

**ANNEXURE****Schedule III to the Companies Act, 2013**

(See section 129)

Division I\*

**Financial Statements for a company whose Financial Statements are required to comply with the Companies (Accounting Standards) Rules, 2021.**

**GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS OF A COMPANY**

1. Where compliance with the requirements of the Act including Accounting Standards as applicable to the companies require 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 this Schedule shall stand modified accordingly.
2. The disclosure requirements specified in this Schedule are in addition to and not in substitution of the disclosure requirements specified in the Accounting Standards prescribed under the Companies Act, 2013. 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 shall be made in the notes to accounts in addition to the requirements set out in this Schedule.
3. (i) Notes to accounts shall contain information in addition to that presented in the Financial Statements and shall provide where required (a) narrative descriptions or dis-aggregations of items

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\* As per syllabus, only Division I of Schedule III (excluding general instructions for the preparation of consolidated financial statements) has been reproduced here. In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013, the Central Government made certain amendments in Schedule III to the said Act with effect from 1st day of April, 2021 vide MCA notification dated 24th March, 2021. This Annexure incorporates these amendments.

recognized in those statements and (b) information about items that do not qualify for recognition in those statements.

- (ii) Each item on the face of the Balance Sheet and 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.
4. (i) Depending upon the total income of the company, the figures appearing in the Financial Statements shall be rounded off as given below:

Total income	Rounding off
(a) less than one hundred crore rupees	to the nearest hundreds, thousands, lakhs or millions, or decimals thereof
(b) one hundred crore rupees or more	to the nearest, lakhs, millions or crores, or decimals thereof.

- (ii) 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.

**Note:** 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 or under the Accounting Standards.

**PART I –BALANCE SHEET**

Name of the Company.....

Balance Sheet as at.....

(Rupees in.....)

		<b>Particulars</b>	<b>Note No.</b>	<b>Figures as at the end of current reporting period</b>	<b>Figures as at the end of previous reporting period</b>
		1	2	3	4
		<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>		<b>Shareholders' funds</b>			
	a	Share capital			
	b	Reserves and Surplus			
	c	Money received against share warrants			
<b>2.</b>		<b>Share application money pending allotment</b>			
<b>3.</b>		<b>Non-current liabilities</b>			
	a	Long-term borrowings			
	b	Deferred tax liabilities (Net)			
	c	Other long term liabilities			
	d	Long-term provisions			
<b>4.</b>		<b>Current liabilities</b>			
	a	Short-term borrowings			
	b	Trade Payables			

		(A) total outstanding dues of micro enterprises and small enterprises; and (B) total outstanding dues of creditors other than micro enterprises and small enterprises.			
	c	Other current liabilities			
	d	Short-term provisions			
		<b>Total</b>			
		<b>ASSETS</b>			
<b>1</b>		<b>Non-current assets</b>			
	a	i Property, plant and Equipment			
		ii Intangible assets			
		iii Capital Work-in-progress			
		iv Intangible assets under development			
	b	Non-current investments			
	c	Deferred tax assets (Net)			
	d	Long-term loans and advances			
	e	Other non-current assets			
<b>2</b>		<b>Current assets</b>			
	a	Current investments			
	b	Inventories			
	c	Trade receivables			
	d	Cash and cash equivalents			
	e	Short-term loans and advances			
	f	Other current assets			
		<b>Total</b>			

*See accompanying notes to Financial Statements.*

## Notes

### 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 a 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 the notes to accounts:

#### **A. SHARE CAPITAL**

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 company 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 shareholder holding more than 5 percent shares specifying the number of shares held;
- (h) shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts;
- (i) for the period of five years immediately preceding the date as at which the Balance Sheet is prepared:

- (A) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- (B) Aggregate number and class of shares allotted as fully paid up by way of bonus shares.
- (C) Aggregate number and class of shares bought back.
- (j) 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.
- (k) calls unpaid (showing aggregate value of calls unpaid by directors and officers)
- (l) forfeited shares (amount originally paid up)
- (m) A company shall disclose Shareholding of Promoters\* as below:

Shares held by promoters at the end of the year				% Change during the year***
S. No	Promoter name	No. of Shares**	% of total shares**	
Total				

\*Promoter here means promoter as defined in the Companies Act, 2013.

\*\* Details shall be given separately for each class of shares

\*\*\* percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

## B. RESERVES AND SURPLUS

- (i) Reserves and Surplus shall be classified as:
  - (a) Capital Reserves;
  - (b) Capital Redemption Reserve;
  - (c) Securities Premium;
  - (d) Debenture Redemption Reserve;

- (e) Revaluation Reserve;
- (f) Share Options Outstanding Account;
- (g) Other Reserves – (specify the nature and purpose of each 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 last balance sheet to be shown under each of the specified heads)

- (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.

### C. LONG-TERM BORROWINGS

- (i) Long-term borrowings shall be classified as:
  - (a) Bonds/debentures.
  - (b) Term loans
    - (A) From banks.
    - (B) 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).
- (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) 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 instalments, the date of maturity for this purpose must be reckoned as the date on which the first instalment becomes due.
- (v) Particulars of any redeemed bonds/ debentures which the company has power to reissue shall be disclosed.
- (vi) Terms of repayment of term loans and other loans shall be stated.
- (vii) 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.

#### **D. OTHER LONG TERM LIABILITIES**

Other Long-term Liabilities shall be classified as:

- (a) Trade payables
- (b) Others

#### **E. LONG-TERM PROVISIONS**

The amounts shall be classified as:

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

#### **F. SHORT-TERM BORROWINGS**

- (i) Short-term borrowings shall be classified as:
  - (a) Loans repayable on demand
    - (A) From banks
    - (B) 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.
- "(v) current maturities of Long term borrowings shall be disclosed separately.

#### **FA. Trade Payables**

The following details relating to Micro, Small and Medium Enterprises shall be disclosed in the notes:

- (a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;
- (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;
- (c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
- (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and
- (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

**FB. Trade payables due for payment**

The following ageing schedule shall be given for Trade payables due for payment:-

Trade Payables ageing schedule

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
(i) MSME					
(ii) Others					
(iii) Disputed dues – MSME					
(iv) Disputed dues – Others					
(v) Others					

# similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately;

**Explanation:** The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning assigned to those under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

**G. OTHER CURRENT LIABILITIES**

The amounts shall be classified as:

- Current maturities of finance lease obligations;
- Interest accrued but not due on borrowings;
- Interest accrued and due on borrowings;

- (d) Income received in advance;
- (e) Unpaid dividends
- (f) Application money received for allotment of securities and due for refund and interest accrued thereon. Share application money includes advances towards allotment of share capital. The terms and conditions including the number of shares proposed to be issued, the amount of premium, if any, and the period before which shares shall be allotted shall be disclosed. It shall also be disclosed whether the company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money. Further, the period for which the share application money has been pending beyond the period for allotment as mentioned in the document inviting application for shares along with the reason for such share application money being pending shall be disclosed. Share application money not exceeding the issued capital and to the extent not refundable shall be shown under the head Equity and share application money to the extent refundable i.e., the amount in excess of subscription or in case the requirements of minimum subscription are not met, shall be separately shown under 'Other current liabilities'
- (g) Unpaid matured deposits and interest accrued thereon
- (h) Unpaid matured debentures and interest accrued thereon
- (i) Other payables (specify nature);

## **H. SHORT-TERM PROVISIONS**

The amounts shall be classified as:

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

## **I. Property, Plant and Equipment**

- (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, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment) 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.

## **J. 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, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of intangible assets) and other adjustments and the related depreciation and impairment losses or 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.

## **K. 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.

#### **L. LONG-TERM LOANS AND ADVANCES**

- (i) Long-term loans and advances shall be classified as:
  - (a) Capital Advances;
  - (b) Loans and advances to related parties (giving details thereof);
  - (c) 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.

**M. OTHER NON-CURRENT ASSETS**

Other non-current assets shall be classified as:

- (i) Long Term Trade Receivables (including trade receivables on deferred credit terms);
  - (ia) Security Deposits;
  - (ii) Others (specify nature);
  - (iii) Long term Trade Receivables, shall be sub-classified as:
    - (a) (A) Secured, considered good;
    - (B) Unsecured considered good;
    - (C) Doubtful
    - (b) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.
    - (c) 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.
- (iv) For trade receivables outstanding, following ageing schedule shall be given:

**Trade Receivables ageing schedule**

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good						



(ii) Undisputed Trade Receivables – considered doubtful							
(iii) Disputed Trade Receivables considered good							
(iv) Disputed Trade Receivables considered doubtful							

# similar information shall be given where no due date of payment is specified, in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately.

## N. 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.

## **O. 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.
- (iii) Mode of valuation shall be stated.

## **P. TRADE RECEIVABLES**

- (i) For trade receivables outstanding, the following ageing schedules shall be given:

## Trade Receivables ageing schedule

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good						
(ii) Undisputed Trade Receivables – considered doubtful						
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						

# similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately.

- (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.

## **Q. 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.

## **R. 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.

**S. OTHER CURRENT ASSETS (SPECIFY NATURE).**

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

**T. 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).

**U.** 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.

**V.** 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.

- VA.** Where the company has not used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date, the company shall disclose the details of where they have been used.
- W.** If, in the opinion of the Board, any of the assets other than Property, Plant Equipment, "Intangible 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.
- Y.** Additional Regulatory Information

**(i) Title deeds of Immovable Property not held in name of the Company**

The company shall provide the details 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) whose title deeds are not held in the name of the company in format given below and where such immovable property is jointly held with others, details are required to be given to the extent of the company's share.

Relevant line item in the Balance sheet	Description of item of pro-erty	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter* / director or employee of promoter/ director	Pro-erty held since which date	Reason for not being held in the name of the company* *
PPE -	Land Building	-	-	-	-	**also indicate if in dispute

Investment property						
-	Land					
PPE retired from active use and held for disposal	Building					
-	Land					
others	Building					

#Relative here means relative as defined in the Companies Act, 2013.

\*Promoter here means promoter as defined in the Companies Act, 2013.

- (ii) Where the Company has revalued its Property, Plant and Equipment, the company shall disclose as to whether the revaluation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.
- (iii) Following disclosures shall be made where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
- repayable on demand or
  - without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters		
Directors		
KMPs		
Related Parties		

**(iv) Capital-Work-in Progress (CWIP)**

- (a) For Capital-work-in progress, following ageing schedule shall be given:

CWIP aging schedule

(Amount in ₹)

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Projects temporarily suspended					

\*Total shall tally with CWIP amount in the balance sheet.

- (b) For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, following **CWIP completion schedule** shall be given\*\*:

(Amount in ₹)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1 Project 2"				

\*\*Details of projects where activity has been suspended shall be given separately.



**(v) Intangible assets under development:**

- (a) For Intangible assets under development, following ageing schedule shall be given:

Intangible assets under development ageing schedule

(Amount in ₹)

Intangible assets under development	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress Projects temporarily suspended					

\* Total shall tally with the amount of Intangible assets under development in the balance sheet.

For Intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan, following **Intangible assets under development completion schedule** shall be given\*\*:

(Amount in ₹)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1 Project 2				

\*\*Details of projects where activity has been suspended shall be given separately.

**(vi) Details of Benami Property held**

Where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:-

- (a) Details of such property, including year of acquisition,
- (b) Amount thereof,
- (c) Details of Beneficiaries,
- (d) If property is in the books, then reference to the item in the Balance Sheet,
- (e) If property is not in the books, then the fact shall be stated with reasons,
- (f) Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided,
- (g) Nature of proceedings, status of same and company's view on same.

**(vii) Where the Company has borrowings from banks or financial institutions on the basis of security of current assets, it shall disclose the following:-**

- (a) whether quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately disclosed.

**(viii) Wilful Defaulter\***

Where a company is a declared wilful defaulter by any bank or financial Institution or 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 Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

**(ix) Relationship with Struck off Companies**

Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the Company shall disclose the following details:-

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	Investments in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other outstanding balances (to be specified)		

**(x) Registration of charges or satisfaction with Registrar of Companies**

Where any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof shall be disclosed.

**(xi) Compliance with number of layers of companies**

Where the company has not complied with the number of layers prescribed under clause (87) of section 2 of the Act read with

Companies (Restriction on number of Layers) Rules, 2017, the name and CIN of the companies beyond the specified layers and the relationship/extent of holding of the company in such downstream companies shall be disclosed.

**(xii) Following Ratios to be disclosed:-**

**Current Ratio,**

- a. Debt-Equity Ratio,
- b. Debt Service Coverage Ratio,
- c. Return on Equity Ratio,
- d. Inventory turnover ratio,
- e. Trade Receivables turnover ratio,
- f. Trade payables turnover ratio,
- g. Net capital turnover ratio,
- h. Net profit ratio,
- i. Return on Capital employed,
- j. Return on investment.

The company shall explain the items included in numerator and denominator for computing the above ratios. Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.

**(xiii) Compliance with approved Scheme(s) of Arrangements**

Where any Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, the Company shall disclose that the effect of such Scheme of Arrangements have been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with accounting standards' and deviation in this regard shall be explained.

**(xiv) Utilisation of Borrowed funds and share premium:**

- (A) Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; the company shall disclose the following:-
    - (I) date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.
    - (II) date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete details of the ultimate beneficiaries.
    - (III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries.
    - (IV) declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).;
- (B) Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:-
  - (I) date and amount of fund received from Funding parties with complete details of each Funding party.
  - (II) date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries alongwith complete details of the other intermediaries' or ultimate beneficiaries.
  - (III) date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003).;

**PART II –STATEMENT OF PROFIT AND LOSS**

Name of the Company.....

Profit and loss statement for the year ended .....

(Rupees in.....)

<b>Particulars</b>		<b>Note No.</b>	<b>Figures for the current reporting period</b>	<b>Figures for the previous reporting period</b>
<b>1</b>		<b>2</b>	<b>3</b>	<b>4</b>
I.	Revenue from operations		xxx	xxx
II.	Other income		xxx	xxx
III.	Total Income (I + II)		xxx	xxx
IV.	Expenses:		xxx	xxx
	Cost of materials consumed		xxx	xxx
	Purchases of Stock-in-Trade		xxx	xxx
	Changes in inventories of finished goods		xxx	xxx
	work-in-progress		xxx	xxx
	and Stock-in-Trade		xxx	xxx
	Employee benefits expense		xxx	xxx
	Finance costs		xxx	xxx
	Depreciation and amortization expense		xxx	xxx
	Other expenses			
	Total expenses		xxx	xxx

V.	Profit before exceptional and extraordinary items and tax (III-IV)	xxx		xxx	
VI.	Exceptional items	xxx		xxx	
VII.	Profit before extraordinary items and tax (V - VI)	xxx		xxx	
VIII.	Extraordinary Items	xxx		xxx	
IX.	Profit before tax (VII- VIII)	xxx		xxx	
X	Tax expense:				
	(1) Current tax	xxx		xxx	
	(2) Deferred tax	<u>xxx</u>	xxx	<u>xxx</u>	xxx
XI	Profit (Loss) for the period from continuing operations (VII-VIII)	xxx		Xxx	
XII	Profit/(loss) from discontinuing operations	xxx		Xxx	
XIII	Tax expense of discontinuing operations	xxx		Xxx	
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	xxx		Xxx	
XV	Profit (Loss) for the period (XI + XIV)	xxx		xxx	
XVI	Earnings per equity share:				
	(1) Basic	xxx		xxx	
	(2) Diluted	xxx		xxx	

*See accompanying notes to the financial statements.*



## 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-clause (ii) of Clause (40) of Section 2 in like manner as they apply to a statement of profit and loss.
2. (A) In respect of a company other than a finance company revenue from operations shall disclose separately in the notes revenue from
  - (a) Sale of products;
  - (b) Sale of services;
  - “(ba) Grants or donations received (relevant in case of section 8 companies only)”;
  - (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 ₹ 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) In case of companies covered u/s 135, amount of expenditure incurred on corporate social responsibility activities.
- (l) Details of items of exceptional and extraordinary nature;
- (m) 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 is 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.
  - (f) Insurance.
  - (g) Rates and taxes, excluding, taxes on income.
  - (h) 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
- (ix) Undisclosed income: The Company shall give details of any transaction not recorded in the books of accounts that has been surrendered or 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 and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.
- (x) Corporate Social Responsibility (CSR)

Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:-

  - (a) amount required to be spent by the company during the year,

- (b) amount of expenditure incurred,
  - (c) shortfall at the end of the year,
  - (d) total of previous years shortfall,
  - (e) reason for shortfall,
  - (f) nature of CSR activities,
  - (g) 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,
  - (h) 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.
- (xi) Details of Crypto Currency or Virtual Currency

Where the Company has traded or invested in Crypto currency or Virtual Currency during the financial year, the following shall be disclosed:-

- (a) profit or loss on transactions involving Crypto currency or Virtual Currency
- (b) amount of currency held as at the reporting date,  
deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency.

**Note:** Broad heads shall be decided taking into account the concept of materiality and presentation of true and fair view of financial statements.

