SCHEDULE VI (REVISED)

- Ministry of Corporate Affairs [MCA], has on 3 March 2011, hosted on its website, the revised Schedule VI to the Companies Act, 1956 which deals with the Form of Balance sheet, Profit & Loss account and disclosures to be made therein.
- The revised Schedule VI has been framed as per the existing non-converged Indian Accounting Standards (IAS) notified under the Companies (Accounting Standards), Rules, 2006 and has no connection with the converged Indian Accounting Standards.
- The revised Schedule VI will apply to all the companies uniformly for the financial statements to be prepared for the financial year 2010-11 and onwards. However, the same is yet to be notified in the Official Gazette.

OBJECTIVE:

We are required to report whether the accounts of the Company "give the information required by the Companies Act, 1956 in the manner so required."

A. GENERAL INSTRUCTIONS

1. For any conflict in treatment or disclosure regarding head/sub head requirements of the Companies Act including Accounting Standards, Accounting Standards will override the requirements of the Schedule VI.

2. Disclosure requirements specified in Part I and Part II of this Schedule are in addition to the disclosure requirements of the Companies Act including Accounting Standards.

3. Notes to accounts to contain information in addition to that presented in the Financial Statements:-

- Narrative descriptions
- Information about items that do not qualify for recognition in those statements.

4. The corresponding amounts for the immediately preceding year to be shown for all items.

5. Rounding Off in New schedule VI:-

Sr. no.	Turn Over	Rounding Off
1	If T/O <100 Crore	To nearest hundreds, thousands, lakhs, millions or decimal thererof
2	If T/O >=100 Crore	To nearest lakhs, millions, crores or decimal thererof

FORMAT OF BALANCE SHEET:-

NAME OF THE COMPANY

ADDRESS OF THE COMPANY

BALANCE SHEET AS AT 31ST DECEMBER, 2011

Particulars	Notes	*Figures as at the end of current reporting period*	*Figures as at the end of previous reporting period*
		`	`
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	xx	xx
(b) Reserves and Surplus	2	xx	xx
(c) Money received against share warrants		xx	xx
(2) Share Application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	xx	xx
(b) Deferred Tax Liabilities (Net)		xx	xx
(c) Other Long Term Liabilities	4	xx	xx
(d) Long Term Provisions	5	xx	xx
(4) Current Liabilities			
(a) Short-Term Borrowings	6	xx	xx
(b) Trade Payables	7	xx	xx
(c) Other Current Liabilities	8	xx	xx
(d) Short-Term Provisions	9	xx	xx
Total Equity & Liabilities		**xxx**	**xxx**
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Gross Block		xxx	xxx
(ii) Depreciation		xx	xx
(iii) Net Block		xxx	xxx
(b) Non-current investments	11	xx	xx
(c) Deferred tax assets (net)		xx	xx
(d) Long term loans and advances	12	xx	xx
(e) Other non-current assets	13	xx	xx
(2) Current Assets			
(a) Current investments	14	xx	xx
(b) Inventories	15	xx	xx
(c) Trade receivables	16	xx	xx
(d) Cash and cash equivalents	17	xx	xx
(e) Short-term loans and advances	18	xx	xx
(f) Other current assets		xx	xx
Total Assets		**xxx**	**xxx**

I. EQUITY AND LIABILITIES:-

1) SHAREHOLDERS' FUNDS

(a) Share Capital

1. Each class of share capital shown - Equity Share Capital and Preference Share Capital (different classes to be treated differently)

2. Following details to be given:

- PAR value per share
- Reconciliation of the Opening and Closing Outstanding for each class of share
- All rights & preferences (all class of shares)
- Shareholders having > 5% of shareholding
- Give details for the period of 5yrs immediately preceding B/S date
  - Shares allotted for consideration other than Cash
  - Issue of Fully Paid up Bonus Shares
  - Number & Class of shares bought back during the year

3. Shares (in aggregate) of each class held by

- Its Holding Company
- Ultimate Holding Company
- Subsidiaries
- Associates of the Holding Company
- Associates of the Ultimate Holding Company

Now Auditor cannot accept disclosures as certified by management. He has to now himself certify correctness of such shareholding

4. Terms of conversion of securities into equity/preference share capital with earliest date of conversion being shown in descending order starting from the farthest such date.

5. Calls unpaid should be shown as:-
- by directors and officers (separately)
- by others

(b) Reserves and Surplus:-

1. Classification of Reserves and Surplus into:-
- Capital reserves
- Capital Redemption Reserves
- Securities premium Reserves
- Debenture Redemption Reserve
- Revaluation Reserve
- Share Option Outstanding Account(New)
- Other reserves (specifying nature, purpose and amount of each separately)
- P&L account
  - (showing allocations and appropriations such as dividend, bonus shares and transfer to / from reserves)
  - P&L account should be shown under Reserves & Surplus (Even if negative balance)

Format to be Followed

Other Info:-
- Additions and Deductions since last Balance Sheet date to be shown under specific head separately.
- Capital Reserve:-
  - -In old Schedule VI "Capital profit on re-issue of forfeited shares" are to be trfd to Capital Reserve
  - -In New Schedule VI there is no such restrictions, it can be even trfd to P&L a/c & can be distributed as dividend

2) NON-CURRENT LIABILITIES

(a) Long-term Borrowings

1. Classification of Long term Borrowings -

- Bonds / Debentures (In descending order of Maturity)
- Term Loans:
  - a) From Banks (Specify terms of repayment)
  - b) From Other Parties (Specify terms of repayment)
- Deferred Payment liabilities
- Deposits
- Loans and advances from related parties
- Long Term maturities of finance lease obligations
- Other Loans and advances, specifying nature, shown

1. Format to be Followed

2. Sub-Classify Long-term borrowings as Secured or Unsecured under each head separately.

3. Specify period & amount of continuing default as on B/S date in repayment of loans & interest.

2. Aggregate of loans guaranteed by the following should be disclosed

- Directors
- Others

3. Terms Loans:-

-Term loans generally mean Loans > 36 months.
-Loans payable on demand should be under Current liability.

4. Nature of Security:-

The term "Nature of security shall be specified in each case" says that Disclosure should be loan wise & Type wise (i.e. type of disclosure)
-The disclosure stating that "The loans are secured by assets purchased out of this loan" will not be enough, disclosure should be item wise.

c) Other Long-term Liabilities

Classification of other long term liabilities as :-

- Trade payables (For classification refer Fig.1)
- Others

(d) Long-Term Provisions

Classification of Provisions as:

- Provision for employee benefits
- Others (Specifying nature)

➢ ***Now the question is how to define any liability as a Current Liability or Non-Current Liability?***

- For this purpose refer the following table:-

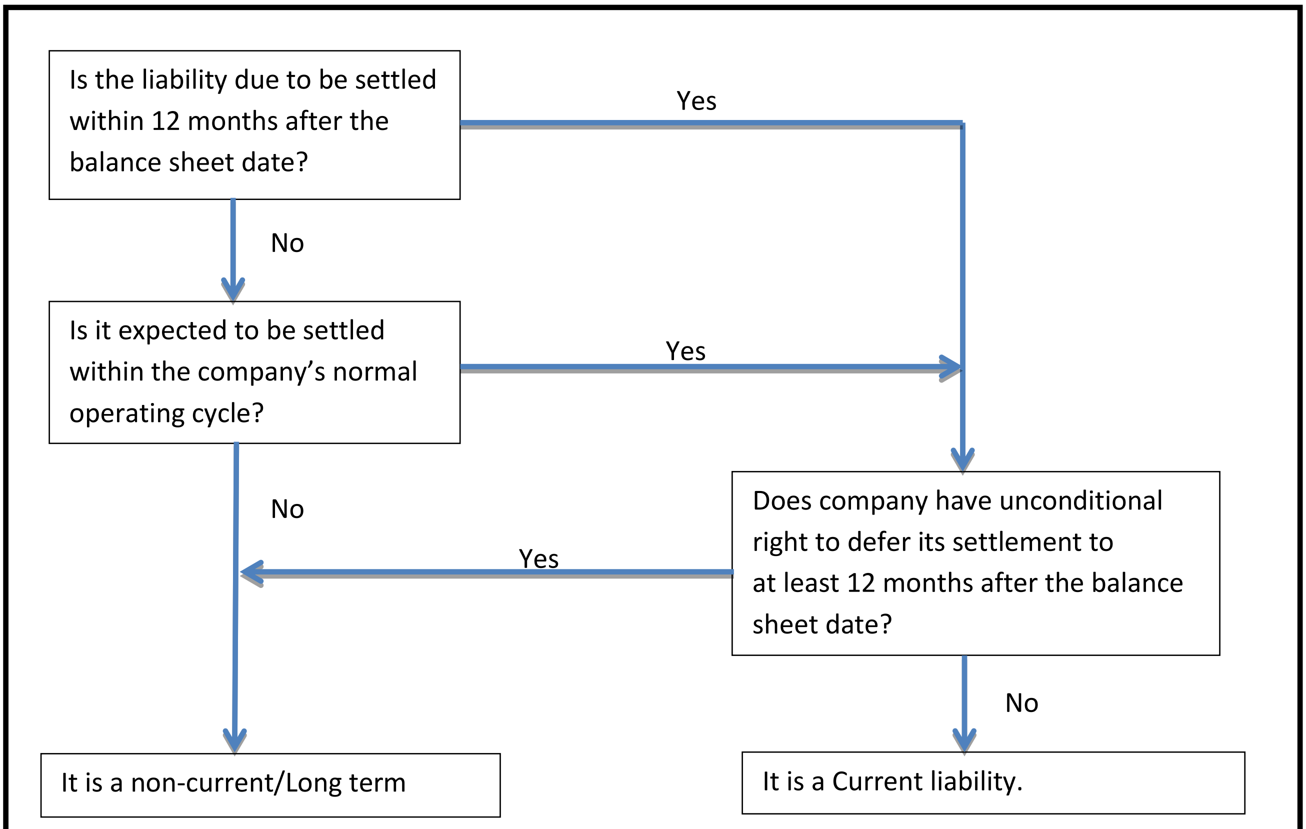

Fig.1

4) CURRENT LIABILITIES

(a) Short-Term Borrowings

1. <u>Classification of borrowings as:</u>

1) Loans repayable on demand
    a) From banks
    b) From other parties
2) Loans and Advances from related parties
3) Deposits
4) Other Loans and Advances, specifying nature

1. Format to be Followed

2. Sub-Classify Short-term borrowings as Secured or Unsecured under each head separately.

3. Specify period & amount of continuing default as on B/S date in repayment of loans & interest.

<u>2. Aggregate of loans guaranteed by the following should be disclosed</u>
- Directors
- Others

(b) Trade Payables (For classification refer fig.1)

-In old Schedule VI Bills Payable should be disclosed separately from Trade Payables
-In New schedule VI there is no such need of disclosing separately, it will have to be disclosed as part of Trade payables.

(c) Other Current Liabilities

1. Classification of other current liabilities into:

a) Current maturities of Long term debt
b) Current maturities of finance lease obligations
c) Interest accrued but not due on borrowings
d) Interest accrued and due on borrowings
e) Income received in advance
f) Application money received for allotment of securities and due for refund and interest accrued thereon.
g) Unpaid matured deposits and interests accrued thereon
h) Unpaid matured debentures and interest accrued thereon
i) Other payables, specifying nature.

2.

Sr.no.	Particulars	In old Schedule VI	In Revised Schedule VI
1.	Interest accrued but not due on Borrowings	Shown under Current Liabilities & Provision.	Other Current liabilities under the head Current Liabilities.
2.	Interest accrued & due on Borrowings	Added to respective loan to which the interest relates	Other Current liabilities under the head Current Liabilities.

(d) Short- term Provisions

1. Classification of short term provisions into:

a) Provision for employee benefits
b) Others (specify nature)

II. ASSETS

1) NON-CURRENT ASSETS

(a) Fixed Assets

(i) **Tangible Assets**

1. Classification of Tangible Assets into:

a) Land
b) Buildings
c) Plant and Equipment
d) Furniture and fixtures
e) Vehicles
f) Office Equipment's
g) Others (specify nature)

1. Assets under lease should be disclosed separately

2. Reconciliation of opening & closing gross & net carrying amount for each class of asset

3. Related depreciation & impairment losses/reversals shall be disclosed separately.

4. Disclosures for first 5 years subsequent to date of sums W/OFF on reduction of capital or sums added or written down on revaluation of Fixed Assets.

(ii) **Intangible Assets**

1. Classification of Intangible Assets into:

a) Goodwill
b) Brands/trademarks
c) Computer software
d) Mastheads and publishing titles
e) Mining rights
f) Copyrights and patents and other Intellectual property rights, services and operating rights
g) Recipes, formulae, models, designs and prototypes
h) Licenses and franchises
i) Others (specifying nature)

1. Reconciliation of opening & closing gross & net carrying amount for each class of asset

2. Related amortization & impairment losses/reversals shall be disclosed separately.

3. Disclosures for first 5 years subsequent to date of sums W/OFF on reduction of capital or sums added or written down on revaluation of Fixed Assets.

(iii) **Capital Work In Progress**

(iv) **Intangible Assets Under Development**

(b) Non-Current Investments

1. Classification of Non-current Investments into:

a) Trade investments
b) Other Investments

Sub-classification into:

a) Investments in Property
b) Investments in Equity instruments
c) Investments in Preference shares
d) Investments in Government or trust securities
e) Investments in Debentures or Bonds
f) Investments in Mutual funds
g) Investments in Partnership firms

2. In each head of investments classify it with the Names of the body corporate indicating whether they are:-

- Subsidiary
- Associates
- Joint ventures
- Controlled special purpose entities

- Nature and extent of the investments
- Partly paid investments to be separately shown.

3. In case of investments in partnership firms specify:-

- Names of the firms and their respective partners.
- Total capital structure and the profit sharing ratio.

4. Investments carried at other than costs to be separately shown specifying basis of valuation

5. Following shall be additionally disclosed:

- Aggregate book value of Quoted Investments and market value thereof
- Aggregate amount of unquoted investments
- Aggregate provision for diminution in value of investments

- ***Now the question is how to define any Investment as a Current or Non-Current?***

Investment is Current if: - 1) It is readily realizable
AND
2) It is intended to be held for < 1 Year from Investment date

(d) Long Term Loans and Advances

1. Loans and advances classified into:

- Capital Advances
- Security deposits
- Loans and advances to related parties (giving details thereof)
- Other loans and advances (specifying nature)

1. Format to be Followed

2. Sub-Classify Long Term Loans & Advances as Secured or Unsecured under each head separately.

3. Disclose allowance for Bad & Doubtful loans under relevant head.

2. Disclose Loans and Advances due from:

- Directors or other officers of the company
- Amounts due by firms in which any director is a partner
- Amounts due by private companies in which any director is a director or member

(To be aggregated and separately stated)

(e) Other Non-Current Assets

1. Other non-current assets classified into:
- Long term trade receivables
- Others (specifying nature)

1. Sub-Classify Long Term Loans & Advances as Secured or Unsecured under each head separately.

2. Disclose allowance for Bad & Doubtful loans under relevant head.

3. Disclose Other Non-current Assets due by directors or officers of the company either severally or jointly.

- ***Now the question is how to define any Asset as a Current Asset or Non-Current Asset?***

For this purpose refer the following table:-

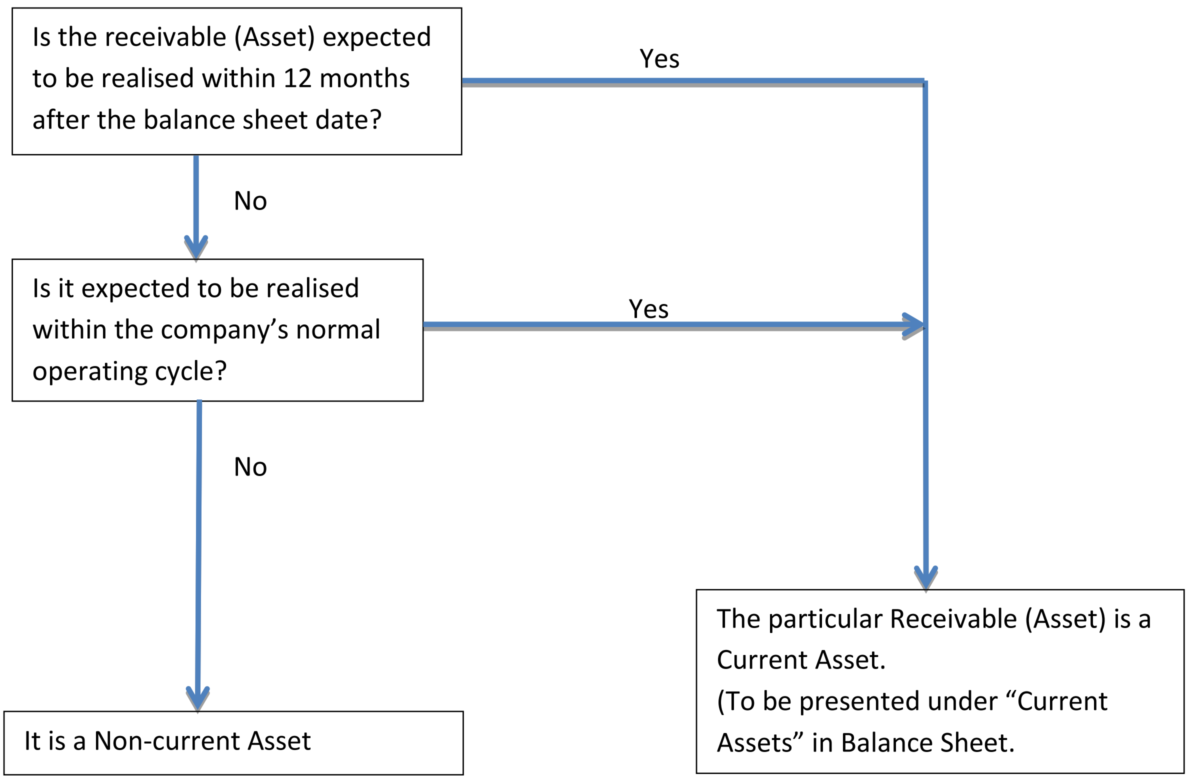

Fig.2

2) CURRENT ASSETS

(a) Current Investments

1. Classification of Current Investments into:

a) Investments in Equity instruments
b) Investments in Preference shares
c) Investments in Government or trust securities
d) Investments in Debentures or Bonds
e) Investments in Mutual funds
f) Investments in Partnership firms
g) Others (specifying nature)

1. Basis of valuation of Individual Investment

2. Aggregate amount of Quoted investment & Market Value thereof.

3. Aggregate amount of Un-Quoted investment.

4. Aggregate provision made for diminution in value of investment.

2. In each head of investments classify it with the Names of the body corporate indicating whether they are:-

- Subsidiary
- Associates
- Joint ventures
- Controlled special purpose entities

- Nature and extent of the investments
- Partly paid investments to be separately shown.

3. In case of investments in partnership firms specify:-

- Names of the firms and their respective partners.
- Total capital structure and the profit sharing ratio.

(b) Inventories

1. Classification of Inventories into:

a) Raw materials
b) Work in progress
c) Finished goods
d) Stock in trade
e) Stores and spares
f) Loose tools
g) Others (specifying nature)

1. Sub-Classify Goods-in-Transit under relevant Sub-Head

2. Mode of Valuation shall be stated.

(c) Trade Receivables (For clarification Refer Fig. 2)

1. Disclose outstanding more than 6 months separately.

2. Sub-Classify Trade receivables as Secured or Unsecured under each head separately.

3. Disclose allowance for Bad & Doubtful debtors under relevant head.

4. Disclose amount in Trade receivables due from:
- Directors or other officers of the company
- Amounts due by firms in which any director is a partner
- Amounts due by private companies in which any director is a director or member

(d) Cash and Cash Equivalents

1. Classification of Cash and Cash Equivalents into:

a) Balances with Bank
b) Cheques, Drafts on hand
c) Cash on hand
d) Others (specifying nature)

2. The following shall be shown separately:

a) Earmarked balances with bank.(e.g.: Unpaid Dividend)
b) Balances with bank held as margin money or security against borrowing, guarantees and other commitments.
c) Repatriation restrictions, if any, in respect of cash and bank balances.
d) Bank deposits with more than 12 months maturity.

(e) Short Term Loans and Advances

1. Classification of Loans and Advances:

- Loans and Advances to Related parties.
- Others (specifying nature)

1. Format to be Followed

2. Sub-Classify Long Term Loans & Advances as Secured or Unsecured under each head separately.

3. Disclose allowance for Bad & Doubtful loans under relevant head.

2. Disclose Loans and Advances due from:

- Directors or other officers of the company
- Amounts due by firms in which any director is a partner
- Amounts due by private companies in which any director is a director or member

(f) Other Current Assets (Specify Nature)

❖ CONTINGENT LIABILITIES AND COMMITMENTS

Disclosure Required:-

- Claims against the company not acknowledged as debts
- Guarantees.
- Other money for which the company is contingently liable.

Classify above into:-

- Estimated amount of contracts remaining to be executed on capital
- accounted and not provided for
- Uncalled liability on shares and other investments partly paid
- Other commitments (specifying nature)

❖ Provision for Dividend:-

- In old Schedule VI Provision for dividend should be done in the books of accounts.
- But in the New schedule VI there is no need of provision. Only the amount of dividend declared should be disclosed in the Notes to Accounts.
- Accounting standard 4 (AS 4) requires a financial statement to make Provision for dividend. So there is a conflict between the views of Revised Schedule VI and Accounting Standard.
- As stated earlier that Accounting Standard will prevail over the Revised Schedule VI and hence Provision for dividend is required to be made.

NAME OF THE COMPANY

ADDRESS OF THE COMPANY

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST DECEMBER, 2011

Sr. No	Particulars	Sch. No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I	Revenue from operations	17	XXX	XXX
II	Other Income	18	XX	XX
III	***III. Total Revenue (I +II)***		**XXX**	**XXX**
IV	***Expenses:***			
	Cost of materials consumed	19	XX	XX
	Purchase of Stock-in-Trade		XX	XX
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	XX	XX
	Employee Benefit Expense	21	XX	XX
	Financial Costs	22	XX	XX
	Depreciation and Amortization Expense	23	XX	XX
	Other Administrative Expenses	24	XX	XX
	Total Expenses (IV)		**XXX**	**XXX**
V	Profit before exceptional and extraordinary items and tax	(III - IV)	**XXX**	**XXX**
VI	Exceptional Items		XX	XX
VII	Profit before extraordinary items and tax (V - VI)		**XXX**	**XXX**
VIII	Extraordinary Items		XX	XX
IX	Profit before tax (VII - VIII)		**XXX**	**XXX**
X	***Tax expense:***			
	(1) Current tax		XX	XX
	(2) Deferred tax		XX	XX
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	**XXX**	**XXX**
XII	Profit/(Loss) from discontinuing operations		XX	XX
XIII	Tax expense of discounting operations		XX	XX
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		**XXX**	**XXX**
XV	Profit/(Loss) for the period (XI + XIV)		**XXX**	**XXX**
XVI	Earning per equity share:			
	(1) Basic		XX	XX
	(2) Diluted		XX	XX