I need to create financials as per Schedule III of the Companies Act on a regular basis. Sample format of Schedule III provided under section 129 of the Act is attached as file Schedule III. This contains all the changes as well that have taken place in Schedule III over the years. I am looking at automating the entire exercise of drafting the financial statements wherein I shall provide the sanitized trial balance data specifying the ledger name, Opening ledger balance, Debit transactions, credit transactions and Closing ledger balances. In addition it shall have the below columns:

Column 1: Whether it is a BS item or PL item

Column 2: Opening balance

Column 3: Debit during the year

Column 4: Credits during the year

Column 5: Closing balance

Column 6: Whether the item is a BS or PL item?

Column 6: Major head of the BS or PL under which it shall be grouped, for instance Current Assets

Column 7: Minor head of the BS or PL under which it shall be sub-grouped, for instance Other Current Assets which shall be further grouped under Major head Current Assets on the face of the BS

Column 8: Grouping for the minor head of the BS or PL, for instance, Prepaid expenses under the Minor head Other Current Assets under the Major head Current Assets

Trial balance nuances:

1. Numbers in negative represented by BS agasint them imply closing credit balance of the ledger, these need to flow into the BS and related notes as positive numbers.

2. Numbers in positve represented by BS agasint them represent closing credit balance of the ledger.

3. Numbers in negative represented in PL generally imply Revenue and Other Income (unless grouped under expense major/minor head), they need to flow into the PL and related notes as positive numbers.

4. Numbers in positve represented by PL agasint them represent expense ledgers.

Provide a sheet for capturing common data across the sheets like Name of the entity, Address of the entity, Closing year, etc. and linked to flow throughout the worksheet.

Common control sheet:

Column 1:

1. Entity Name:
2. Address of the entity:
3. CIN No.
4. Financial year:

* Beginning date
* Closing date

1. Currency: INR
2. Units: Millions
3. Numbers format: Accounting
4. Negative colour: Brackets, default colour
5. Show zeros as blank?: No - show zeros as 0
6. Default font: Bookman Old Style
7. Default font size: 11

Column 2: Blank

Column 3: Control List of Major Heads (User should be able to add/edit/delete items from the list)

Column 4: Control List of Minor Heads (User should be able to add/edit/delete items from the list)

Column 5: Control List of grouping (User should be able to add/edit/delete items from the list)

Sample Common Control Sheet and lists provided attached in excel file.

Headers [data in first 6 rows] for BS, PL Cash Flow and Notes Sheet:

BS:

Name of the entity

Address of the entity

CIN No.:

Blank row

Balance sheet as at [closing date, represented as March 31, 20XX]

PL:

Name of the entity

Address of the entity

CIN No.:

Blank row

Statement of Profit and Loss for the year ended [closing date, represented as March 31, 20XX]

Cash Flow Statement:

Name of the entity

Address of the entity

CIN No.:

Blank row

Cash Flow Statement for the year ended [closing date, represented as March 31, 20XX]

Notes:

Name of the entity

Address of the entity

CIN No.:

Blank row

Notes to Financial Statements

Please note that in Common Data Sheet other common data that may be required need to be identified by you after going through the attached file named Schedule III.

The file should have sufficient editing capabilities so that the user can make client specific edits for items like Depreciation schedule, debtors list, creditors list, Deferred Taxes, etc. once the draft is ready on the basis of the Trial Balance and other common data that is input.

Make sure that numbers in the Notes, Schedules, PL and BS flow through the Trial Balance for the initial draft and are linked through formulas. There should be a selection sheet where the user shall confirm from a drop-down in yes or no whether BS/PL item or a note thereon is applicable or not. The initial confirmation should be made by the system on the basis of identifications from the Trial Balance. The selections should be mapped to Major/Minor heads and groupings to ensure unnecessary errors are not thrown by the system and that there is no discrepancy between the lists. The schedules and notes need to be auto numbered and should be auto-updated when changes are made in the selection sheet. Selection sheet should also have option for selection of applicable notes identified on the basis of attached Sample Schedule III, like related party disclosures, etc.. Further, the user should be able to add new items in the selection sheet so that in case of any missing item he does not have to juggle with the notes numbering and the same is updated automatically. The user should be able to specify it's place/schedule/Note no. and rest of the Schedules/Notes should update accordingly. There may be more items in the editable section apart from the ones listed out here, provision for the same accordingly so that there is flexibility to add/delete such schedules by the user.

The file should be able to automate and update the drafting as per whatever data is inserted into the Trial Balance sheet. You can use VBA code within excel to achieve the same. Use VBA code and Macros for the same or any other manner suitable in your opinion.

Use font Bookman Old Style at size 11.

Don’t need any formatting other than the font, size and number format.

Let me know what other information you require in this respect.

If required, you can generate the Major/Minor Heads, Grouping and Selections for my review before creating the entire code. I can confirm any changes that may be required. I’ll leave this to you.

In case, in your opinion, you’re not competent enough to create this automation, let me know at the start only as I don't have any coding experience so I shall not be able to run or edit codes, it needs to be done by you only. I don’t want to end up wasting your and my time and resources. Hope this is clear.

Auto generated Cash Flow Statement using Indirect Method to be included.

Include ratio calculations and provision for all the notes that are mentioned in Schedule III and they are the minimum compliance requirements

Disclosures under Income Tax Act, MSME Act, GST Act and those pertaining to Accounting Standards

The Schedule III attached is for Companies to which Accounting Standards are applicable and not Ind AS, please keep a note of the same.

Also, if you can create a Audit automation excel based on the Financials drafted as per the automated tool, it shall be helpful. Audit primarily needs to focus on compliance with Companies Act and related Rules and Notification, Income Tax Act, Rules and Notifications specifically sections pertaining to TDS and 269SS & 269ST and any other such sections, GST Act, Rules and Notifications.

Include risk assessment template in Audit module.

Include templates for Board Reports and Annual Returns as per Companies Act, 2013.

Include list of Related Parties in the Common Data sheet to identify and create Related Party Disclosures. Specifically include compliance checks with Sections pertaining to deposits i.e. loans taken by company from other than Banks/Financial Institutions, Section 185 & 186.

Sample excel TB attached herein with classification.

Also include Significant Accounting policies in Notes to Accounts. Make the individual policies part of selection sheet so that user can select the ones applicable to the Company. The accounting policy headers should be part of Data Validation list and in the selection sheet there should be drop down to select Yes/No of a checkbox, dropdown is preferred as it can be integrated by you in the code itself.

Also include workings for Tax Audit to the extent possible on the basis of the financial statements once you commence work on Audit Template. Tax Audit sections for which data cannot be retrieved from the financial statements, provide working templates and model notes that may be required.

Scope: Division I (AS), not Ind AS — correct? TEs Cash Flow: Indirect method OK? Yes Input: You’ll provide TB via Excel/CSV in a standard format? Yes Output: Keep live formulas in the Excel or hard values? Live Formulas Rounding unit: Allow user to choose (auto-suggested) and apply uniformly? Yes Notes: Include the specific disclosures you listed (e.g., promoter shareholding) by default? Yes Branding/templates: Use a provided Excel template or a clean professional default? Clean Professional

All user selections should have data validation and as the user adds/makes changes in data in the lists for data validation, it should automatically update at all places. All Yes/No or such applications should be drop down based and on the basis of the users selection, updates should populate automatically.

Identify all the possible notes from Schedule III and accounting standards as they are the minimum requirements to be fulfilled

Below is a comprehensive “minimum notes checklist” for Companies following Schedule III Division I (AS, not Ind AS). Use it as a master list when generating Notes to Accounts. Groupings follow the Balance Sheet, P&L, and AS-specific disclosures, including 2021 Schedule III amendments.

A. General notes and policies (mandatory)

Corporate information and basis of preparation (historical cost, accrual, compliance with Companies Act and AS)

Significant accounting policies:

Revenue recognition (AS 9)

Property, Plant and Equipment (PPE) and depreciation (AS 10)

Intangible assets and amortization (AS 26)

Impairment of assets (AS 28)

Inventories valuation and cost formula (AS 2)

Investments classification and valuation (AS 13)

Foreign currency transactions and translation (AS 11)

Employee benefits (AS 15) – short-term, post-employment (gratuity), other long-term, actuarial assumptions

Borrowing costs and capitalization policy (AS 16)

Provisions, contingent liabilities, contingent assets (AS 29)

Taxes on income (current/deferred; AS 22)

Government grants (if any; AS 12)

Construction contracts revenue (if any; AS 7)

Leases classification (if any; AS 19)

Segment reporting basis (if applicable; AS 17)

Cash and cash equivalents definition (AS 3)

B. Equity and liabilities notes

Share capital (Schedule III)

Reconciliation of number of shares and amount outstanding at beginning/end

Rights, preferences, restrictions; terms of equity/preference shares

Shares held by each shareholder holding more than 5%

Shares held by promoters with changes during the year (promoter shareholding table)

Shares reserved for issue under options, and contracts/commitments for sale of shares

Shares allotted as fully paid-up pursuant to contracts without payment being received in cash, or by way of bonus shares, or bought back (for 5 years)

Aggregate number and class of shares bought back in 5 years

Securities premium, capital redemption reserve if embedded in share capital instruments (cross-ref to reserves)

Reserves and surplus / other equity (Schedule III)

Movement in each reserve (capital reserve, securities premium, capital redemption, revaluation reserve, general reserve, surplus)

Nature and purpose of reserves

Distribution restrictions, if any

Long-term borrowings and short-term borrowings (Schedule III + 2021 amendments)

Nature of borrowings, terms, interest rate, security, covenants

Current vs non-current classification

Defaults in repayment of loans/interest

Borrowings from banks on the basis of security of current assets: quarterly returns/ statements filed with banks vs books reconciliation, differences and reasons

Utilization of borrowed funds and share premium and “funding advanced/received to/from intermediaries/ultimate beneficiaries” (if applicable)

Trade payables (Schedule III + 2021 amendments)

Aging schedule by due date buckets (MSME and non-MSME)

Dues to Micro and Small Enterprises (MSME) with AS 29 interest disclosures per MSMED Act

Disputed dues, if any

Unbilled dues

Other financial liabilities and provisions (Schedule III + AS 29)

Nature, breakup (current/non-current)

Provisions movement (opening, additions, utilizations, reversals, closing) for each class (warranties, litigations, Onerous contracts, etc.)

Contingent liabilities and commitments (separately):

Claims not acknowledged as debts

Guarantees, letters of comfort

Other money for which the company is contingently liable

Commitments: estimated amount of contracts remaining to be executed on capital account (net of advances), uncalled liability on shares/other investments, other commitments

Other non-financial liabilities (statutory dues, advances from customers, unearned revenue)

Nature and breakup

Employee benefit obligations (AS 15)

Gratuity and leave liability details:

Method (Projected Unit Credit), actuarial assumptions (discount rate, salary escalation, attrition, mortality), sensitivity

Reconciliation of present value of obligations, plan assets, expense recognized, remeasurements

Nature of plan assets (if funded)

C. Assets notes 8) Property, plant and equipment (AS 10 + Schedule III)

Gross block, accumulated depreciation, net block: movement schedule (additions, disposals, transfers, revaluation, impairment, depreciation for the year)

Capitalization of borrowing costs (AS 16) – amounts capitalized and rate

Revaluation (if any): date, index/valuer, whether by registered valuer (2021 amendment)

Title deeds of immovable properties not held in company name: details (description, gross carrying value, holder name, whether promoter/director/relative/employee, since when held, reason)

Proceedings for Benami property (if any)

Charges or satisfaction not registered beyond statutory period with ROC (if any)

Capital work-in-progress (CWIP) (Schedule III 2021 amendments)

Aging schedule by period outstanding

Completion schedule for overdue CWIP

CWIP where activity suspended, if any

Intangible assets and Intangible assets under development (AS 26 + 2021 amendments)

Movement schedule like PPE

Aging schedule for “Intangible assets under development”

Completion schedule for overdue projects

Investments (AS 13)

Non-current vs current; trade vs non-trade

Quoted vs unquoted; aggregate market value of quoted; provision for diminution (if any)

Names of bodies corporate where investment exceeds prescribed thresholds

Category-wise: equity, preference, debentures/bonds, mutual funds, government securities, subsidiaries/associates/joint ventures (if any)

Method of valuation for current investments

Inventories (AS 2)

Breakup by raw materials, WIP, finished goods, stock-in-trade, stores/spares, packing materials

Cost formula (FIFO/Weighted average), valuation basis (lower of cost and NRV)

Write-downs/reversals recognized during the year

Trade receivables (Schedule III + 2021 amendments)

Aging schedule by due date buckets, disputed vs undisputed, considered good vs doubtful

Receivables from related parties

Unbilled receivables

Allowance for bad and doubtful debts movement (AS 4/AS 29)

Cash and cash equivalents; bank balances other than cash and cash equivalents

Components (cash on hand, balances with banks in current accounts, deposits with original maturity ≤3 months)

Earmarked balances (e.g., unpaid dividend)

Margin money/security deposits

Discrepancies in quarterly statements to banks (if linked to CC/OD)

Loans, advances, and other assets (financial/non-financial)

Security/nature, terms, repayable on demand

Loans/advances to promoters, directors, KMPs and related parties (Schedule III 2021)

Loans/advances in the nature of loans given without terms or repayable on demand

Balances/transactions with struck-off companies (2021 amendment)

D. Profit and Loss notes 16) Revenue from operations (AS 9)

Disaggregation (sale of products, sale of services, other operating revenue)

Contract balances (if construction contracts AS 7) – contract revenue recognized, costs incurred, recognized profits, advances, retentions

Other income

Interest, dividend, profit on sale of investments/assets, rental income, others

Cost of materials consumed; Purchases of stock-in-trade; Changes in inventories

Breakups and reconciliation to inventories

Employee benefits expense (AS 15)

Salaries/wages, contribution to provident and other funds, staff welfare

Gratuity/Leave disclosures cross-referenced to AS 15 note

Finance costs (AS 16)

Interest on borrowings, other borrowing costs

Capitalized portion (cross-reference to PPE/CWIP note)

Depreciation and amortization expense (AS 10/AS 26)

Amount recognized; method and useful lives/rates if different from Schedule II (Company Act) and justification

Other expenses

Nature-wise breakup (power and fuel, repairs and maintenance, selling/distribution, legal/professional, CSR, bad debts, rates/taxes, etc.)

CSR (Companies Act/Rules):

Amount required to be spent vs actually spent

Shortfall/unspent (ongoing projects vs other) and transfer to specified accounts

Details of projects/heads (as per latest CSR rules)

Payments to auditors: audit, tax audit, other services, out-of-pocket expenses

Exceptional items and extraordinary items (AS 5)

Nature and amount

Prior period items disclosure (AS 5)

Earnings per share (AS 20)

Basic and diluted EPS; reconciliation of numerator/denominator; nominal value per share

Income taxes (AS 22)

Current tax, deferred tax charge/credit

Major components of DTA/DTL with movement

Unrecognized DTA, if any

E. AS-specific and cross-cutting disclosures 26) AS 3 Cash Flow Statement

Indirect method cash flow presented separately (note if any non-cash transactions; restriction on cash balances)

Reconciliation between cash and cash equivalents per cash flow and balance sheet

AS 4 Events occurring after the balance sheet date

Material events and their impact

AS 7 Construction contracts (if applicable)

Contract revenue recognized, methods used, stage of completion, expected losses recognized, receivables/payables under contracts

AS 10 PPE revaluation/retirements

Basis of revaluation, independent/registered valuer, frequency; profit/loss on disposal

AS 11 Foreign exchange

Policy; exchange differences recognized in P&L or capitalized (qualifying assets); foreign currency monetary items translation; outstanding foreign currency exposures (if disclosed)

AS 12 Government grants (if applicable)

Nature, accounting treatment (capital approach/income approach); unfulfilled conditions

AS 13 Investments

Method of accounting, valuation for current investments, provision for diminution for long-term where other than temporary

AS 15 Employee benefits

As covered above (actuarial methods, assumptions, reconciliations)

AS 16 Borrowing costs

Capitalization rate, amount capitalized, period

AS 17 Segment reporting (if applicable thresholds met)

Business/geographical segments; segment revenue, results, assets, liabilities; basis of segmentation and allocation

AS 18 Related party disclosures

Names and relationships (holding, subsidiaries, associates, joint ventures, KMPs, relatives, enterprises significantly influenced)

Nature and volume of transactions, balances outstanding, terms, provisions for doubtful debts, write-offs

Disclosure of loans/advances in nature of loans to related parties and terms (repayable on demand etc.)

AS 19 Leases

Operating leases: future minimum lease payments – not later than one year, later than one and not later than five years, later than five years; general description

Finance leases (if any): asset/liability recognition and details

AS 20 EPS

As above

AS 22 Taxes on income

As above

AS 26 Intangible assets

As above (movement, useful lives, impairment)

AS 28 Impairment of assets

Indicators, impairment losses/reversals recognized, CGUs, recoverable amount basis

AS 29 Provisions, contingent liabilities, contingent assets

Nature, timing, uncertainties, assumptions; movements by class; contingent liabilities nature/estimate

F. Additional Schedule III (2021) disclosures commonly required for Division I

Utilization of borrowed funds and share premium routed via intermediaries/ultimate beneficiaries (management representation, audit procedures, amounts, dates)

Compliance with number of layers of companies

Title deeds of immovable properties not in company’s name (tabular)

Proceedings for Benami property (if any)

Wilful defaulter status (if declared by bank/financial institution)

Relationship and transactions with companies struck off under Companies Act

Registration under RBI Act 45-IA (NBFC) and related compliance, if applicable

Crypto/virtual currency holdings and transactions (if applicable per MCA notifications)

Scheme of arrangement details approved by NCLT (effects)

Undisclosed income surrendered in tax assessments and accounting thereof

Ratios (current ratio, debt-equity, DSCR, return on equity, inventory turnover, trade receivables/payables turnover, net capital turnover, net profit ratio, return on capital employed, return on investment) with variance >25% explanations

Loans/advances to related parties repayable on demand or without terms: details and percentage to total loans

Aging schedules: Trade receivables, Trade payables, CWIP, Intangibles under development

Quarterly statements filed with banks for borrowings secured by current assets vs books variance

Unspent CSR amounts – transfer to specified funds/Unspent CSR account and utilization status

IEPF-related disclosures (if applicable)

Charges not registered with ROC within statutory period

G. Other statutory/company-specific

Managerial remuneration disclosures (Section 197), if applicable

Details of utilization of IPO/FPO/Preferential allotment proceeds (if any)

Dividend proposed/declared (AS 4 – disclosure only; not recognized as liability until declared)

Micro & small enterprises principal and interest due, paid, and interest accrued (MSMED Act)