

An insight on Revised Schedule VI

Vinod Kothari & Company
Practicing Company Secretaries

Kolkata Office

1012, Krishna
224, AJC Bose Road
Kolkata 700 017
Ph: 2281 7715

Mumbai Office

222, Ashoka Shopping Centre
2nd, Floor, LT Road
Near GT Hospital
Mumbai – 400 001

Email: vinod@vinodkothari.com Website: www.vinodkothari.com

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Key highlights

- **Effective date: For annual accounts to be prepared for the financial year commencing on or after April 1, 2011**
- **The change are related to convergence to IFRS as many features have been taken from IFRS**
 - the changes to a large extent indicate move towards IAS 1
 - India did not have a local standard equivalent of IAS 1
 - The revised Schedule VI fills that gap
- **The process of revision started in Nov 2008 when a Memorandum of Revision of Schedule VI was put on MCA site**
- **Main differences between proposed draft and the revised Schedule VI**
 - In the proposed draft, there were two formats of Schedule VI, one for SMCs (so-called Saral Schedule VI), and one for other companies
 - Current Schedule VI is common for all companies

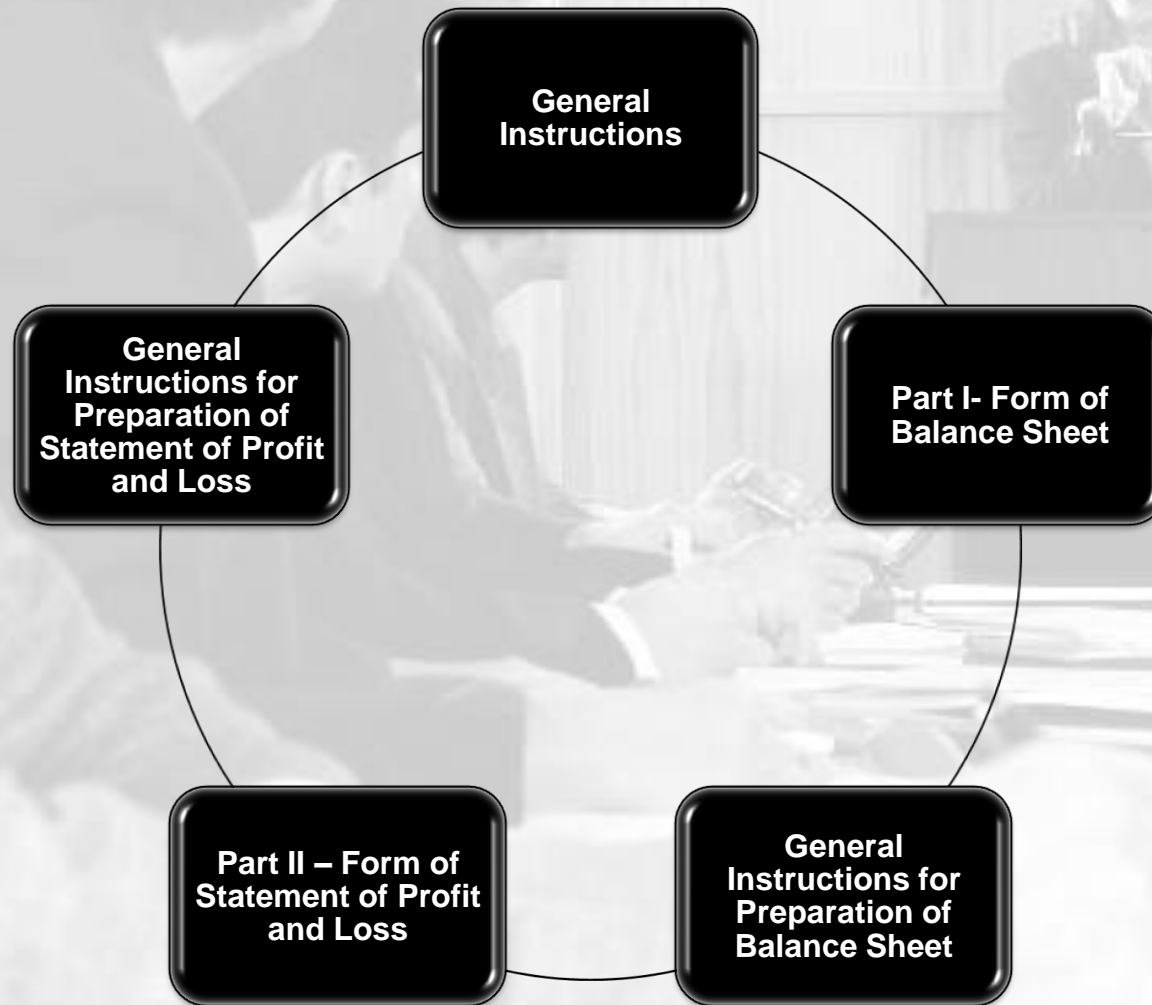
How is it in other countries

- **In India, the format of financial statements is prescribed under Schedule VI to the Companies Act, 1956**
- **Companies Bill 2011, the formats has been prescribed in Schedule III**
- **IAS 1 provides general principles for presentation of financial statements**
 - **International Accounting standards lay down minimum disclosure requirements, with a break-down for presentation of assets, liabilities, incomes and expenses**
 - **However, do not lay down any form as such**
- **UK Companies Act 2006 also lays down statutory format of financial statements**
 - **Pursuant to this, Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 have been drawn up**

Key features

- **Presentation**
 - Horizontal or T form of balance sheet gone – vertical form laid down
 - Existing Schedule VI did not have a format for P/L account
 - Revised Schedule lays a multi-step format for P/L account
- **Classification of assets, liabilities and provisions is based on liquidity rather than nature**
 - Existing distinction between fixed assets, investments, etc. goes away
 - Even provisions distinguished based on long-term and short-term provisions
- **Classification of expenses**
 - Based on function, rather than nature
- **Prominence to accounting standards**
 - Gen Ins 1 grants primacy to accounting standards:
 - Even in future, if accounting standards change, leaving a conflict between the AS and the Schedule, AS shall prevail
 - Schedule VI shall stand modified according to changes in accounting standards
 - Disclosures required by ASs and by the law to be made by way of notes, unless required on the face of the financial statements

Structure of revised Schedule VI



General instructions

- **There were no general instructions to old Schedule VI**
- **General Instructions contain significant principles of disclosure**
- **There are separate general instructions for B/S and P/L account**

New Contents compared with old Schedule VI

- Balance Sheet Abstract and Company's General Business Profile as provided in part IV has been removed
 - A welcome move as the same was of no real purpose and was not meant for statistical purpose
- Only vertical format of balance sheet is to be used
- Form of statement of Profit and Loss has been provided in part II which was not there in old Schedule
- Part III on interpretation in the existing Schedule has been removed
 - This removes the duplications as the terms are already been defined in Ass.
- Lays down several new concepts and disclosure requirements
 - Some of the existing disclosure requirements have been done away with

Notes to accounts

- **Gen Ins no 3**
 - Notes provide information that is not required to be put on the face of financial statements
 - Narrative description of items
 - Disaggregation of information
- **Compare this with Para 7 of IAS 1 – almost the same language**
- **Cross referencing of items on the face of the Statements with the Notes**
- **Level of detailing:**
 - Balance between too much aggregation and too much information
 - Principles of aggregation in IAS 1:
 - Para 30 – dissimilar items are presented separately
 - If an individual item is not “sufficiently material”, it may be aggregated
 - What is not sufficiently material on the face of financial statements may be sufficiently material for the purpose of Notes
 - What is “material” – no mathematical test, but Framework provides for a cut off or threshold point, rather than qualitative characteristic

Rounding off

- **Consistent rounding off rules based on turnover**
 - Where turnover upto Rs 100 crores – hundreds, thousands, lakhs or millions
 - Where turnover exceeding Rs 100 crores – lakhs, millions or crores
- **Companies earlier had to take special approvals for putting numbers in millions for international comparison**

Depiction of the liability side of balance sheet

- **Shareholders' funds**
 - Share Capital
 - Reserves and surpluses
 - Share warrants
- **Share application money pending allotment**
- **Non current liabilities**
 - Long term borrowings
 - Deferred tax liabilities (net)
 - Other Long term liabilities
 - Long-term provisions
- **Current liabilities**
 - Short-term borrowings
 - Trade payables
 - Other current liabilities
 - Short-term provisions

Depiction of the asset side of the balance sheet

- **Non-current assets**
 - Fixed assets
 - Tangible assets
 - Intangible assets
 - Capital work-in-progress
 - Intangible assets under development
 - Non-current investments
 - Deferred tax assets (net)
 - Long-term loans and advances
 - Other non-current assets
- **Current assets**
 - Current investments
 - Inventories
 - Trade receivables
 - Cash and cash equivalents
 - Short-term loans and advances
 - Other current assets

Key changes to Balance Sheet

- **Introduction of current and non-current assets and liabilities**
- **Implications:**
 - **Implementation of appropriate system to capture the right classification**
 - **Significant changes to be made in entity wise ERP system etc**
 - **Systems will have to be set for each individual item of asset and liability**
 - **Details for ascertaining the classification will be required for immediately preceding reporting period**
 - **This will attract significant time and efforts of company and the auditors**

Current assets

- Definition in Schedule VI: An asset shall be classified as current when it satisfies any of the following criteria:
 - it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
 - it is held primarily for the purpose of being traded;
 - it is expected to be realized within twelve months after the reporting date; or
 - 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.
- Definition in IAS 1: **an asset that the entity**
 - **expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;**
 - **it holds the asset primarily for the purpose of trading;**
 - **it expects to realise the asset within twelve months after the reporting period; or**
 - **the asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.**

Current assets (contd)

- Meaning of cash equivalent:
 - Short term, highly liquid investments that are readily convertible into cash, with insignificant risk of changes in value [IAS 7]
- Meaning of operating cycle
- Defined in Schedule VI: 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.
- [IAS 1: 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.** Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period. Current assets also include assets held primarily for the purpose of trading (examples include some financial assets classified as held for trading in accordance with IAS 39) and the current portion of non-current financial assets.
- Examples:
 - In case of a financial entity, loans are current assets
 - In case of a distillery/winery, wines in the process of maturing will be current assets even if it takes several years to mature
 - For a builder, buildings under construction are current assets
 - For a person trading in buildings, a stock of buildings meant for resale is a current asset

Current assets (contd)

- **All assets other than current assets are non-current assets**

Current liabilities

- **If it satisfies any of the following criteria**
 - it is expected to be settled in the company's normal operating cycle;
 - it is held primarily for the purpose of being traded;
 - it is due to be settled within twelve months after the reporting date; or
 - 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.
- **IAS 1 definition:**
 - What is current liability
 - **it expects to settle the liability in its normal operating cycle;**
 - **it holds the liability primarily for the purpose of trading;**
 - **the liability is due to be settled within twelve months after the reporting period; or**
 - **the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.**

Trade receivables and trade payables

- 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.
- 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.

Details of share capital

- Share Capital for each class of share capital (different classes of preference shares to be treated separately):
- The number and amount of shares authorized;
- the number of shares issued, subscribed and fully paid, and subscribed but not fully paid
- par value per share;
- a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;
- the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital
- **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;**
- **shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held;**
- **shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts;**
- 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.
- 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.
- Calls unpaid (showing aggregate value of calls unpaid by directors and officers)
- Forfeited shares (amount originally paid up)

Details of reserves and surpluses

- Reserves and Surplus shall be classified as:
 - Capital Reserves ;
 - Capital Redemption Reserve;
 - Securities Premium Reserve;
 - Debenture Redemption Reserve;
 - Revaluation Reserve;
 - Share Options Outstanding Account;
 - Other Reserves – (specify the nature and purpose of each reserve and the amount in respect thereof);
 - 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)
- A reserve specifically represented by earmarked investments shall be termed as a 'fund'.
- 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.

Details of Long term borrowings

- Long-term borrowings shall be classified as:
 - Bonds/debentures.
 - Term loans
 - from banks.
 - from other parties.
 - Deferred payment liabilities.
 - Deposits.
 - Loans and advances from related parties.
 - Long term maturities of finance lease obligations
 - Other loans and advances (specify nature).
- Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.
- Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed.

Details of long-term borrowings - contd

- Bonds/debentures (along with the rate of interest and particulars of redemption or conversion, as the case may be) shall be stated in descending order of maturity or conversion, starting from farthest redemption or conversion date, as the case may be. Where bonds/debentures are redeemable by installments, the date of maturity for this purpose must be reckoned as the date on which the first installment becomes due.
- Particulars of any redeemed bonds/ debentures which the company has power to reissue shall be disclosed.
- Terms of repayment of term loans and other loans shall be stated.
- **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.**
- **Important point: As per IAS 1, if in pursuance of default, a loan becomes callable (recall notice), the loan will be taken as current liability irrespective of the repayment schedule.**

Other long term liabilities and provisions

- Other Long Term Liabilities
 - Other Long term Liabilities shall be classified as:
 - Trade payables
 - Others
- Long-term provisions: The amounts shall be classified as:
 - Provision for employee benefits.
 - Others (specify nature).

Short-term borrowings

- Short-term borrowings shall be classified as:
 - Loans repayable on demand from banks. from other parties.
 - Loans and advances from related parties.
 - Deposits.
 - Other loans and advances (specify nature).
- Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.
- Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed.
- Period and amount of default as on the balance sheet date in repayment of loans and interest, shall be specified separately in each case.

Other current liabilities

- Current maturities of long-term debt;
- Current maturities of finance lease obligations;
- Interest accrued but not due on borrowings;
- Interest accrued and due on borrowings;
- Income received in advance;
- Unpaid dividends
- Application money received for allotment of securities and due for refund and interest accrued thereon:
 - Note the distinction between application money going as a part of shareholders' funds, and that coming as liability
 - What is refundable is a liability, what is due for allotment is quasi capital
 - Also see another slide for details of share application money
- Unpaid matured deposits and interest accrued thereon
- Unpaid matured debentures and interest accrued thereon
- Other payables (specify nature);

Share application money gets increased focus

- Share application money includes advances towards allotment of share capital.
 - The meaning of “advances towards allotment” is not clear
- 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:
 - Quite often, in closely held companies, share application money remains pending for indefinite period
 - Offer document need not lay down a time limit for allotment
 - However, it is logical that allotment must be made within reasonable period
- 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’

Tangible assets

- Classification shall be given as:
 - Land.
 - Buildings.
 - Plant and Equipment.
 - Furniture and Fixtures.
 - Vehicles.
 - Office equipment.
 - Others (specify nature).
- Assets under lease shall be separately specified under each class of asset.
- 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.
- 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.

Intangible assets

- Assets to be classified as
 - Goodwill
 - Brands /trademarks.
 - Computer software.
 - Mastheads and publishing titles.
 - Mining rights.
 - Copyrights, and patents and other intellectual property rights, services and operating rights.
 - Recipes, formulae, models, designs and prototypes.
 - Licenses and franchise.
 - Others (specify nature).
- 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.
- 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.

Non-current investments

- Non-current investments shall be classified as trade investments and other investments and further classified as:
 - Investment property;
 - Investments in Equity Instruments;
 - Investments in preference shares
 - Investments in Government or trust securities;
 - Investments in debentures or bonds;
 - Investments in Mutual Funds;
 - Investments in partnership firms
 - Other non-current investments (specify nature)

More on non-current investments

- Under each classification, details shall be given
 - of names of the bodies corporate 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
 - indicating separately whether such bodies are
 - (i) subsidiaries,
 - (ii) associates,
 - (iii) joint ventures, or
 - (iv) controlled special purpose entities
 - 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.
- As the word used is “bodies corporate”, it includes LLPs too.
- Investments carried at other than at cost should be separately stated specifying the basis for valuation thereof.
- The following shall also be disclosed
 - Aggregate amount of quoted investments and market value thereof;
 - Aggregate amount of unquoted investments;
 - Aggregate provision for diminution in value of investments

More on non current investments

- Meaning of subsidiaries, associates and joint ventures
 - Meaning to be taken as per accounting standards
 - Subsidiaries
 - Where control exists
 - Associates
 - Where significant influence exists
 - Joint venture
 - Where common control exists
- Note that the word “subsidiary” is not to be taken as per Companies Act
 - As Gen Instructions, definitions as per accounting standards to prevail

Long-term loans and advances

- Long-term loans and advances shall be classified as:
 - Capital Advances;
 - What is capital advance? It would be wrong to take this to mean advances for purchase of capital assets. It should mean advances against capital subscription – since it is a long term advance
 - Security Deposits;
 - Loans and advances to related parties (giving details thereof);
 - Other loans and advances (specify nature).
- The above shall also be separately sub-classified as:
 - Secured, considered good;
 - Unsecured, considered good;
 - Doubtful
- Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.
- 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.

Other non-current assets

- Other non-current assets shall be classified as:
 - Long Term Trade Receivables (including trade receivables on deferred credit terms);
 - Others (specify nature)
- Long term Trade Receivables, shall be sub-classified as:
 - Secured, considered good;
 - Unsecured considered good;
 - Doubtful
 - Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.
 - 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.

Current investments

- Current investments shall be classified as:
 - Investments in Equity Instruments;
 - Investments in preference shares
 - Investments in Government or trust securities;
 - Investments in debentures or bonds;
 - Investments in Mutual Funds;
 - Investments in partnership firms
 - Other non-current investments (specify nature)
- Investment in property is conspicuously absent – as if property investments cannot be current investments

More on current investments

- Under each classification, details shall be given
 - of names of the bodies corporate 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
 - indicating separately whether such bodies are
 - (i) subsidiaries,
 - (ii) associates,
 - (iii) joint ventures, or
 - (iv) controlled special purpose entities
 - 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.
- The following shall also be disclosed
 - Basis of valuation of individual investments
 - This clause is difficult to understand – it cannot be taken to mean that the basis of valuation of each investment shall be disclosed separately
 - Note that there are variety of approaches to valuation of investments under AS 30
 - Aggregate amount of quoted investments and market value thereof;
 - Aggregate amount of unquoted investments;
 - Aggregate provision for diminution in value of investments

Inventories

- **To be classified as**
 - Raw materials;
 - Work-in-progress;
 - Finished goods;
 - Stock-in-trade (in respect of goods acquired for trading);
 - Stores and spares;
 - Loose tools;
 - Others (specify nature).
- Goods-in-transit shall be disclosed under the relevant sub-head of inventories.
- Mode of valuation shall be stated.

Trade receivables

- Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment should be separately stated.
- Trade receivables shall be sub-classified as:
 - Secured, considered good;
 - Unsecured considered good;
 - Doubtful.
- Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.
- 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.
 - **Note old Schedule VI referred to “companies under the same management”**

Cash and cash equivalents

- Cash and cash equivalents shall be classified as:
 - Balances with banks;
 - Cheques, drafts on hand;
 - Cash on hand;
 - Others (specify nature).
- Earmarked balances with banks (for example, for unpaid dividend) shall be separately stated.
- Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.
- Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.
- Bank deposits with more than 12 months maturity shall be disclosed separately.

Short-term loans and advances

- Short-term loans and advances shall be classified as:
 - Loans and advances to related parties (giving details thereof);
 - Others (specify nature).
- The above shall also be sub-classified as:
 - Secured, considered good;
 - Unsecured, considered good;
 - Doubtful.
- Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.
- 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.

Other current assets

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

Contingent liabilities and commitments

- Contingent liabilities and commitments (to the extent not provided for)
- Contingent liabilities shall be classified as:
 - Claims against the company not acknowledged as debt;
 - Guarantees;
 - Other money for which the company is contingently liable
- Commitments shall be classified as:
- Estimated amount of contracts remaining to be executed on capital account and not provided for;
- Uncalled liability on shares and other investments partly paid
- Other commitments (specify nature).

Other disclosures

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

Format of P/L account

- **Meaning of exceptional and extra ordinary item**
- **Extra ordinary items are those that arise other than from ordinary activity of the company**
- **Exceptional items arise from ordinary activity, but are not expected to be recurring**
 - **Note that IAS 1, para 87 prohibits presentation of extraordinary items in comprehensive income**

I.	Revenue from operations
II.	Other income
III.	Total Revenue (I + II)
IV.	Expenses: Cost of materials consumed Purchases of Stock-in-Trade Changes in inventories of finished goods work-in-progress and Stock-in-Trade Employee benefits expense Finance costs Depreciation and amortization expense Other expenses Total expenses
V.	Profit before exceptional and extraordinary items and tax (III-IV)
VI.	Exceptional items
VII.	Profit before extraordinary items and tax (V - VI)
VIII.	Extraordinary Items
IX.	Profit before tax (VII- VIII)
X	Tax expense: (1) Current tax (2) Deferred tax

Format of P/I account contd

- **Meaning of discontinuing operations:**
 - **IFRS 5 deals with what is discontinued operations – where the cashflows of an asset are likely to come from disposal rather than from continuing use of the asset**

XI	Profit (Loss) for the period <u>from</u> continuing operations (VII-VIII)
XII	Profit/(loss) from discontinuing operations
XIII	Tax expense of discontinuing operations
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)
XV	Profit (Loss) for the period (XI + XIV)
XVI	Earnings per equity share: (1) Basic (2) Diluted

See accompanying notes to the financial statements

Format of the Profit and loss a/c

- **Is there a statutory basis?**
 - Note the provisions of sec 211 (1) and 211 (2)
 - In case of the Balance Sheet, the law requires to be in the format
 - In case of profit and loss a/c, the law requires the same to comply with the requirements
 - No format envisaged in the Act
 - Hence, format is not as per law

Additional disclosures for P/L account

- In respect of a company other than a finance company revenue from operations shall disclose separately in the notes revenue from
 - sale of products;
 - sale of services;
 - other operating revenues; Less:
 - Excise duty.
- 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.
- Finance costs shall be classified as:
 - Interest expense;
 - Other borrowing costs;
 - Applicable net gain/loss on foreign currency transactions and translation:
 - Note that to the extent of foreign borrowing cost being less than domestic borrowing cost, foreign currency translation losses are treated as adjustment to borrowing cost
 - See AS 16, para 4 (e)
- Other income to be classified as
 - Interest Income (in case of a company other than a finance company);
 - Dividend Income;
 - Net gain/loss on sale of investments
 - Other non-operating income (net of expenses directly attributable to such income).

Additional information in case of all companies

- A Company shall disclose by way of notes additional information regarding aggregate expenditure and income on the following items:-
- (i) in case of all companies
 - Employee Benefits Expense [showing separately
 - (i) salaries and wages,
 - (ii) contribution to provident and other funds,
 - (iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),
 - (iv) staff welfare expenses].
 - (b) Depreciation and amortization expense;
 - (c) Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.1,00,000, **whichever is higher**;
 - (d) Interest Income;
 - (e) Interest Expense;
 - (f) Dividend Income;
 - (g) Net gain/ loss on sale of investments;
 - (h) Adjustments to the carrying amount of investments;
 - (i) Net gain or loss on foreign currency transaction and translation (other than considered as finance cost);
 - (j) Payments to the auditor as
 - (a) auditor
 - (b) for taxation matters,
 - (c) for company law matters,
 - (d) for management services,
 - (e) for other services,
 - (f) for reimbursement of expenses;
 - (k) Details of items of exceptional and extraordinary nature;
 - (l) Prior period items;

Additional information in case of specific types of companies

- **In case of manufacturing companies**
 - Raw materials under broad heads.
 - goods purchased under broad heads.
 - **Note that the comprehensive information required about raw materials, components etc by existing Schedule VI has been dropped**
 - **On the contrary, revised Schedule VI states – it shall be sufficient compliance if the items are shown under “broad heads”**
- In the case of trading companies, purchases in respect of goods traded in by the company under broad heads.
- In the case of companies rendering or supplying services, gross income derived from services rendered or supplied under broad heads.
- In the case of other companies, gross income derived under broad heads.

Further additional information in case of all companies

- In the case of all concerns having works in progress, works-in-progress under broad heads.
- Information about reserves
 - 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.
 - The aggregate, if material, of any amounts withdrawn from such reserves.
- Information about provisions
 - The aggregate, if material, of the amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments.
 - The aggregate, if material, of the amounts withdrawn from such provisions, as no longer required.
- Expenditure incurred on each of the following items, separately for each item:-
 - Consumption of stores and spare parts.
 - Power and fuel.
 - Rent.
 - Repairs to buildings.
 - Repairs to machinery.
 - Insurance
 - Rates and taxes, excluding, taxes on income
 - Miscellaneous expenses,
- Subsidiary companies:
 - Dividends from subsidiary companies.
 - Provisions for losses of subsidiary companies.

Profit and loss account also to show by way of notes

- Value of imports calculated on C.I.F basis by the company during the financial year in respect of
 - Raw materials;
 - Components and spare parts;
 - Capital goods;
- Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;
- Total value of 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;
 - This is the same as in existing Schedule VI
 - It appears that the significance of this disclosure is to give comparison between indigenous and imported raw materials, spare parts and components
- 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;
- Earnings in foreign exchange classified under the following heads, namely:
 - Export of goods calculated on F.O.B. basis;
 - Royalty, know-how ,professional and consultation fees
 - .Interest and dividend;
 - Other income, indicating the nature thereof

Additional disclosures required by other laws

- **Cashflow statement required in case of listed entities**
- **Micro Small and Medium Enterprises law – dues to MSMEs**
- **Additional disclosures required in case of NBFCs under RBI directions**

Conspicuously absent

- **Details of managerial remuneration and computation of profits under sec 349,350**
- **Licensed Capacity, installed capacity and actual production**
 - For an analyst, this was quite a useful information to project the growth of the company
- **Balance sheet abstract – completely goes away**

IAS 1: presentation of financial statements

- **Highlights**

- **Describes main principles for presentation of general purpose financial statements**
- **Statements of Comprehensive Income and Statement of changes in Shareholders Equity**

Definitions

- **General purpose financial statements**
 - Statements not tailored to specific needs
- **IFRSs include**
 - IAS
 - IFRS
 - IFRICs
 - SICs
- **Material**
 - May influence economic decisions of users; materiality depends on size and nature of the item
- **Notes**
 - Provide narrative information about items presented in the FSs. Notes also contain information about items which do not require or qualify presentation, e.g., off balance sheet items
- **Other Comprehensive Income**
 - Items of income/exp which are not recognised in P/L a/c as permitted/required by the IFRSs. These include
 - Changes in revaluation surplus
 - Actuarial gains/losses on employee benefit liabilities
 - Gain/losses on translation of financial statements of foreign operations
 - Gains/losses of AFS assets
 - Effective portion of a cashflow hedge
- **P/I and OCI together are referred as Total comprehensive income**

Balance sheet & P/L to SFP and SoCI

- **General purpose financial statements traditionally have been**
 - Balance sheet
 - P/L account
 - Cashflow statement
- **IAS 1 calls them**
 - Statement of Financial Position
 - Statement of Cashflows
 - Comprehensive Income statement either as one or two components – Income statement and Comprehensive Income statement
 - Statement of changes in shareholders' equity
 - Notes
- **Titles are not important**

Compliance with IFRSs

- **General purpose financial statements shall be prepared in compliance with IFRSs**
 - **IAS 1 is not relevant for condensed interim financial statements**
 - **Applicable to separate as well as consolidated financial statements**
 - **Applicable to profit oriented entities; terminology may be amended in case of not-for-profit entities**

Elements of financial standards

- **Contain the following**
 - **assets**
 - **Liabilities**
 - **Equity**
 - **Income/exps including gains/losses**
 - **Contributions to/by owners of the entity in their capacity as owners**
 - **Cashflows**
- **General purpose financial statements**
 - **SFP**
 - **Statement of Comprehensive Income**
 - **Changes in equity**
 - **Cashflow statement**
 - **Notes comprising of accounting policy and other information**
 - **In case of a retrospective change of policy, the earliest of accountig periods from which the change of policy is applicable**
- **Titles may be different from the above**

Additional optional statements

- **Entities may optional present statements such as value added, environmental reports, human resources accounting etc**
- **These statements are beyond IFRSs**

General features

- **Fair and faithful compliance with the IFRSs and the Framework**
 - If there is no IFRS on a particular matter, then as per the hierarchy set by IAS 8
 - **Cannot rectify inappropriate accounting policy by mere disclosure in the notes**
 - In other words, notes do not by themselves correct deficiency in financial statements – notes are explanatory material
 - **In rare circumstances, entity will depart from IFRSs, if the regulation does not prohibit the same**
 - **In case of a departure, entity shall disclose**
 - that management has concluded that the financial statements present fairly the entity's financial position, financial performance and cash flows;
 - that it has complied with applicable IFRSs, except that it has departed from a particular requirement to achieve a fair presentation;
 - the title of the IFRS from which the entity has departed, the nature of the departure, including the treatment that the IFRS would require, the reason why that treatment would be so misleading in the circumstances that it would conflict with the objective of financial statements set out in the *Framework*, and the treatment adopted;
 - for each period presented, the financial effect of the departure on each item in the financial statements that would have been reported in complying with the requirement.
 - If there has been a departure in the past, which affects current year's results, such impact shall be disclosed
 - **If the entity opines that adherence to IFRS will present misleading presentation, then in rare circumstances, it may depart, disclosing**
 - the title of the IFRS in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the *Framework*; and
 - for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.
 - **If departure from IFRS is justified by special circumstances of the entity**
 - What are those circumstances
 - How do the same differ from ordinary circumstances

Basic presentation issues

- **Going concern:**
 - Accounts are prepared under going concern presumption
- **Accrual**
- **Materiality and aggregation**
 - Each material class is separately presented; dissimilar items are not aggregated
- **Offsetting**
 - Assets/liabilities and incomes/exps are not mutually offset
 - Netting is permitted only in limited circumstances
 - E.g., exps on disposal of non current assets
 - Reimbursements by a third party
 - Gains and losses from foreign exchange translation
 - However, if material, disclosed separately

Other presentation issues

- **Frequency of reporting**
- **Consistency of presentation**
 - **Presentation should be retained from period to period**
 - **Unless the nature of the entity's business changes, or**
 - **Ifrs requires different presentation**

Structure and content of financial statements

- **Identification – each financial statement shall be identified by its caption. In addition, the following should be prominently stated:**
 - the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period;
 - whether the financial statements are of an individual entity or a group of entities;
 - the date of the end of the reporting period or the period covered by the set of financial statements or notes;
 - the presentation currency, as defined in IAS 21; and
 - the level of rounding used in presenting amounts in the financial statements:
 - Under IFRSs, thousands or millions is acceptable

Contents of SFP

- **As a minimum, the following should be disclosed**
 - (a) property, plant and equipment;
 - (b) investment property;
 - (c) intangible assets;
 - (d) financial assets (excluding amounts shown under (e), (h) and (i));
 - (e) investments accounted for using the equity method;
 - (f) biological assets;
 - (g) inventories;
 - (h) trade and other receivables;
 - (i) cash and cash equivalents;
 - (j) the total of assets classified as held for sale and assets included in disposal groups classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;
 - (k) trade and other payables;
 - (l) provisions;
 - (m) financial liabilities (excluding amounts shown under (k) and (l));
 - (n) liabilities and assets for current tax, as defined in IAS 12 *Income Taxes*;
 - (o) deferred tax liabilities and deferred tax assets, as defined in IAS 12;
 - (p) liabilities included in disposal groups classified as held for sale in accordance with IFRS 5;
 - (q) non-controlling interests, presented within equity; and
 - (r) issued capital and reserves attributable to owners of the parent.
- Other items as appropriate should be disclosed
 - If items are sufficiently different to warrant separate presentation, they should be disclosed separately
 - Based on
 - Nature and liquidity
 - Function
 - Amount nature and timing of liabilities

Current non-current distinction

- **Current/non-current distinction should be made in case of assets/liabilities except where liquidity-based balance sheet is drawn**
- **Where an asset/liability aggregates items to be recovered/settled (monetary assets/monetary liabilities), amounts recoverable/payable within 12 months, and after 12 months, to be separately recorded**
- **In case of certain entities, such as financial institutions, there is no clear operating cycle**
 - Hence presenting assets in increasing/decreasing order of liquidity gives better information
- **Deferred tax assets/liabilities shall not be classified as current**
- **What is current asset: an asset that the entity**
 - expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
 - it holds the asset primarily for the purpose of trading;
 - it expects to realise the asset within twelve months after the reporting period; or
 - the asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- **What is current liability**
 - it expects to settle the liability in its normal operating cycle;
 - it holds the liability primarily for the purpose of trading;
 - the liability is due to be settled within twelve months after the reporting period; or
 - the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- **All other assets/liabilities are non-current**

More on current liabilities

- **If the provisions of a long term loan are breached, so that it becomes payable on demand, it is classified as current liability**
 - **Unless lender grants a grace period of more than 12 months**

Sub classification of assets/liabilities

- **The following subclassifications appear either in the SFS or by way of notes**
 - property, plant and equipment are disaggregated into classes in accordance with IAS 16;
 - receivables are disaggregated into amounts receivable from trade customers, receivables from related parties, prepayments and other amounts;
 - inventories are disaggregated, in accordance with IAS 2 *Inventories*, into classifications such as merchandise, production supplies, materials, work in progress and finished goods;
 - provisions are disaggregated into provisions for employee benefits and other items; and
 - equity capital and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves.
- **Following further information about equity**
 - (a) for each class of share capital:
 - (i) the number of shares authorised;
 - (ii) the number of shares issued and fully paid, and issued but not fully paid;
 - (iii) par value per share, or that the shares have no par value;
 - (iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;
 - (v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital;
 - (vi) shares in the entity held by the entity or by its subsidiaries or associates; and
 - (vii) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; and
 - (b) a description of the nature and purpose of each reserve within equity.

Comprehensive income statement

- Entity shall prepare either a single Comprehensive Income statement or two statements, one Income statement, and other OCI
- Minimum contents of SCI
 - (a) revenue;
 - (b) finance costs;
 - (c) share of the profit or loss of associates and joint ventures accounted for using the equity method;
 - (d) tax expense;
 - (e) a single amount comprising the total of:
 - (i) the post-tax profit or loss of discontinued operations and
 - (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation;
 - (f) profit or loss;
 - (g) each component of other comprehensive income classified by nature (excluding amounts in (h));
 - (h) share of the other comprehensive income of associates and joint ventures accounted for using the equity method; and
 - (i) total comprehensive income.

Classification of expenses

- Based on nature of expense
- Or based on function of the expense

Revenue	X
Other income	X
Changes in inventories of finished goods and work in progress	X
Raw materials and consumables used	X
Employee benefits expense	X
Depreciation and amortisation expense	X
Other expenses	X
Total expenses	(X)
Profit before tax	X

Revenue	X
Cost of sales	(X)
Gross profit	X
Other income	X
Distribution costs	(X)
Administrative expenses	(X)
Other expenses	(X)
Profit before tax	X

Statement of changes in equity

- **Shall contain the following:**
 - total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests;
 - for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with IAS 8;
- **for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:**
 - (i) profit or loss;
 - (ii) each item of other comprehensive income; and
 - (jii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.

Notes

- **Contents**
 - **present information about the basis of preparation of the financial statements and the specific accounting policies used**
 - **disclose the information required by IFRSs that is not presented elsewhere in the financial statements; and**
 - **provide information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.**
- **Order – generally recommendable order**
 - a) statement of compliance with IFRSs
 - (b) summary of significant accounting policies applied
 - (c) supporting information for items presented in the SFP, SOCI, SOCE, CFS, in the order in which each statement and each line item is presented;
 - (d) other disclosures, including:
 - (i) contingent liabilities (see IAS 37) and unrecognised contractual commitments, and
 - (ii) non-financial disclosures, eg the entity's financial risk management objectives and policies (see IFRS 7).

Disclosures in notes

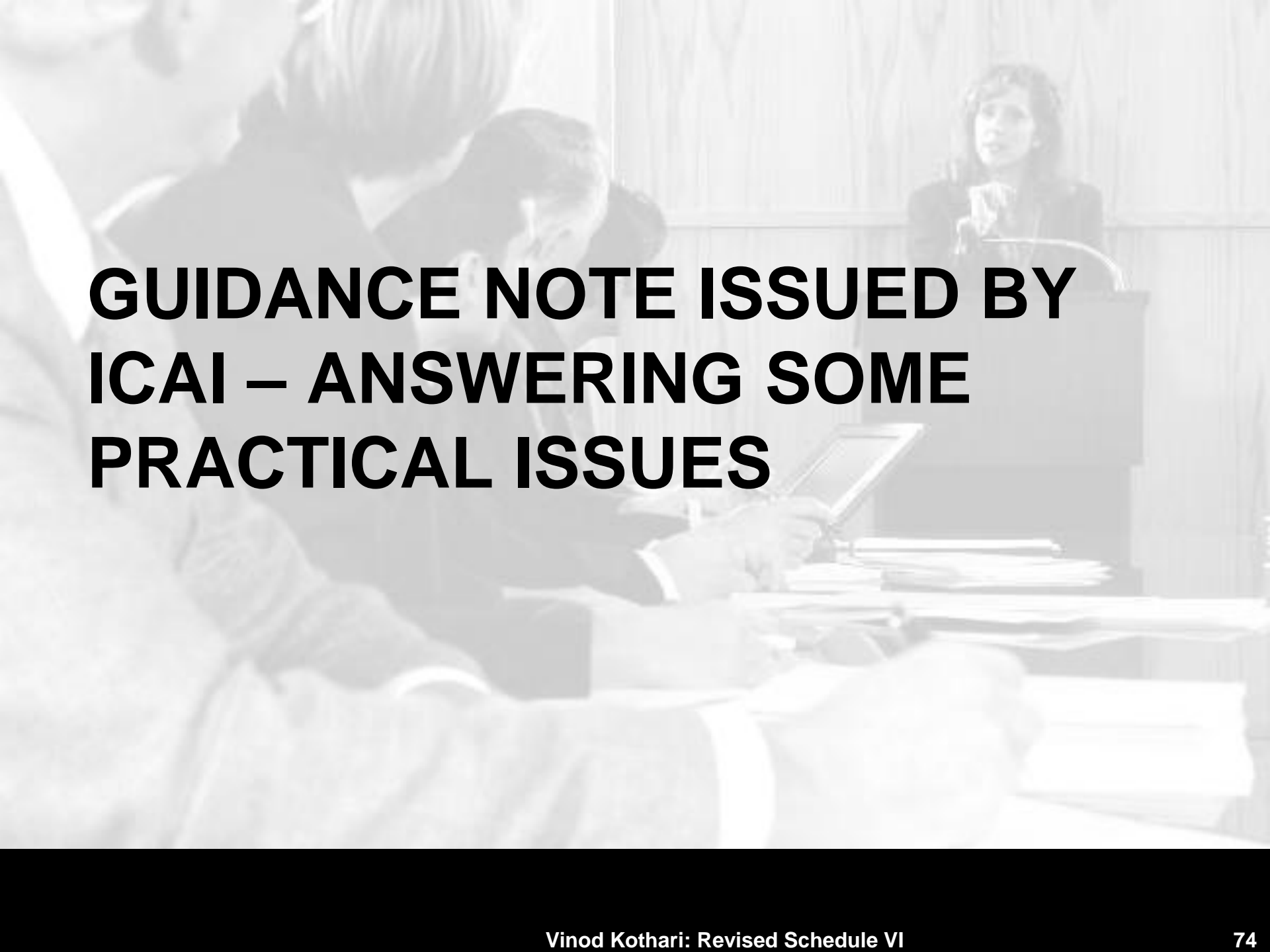
- **Accounting policies**
 - **An entity shall disclose in the summary of significant accounting policies:**
 - (a) the measurement basis (or bases) used in preparing the financial statements, and
 - (b) the other accounting policies used that are relevant to an understanding of the financial statements.
 - Disclosure of judgement that management has made in applying accounting policies and the significant impact thereof
 - Examples of judgement
 - Classification of financial instruments as HTM
 - Whether risks/rewards of ownership have been transferred in financial leases
 - Whether a special purpose entity should be regarded as subsidiary
 - Assumptions involving uncertainty
 - **An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.**

Other disclosures

- **Management of capital**
 - **An entity shall disclose information that enables users of its financial statements to evaluate management of capital (eg., regulatory or economic capital)**
 - a description of what it manages as capital;
 - when an entity is subject to externally imposed capital requirements, the nature of those requirements and how those requirements are incorporated into the management of capital; and
 - how it is meeting its objectives for managing capital.
 - summary quantitative data about what it manages as capital e.g., subordinated liabilities may be regarded as capital
 - any changes in the above from the previous period.
 - whether during the period it complied with any externally imposed capital requirements to which it is subject.
 - when the entity has not complied with such externally imposed capital requirements, the consequences of such non-compliance
- **Puttable financial instruments treated as equity**
 - **summary quantitative data about the amount classified as equity;**
 - **its objectives, policies and processes for managing its obligation to repurchase or redeem the instruments**
 - **the expected cash outflow on redemption or repurchase of that class of financial instruments; and**
 - **information about how the expected cash outflow on redemption or repurchase was determined.**
- **Other disclosures**
 - **the amount of dividends proposed or declared before the financial statements were authorised for issue but not recognised as a distribution to owners during the period, and the related amount per share; and**
 - **the amount of any cumulative preference dividends not recognised.**

More disclosures

- **the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office);**
- **a description of the nature of the entity's operations and its principal activities;**
- **the name of the parent and the ultimate parent of the group; and**
- **if it is a limited life entity, information regarding the length of its life.**



GUIDANCE NOTE ISSUED BY ICAI – ANSWERING SOME PRACTICAL ISSUES

Guidance Note of ICAI on Revised Schedule VI

- Guidance Note has been issued to provide guidance in the preparation and presentation of Financial Statements of companies on various aspects of the Revised Schedule VI
 - it does not provide guidance on disclosure requirements under Accounting Standards, other pronouncements of the ICAI or other statutes
- The primary focus of the Note is to lay down broad guidelines to deal with practical issues that may arise in the implementation of the Revised Schedule VI.
- This Note overrides the earlier note of ICAI issued in 1976



PRACTICAL ISSUES IN REVISED BALANCE SHEET FORMAT

Share Capital

- Number of shares held by each shareholder holding more than 5% shares needs to be disclosed

Probable Queries	Answers under Guidance Note
Such % to be counted on which date?	In absence of any specific indication, date of holding to be taken as on the balance sheet date
What is the objective of such disclosure in Private Companies?	Private Companies have few shareholders and may not be interested in public disclosure; clarification required from Ministry
If shares issued through ADR/GDR, level of details for disclosure purpose?	The custodian is the direct shareholder and in absence of any specific provision, details of real investor not required
Preference shares to be classified separately	Accounting treatment will be governed by applicable AS. Companies early adopting AS 30, 31 and 32 will have to classify preference shares as per AS 31. Other Companies may disclose as part of share capital

Long Term Borrowings

- How should a loan be classified if after the reporting period and before the approval, the lender agrees to waive a default in a debt covenant that occurred on or before the reporting date?

View 1	View 2
A liability to be classified as Current if there is no <i>unconditional right to defer</i> settlement for at least 12 months after the reporting date.	The liability may be classified as Non-Current
The subsequent waiver would change the classification from Current to Non-Current but <i>only at the date the waiver is made</i>	The paragraphs which mandate the treatment of View 1 under IFRS/Ind-AS are not included in Schedule VI
The issue may involve legal interpretation of loan agreement	Definition of Current Liability does not specify when the deferment right to be ascertained
Such interpretation should be in line with Ind-AS/IFRS.	As per AS 4, one may take a view that subsequent waiver provides additional evidence of conditions.

Long Term Provisions

- A company is to classify its employee benefit obligations in current and non-current heads, appropriate basis for such classification?
 - Basic Rule is that liability to be classified as current if there is ***no unconditional right to defer*** settlement for atleast 12 months after the reporting date
 - **Bonus Liability:** Amount payable within 1 year from balance sheet date to be treated as Current
 - **Accumulated leave:** As the employees have already earned the right to avail, to be classified as Current even if measured as other long term employee benefit under AS 15
 - **Funded post employment benefits:** Amount due for payment to the fund within 12 months would be Current
 - **Unfunded post employment benefits:** Amount of settlement obligation at the balance sheet date or within 12 months for employees who have or expected to resign or are due for retirement within next 12 months- to be classified as Current Liability

Current Assets

- Whether capital advances to be classified as Current and Non-Current?
 - As capital advances are not expected to realise in cash and are given for procurement of non current assets i.e. fixed assets, hence, **to be classified as Non-Current**
- Debtors were bifurcated between i) outstanding for more than 6 months and ii) others on the basis of Billing Date
 - Revised Schedule VI requires separate disclosure on “trade receivable outstanding for a period exceeding 6 months **from the date they became due for payment.**
 - Companies to adopt such system to track such information

Cash and Cash Equivalents


- **Terms used in revised Schedule VI to take meaning from the Ass; however, certain terms under Cash and Cash Equivalent head has not been defined in Ass also**
 - **Items do not meet the definition of Cash Equivalent:**
 - **Bank balance held as margin money, security against borrowings, guarantees**
 - **Bank deposits with more than 12 months maturity**
 - **Revised Schedule clarifies that change in treatment or disclosure should be made wherever required by ASs**
 - **This may include additions, amendments, substitutions or deletions**
 - **Cash and Cash Equivalents to include only those items constituting Cash and Cash Equivalents as per AS 3**
 - **Other bank balances to include all other balances**

Contingent Liabilities

- **Disclosure of all commitments- capital and other- is required.**
- **Meaning of “other commitments”**
 - **Not defined anywhere, simply means any unrecognised contractual commitment**
 - **Scope of the term is very wide and may include: purchase of inventory, services, investments, sales, employee contracts etc**
 - **Disclosure of non-cancellable contractual commitments which are material and may have impact on decision making of users**
 - **Management to be responsible for completeness of disclosures**

Contingent Liabilities contd..

- **Existing Schedule requires disclosure of ‘proposed dividend’ under the head “Provisions”**
- **Revised Schedule requires such disclosure in Notes only**
 - Does this mean that proposed dividend is not required to be provided for going forward?
- **ASs override the revised Schedule**
 - AS 4 requires adjustment of proposed dividends, hence provision will still be required
- **Disclosure in Notes is required in addition to:**
 - Appropriate items under Reserves & Surplus
 - Provisions in balance sheet



PRACTICAL ISSUES IN REVISED PROFIT & LOSS FORMAT

Profit & Loss Revenue

- **Non finance companies to disclose revenue under separate heads: i) sale of products, ii) sale of services, iii) other operating revenues.**
 - **The important question is what would constitute ‘other operating revenues’ vis-à-vis ‘other income’**
 - **‘other operating income’ not defined**
 - **Should include income from the activities which is neither from sale of products nor from supply of services**
 - **What constitutes other operating revenues would depend on facts of each case and nature of company’s business**

Other Operating Revenue

- **Whether net gain arising on foreign exchange fluctuations would be ‘other operating income’ or ‘other income’?**
 - This can be shown as other operating income
- **Some examples:**
 - A manufacturing company also deal in real estate which is engaged in leasing of properties
 - Lease rental income to be classified as Other Operating Revenue
 - A manufacturing company owns a multi storied building and gives on rent one of the floor which is not is use by the company
 - Rental income to come under Other Income head

Disclosure in P/L Statement

- **Certain disclosures like outstanding amounts and interest due to MSME etc no longer required under the revised Schedule**
 - **Guidance Note clarified that revised Schedule VI prescribes minimum disclosures**
 - **Disclosures required by other applicable laws and regulatory bodies will still have to be presented, like**
 - **Disclosure by MSME Act**
 - **Disclosure under Clause 32 of the Listing Agreement**
 - **Disclosure on Derivatives and unhedged foreign currency exposure required by ICAI announcement**
 - **Disclosure on Employee Share Based payment required by ICAI Guidance Note**



Thank you