

Notes on Revised Schedule VI

[FOR NOVEMBER 2012 & ONWARDS.]

BY A.AMOGH.



Amogh Ashtaputre



@amoghashtaputre



Amogh Ashtaputre

Linked 

Amogh Ashtaputre

Table Of Contents

INTRODUCTION TO REVISED SCHEDULE VI	3
COMPARITIVE ANALYSIS BETWEEN OLD SCHEDULE VI AND REVISED SCHEDULE VI	5
FORMAT OF REVISED SCHEDULE VI	8

INTRODUCTION TO REVISED SCHEDULE VI

Every company registered under the Act shall prepare its Balance Sheet, Statement of Profit and Loss and notes thereto in accordance with the manner prescribed in Schedule VI to the Companies Act,

1956. To harmonise the disclosure requirements with the Accounting Standards and to converge with the new reforms, the Ministry of Corporate Affairs vide Notification No. S.O. 447(E), dated 28th February 2011 replaced the existing Schedule VI of the Companies Act, 1956 with the revised one.

Government vide Notification No. F.N. 2/6/2008 – C.L-V dated 30th March 2011 made the revised Schedule VI applicable to all companies for the financial year commencing from 01st April 2011. The requirements of the Revised Schedule VI however, do not apply to companies as referred to in the proviso to Section 211 (1) and Section 211 (2) of the Act, i.e., any insurance or banking company, or any company engaged in the generation or supply of electricity or to any other class of company for which a form of Balance Sheet and Profit and Loss account has been specified in or under any other Act governing such class of company.

Key Features of Revised Schedule VI –Balance Sheet

- The revised schedule contains General Instructions, Part I – Form of Balance Sheet; General Instructions for Preparation of Balance Sheet, Part II – Form of Statement of Profit and Loss; General Instructions for Preparation of Statement of Profit and Loss.
- The Revised Schedule VI has eliminated the concept of ‘schedule’ and such information is now to be furnished in the notes to accounts.
- The revised schedule gives prominence to Accounting Standards (AS) i.e. In case of any conflict between the AS and the Schedule, AS shall prevail.
- The revised schedule prescribes a vertical format for presentation of balance sheet therefore, no option to prepare the financial statement in horizontal format. It ensures application of uniform format.
- All Assets and liabilities classified into current and non-current and presented separately on the face of the Balance Sheet.
- Number of shares held by each shareholder holding more than 5% shares now needs to be disclosed.
- Details pertaining to aggregate number and class of shares allotted for consideration other than cash, bonus shares and shares bought back will need to be disclosed only for a period of five years immediately preceding the Balance Sheet date.
- Any debit balance in the Statement of Profit and Loss will be disclosed under the head “Reserves and surplus.” Earlier, any debit balance in Profit and Loss Account carried forward after deduction from uncommitted reserves was required to be shown as the last item on the asset side of the Balance Sheet.
- Specific disclosures are prescribed for Share Application money. The application money not exceeding the capital offered for issuance and to the extent not refundable will be shown Separately on the face of the Balance Sheet. The amount in excess of subscription

or if the requirements of minimum subscription are not met will be shown under “Other current liabilities.”

- The term “sundry debtors” has been replaced with the term “trade receivables.” ‘Trade receivables’ are defined as dues arising only from goods sold or services rendered in the normal course of business. Hence, amounts due on account of other contractual obligations can no longer be included in the trade receivables.
- The Old Schedule VI required separate presentation of debtors outstanding for a period exceeding six months based on date on which the bill/invoice was raised whereas, the Revised Schedule VI requires separate disclosure of “trade receivables outstanding for a period exceeding six months from the date the bill/invoice is due for payment.”
- “Capital advances” are specifically required to be presented separately under the head “Loans & advances” rather than including elsewhere.
- Tangible assets under lease are required to be separately specified under each class of asset. In the absence of any further clarification, the term “under lease” should be taken to mean assets given on operating lease in the case of lesser and assets held under finance lease in the case of lessee.
- In the Old Schedule VI, details of only capital commitments were required to be disclosed. Under the Revised Schedule VI, other commitments also need to be disclosed.

Key Features of Revised Schedule VI – Statement of Profit and Loss

- The name has been changed to “Statement of Profit and Loss” as against ‘Profit and Loss Account’ as contained in the Old Schedule VI.
- Unlike the Old Schedule VI, the Revised Schedule VI lays down a format for the presentation of Statement of Profit and Loss. This format of Statement of Profit and Loss does not mention any appropriation item on its face. Further, the Revised Schedule VI format prescribes such ‘Below the line’ adjustments to be presented under “Reserves and Surplus” in the Balance Sheet.
- As per revised schedule VI, any item of income or expense which exceeds one per cent of the revenue from operations or Rs.100, 000 (earlier 1 % of total revenue or Rs.5, 000), whichever is higher, needs to be disclosed separately.
- In respect of companies other than finance companies, revenue from operations need to be disclosed separately as revenue from (a) sale of products, (b) sale of services and (c) other operating revenues.
- Net exchange gain/loss on foreign currency borrowings to the extent considered as an adjustment to interest cost needs to be disclosed separately as finance cost.
- Break-up in terms of quantitative disclosures for significant items of Statement of Profit and Loss, such as raw material consumption, stocks, purchases and sales have been simplified and replaced with the disclosure of “broad heads” only. The broad heads need to be decided based on materiality and presentation of true and fair view of the financial statements.

COMPARITIVE ANALYSIS BETWEEN OLD SCHEDULE VI AND REVISED SCHEDULE VI

PARTICULARS	OLD SCHEDULE VI	REVISED SCHEDULE VI
Parts	Part I (Balance Sheet), Part II (Profit and Loss Account), Part III (Interpretation) and Part IV (Balance sheet Abstract of company's general business profile)	Only two parts- Part I(Balance Sheet) And Part II (Statement of Profit and Loss) Part III (Interpretation) and Part IV (Balance sheet Abstract of company's general business profile) omitted.
Format of Balance Sheet	Horizontal and Vertical formats Are prescribed.	Only vertical format is prescribed.
Rounding off (R/off) of Figures appearing in financial statement	(a) Turnover of less than Rs. 100 Cars - R/off to the nearest Hundreds, thousands or decimal thereof (b) Turnover of Rs. 100 Cars or more but less than Rs. 500 Cars - R/off to the nearest Hundreds, thousands, laths or millions or decimal thereof (c) Turnover of Rs. 500 Cars or more - R/off to the nearest Hundreds, thousands, laths, millions or	(a) Turnover of less than Rs. 100 Cars - R/off to the nearest Hundreds, thousands, laths or millions or decimal thereof (b) Turnover of Rs. 100 Cars or more - R/off to the nearest laths, millions or cores, or decimal thereof
Net Working Capital	Current assets & Liabilities are Shown together under application of funds. The net working capital appears on balance sheet.	Assets & Liabilities are to be Bifurcated into current & Non-current and to be shown separately. Hence, net working capital will not be appearing on Balance sheet.
Fixed Assets	There was no bifurcation required Into tangible & intangible assets.	Fixed assets to be shown under non-Current assets and it has to be bifurcated into Tangible & intangible assets.

Borrowings	Short term & long term Borrowings are grouped together under the head Loan funds sub- head Secured / Unsecured	Long term borrowings to be shown Under non-current liabilities and short term borrowings to be shown under current liabilities with separate disclosure of secured / unsecured loans. Period and amount of continuing default as on the balance sheet date in repayment of loans and interest to
Finance lease Obligation	Finance lease obligations are Included in current liabilities	Finance lease obligations are to be Grouped under the head non-current liabilities
Deposits	Lease deposits are part of loans & Advances	Lease deposits to be disclosed as long Term loans & advances under the head non-current assets
Investments	Both current & non-current Investments to be disclosed under the head investments	Current and non-current investments Are to be disclosed separately under current assets & non-current
Loans & Advances	Loans & Advance are disclosed Along with current assets	Loans & Advances to be broken up in Long term & short term and to be disclosed under non-current & current assets respectively.
Deferred Tax Assets / Liabilities	Deferred Tax assets / liabilities to Be disclosed separately	Deferred Tax assets / liabilities to be Disclosed under non-current assets /
Cash & Bank Balances	Bank balance to be bifurcated in Scheduled banks & others	Bank balances in relation to earmarked Balances, held as margin money against borrowings, deposits with
Profit & Loss (Dr Balance)	P&L debit balance to be shown Under the head Miscellaneous expenditure & losses.	Debit balance of Profit and Loss Account to be shown as negative figure under the head Surplus. Therefore, reserve & surplus balance can be
Sundry Creditors	Creditors to be broken up in to Micro & small suppliers and other creditors.	It is named as Trade payables and There is no mention of micro & small enterprise disclosure.

Other current Liabilities	No specific mention for separate Disclosure of Current maturities of long term debt. No specific mention for separate disclosure of Current maturities of finance lease obligation	Current maturities of long term debt to Be disclosed under other current liabilities. Current maturities of finance lease obligation to be disclosed.
Separate line item Disclosure criteria	Any item under which expense Exceeds one per cent of the total revenue of the company or Rs. 5,000 whichever is higher; shall	Any item of income / expense which Exceeds one per cent of the revenue from operations or Rs. 1,00,000, whichever is higher; to be disclosed
Expense Classification	Function wise & nature wise	Expenses in Statement of Profit and Loss to be classified based on nature of expenses
Finance Cost	Finance cost to be classified in Fixed loans & other loans	Finance cost shall be classified as Interest expense, other borrowing costs & Gain / Loss on foreign currency

FORMAT OF REVISED SCHEDULE VI

The Ministry of Corporate Affairs specified the format of Schedule VI vide Notification No. S.O. 447(E), dated 28th February 2011 as follows:

A. General Instructions

B. Part I – Form of Balance Sheet

C. General Instructions for Preparation of Balance Sheet

D. Part II – Form of Statement of Profit and Loss

E. General Instructions for Preparation of Statement of Profit and Loss

A. General Instructions

- Where compliance with the requirements of the Act, including the Accounting Standards as applicable to companies, requires any change in treatment or disclosure including addition, amendment, substitution or Deletion in the head / sub-head or any changes inter se, in the financial statements or statements forming part thereof, the same shall be made and the requirements of the Schedule VI shall stand modified accordingly.
- The disclosure requirements specified in Parts I and II of this Schedule are in addition to and not in substitution of the disclosure requirements specified in the Accounting Standards prescribed under the Companies Act, 1956. Additional disclosures specified in the Accounting Standards shall be made in the notes to accounts or by way of additional statement unless required to be disclosed on the face of the Financial Statements. Similarly, all other disclosures as required by the Companies Act, 1956 shall be made in the notes to accounts in addition to the requirements set out in this Schedule.
- Notes to accounts shall contain information in addition to that presented in the Financial Statements and shall provide where required:

(a) Narrative descriptions or disaggregation of items recognized in those statements and

(b) Information about items that do not qualify for recognition in those statements.

Each item on the face of the Balance Sheet and the Statement of Profit and Loss shall be cross-referenced to any related information in the notes to accounts. In preparing the Financial Statements including the notes to accounts, a balance shall be maintained between providing excessive detail that may not assist users of financial statements and not providing important information as a result of too much aggregation.

- Depending upon the turnover of the company, the figures appearing in the Financial Statements may be rounded off as below:

Turnover	Rounding off
(I) less than one hundred core rupees	To the nearest hundreds, thousands, laths or Millions or decimals thereof.
(ii) one hundred core rupees or more	To the nearest laths, millions or cores, or Decimals thereof.
Once a unit of measurement is used, it should be used uniformly in the Financial Statements.	

5. Except in the case of the first Financial Statements laid before the Company (after its incorporation), the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the Financial Statements including notes shall also be given.

6. For the purpose of this Schedule, the terms used herein shall be as per the applicable

Accounting Standards.

This part of Schedule sets out the minimum requirements for disclosure on the face of the Balance Sheet and the Statement of Profit and Loss (hereinafter referred to as "Financial Statements" for the purpose of this Schedule) and Notes. Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the Company's financial position or performance or to cater to industry / sector specific disclosure requirements or when required for compliance with the amendments to the Companies Act, 1956 or under the Accounting Standards.

B. Part I: Form of Balance Sheet

Name of the Company`				
Balance Sheet as at 31 March, 20X2				
Particulars		Note No.	As at 31 March, 20X2	As at 31 March, 20X1
			Rs.	Rs.
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital			
	(b) Reserves and surplus			
	(c) Money received against share Warrants			
2	Share application money pending Allotment			
3	Non-current liabilities			
	(a) Long-term borrowings			
	(b) Deferred tax liabilities (net)			
	(c) Other long-term liabilities			
	(d) Long-term provisions			
4	Current liabilities			
	(a) Short-term borrowings			
	(b) Trade payables			
	(c) Other current liabilities			
	(d) Short-term provisions			
	TOTAL			
B	ASSETS			
1	Non-current assets			

	(a) Fixed assets			
	(i) Tangible assets			
	(ii) Intangible assets			
	(iii) Capital work-in-progress			
	(iv) Intangible assets under development			
	(v) Fixed assets held for sale			
	(b) Non-current investments			
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances			
	(e) Other non-current assets			
2	Current assets			
	(a) Current investments			
	(b) Inventories			
	(c) Trade receivables			
	(d) Cash and cash equivalents			
	(e) Short-term loans and advances			
	(f) Other current assets			
	TOTAL			

C. General Instructions for Preparation of Balance Sheet

1. An asset shall be classified as current when it satisfies any of the following criteria:
 - (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
 - (b) It is held primarily for the purpose of being traded;
 - (c) It is expected to be realized within twelve months after the reporting date; or
 - (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

2. An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Where the normal operating cycle cannot be identified, it is assumed to have duration of 12 months.

3. A liability shall be classified as current when it satisfies any of the following criteria:
 - (a) it is expected to be settled in the company's normal operating cycle;
 - (b) It is held primarily for the purpose of being traded;
 - (c) It is due to be settled within twelve months after the reporting date; or
 - (d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity Instruments do not affect its classification.

All other liabilities shall be classified as non-current.

4. A receivable shall be classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.
5. A payable shall be classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.
6. A company shall disclose the following in notes to accounts:

6A. Share capital

Clauses (a) to (l) of Notes 6 A deal with disclosures for Share Capital and such disclosures are required for each class of share capital (different classes of preference shares to be treated separately).

- A. The number and amount of shares authorized
- B. The number of shares issued, subscribed and fully paid, and subscribed but not fully paid
- C. Par value per share
- D. A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period
- E. The rights, preferences and restrictions attaching to each class of shares including Restrictions on the distribution of dividends and the repayment of capital
- F. Shares in respect of each class in the company held by its holding capacity or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate
- G. Shares in the company held by each
- H. Shareholder holding more than 5 per cent shares specifying the number of shares held
- I. Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts
- J. For the period of five years immediately preceding the date as at which the balance Sheet is prepared:
 - i. Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.
 - ii. Aggregate number and class of shares allotted as fully paid up by way of bonus Shares.
 - iii. Aggregate number and class of shares bought back.
- K. Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date
- L. Calls unpaid (showing aggregate value of calls unpaid by directors and officers)

6B. Reserves and Surplus

(I) Reserve and surplus shall classified as follows

- a) Capital Reserves
- B) Capital Redemption Reserve
- C) Securities Premium Reserve
- D) Debenture Redemption Reserve
- e) Revaluation Reserve
- F) Share Options Outstanding Account
- G) Other Reserves (specify the nature and purpose of reserve and the amount in respect thereof)
- H) Surplus i.e. Balance in Statement of Profit & Loss disclosing allocations and appropriations such as dividend, bonus shares and transfer to/from reserves, etc
(Additions and deductions since the last Balance Sheet to be shown under each of the specified head)

(ii) A reserve specifically represented by earmarked investments shall be termed as a 'fund'.

(iii) Debit balance of statement of profit and loss shall be shown as a negative figure under the head 'Surplus'. Similarly, the balance of 'Reserves and Surplus', after adjusting negative balance of surplus, if any, shall be shown under the head 'Reserves and Surplus' even if the resulting figure is in the negative.

6C. Non-Current Liabilities**A. Long-term borrowings:**

- Long-term borrowings shall be classified as:
 - (a) Bonds/debentures;
 - (b) Term loans;
 - From banks;
 - From other parties;
 - (c) Deferred payment liabilities;
 - (d) Deposits;
 - (e) Loans and advances from related parties;
 - (f) Long term maturities of finance lease obligations;
 - (g) other loans and advances (specify nature).
- Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.
- Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed. The word "others" used in the phrase "directors or others" would mean any person or entity other than a director.
- Bonds/debentures (along with the rate of interest and particulars of redemption

or conversion, as the case may be) shall be stated in descending order of maturity or conversion, starting from farthest redemption or conversion date, as the case may be. Where bonds/debentures are redeemable by installments, the date of maturity for this purpose must be reckoned as the date on which the first installment becomes due.

- Particulars of any redeemed bonds/ debentures which the company has power to reissue shall be disclosed.
- Period and amount of continuing default as on the Balance Sheet date in repayment of loans and interest shall be specified separately in each case.

B. Other Long-term liabilities

This should be classified into:

- A) Trade payables; and
- b) Others.

C. Long-Term Provisions

This should be classified into

- A) Provision for employee benefits and
- b) others specifying the nature.

6D. Current Liabilities

A. Short-term borrowings;

- (i) (a) Loans repayable on demand
 - From banks;
 - From other parties.
- (b) Loans and advances from related parties;
- (c) Deposits;
- (d) Other loans and advances (specify nature).
- (ii) Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.
- (iii) Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed.
- (iv) Period and amount of default as on the Balance Sheet date in repayment of loans and interest shall be specified separately in each case.

B. Other current liabilities

The amounts shall be classified as:

- (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) unpaid dividends;
- (g) Application money received for allotment of securities and due for refund and interest accrued thereon;
- (h) Unpaid matured deposits and interest accrued thereon;
- (I) Unpaid matured debentures and interest accrued thereon;
- (j) Other payables (specify nature).

The portion of long term debts / lease obligations, which is due for payments within twelve months of the reporting date is required to be classified under "Other Current liabilities" while the balance amount should be classified under Long-term Borrowings. Other Payables would include amounts in the nature of statutory dues such as Withholding taxes, Service Tax, VAT, Excise Duty etc.

C. Short-term provisions

The amounts shall be classified as:

- (a) Provision for employee benefits;
- (b) Others (specify nature).

6E. Non-Current Assets

A. Tangible assets

(I) Classification shall be given as:

- (a) Land.
- (b) Buildings.
- (c) Plant and Equipment.
- (d) Furniture and Fixtures.
- (e) Vehicles.
- (f) Office equipment.
- (g) Others (specify nature).

(ii) Assets under lease shall be separately specified under each class of asset.

(iii) 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 and other adjustments and the related depreciation and impairment losses/reversals shall be disclosed separately.

(iv) Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase.

B. Intangible assets

(I) Classification shall be given as:

- (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 franchise.
- (I) others (specify nature).

- (ii) 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 and other adjustments and the related amortization and impairment losses/reversals shall be disclosed separately.
- (iii) Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase.

C. Non-current investments

(I) Non-current investments shall be classified as trade investments and other investments and further

Classified as:

- (a) Investment 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
- (h) Other non-current investments (specify nature)

Under each classification, details shall be given of names of the bodies corporate (indicating separately whether such bodies are (I) subsidiaries, (ii) associates, (iii) joint ventures, or (iv) controlled special purpose entities) in whom investments have been made and the nature and extent of the investment so made in each such body corporate (showing

separately investments which are partly paid).

In regard to investments in the capital of partnership firms, the names of the firms (with the names of all their partners, total capital and the shares of each partner) shall be given.

(ii) Investments carried at other than at cost should be separately stated specifying the basis for valuation thereof.

(iii) The following shall also be disclosed:

- (a) Aggregate amount of quoted investments and market value thereof;
- (b) Aggregate amount of unquoted investments;
- (c) Aggregate provision for diminution in value of investments

D. Long-term loans and advances

(i) Long-term loans and advances shall be classified as:

- (a) Capital Advances;
- (b) Security Deposits;
- (c) Loans and advances to related parties (giving details thereof);
- (d) other loans and advances (specify nature).

(ii) The above shall also be separately sub-classified as:

- (a) Secured, considered good;
- (b) Unsecured, considered good;
- (c) Doubtful.

(iii) Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.

(iv) Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

E. Other non-current assets

Other non-current assets shall be classified as:

- (i) Long Term Trade Receivables (including trade receivables on deferred credit terms);
- (ii) others (specify nature)

(iii) Long term Trade Receivables, shall be sub-classified as:

- (i) (a) Secured, considered good;
- (b) Unsecured considered good;
- (c) Doubtful

(ii) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.

(iii) Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

6F. Current Investment**A. Current Investments**

(I) Current investments shall be classified as:

- (A) Investments in Equity Instruments;
- (b) Investment 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) Other investments (specify nature).

Under each classification, details shall be given of names of the bodies corporate (indicating separately whether such bodies are (I) subsidiaries, (ii) associates, (iii) joint ventures, or (IV)

Controlled special purpose entities) in whom investments have been made and the nature and extent of the investment so made in each such body corporate (showing separately investments which are partly paid).

In regard to investments in the capital of partnership firms, the names of the firms (with the names of all their partners, total capital and the shares of each partner) shall be given.

(ii) The following shall also be disclosed:

- (a) The basis of valuation of individual investments
- (b) Aggregate amount of quoted investments and market value thereof;
- (c) Aggregate amount of unquoted investments;
- (d) Aggregate provision made for diminution in value of investments.

B. Inventories

(I) Inventories shall be classified as:

- (a) Raw materials;
- (b) Work-in-progress;
- (c) Finished goods;
- (d) Stock-in-trade (in respect of goods acquired for trading);
- (e) Stores and spares;
- (f) Loose tools;
- (g) Others (specify nature).

(ii) Goods-in-transit shall be disclosed under the relevant sub-head of inventories. Mode of valuation shall be stated.

C. Trade Receivables

(I) Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the Date they are due for payment should be separately stated.

(ii) Trade receivables shall be sub-classified as:

- (A) Secured, considered good;
- (b) Unsecured considered good;
- (c) Doubtful.

- (iii) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.
- (iv) Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

D. Cash and cash equivalents

- (I) Cash and cash equivalents shall be classified as:

- (a) Balances with banks;
- (b) Cheques, drafts on hand;
- (c) Cash on hand;
- (d) Others (specify nature).

- (ii) Earmarked balances with banks (for example, for unpaid dividend) shall be separately stated.
- (iii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.
- (iv) Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.
- (v) Bank deposits with more than 12 months maturity shall be disclosed separately.

E. Short-term loans and advances

- (I) Short-term loans and advances shall be classified as:

- (a) Loans and advances to related parties (giving details thereof);
- (b) Others (specify nature).

- (ii) The above shall also be sub-classified as:

- (a) Secured, considered good;
- (b) Unsecured, considered good;
- (c) Doubtful.

- (iii) Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.
- (iv) Loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member shall be separately stated.

F. Other current assets (specify nature).

This is an all-inclusive heading, which incorporates current assets that do not fit into any other asset Categories.

6G. Contingent liabilities and commitments (to the extent not provided for)

(I) Contingent liabilities shall be classified as:

- (a) Claims against the company not acknowledged as debt;
- (b) Guarantees;
- (c) Other money for which the company is contingently liable

(ii) Commitments shall be classified as:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- (b) Uncalled liability on shares and other investments partly paid
- (c) Other commitments (specify nature).

6H. The amount of dividends proposed to be distributed to equity and preference shareholders for the period and the related amount per share shall be disclosed separately. Arrears of fixed cumulative dividends on preference shares shall also be disclosed separately.

6I. Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, there shall be indicated by way of note how such unutilized amounts have been used or invested.

6J. If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated

D. Part II – Form of Statement of Profit And Loss

Name of the Company				
Statement of Profit and Loss for the year ended 31 March, 20X2				
Particulars		Note No.	For the year Ended 31 March, 20X2	For the year Ended 31 March, 20X1
			Rs.	Rs.
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross)			
	Less: Excise duty			
	Revenue from operations (net)			
2	Other income			
3	Total revenue (1+2)			
4	Expenses			
	(a) Cost of materials consumed			
	(b) Purchases of stock-in-trade			

	(c) Changes in inventories of Finished goods, work-in-progress and stock-in-trade			
	(d) Employee benefits expense			
	(e) Finance costs			
	(f) Depreciation and amortization Expense			
	(g) Other expenses			
	Total expenses			
5	Profit / (Loss) before exceptional and Extraordinary items and tax (3 - 4)			
6	Exceptional items			
7	Profit / (Loss) before extraordinary Items and tax (5 $\pm$ 6)			
8	Extraordinary items			
9	Profit / (Loss) before tax (7 $\pm$ 8)			
10	Tax expense:			
	(a) Current tax expense for current year			
	(b) (Less): MAT credit (where Applicable)			
	(c) Current tax expense relating to prior Years			
	(d) Net current tax expense			
	(e) Deferred tax			
11	Profit / (Loss) from continuing Operations (9 $\pm$ 10)			
B	DISCONTINUING OPERATIONS			
12.i	Profit / (Loss) from discontinuing Operations (before tax)			
12.ii	Gain / (Loss) on disposal of assets / Settlement of liabilities attributable to the discontinuing operations			
12.iii	Add / (Less): Tax expense of Discontinuing operations			
	(a) on ordinary activities attributable to The discontinuing operations			
	(b) on gain / (loss) on disposal of assets / settlement of liabilities			
13	Profit / (Loss) from discontinuing Operations (12.i $\pm$ 12.ii $\pm$ 12.iii)			
C	TOTAL OPERATIONS			
14	Profit / (Loss) for the year (11 $\pm$ 13)			

15	Earnings per equity share:			
	(1) Basic			
	(2) Diluted			

E. General Instructions for Preparation of Statement of Profit and Loss

1. The provisions of this Part shall apply to the income and expenditure account referred to in sub-section (2) of Section 210 of the Act, in like manner as they apply to a statement of profit and loss.
2. (A) In respect of a company other than finance company revenue from operations shall disclose separately in the notes revenue from
 - (A) sale of products;
 - (b) sale of services;
 - (c) Other operating revenues;
 Less:
 - (d) Excise duty.
- (B) In respect of a finance company, revenue from operations shall include revenue from
 - (a) Interest; and
 - (b) Other financial services

Revenue under each of the above heads shall be disclosed separately by way of notes to accounts to the extent applicable.

3. Finance Costs: Finance costs shall be classified as:

- (a) Interest expense;
- (b) Other borrowing costs;
- (c) Applicable net gain/loss on foreign currency transactions and translation.

4. Other income: Other income shall be classified as:

- (a) Interest Income (in case of a company other than a finance company);
- (b) Dividend Income;
- (c) Net gain/loss on sale of investments
- (d) Other non-operating income (net of expenses directly attributable to such income).

5. Additional Information: A Company shall disclose by way of notes additional information regarding aggregate expenditure and income on the following items:-

- (I) (a) Employee Benefits Expense [showing separately (i) salaries and wages, (ii) contribution to provident and other funds, (iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), (iv) staff welfare expenses].
- (b) Depreciation and amortization expense;
- (c) Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.1, 00,000, whichever is higher;
- (d) Interest Income;

- (e) Interest Expense;
 - (f) Dividend Income;
 - (g) Net gain/ loss on sale of investments;
 - (h) Adjustments to the carrying amount of investments;
 - (I) Net gain or loss on foreign currency transaction and translation (other than considered as finance cost);
 - (j) Payments to the auditor as (a) auditor, (b) for taxation matters, (c) for company law matters, (d) for management services, (e) for other services, (f) for reimbursement of expenses;
 - (k) Details of items of exceptional and extraordinary nature;
 - (l) Prior period items;
- (ii) (A) In the case of manufacturing companies,
- (1) Raw materials under broad heads.
 - (2) Goods purchased under broad heads.
- (b) In the case of trading companies, purchases in respect of goods traded in by the company under broad heads.
- (c) In the case of companies rendering or supplying services, gross income derived from Services rendered or supplied under broad heads.
- (d) In the case of a company, which falls under more than one of the categories mentioned in (a), (b) and (c) above, it shall be sufficient compliance with the requirements herein if purchases, sales and consumption of raw material and the gross income from services rendered are shown under broad heads.
- (e) In the case of other companies, gross income derived under broad heads.
- (iii) In the case of all concerns having works in progress, works-in progress under broad heads.
- (iv) (a) The aggregate, if material, of any amounts set aside or proposed to be set aside, to reserve, but not including provisions made to meet any specific liability, contingency or commitment known to exist at the date as to which the balance-sheet is made up.
- (b) The aggregate, if material, of any amounts withdrawn from such reserves.
- (v) (a) The aggregate, if material, of the amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments.
- (b) The aggregate, if material, of the amounts withdrawn from such provisions, as no longer Required.
- (vi) Expenditure incurred on each of the following items, separately for each item:
- (a) Consumption of stores and spare parts.
 - (b) Power and fuel.
 - (c) Rent.
 - (d) Repairs to buildings.

- (e) Repairs to machinery.
 - (g) Insurance.
 - (h) Rates and taxes, excluding, taxes on income.
 - (l) Miscellaneous expenses
- (vii) (a) Dividends from subsidiary companies.
- (b) Provisions for losses of subsidiary companies.
- (viii) The profit and loss account shall also contain by way of a note the following information, namely:-
- A) Value of imports calculated on C.I.F basis by the company during the financial year in respect of –
 - I. Raw materials;
 - II. Components and spare parts;
 - III. Capital goods;
 - B) Expenditure in foreign currency during the financial year on account of royalty, know-how, Professional and consultation fees, interest, and other matters;
 - C) Total value if all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;
 - D) The amount remitted during the year in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;
 - E) Earnings in foreign exchange classified under the following heads, namely: -
 - I. Export of goods calculated on F.O.B. basis;
 - II. Royalty, know-how, professional and consultation fees;
 - III. Interest and dividend;
 - IV. Other income, indicating the nature thereof
