

DIVISION 1

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

The amendments to Division I are smaller changes and mostly relate to the words used in the Balance Sheet of an AS compliant company like the replacement of the word "Fixed assets" under "Non-current assets" with "Property, Plant and Equipment".

- 1 Earlier it was optional but now it is mandatory to rounding off the figures appearing in the Financial Statements

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.

- 2 To attune with AS-10 "Property, Plant and Equipment" under the heading "II Assets", under sub-heading "Non-current assets", the item "Tangible Assets" changed to "Property, Plant and Equipment and Intangible assets"

- 3 A company shall disclose Shareholding of Promoters* in the Notes – Share Capital, as below:

Shares held by promoters at the end of the year				% Change during theyear***
	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. "

- 4 Sub-item "current maturities of Long term borrowings" reclassified under "Short-term borrowings" from "Other current liabilities".

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

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

6 For Property, Plant and Equipment 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

7 For Intangible assets 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, disposal 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

8 Sub- item “(ia) Security Deposits” reclassified under “Other non-current assets” from “Long-term loans and advances”

9 For trade receivables outstanding, both non-current and current following ageing schedule shall be given:

Trade Receivables ageing schedule						(Amount in Rs.)
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.						

10 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.

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

#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,
- (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:
(a) repayable on demand or
(b) 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 ageing schedule

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 Rs.)

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 Rs.)

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.

(b) 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 Rs.)

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:-

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

(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
- (b) if not, summary of reconciliation and reasons of material discrepancies, if any to be adequately

(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:-

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

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:-
 - (l) 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

(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)

(iii) in Part II- Statement of Profit and Loss,-

(A) under the heading "III. Total Revenue (I +II)", for the word "Revenue", the word "Income" shall be substituted;

(B) under the heading "General Instructions for Preparation of Statement of Profit and Loss"

(I) in paragraph 2, in item (A), after sub-item (b), the following shall be inserted, namely:- "(ba) Grants or donations received (relevant in case of section 8 companies only)";

(II) in paragraph "5. Additional information", after item (viii) and the entries relating thereto, the following shall be inserted, namely:-

(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 11 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,
- (c) deposits or advances from any person for the purpose of trading or investing in Crypto Currency/ virtual currency.

DIVISION 2

Financial Statements for a company whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015

(i) under the heading "General instructions for preparation of Financial Statements of a company required to comply with Ind AS", in paragraph 5, for the word "Turnover", at both the places where it occurs, the words "Total Income" shall be substituted;

(ii) in Part I- Balance Sheet

(A) under the heading "Equity and Liabilities", in sub-heading "Liabilities",- (I) in item "(1) Non-current liabilities", in sub-item "(a) Financial Liabilities", after (i), the following shall be inserted, namely "(a) Lease liabilities

(II) in item "(2) Current Liabilities", in sub-item "(a) Financial Liabilities", after (i), the following shall be inserted, namely:- "(a) Lease liabilities"

1 Promoter's Shareholding

As per amendment, the company shall disclose the shareholding pattern of promoters at the end of the year as follows:

Promoter Name	Number of Shares Held	Percentage of Total Shares	Percentage Change During the Year
Total			

> Details to 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.

2 Statement of changes in Equity

For equity share capital, now additionally following disclosures are required.

> Changes in equity share capital due to prior period errors.

> Restated balances at the beginning of the current reporting period.

The statement of changes in equity shall look like below after the amendment for Equity Share Capital

"STATEMENT OF CHANGES IN EQUITY

Name of the Company

A. Equity Share Capital

(1) Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period

2) Previous Reporting period

Balance at the beginning of the Previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the Previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the Previous reporting period

3 Trade Receivables

The amendment brought in schedule 3 requires extensive additional categorization of trade receivables and also requires the ageing of trade receivable in 5 different categories. As per the amendment, following additional categorization needs to be done apart from the sub-classification done currently.

PARTICULARS	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good						
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables– considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						
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.						

4 Other Financial Assets

The amendment requires that other financial assets shall include:

- (i) Security deposits.
- (ii) Bank deposits with more than 12 months maturity.

5 Current Maturities of Long-term Debts

Ind AS Schedule III requires presenting “current maturities of long-term debt” under “Other Financial Liabilities” grouped under “Current Liabilities”. As per Amendment, Current maturities of long-term borrowings shall be disclosed under “Short term borrowings” separately, namely: “Current maturities of long-term borrowings”.

6 Trade payables

Trade Payables were required to be segregated into dues of MSME and other than micro enterprises and small enterprises. Schedule III also required disclosure of specific details which are mandated as per the MSMED Act, 2006. As per Amendment, additional classification of the above are to be given and also the ageing of the same into 4 categories

PARTICULARS	Outstanding for following periods from due date of payment				Total
	Less Than 1 Years	1-2 years	2-3 years	More than 3 years	
MSME					
Others					
Disputed dues – MSME					
Disputed dues – Others					
Total					

7 Disclosure of Ratios

The amendment requires the companies to disclose the following 11 ratios:

- a) Current ratio
- b) Debt-Equity ratio
- c) Debt service coverage ratio
- d) Return on equity ratio
- e) Inventory turnover ratio
- f) Trade receivables turnover ratio
- g) Trade payables turnover ratio
- h) Net capital turnover ratio
- i) Net profit ratio
- j) Return on capital employed
- k) 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.

8 Details of Crypto currency or virtual currency

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
- c) Deposits or advances from any person for the purpose of trading or investing in crypto currency/ virtual currency

9 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.

10 Rounding Off

Currently, depending upon the turnover of the company, the figures appearing in the financial statements are required to be rounded off. As per amendment, depending upon the total income of the company, the figures appearing in the financial statements are required to be rounded off. Total income is sum of revenue from operations and other income.

DIVISION 3

Financial Statements for NonBanking Financial Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015

DIVISION III – NBFC (Part 1 – Balance sheet)
Additional Regulatory Information - Additional disclosures in division II
Similar to Div I & II

Following ratios shall be disclosed

- (a) Capital to risk-weighted assets ratio (CRAR)
- (b) Tier I CRAR
- (c) Tier II CRAR
- (d) Liquidity Coverage Ratio

The Auditor's Report shall also include their views and comments on the following matters, namely:

CLAUSE E

1 Whether the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

2 Whether the management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

3 Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under subclause (i) and (ii) contain any material mis-statement.

CLAUSE F

Whether the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

Points for consideration: (1) Factual reporting; (2) Specific non-compliances with the provisions of the section may warrant reporting; (3) Whether dividend out of surplus / out of reserves to be reported

CLAUSE G

Whether the company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

CLAUSE D

Accordingly, w.e.f. 01.04.2021, the matter related to specified bank notes during demonetisation period is no more required to be stated in "Other Matters" in the auditor's report.