedule (III) Disclosure**Loans Based on Security of Current Assets**

(i) In case the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following :

- Whether quarterly returns/ statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of account.
- If not, summary of reconciliation and reasons of material discrepancies if any to be adequately disclosed.

Clause (iii) – Loans to Directors & RP

CARO, 2016	CARO, 2020
<p>(iii) Whether the Company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Sec.189 of the Companies Act, 2013. If so.</p> <p>Whether the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.</p> <p>Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular.</p> <p>If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the Company for recovery of the principal and interest.</p>	<p>(iii) whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. If so,</p> <p>(a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-</p> <p>(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates;</p> <p>(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates;</p>

(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

(c) in respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;

(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;

(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed/extended or fresh loans granted to settle the overdues of existing loans given to the same parties; If so, specify the aggregate amount of such dues renewed/extended or settled by fresh loans and the percentage of the aggregate to the total

loans or advances in the nature of loans granted during the year. [Not applicable to companies whose principal business is to give loans];

(f) whether the Company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment; if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;

Key Changes in Reporting (iii) – Loans & Investments

Coverage of reporting has been extended to reporting of Loans given to any party as against parties covered under section 189

Additional reporting in terms of Amount of loans or advance in nature of loan granted / guarantees and securities provided to group entities and to others and its balance outstanding as at balance sheet date

Additional reporting for any loan or advance in the nature of loan renewed or extended or fresh loans granted to settle the overdues of existing loans

Additional reporting for any loan or advance in the nature of loan granted either repayable on demand or without specifying any terms or period of repayment

Key Points for Consideration

Reporting on Investments /Loans etc:

A party might have taken a loan/advance in nature of loan from a company and repaid it during the same financial year.

Therefore, while examining the loans, the auditor should also take into consideration the loans/advances in nature of loan transactions that have been squared-up during the year and report such transactions under this clause.

Changes in Schedule (III) Disclosure

Loans and Advances to Promoters, Directors & their Relatives

Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors or their relatives (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(i) repayable on demand or

(ii) without specifying any terms or period of repayment.

Clause (iv) - Loans and Investments

CARO, 2016	CARO, 2020
(iv) In respect of loans, investments, guarantees, and security whether provisions of Sec.185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	(iv) in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act have been complied with. If not, provide the details thereof.

Clause (v) - Deposits

CARO, 2016	CARO, 2020
In case, the Company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of Sec.73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions 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?	In respect of deposits accepted by the Company or amounts which are deemed to be 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 made thereunder, where applicable, have been complied with? If not, the nature of such contraventions 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?

Key Points for Consideration**Deposits:**

Where the number of deposits is very large, it is obviously not feasible for the auditor to satisfy himself that every single deposit complies with the rules. He should, therefore, examine the system by which deposits are accepted and records are maintained and make a reasonable test check to ensure the correctness of the system

Clause (vi) - Cost Records

CARO, 2016	CARO, 2020
Whether maintenance of Cost Records has been specified by the Central Government under Sec.148(1) of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	Whether maintenance of Cost Records has been specified by the Central Government under Sec.148(1) of the Companies Act and whether such accounts and records have been so made and maintained.

Clause (vii) - Undisputed Statutory Dues

CARO, 2016	CARO, 2020
(a) whether the company is regular in depositing undisputed statutory dues including provident fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other Statutory Dues to the appropriate authorities and if not, the extent of the arrears of outstanding Statutory dues as on 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, (b) where dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax 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 be treated as a dispute).	(a) whether the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on 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; (b) where statutory dues referred to in subclause (a) 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 be treated as a dispute).

Key Points for Consideration**Statutory Dues:**

The term other statutory dues covers all types of dues under various statutes which may be applicable to a company
To Apply SA 250 - Consideration of Laws and Regulations in an Audit of Financial Statements.

Inclusions as Statutory Dues	Exclusions as Statutory Dues
Dues to Central, State, Local or Foreign Statutory Due Dues of Regular in nature Non Payment of Advance tax Municipal Taxes Fee payable to Licensing Authority	Levied Time to Time on occurrence / non occurrence of certain events Dues out of Contractual Obligations Electricity Dues Payment of Bonus Dividend Payment

Clause (ix) - Financial / Wilful Default

CARO, 2016	CARO, 2020
<p>(a) Whether the company has defaulted in repayment of loans or borrowing to a Financial Institution, Bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to Banks, Financial Institutions, and Government, lender wise details to be provided).</p>	<p>(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, If yes, the period and the amount of default to be reported as per the format below:- (b) Whether the company is a declared wilful defaulter by any bank/ financial institution/ other lender? (c) Whether term loans were applied for the purpose for which the loans were obtained ; if not the amount of loan so diverted and the purpose for which it is used may be reported; (d) whether funds raised on short term basis have been utilised for long term purposes? If yes, the nature and amount to be indicated. (e) whether the Company has taken any funds from any entity/ person on account of or to meet the obligations of its subsidiaries, associates or joint ventures? If so, details thereof with nature of such transactions and the amount in each case (f) whether the Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, If so, give details thereof and also report if the company has defaulted in repayment of such loans raised.</p>

Key Changes in Reporting (ix)-Financial / Wilful Default

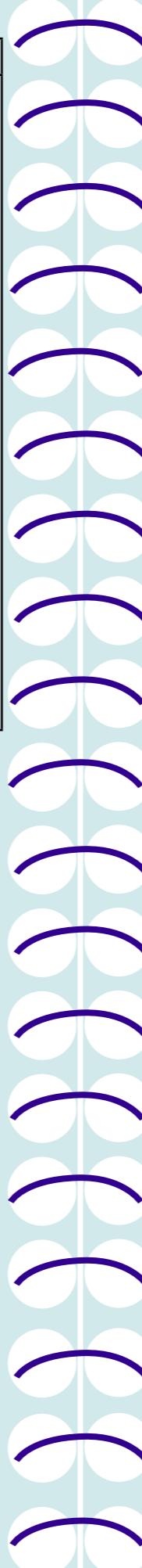
Following new sub-clauses inserted:

- (b) Whether the company is a declared wilful defaulter by any bank/ financial institution/ other lender?
- (c) Whether term loans were applied for the purpose for which the loans were obtained; if not the amount of loan so diverted and the purpose for which it is used may be reported;
- (d) whether funds raised on short term basis have been utilised for long term purposes? If yes, the nature and amount to be indicated.
- (e) whether the Company has taken any funds from any entity/ person on account of or to meet the obligations of its subsidiaries, associates or joint ventures? If so, details thereof with nature of such transactions and the amount in each case
- (f) whether the Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, If so, give details thereof and also report if the company has defaulted in repayment of such loans raised.

Key Points for Consideration

Wilful Defaulter:

Auditor is required to report whether the company has been declared as a wilful defaulter by any bank or financial institution or any other lender. It is clarified that such declaration should be restricted to the relevant financial year under audit till the date of audit report.



Wilful default must be Intentional, deliberate and calculated. Following would be deemed to treated as Wilful Default:

1. Diversion of Funds
2. Siphoning off of Funds
3. Sale of FA without Lenders Knowledge
4. Capacity to repay

It is possible that the company may not have been declared as wilful defaulter as at the date of the balance sheet but has been so declared before the audit report has been issued.

In such a case, applying the provisions of SA 560 and SA 700, the auditor shall perform audit procedures designed to obtain sufficient appropriate audit evidence that all events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements have been identified.

Hence, auditor should also consider whether the company has been declared as willful defaulter as on the date of the audit report.

Changes in Schedule (III) Disclosure

Wilful Defaulter*

Where a company is a declared wilful defaulter by any bank/ financial Institution/ other lender, following details shall be given:

- (a) Date of declaration as wilful defaulter
 - (b) Details of defaults (amount and nature of defaults) * "wilful defaulter" here means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- Clause (x) - Raising of Funds

CARO, 2016	CARO, 2020
<p>(a) Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported,</p>	<p>(a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</p>

Clause (xi) - Fraud Reporting

CARO, 2016	CARO, 2020
Whether any fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, if yes, the nature and the amount involved is to be indicated,	(a) whether any fraud by the company or any fraud on the Company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated; (b) whether any report under sub-section (12) of the Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government; (c) whether the auditor has considered whistle-blower complaints, if any, received during the year by the Company;

Key Changes in Reporting (xi) - Fraud

Reporting of all the frauds on the company is required (whether or not it is done by its employees or officers)

New sub-clauses (b) and (c) are inserted which requires reporting on

any reporting made by auditor to central government u/s 143(12)

consideration of whistle-blower complaints received by the Company

Key Points for Consideration

Fraud Reporting:

The reporting requirement under this clause would also apply to situations where during the year the predecessor auditor of the company has reported under section 143(12) before the appointment of the successor auditor. The auditor should obtain management representation in this regard.

Whistle blower complaints received during the year shall be considered by the auditor. The auditor is not required to consider whistle-blower complaints pertaining to earlier years while reporting under this clause.

Further, all such cases should be considered by the auditor in accordance with the requirements of SA 240 and will also be required to be considered as part of this clause.

CARO 2016 - Managerial Remuneration

CARO, 2016	CARO, 2020
(xi) Whether Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Sec.197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the Company for securing refund of the same	Same has been included for reporting u/s 197. Hence no specific reporting in CARO 2020

Clause (xii) - Nidhi Company

CARO, 2016	CARO, 2020
(xii) Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability,	(a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability; (b) whether the Nidhi Company is maintaining ten per cent. unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability; (c) whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof;

Clause (xiii) - Related Party Transactions

CARO, 2016	CARO, 2020
Whether all transactions with the related parties are in compliance with Sec.177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc, as required by the applicable Accounting Standards,	whether all transactions with the related parties are in compliance with section 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;

Clause (x) - Allotment of Shares

CARO, 2016	CARO, 2020
Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of Sec.42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount	(b) whether the Company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised. If not, provide details in respect of amount involved and nature of non-compliance;

Clause (xv) - Non Cash Transactions

CARO, 2016	CARO, 2020
Whether the Company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of Sec.192 of Companies Act, 2013 have been complied with,	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;

Clause (xvi) - RBI Registration

CARO, 2016	CARO, 2020
Whether the Company is required to be registered under Sec.45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	(a) whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and if so, whether the registration has been obtained. (b) whether the Company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank Act, 1934; (c) whether the Company is a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India; If so, whether it continues to fulfil the criteria of an exempted CIC, and in case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria; (d) Whether the Group has more than one CIC as part of the Group, If yes, indicate the number of CICs which are part of the Group;

Key Changes in Reporting (xvi) - RBI Registration

New sub-clauses (b), (c) and (d) are inserted which requires reporting on

whether the non-banking financial or housing finance activities are done after taking valid certificate of registration from RBI

fulfillment of classification criteria laid down by RBI for Core Investment Company

Number of CICs in the Group to which company belongs

NEW CLAUSES FOR REPORTING UNDER CARO 2020**Clause (viii) - Undisclosed Income**

whether any transactions not recorded in the books of account have been surrendered/ disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961); if so, whether the previously unrecorded income has been properly recorded in the books of account during the year;

Undisclosed income

A Company shall give details of any transactions not recorded in the books of account that has been surrendered/ disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme. Also, state whether the previously unrecorded income has been properly recorded in the books of account during the year.

Key Points for Consideration

Undisclosed Income:

It is important to note that this clause is limited to examination of those transactions, which were hitherto unrecorded in the books of account and which were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

The Company must have voluntarily admitted to the addition of such income, which can be demonstrated on the basis of the returns filed by the company. If addition is made by the Income Tax Authorities and the company has disputed such additions, reporting under this clause is not applicable.

Section 131 of the Companies Act, to be considered.

Clause (xiv) - Internal Audit System

(a) whether the company has an internal audit system commensurate with the size and nature of its business;

(b) Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor

Key Changes in Reporting (xiv) - Internal Audit

A new clause is inserted which requires auditors to report whether company has an internal audit system commensurate with the size and nature of its business and whether the reports of the Internal Auditors were considered by the statutory auditor

Key Points for Consideration

Internal Audit:

Specific consideration for SA 315 and SA 610 has to be made by the entity in relying the work done by Internal Auditor.

Functions of Internal Audit Includes:

Evaluation of internal controls.

Examination of financial and operational information.

Review of operating activities.

Review of compliance with laws and regulations.

Risk Management & Governance

Clause (xvii) - Cash Losses

Whether the Company has incurred cash losses in the Financial Year and in the immediately preceding Financial year, If so, state amount of cash losses.

Key Points for Consideration**Cash Loss:**

It may be noted that the Cash Flow Statement also presents cash flows from operating activities. However, it may not be appropriate to consider such cash flows for the specific and limited purpose of this clause considering that items such as interest income/expense are also relevant for determination of cash losses.

Cash Loss only in one year:

A situation may be there where the company has suffered cash losses in only one of the years referred to in this clause. In such a situation, the auditor is well advised to comment on the two years separately. Thus, for example, it would be proper to report that the company has incurred cash losses only during the immediately preceding financial year but has not incurred any cash losses during the current financial year.

Clause (xviii) – Resignation of Auditors

whether there has been any resignation of the statutory auditors during the year?

If so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors?

Key Changes in Reporting (xviii) – Resignation of Auditors

A new clause is inserted which requires reporting on

resignation of the statutory auditors during the year, if any and

whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors

Key Points for Consideration**Resignation of Auditors:**

As mentioned in the “Implementation Guide on Resignation/ Withdrawal from an Engagement to Perform Audit of Financial Statements” (the “Implementation Guide”), the auditor is expected to describe the circumstances while giving the reasons for resignation suitably, instead of mentioning ambiguous reasons such as other pre-occupation or personal reasons or administrative reasons or health reasons or mutual consent or unavoidable reasons.

As part of obtaining ‘no objection’ from outgoing auditor, the incoming auditor should enquire in respect of such modifications/ adverse comments included by the outgoing auditor in his last issued audit/review report, since the clause casts an obligation on the incoming auditor to consider the issues, objections or concerns, if any, raised by the outgoing auditors.

Clause (xix) – Material Uncertainty

On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor’s knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit that company is capable of meeting its liabilities as and when they fall due within a period of one year from the balance sheet date.

Key Points for Consideration**Ability to meet Liabilities:**

- Material Uncertainty as per SA 570:

- “Material Uncertainty” means the uncertainties related to events or conditions which may cast significant doubt on the entity’s ability to continue as a going concern that should be disclosed in the financial statements.

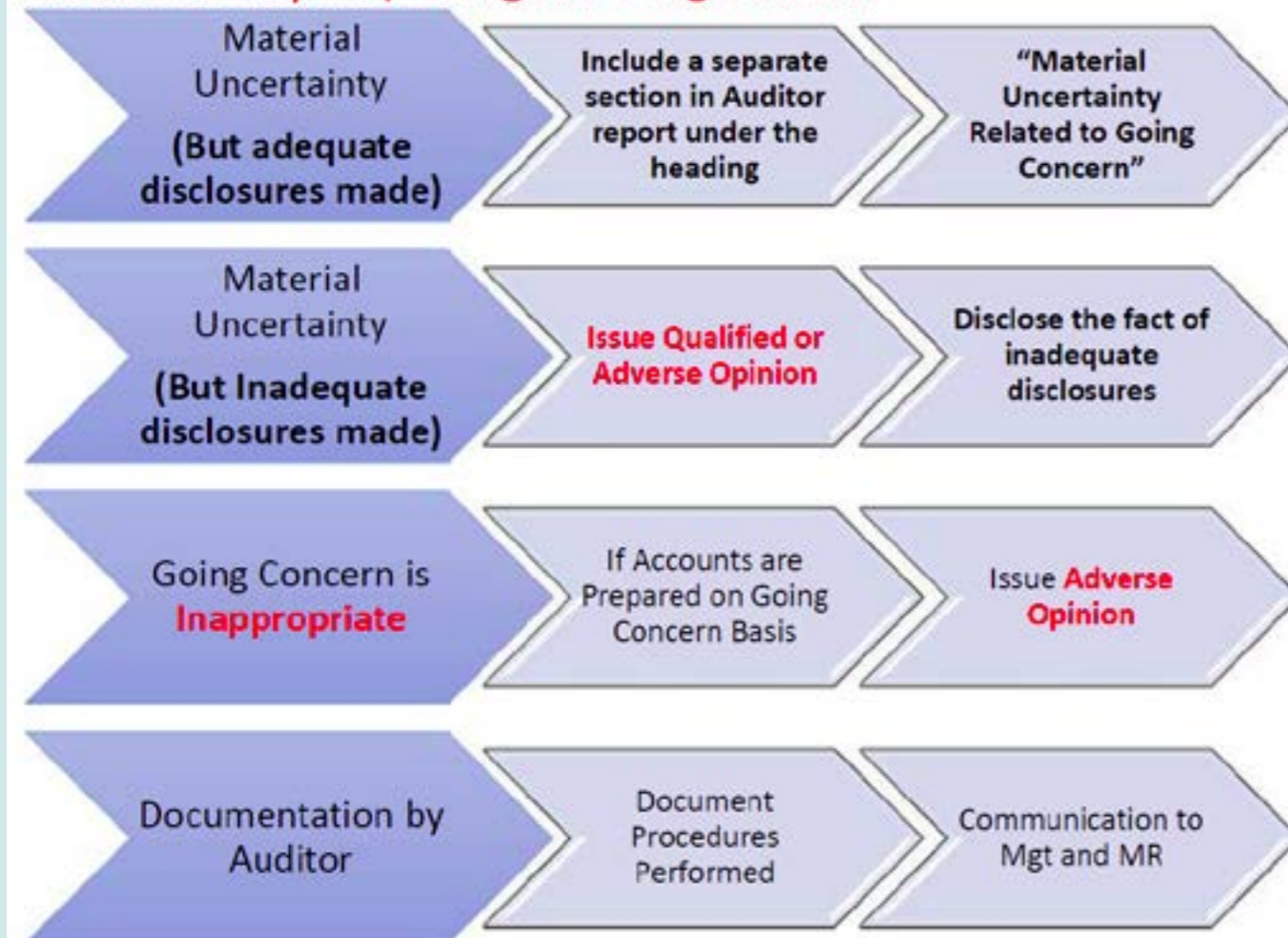
- It is also termed as “significant uncertainty” is used in similar circumstances.

When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern, the entity shall disclose those uncertainties.

The emphasis, for reporting under this clause is on the company’s ability to meet its liabilities.

The liabilities to be examined for payment should exist at the date of balance sheet which fall due within a period of one year from the balance sheet date. It should be noted that “liabilities falling due within a period of one year” and not “current liabilities” (as classification of current liabilities may be based on an operating cycle and such cycle can be shorter or longer than one year)

To Consider the Effect of SA 570 and SA 700

Auditors Duty: Reporting on Going Concern**Changes in Schedule (III) Disclosure**

Following Ratios to be disclosed

- Current Ratio
- Debt-Equity Ratio
- Debt Service Coverage Ratio

The company shall explain the items included in numerator and denominator for computing the above ratios.

Clause (xx) - CSR Reporting

(a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of 6 months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act.

(b) whether any amount remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

Key Changes in Reporting (xx) - CSR Reporting

A new clause is inserted which requires auditors to report whether unspent amount of CSR has been transferred to a special designated bank account (related to any ongoing project) and to a fund as specified in Schedule VII (where no specific project has been carried out or assigned) or not.

Key Points for Consideration

CSR Spending:

Other than Ongoing Projects:

On the basis of verification of the amounts, the auditor should further verify that any unspent amount, in respect of other than ongoing projects, has been transferred to a Fund specified in Schedule VII to the Act within a period of six months of the expiry of the financial year

Ongoing Projects:

Amount not spent shall be transferred to Unspent Corporate Social Responsibility Account within 30 days from the end of the financial year.

The auditor is required to verify that the amount transferred to such specified bank account has been utilized for the Corporate Social Responsibility activities as per Corporate Social Responsibility policy within 3 years from the date of such transfer, failing which the amount should be transferred to the fund as specified under Schedule VII to the Act.

Clause (xxi) - CARO Remarks in Auditors Report on CFS

whether there have been any qualifications/adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, If yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications/adverse remarks

Changes in Schedule (III) Disclosure

Corporate Social Responsibility

In case of Companies covered under section 135, following to be disclosed with regard to corporate social responsibility activities :

(i) amount required to be spent by the company during the year

(ii) amount of expenditure incurred

(iii) shortfall at the end of the year

(iv) total of previous years shortfall

(v) reason for shortfall

(vi) nature of CSR activities

(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard

(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately

Key Points for Consideration

Consolidated Financial Statements: (to Apply SA 600)

This clause uses the term “qualifications or adverse remarks”. Paragraph 4 of the Order uses the term “unfavourable or qualified answers”. From a combined reading of these provisions, the term “qualifications” or “adverse remarks” used in this clause and refers to the term “unfavourable” or qualified answers used in paragraph 4 of CARO 2020 the Order.

The term qualification/adverse remark used in this clause does not mean a qualification/adverse opinion as per principles enunciated in SA 705.

When reporting under clause 3(xxi) the auditor is not required to re-evaluate the materiality from a consolidation perspective, Hence every qualification/adverse remark made by every individual component including the parent should be included while reporting under clause 3(xxi).

Topic of Interest

by CA. L. Sriram



Niels Henrik Abel

In this month we will take an ethics holiday and see the life of a fantastic mathematician, who most of us do not know but is very famous.

We all know Srinivasa Ramanujan, who was born in India on 22nd December, 1887 and died on 26th April, 1920. He lived only for 33 years and has managed to produce huge volumes of notebooks, which are his original mathematical findings in number theory. These notebooks were later found out by George Andrews in 1976 in the Wren Library of Cambridge, London.

These note books were later called “Lost notebooks of Srinivasa Ramanujan” and received a word wide appreciation. George Andrews himself was a great mathematician of current era, who has solved the 400-year-old problem called “Fermat’s Last Theorem” in 1994 and received Abel Prize for Mathematics in the year 2016.

Who is this Abel and why this award is given? Niels Henrik Abel was born in 5th August 1802 and died in 6th April 1829 (27 years old) who made huge contribution to Mathematics.

He was a Norwegian mathematician who lived in poverty, difficulty and died at the early age of 27 due to Tuberculosis. (Note the similarity with Ramanujan, he also died of tuberculosis).

At the age of 13, in 1815, Abel was sent to School. Till then he had some preliminary studies at home under his father. A teacher by name Bernt Michael spotted the young genius in

Abel and started giving private lessons to improve his mathematical understanding. Abel was excellent in Mathematics but neglected other studies like languages. From the library

Abel was able to borrow original works of Newton, Euler, Lagrange and Gauss and study them in detail.

His father has died in 1821 leaving the family in difficulty. Abel took entrance exams for the university, but except in Mathematics his other subjects were of poor grade and was denied admission to the university. He studied mathematics on his own and in 1823, he published his first mathematical work. Some of the professors supported Abel from out of

their pockets and Abel could not get a job nor any admission to any university. He went to Copenhagen and stayed with his maternal aunt for two years. There he met his lady love Christine Kemp and was engaged to her.

Due to some assistance from his professors, he got a Government Grant in 1824 for two years. In 1824, he published his path breaking Solutions to 5th Degree equations. He went to Germany in search of meeting some of the famous mathematicians around that time. He could publish articles in Germany in a mathematical journal called Crelle's Journal. Abel published number of articles in the Crelle's journal in the year 1826. He then went to Paris and stayed for few months and published the famous Paris Treatise. He continued to live in Paris for a year and completed many minor works of mathematical discoveries.

He started to get fever and cough often and has slowly developed Tuberculosis. He returned to Berlin and was offered the post of editor of the Crelle's Journal, but he could not accept due to poor health. His government grant was not renewed and he has to take some private students and private loan for his survival. He has one year and half to survive. His mathematical out put was so high and the Crelle's journal could not publish at the speed Abel sent them the findings.

He worked on algebraic equations, elliptic functions and infinite series and made pioneering contributions to the fields. In 1828 he published his grand treatise on Elliptic functions. In the year 1828, Abel was appointed temporarily as a senior lecturer. Finally, he was able to stay with his fiancé for some time and was looking forward for a marriage and selling in Berlin. He became sick and bedridden for twelve weeks. He was working on his death bed and was worried about his fiancé. Niels Henrik Abel died on 6th April 1829 at the age of 27. Praise showered, but after death. Paris treatise was hailed in Paris and words of praise were pouring in. Academy in Berlin awarded Prize to Abel and offered money to his mother and wife. Without knowing Abel has died, the Crelle's journal offered him permanent position with good money by a letter dated 8th April 1829, but was late by few days.

Life full of misery, poverty, travel and no job and no permanent study, but Abel was above all these and made his name strongly stamped in Mathematics. We call abelian group, in memory of Abel, which was founded by him.

The Abel Prize is awarded annually to outstanding international mathematicians. The prize was established by the Norwegian Government in 2002, and is managed by Norwegian Academy of Science and Letters. Since Nobel Prize is not offered for Mathematics, the Abel Prize is considered to be the equivalent of Nobel Prize in Mathematics. The Prize sum is 750,000 Euro.

Indian origin Srinivasa Varadhan, of Courant Institute, New York University, USA has been awarded the Abel Prize in 2007.

6TH AGM NOTICE



The Institute of Chartered Accountants of India
(Set up by an Act Of Parliament)
Chengalpattu District Branch of SIRC of ICAI

NOTICE is hereby given that the 6th Annual General Meeting of the **Chengalpattu District Branch of SIRC of ICAI** will be held on **Saturday, 16th day of July 2022** at **04.00 PM** at our Branch premises at Natha Kamalam, No.1A, Periyalwar Street, East Tambaram, Chennai - 600059 to transact the following business.

AGENDA FOR THE MEETING

- Item No. 1: To receive the Annual Report of the Managing Committee of the Branch for the year 2021-2022;
- Item No. 2: To receive the Audited Accounts together with the Audit Report for the year 2021-2022;
- Item No. 3: Any other business that may be brought before the meeting with the permission of the Chair.

By order of the Managing Committee

- sd -

CA Narasimma Raghavan R
Secretary

Date: 28.06.2022
Place: Tambaram

Note:

The Annual Report of the Managing Committee for the year (2021-22), the audited accounts together with the audit report have been hosted in the website www.chengai-icai.org and also displayed on the Notice Board at the Office of the Branch. The Internet link for all these details <https://chengai-icai.org/resource/AGM-2022.aspx>. Members desirous to have hard copy of the full version of the above may please send an e-mail to chengalpattu@icai.org along with their Name, ICAI Membership Number and latest complete postal address to enable branch office to do the needful.

PHOTO GALLERY

Topic : ABCD of Technology

Jointly with Digital Accounting and Assurance Board- ICAI

Date: 03.06.2022

Venue: Zoom Meeting

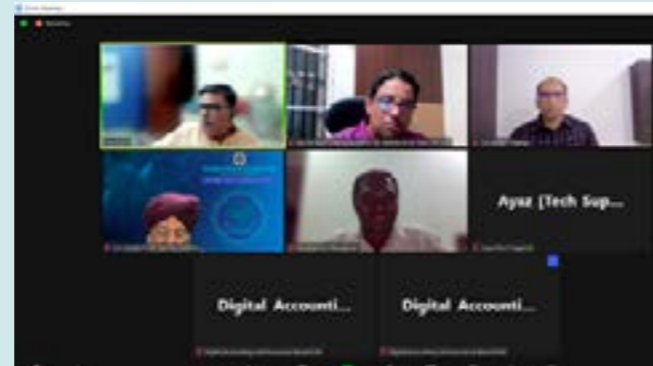


PHOTO GALLERY

Topic : Decoding of Direct Taxes

Speaker : CA. Vivek Rajan V

Date: 04.06.2022

Venue: Branch Premises



PHOTO GALLERY

Sports Fest 2022-SICASA Team of Chengalpattu District Branch of SIRC of ICAI

Date: 18.06.2022 & 19.06.2022



PHOTO GALLERY

Branch Day 2022

Date: 20.06.2022

Venue: Branch Premises



PHOTO GALLERY

Branch Day 2022

Date: 20.06.2022

Venue: Branch Premises



PHOTO GALLERY

INTERNATIONAL YOGA DAY

Date: 21.06.2022

Venue: Branch Premises



PHOTO GALLERY

Topic : Common found Non-Compliances of Ind AS/ AS, CARO and Schedule III to the Companies Act, 2013

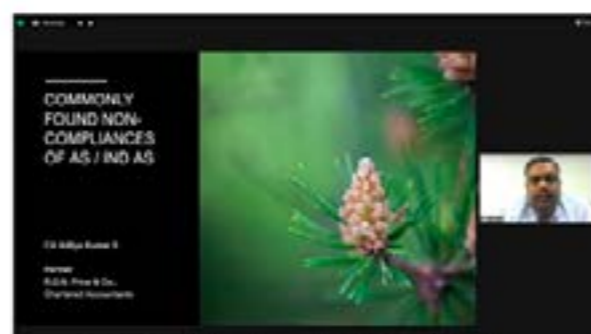
Joint Program with Financial reporting Review Board, ICAI

Date: 23.06.2022

Venue- Zoom Meeting



Technical Whatsapp Helpline Number : 8866250011



Technical Whatsapp Helpline Number : 8866250011



Technical Whatsapp Helpline Number : 8866250011

PHOTO GALLERY

CA DAY Celebrations- 1st July 2022

Senior member of our fraternity is being honoured by our Branch



Flag Hoisting

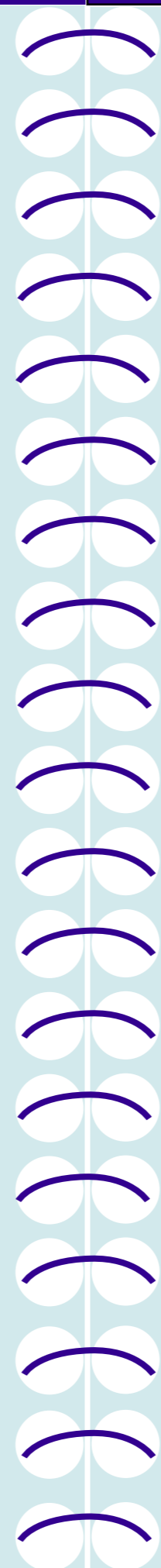


PHOTO GALLERY

CA DAY Celebrations- 1st July 2022

Blood Donation Camp Jointly with Lions Club of Chennai Chitlapakkam



PHOTO GALLERY

CA DAY Celebrations- 1st July 2022

Padyatra



PHOTO GALLERY
CA DAY Celebrations- 1st July 2022
Swachh Bharat Abhiyan

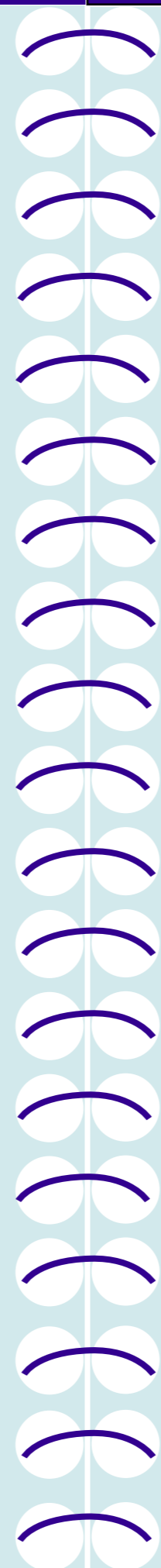


PHOTO GALLERY
CA DAY Celebrations- 1st July 2022
Tree Plantation



PHOTO GALLERY

CA DAY Celebrations- 1st July 2022

Distribution of Kits to Anganvadi, Chitlapakkam

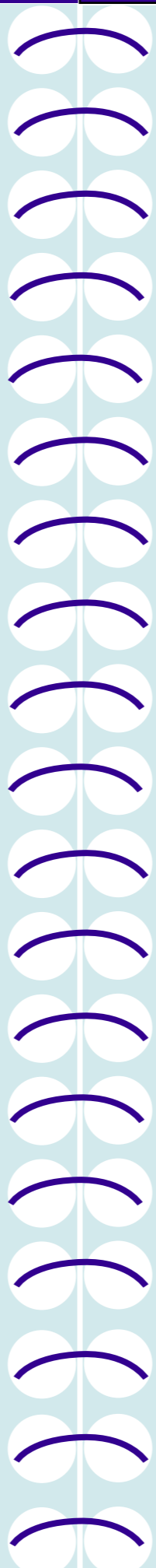


PHOTO GALLERY

CA DAY Celebrations- 1st July 2022

Financial & Tax Literacy Program at SIVET College, Gowrivakkam



PHOTO GALLERY

CA DAY Celebrations- 1st July 2022 Prize Distribution to Winners in Sport Fest 2022

