

GOVERNMENT OF INDIA
Ministry of Corporate Affairs

NOTICE INVITING COMMENTS ON THE REVISED SCHEDULE III TO THE COMPANIES ACT, 2013 FOR A COMPANY WHOSE FINANCIAL STATEMENTS ARE DRAWN UP IN COMPLIANCE OF COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND AS AMENDED FROM TIME TO TIME

Dated the 9th February, 2016

1. The draft revised Schedule III to the Companies Act, 2013 for a company whose financial statements are drawn up in compliance of companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time has been placed on the Ministry's website at www.mca.gov.in. It has been decided to invite suggestions/comments on the above draft.
3. Suggestions/comments on above mentioned draft along with justification in brief may be sent latest by 23rd February, 2016 through email at sch3@mca.gov.in. It is requested that the name, Telephone number and address of the sender should be indicated clearly at the time of sending suggestions/comments.

Name, Address, Contact No. of Stake holder _____

SL.No	Para No.	Suggestion	Justification

MINISTRY OF CORPORATE AFFAIRS
NOTIFICATION
New Delhi, , 2016

G.S.R. (E).—In exercise of the powers conferred by Sub Section (1) of Section 467 of the Companies Act,2013 (18 of 2013), the Central Government hereby makes the following amendments to schedule III of the said Act with effect from the date of publication of this notification in the Official Gazette, namely:-

1. In Schedule III, before the heading General instructions for preparation of Balance Sheet and Statements of Profit and Loss of a Company the following shall be inserted:

Division I

Financial Statements for a company whose Financial Statements are required to comply with the Companies (Accounting Standards) Rules, 2006.

2. In Schedule III, the following shall be inserted after the end of para 4 under the heading General instructions for the preparation of consolidated financial statements:

Division II

Financial Statements for a company whose financial statements are drawn up in compliance of Companies (Indian Accounting Standards) Rules, 2015 and as amended from time to time.

GENERAL INSTURCTIONS FOR PREPARATION OF FINANCIAL STATEMENTS OF A COMPANY required to comply with Ind AS.

1. Every company to which Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 apply, shall prepare its financial statements in accordance with this Schedule or as near thereto as circumstances admit.
2. Where compliance with the requirements of the Act including Indian Accounting Standards (except the option of presenting assets and liabilities in the order of liquidity as provided by the relevant Ind AS) 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.
3. The disclosure requirements specified in this Schedule are in addition to and not in substitution of the disclosure requirements specified in the Indian Accounting Standards. Additional disclosures specified in the Indian Accounting Standards shall be made in the Notes or by way of additional statement(s) 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 in addition to the requirements set out in this Schedule.
4. (i) Notes shall contain information in addition to that presented in the Financial Statements and shall provide where required (a) narrative descriptions or disaggregations of items 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, Statement of Changes in Equity and Statement of Profit and Loss shall be cross-referenced to any related information in the Notes. In preparing the Financial Statements including the Notes, 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.
5. 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 crore rupees	To the nearest hundreds, thousands, lakhs or millions, or decimals thereof.
(ii) one hundred crore rupees or more	To the nearest, lakhs, millions or crores, or decimals thereof.

Once a unit of measurement is used, it should be used uniformly in the Financial Statements.

6. Financial Statements shall contain the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the Financial Statements including Notes except in the case of first Financial Statements laid before the company after incorporation.
7. Financial Statements shall disclose all 'material' items, i.e., the items if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the item judged in the particular circumstances.
8. For the purpose of this Schedule, the terms used herein shall be as per the Indian Accounting Standards.
9. Where any Act or Regulation requires specific disclosures to be made in the standalone financial statements of a company, the said disclosures shall be made in addition to those required under this Schedule.

Note: This Schedule sets out the minimum requirements for disclosure on the face of the Financial Statements, i.e., Balance Sheet, Statement of Changes in Equity for the period, the Statement of Profit and Loss for the period (The term 'Statement of Profit and Loss' has the same meaning as 'Profit and Loss Account') and Notes. Cash flow statement shall be prepared, where applicable, in accordance with the requirements of the relevant Indian Accounting Standard. 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 Indian Accounting Standards.

PART I -BALANCE SHEET

Name of the Company.....
Balance Sheet as at

(Rupees in.....)

	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
	1		2	3
	ASSETS			
(1)	Non-current assets <ul style="list-style-type: none"> (a) Property, Plant and Equipment (b) Capital work-in-progress (c) Investment Property (d) Goodwill (e) Other Intangible assets (f) Intangible assets under development (g) Biological Assets other than bearer plants (h) Financial Assets <ul style="list-style-type: none"> (i) Investments (ii) Trade receivables (iii) Loans (iv) Others (to be specified) (i) Deferred tax assets (net) (j) Other non-current assets 			
(2)	Current assets <ul style="list-style-type: none"> (a) Inventories (b) Financial Assets <ul style="list-style-type: none"> (i) Investments (ii) Trade receivables (iii) Cash and cash equivalents (iv) Bank balances other than (iii) above (v) Loans (vi) Others (to be specified) (c) Current Tax Assets (Net) (d) Other current assets 			
	Total Assets			

	EQUITY AND LIABILITIES		
	Equity (a) Equity Share capital (b) Other Equity		
	LIABILITIES		
(1)	Non-current liabilities (a) Financial Liabilities (i) Borrowings (ii) Trade payables (iii) Other financial liabilities (other than those specified in (b) below, to be specified) (b) Provisions (c) Deferred tax liabilities (Net) (d) Other non-current liabilities		
(2)	Current liabilities (a) Financial Liabilities (i) Borrowings (ii) Trade payables (iii) Other financial liabilities (other than those specified in (c) below) (b) Other current liabilities (c) Provisions (d) Current Tax Liabilities (Net)		
	Total Equity and Liabilities		

See accompanying notes to the financial statements

STATEMENT OF CHANGES IN EQUITY

Name of the Company.....

Statement of Changes in Equity for the period ended

(Rupees in.....)

a. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period

b. Other Equity

Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Items of Other Comprehensive Income					Money received against share warrants	Total
		Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation		
Balance at the beginning of the reporting period												
Changes in												

accounting policy/prior period errors													
Restated balance at the beginning of the reporting period													
Total Comprehensive Income for the year													
Dividends													
Transfer to retained earnings													
Any other change (to be specified)													

Balance at the end of the reporting period													
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Note: Remeasurement of net defined benefit plans, fair value changes relating to own credit risk and share of Other Comprehensive Income in Associates and Joint Ventures shall be recognised as a part of retained earnings with separate disclosure of such items alongwith the relevant amounts in the Notes.

Notes

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

1. An entity shall classify an asset as current when:
 - (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
 - (b) it holds the asset primarily for the purpose of trading;
 - (c) it expects to realise the asset within twelve months after the reporting period; or
 - (d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

2. The operating cycle of an entity is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.
3. An entity shall classify a liability as current when:
 - (a) it expects to settle the liability in its normal operating cycle;
 - (b) it holds the liability primarily for the purpose of trading;
 - (c) the liability is due to be settled within twelve months after the reporting period; or
 - (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. 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.
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:

A. Non-Current Assets

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) Bearer Plants
 - (h) Others (specify nature).
- (ii) Assets under lease shall be separately specified under each class of assets.
- (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.

II. Investment Property

A reconciliation of the gross and net carrying amounts of each class of property 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 Goodwill

A reconciliation of the gross and net carrying amount of goodwill at the beginning and end of the reporting period showing additions, impairments, disposals and other adjustments.

IV. Other Intangible assets

- (i) Classification shall be given as:
 - (a) Brands / trademarks.
 - (b) Computer software.
 - (c) Mastheads and publishing titles.
 - (d) Mining rights.
 - (e) Copyrights, patents, other intellectual property rights, services and operating rights.
 - (f) Recipes, formulae, models, designs and prototypes.
 - (g) Licenses and franchises.

(h) 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.

V. Biological Assets other than bearer plants

A reconciliation of the 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 shall be disclosed separately.

VI. Investments

- (i) Investments shall be classified as:

- (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) Other investments (specify nature).

Under each classification, details shall be given of names of the bodies corporate that are (i) subsidiaries, (ii) associates, (iii) joint ventures, or (iv) structured 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). Investments in partnership firms alongwith names of the firms, their partners, total capital and the shares of each partner shall be disclosed separately.

- (ii) The following shall also be disclosed:

- (a) Aggregate amount of quoted investments and market value thereof;
- (b) Aggregate amount of unquoted investments;
- (c) Aggregate amount of impairment in value of investments.

VII.Trade Receivables

- (i) Trade receivables shall be sub-classified as:
- (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.

VIII. Loans

- (i) Loans shall be classified as:
 - (a) Security Deposits;
 - (b) Loans to related parties (giving details thereof);
 - (c) Other loans (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 shall be disclosed under the relevant heads separately.
- (iv) Loans 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.

IX. Other non-current assets

Other non-current assets shall be classified as-

- (i) Capital Advances;
 - (ii) Advances other than capital advances;
1. Advances other than capital advances shall be classified as:
 - (a) Security Deposits;
 - (b) Advances to related parties (giving details thereof);
 - (c) Other advances (specify nature).

2. Advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.
 - (iii) Bank deposits with more than 12 months maturity;
 - (iv) Others (specify nature).

B. Current Assets

I. 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.

II. Investments

- (i) 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 that are (i) subsidiaries, (ii) associates, (iii) joint ventures, or (iv) structured 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).

- (ii) The following shall also be disclosed

- (a) Aggregate amount of quoted investments and market value thereof;
- (b) Aggregate amount of unquoted investments;
- (c) Aggregate amount of impairment in value of investments.

III. 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.

IV. Cash and cash equivalents

Cash and cash equivalents shall be classified as:

- a. Balances with Banks (of the nature of cash and cash equivalents);
- b. Cheques, drafts on hand;
- c. Cash on hand;
- d. Others (specify nature).

V. Loans

- (i) Loans shall be classified as:
 - (a) Security deposits;
 - (b) Loans to related parties (giving details thereof);
 - (c) 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 shall be disclosed under the relevant heads separately.
- (iv) Loans 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.

VI. Other current assets (specify nature).

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

Other current assets shall be classified as-

(i) Advances other than capital advances

1. Advances other than capital advances shall be classified as:

- (a) Security Deposits;
- (b) Advances to related parties (giving details thereof);
- (c) Other advances (specify nature).

2. Advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

(ii) Others (specify nature)

C. The following disclosures with regard to cash and bank balances shall be made:

- a. Earmarked balances with banks (for example, for unpaid dividend) shall be separately stated.
- b. Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.
- c. Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

D. Equity

I. Equity Share Capital

for each class of equity share capital:

- (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 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:
 - Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.
 - Aggregate number and class of shares allotted as fully paid up by way of bonus shares.
 - Aggregate number and class of shares bought back.
- (j) Terms of any securities convertible into equity 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)

II. Other Equity

- (i) 'Other Reserves' shall be classified in the notes as:
 - (a) Capital Redemption Reserve;
 - (b) Debenture Redemption Reserve;
 - (c) Share Options Outstanding Account;
 - (d) Others- (specify the nature and purpose of each reserve and the amount in respect thereof);
 (Additions and deductions since last balance sheet to be shown under each of the specified heads)

- (ii) Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity.
- (iii) A reserve specifically represented by earmarked investments shall disclose the fact that it is so represented.
- (iv) Debit balance of Statement of Profit and Loss shall be shown as a negative figure under the head 'retained earnings'. Similarly, the balance of 'Other Equity', after adjusting negative balance of retained earnings, if any, shall be shown under the head 'Other Equity' even if the resulting figure is in the negative.
- (v) Under the sub-head 'Other Equity', disclosure shall be made for the nature and amount of each item.

E. Non-Current Liabilities

I. Borrowings

- (i) Borrowings shall be classified as:
 - (a) Bonds/debentures
 - (b) Term loans
 - from banks.
 - from other parties.
 - (c) Deferred payment liabilities.
 - (d) Deposits.
 - (e) Loans from related parties.
 - (f) Long term maturities of finance lease obligations
 - (g) Liability component of compound financial instruments
 - (h) Other loans (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 installments, the date of maturity for this purpose must be reckoned as the date on which the first installment 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 default as on the balance sheet date in repayment of borrowings and interest shall be specified separately in each case.

II. Provisions

The amounts shall be classified as:

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

III. Other non-current liabilities

- (a) Advances
- (b) Others (specify nature)

F. Current Liabilities

I. Borrowings

- (i) Borrowings shall be classified as:
 - (a) Loans repayable on demand
 - from banks.
 - from other parties.
 - (b) Loans from related parties.
 - (c) Deposits.
 - (d) Other loans (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 borrowings and interest, shall be specified separately in each case.

II. Other Financial Liabilities

Other Financial liabilities shall be classified as:

- (a) Current maturities of long-term debt;
- (b) Current maturities of finance lease obligations;
- (c) Interest accrued;
- (d) Unpaid dividends;
- (e) Application money received for allotment of securities to the extent

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-
-
-
-
- (f) Unpaid matured deposits and interest accrued thereon;
- (g) Unpaid matured debentures and interest accrued thereon;
- (h) Others (specify nature).

'Long term debt' is a borrowing having a period of more than twelve months at the time of origination

III. Other current liabilities

The amounts shall be classified as:

- (a) Revenue received in advance;
- (b) Other advances (specify nature);
- (c) Others (specify nature);

IV. Provisions

The amounts shall be classified as:

- (i) Provision for employee benefits.
- (ii) Others (specify nature).

G. The presentation of liabilities associated with group(s) of assets classified as held for sale and non-current assets classified as held for sale shall be in accordance with the relevant Indian Accounting Standards (Ind ASs).

H. 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 excluding financial 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).

I. 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 irredeemable preference shares shall also be disclosed separately.

- J. Where in respect of an issue of securities made for a specific purpose the whole or part of 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.
- 7. When a company applies an accounting policy retrospectively or makes a restatement of items in the financial statements or when it reclassifies items in its financial statements, the company shall attach to the Balance Sheet, a "Balance Sheet" as at the beginning of the earliest comparative period from which the above adjustments are made.
- 8. Share application money pending allotment shall be classified into equity or liability in accordance with relevant Indian Accounting Standards. Share application money to the extent not refundable shall be shown under the head Equity and share application money to the extent refundable shall be separately shown under 'Other current liabilities'.
- 9. Preference shares shall be classified and presented as 'Equity' or 'Liability' in accordance with the requirements of the relevant Indian Accounting Standards. Accordingly, the disclosure and presentation requirements in this regard applicable to the relevant class of equity or liability shall be applicable *mutatis mutandis* to the preference shares. For instance, redeemable preference shares shall be classified and presented under 'non-current liabilities' as 'borrowings' and the disclosure requirements in this regard applicable to such borrowings shall be applicable *mutatis mutandis* to redeemable preference shares.
- 10. Compound financial instruments such as convertible debentures, where split into equity and liability components, as per the requirements of the relevant Indian Accounting Standards, shall be classified and presented under the relevant heads in 'Equity' and 'Liabilities'
- 11. Regulatory Deferral Account Balances shall be presented in the Balance Sheet in accordance with the relevant Indian Accounting Standards.

PART II - STATEMENT OF PROFIT AND LOSS

Name of the Company.....

Statement of Profit and Loss for the period ended

(Rupees in.....)

	Particulars	Note No.		Figures for the current reporting period		Figures for the previous reporting period
I	Revenue From Operations					
II	Other Income					
III	Total Income (I+II)					
IV	EXPENSES Cost of materials consumed					
	Purchases of Stock-in-Trade					
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress					
	Employee benefits expense					
	Finance costs					
	Depreciation and amortization expense					
	Other expenses					
	Total expenses (IV)					
V	Profit/(loss) before exceptional items and tax (I- IV)					
VI	Exceptional Items					
VII	Profit/(loss) before tax (V-VI)					
VIII	Tax expense: (1) Current tax (2) Deferred tax					
IX	Profit (Loss) for the period from continuing operations (VII-VIII)					
X	Profit/(loss) from discontinued operations					
XI	Tax expense of discontinued operations					
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)					
XIII	Profit/(loss) for the period (IX+XII)					

XIV	Other Comprehensive Income A (i) Items that will not be reclassified to profit or loss (ii) Income tax relating to items that will not be reclassified to profit or loss B (i) Items that will be reclassified to profit or loss (ii) Income tax relating to items that will be reclassified to profit or loss					
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)					
XVI	Earnings per equity share (for continuing operation): (1) Basic (2) Diluted					
XVII	Earnings per equity share (for discontinued operation): (1) Basic (2) Diluted					
XVIII	Earnings per equity share(for discontinued & continuing operations) (1) Basic (2) Diluted					

See accompanying notes to the financial statements

Notes

GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS

1. The provisions of this Part shall apply to the income and expenditure account, in like manner as they apply to a Statement of Profit and Loss.
2. The Statement of Profit and Loss shall include:
 - (1) Profit or loss for the period;
 - (2) Other Comprehensive Income for the period.
 The sum of (1) and (2) above is 'Total Comprehensive Income'.
3. Revenue from operations shall disclose separately in the notes
 - (a) sale of products (including Excise Duty);

- (b) sale of services;
- (c) other operating revenues;

4. Finance Costs

Finance costs shall be classified as:

- (a) interest;
- (b) dividend on redeemable preference shares;
- (c) exchange differences regarded as an adjustment to borrowing costs;
- (d) other borrowing costs (specify nature).

5 Other income

Other income shall be classified as:

- (a) Interest Income ;
- (b) Dividend Income;
- (c) Other non-operating income (net of expenses directly attributable to such income).

6. Other Comprehensive Income shall be classified into:

- (A) Items that will not be reclassified to profit or loss
 - (i) Changes in revaluation surplus;
 - (ii) Remeasurements of the defined benefit plans;
 - (iii) Equity Instruments through Other Comprehensive Income;
 - (iv) Fair value changes relating to own credit risk;
 - (v) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss;
 - (vi) Others (specify nature).
- (B) Items that will be reclassified to profit or loss
 - (i) Exchange differences in translating the financial statements of a foreign operation;
 - (ii) Debt Instruments through Other Comprehensive Income;
 - (iii) The effective portion of gains and loss on hedging instruments in a cash flow hedge;
 - (iv) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent to be classified into profit or loss;
 - (v) Others (specify nature).

7. Additional Information

A Company shall disclose by way of notes, additional information regarding aggregate expenditure and income on the following items:

- (a) Employee Benefits expense [showing separately (i) salaries and wages, (ii) contribution to provident and other funds, share based payments to employees, (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.10,00,000, whichever is higher, in addition to the consideration of 'materiality' as specified in clause 7 of the General Instructions for Preparation of Financial Statements of a Company.
- (d) Interest Income;
- (e) Interest Expense;
- (f) Dividend income;
- (g) Net gain/loss on sale of investments;
- (h) Net gain/loss on foreign currency transaction and translation (other than considered as finance cost);
- (i) Payments to the auditor as (a) auditor, (b) for taxation matters, (c) for company law matters, (d) for other services, (e) for reimbursement of expenses;
- (j) In case of companies covered under section 135, amount of expenditure incurred on corporate social responsibility activities;
- (k) Details of items of exceptional nature;

8. Regulatory Deferral Account Balances shall be presented in the Statement of Profit or Loss in accordance with the relevant Indian Accounting Standards.

PART III- GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Where a company is required to prepare Consolidated Financial Statements, i.e., consolidated balance sheet, consolidated statement of changes in equity and consolidated statement of profit and loss, the company shall *mutatis mutandis* follow the requirements of this Schedule as applicable to a company in the preparation of balance sheet, statement of changes in equity and statement of profit and loss. In addition, the consolidated financial statements shall disclose the information as per the requirements specified in the applicable Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules 2015, including the following:
 - (i) Profit or loss attributable to 'non-controlling interest' and to 'owners of the parent' in the statement of profit and loss shall be presented as allocation for the period. Further, 'total comprehensive income' for the period attributable to 'non-controlling interest' and to 'owners of the parent' shall be presented in the statement of profit and loss as allocation for the period. The aforesaid disclosures for 'total comprehensive income' shall also be made in the statement of changes in equity. In addition to the disclosure requirements in the Indian Accounting Standards, the aforesaid disclosures shall also be made in respect of 'other comprehensive income'.

- (ii) ‘Non-controlling interests’ in the Balance Sheet and in the Statement of Changes in Equity, within equity, shall be presented separately from the equity of the ‘owners of the parent’.
- (iii) Investments accounted for using the equity method.

2. In Consolidated Financial Statements, the following shall be disclosed by way of additional information:

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Subsidiaries								
Indian								
1.								
2.								
3.								
.								
.								
Foreign								
1.								
2.								
3.								
.								
.								
Non-controlling Interests in all subsidiaries								
Associates (Investment as per the equity method)								
Indian								
1.								

	2.						
	3.						
	.						
	.						
Foreign							
1.							
2.							
3.							
.							
.							
Joint Ventures(as per proportionate consolidation/investment as per the equity method)							
Indian							
1.							
2.							
3.							
.							
.							
Foreign							
1.							
2.							
3.							
.							
.							
Total							

3. All subsidiaries, associates and joint ventures (whether Indian or foreign) will be covered under consolidated financial statements.
4. An entity shall disclose the list of subsidiaries or associates or joint ventures which have not been consolidated in the consolidated financial statements along with the reasons of not consolidating.

[F.No. 17/62/2015-CL-V]
AMARDEEP S. BHATIA, Jt. Secy.

Note: Schedule III of the Companies Act, 2013 came into force with effect from the 1st April, 2014 vide Notification S.O.902 (E), dated 26-3-2014.