

SCHEDULE VI (REVISED) CHECKLIST

Ministry of Corporate Affairs [MCA], has on 3 March 2011, hosted on its website, the revised Schedule VI to the Companies Act, 1956 which deals with the Form of Balance sheet, Profit & Loss Account and disclosures to be made therein.

The revised Schedule VI has been framed as per the existing non-converged Indian Accounting Standards notified under the Companies (Accounting Standards), Rules, 2006 and has no connection with the converged Indian Accounting Standards.

The revised Schedule VI will apply to all the companies uniformly for the financial statements to be prepared for the financial year 2010-11 and onwards. However, the same is yet to be notified in the Official Gazette.

A checklist based on Schedule VI (revised) is prepared for reference.

OBJECTIVE:

We are required to report whether the accounts of the Company “give the information required by the Companies Act, 1956 in the manner so required.” The purpose of this Checklist is to ensure compliance with this requirement.

A. GENERAL INSTRUCTIONS

1. Compliance with the requirements of the Companies Act including **Accounting Standards to have precedence over the requirements of the Schedule VI.**

2. Disclosure requirements specified in Part I and Part II of this Schedule are in addition to the disclosure requirements of the Companies Act including Accounting Standards.

3. Notes to accounts to contain information in addition to that presented in the Financial Statements and shall provide where required (a) narrative descriptions or disaggregations of items recognized in those statements and (b) information about items that do not qualify for recognition in those statements.

4. Each item on the face of the Balance Sheet and Statement of Profit and Loss shall be cross- referenced to any related information in the notes to accounts.

5. The corresponding amounts for the immediately preceding year to be shown for all items in financial statements including notes except for first financial statements.

6. An asset shall be classified as current when it satisfies any of the following criteria:
 - (a) it is expected to be realized in, or is intended for sale or consumption in, the company’s normal operating cycle;
 - (b) it is held primarily for the purpose of being traded;
 - (c) it is expected to be realized within twelve months after the reporting date; or
 - (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

B. BALANCE SHEET

I. EQUITY AND LIABILITIES

1) SHAREHOLDERS' FUNDS

(a) **Share Capital**

1. Each class of share capital shown - Equity Share Capital and Preference Share Capital (different classes to be treated differently)
2. Following details to be given:
 - Number and Amount of Authorised share capital
 - Issued share capital
 - Subscribed and fully paid share capital
 - Subscribed share capital but not fully paid
 - Par value per share shown
3. Reconciliation of the Opening and Closing Outstanding no. of shares shown
4. Rights, Preferences and restrictions attaching to each class of shares shown including restrictions on Dividends distribution and Repayment of Capital
5. Shares (in aggregate) of each class held by
 - Its Holding Company
 - Ultimate Holding Company
 - Subsidiaries
 - Associates of the Holding Company
 - Associates of the Ultimate Holding Company
6. Shareholders having more than 5% of the shares shown, specifying the number of shares

7. Terms and amount of
 - Shares reserved for issue under option of control
 - Commitments for the sale of shares/disinvestments.

8. For the preceding five years:
 - 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 Bonus Shares
 - Aggregate number and class of shares bought back

9. Terms of conversion of securities into equity/preference share capital with earliest date of conversion being shown in descending order starting from the farthest such date.

10. Calls unpaid shown as:
 - by directors and officers
 - by others

11. Forfeited Shares shown (amount originally paid up)

(b) Reserves and Surplus

1. Classification of Reserves and Surplus into
 - Capital reserves
 - Capital Redemption Reserves
 - Securities premium reserves
 - Debenture Redemption Reserve
 - Revaluation Reserve
 - Share Option Outstanding Account
 - Other reserves, specifying nature, purpose and amount of each

- Surplus, showing allocations and appropriations such as dividend, bonus shares and transfer to / from reserves

- 2. Additions and Deductions since last Balance Sheet date to be shown under each of the specified heads

- 3. The word `fund' in connection with reserve is to be used only where such Reserve is specifically represented by earmarked investments.

- 4. Negative Balance of Profit and Loss Account, if any, to be shown under the "Surplus" head as a negative figure.

(c) Money Received Against Share Warrants

2) SHARE APPLICATION MONEY PENDING ALLOTMENT

- Share Application Money exceeding the issued capital & to the extent not refundable should be should be **Between Shareholders' Funds & Non-Current liabilities.**

- Share application money not exceeding the issued share capital and to the extent not refundable shall be shown under **equity and share application money to the extent**

- Share Application Money due for refund should be shown under **OTHER CURRENT LIABILITY**

- If SAM > Authorized Capital (**Approval of increase in Authorized Capital is pending**) than be shown under **OTHER CURRENT LIABILITY**

3) NON-CURRENT LIABILITIES

(a) Long-term Borrowings

1. Classification of Long term Borrowings into-
 - a) Bonds / Debentures
 - b) Term Loans
 - From Banks
 - From Other Parties
 - c) Deferred Payment liabilities
 - d) Deposits shown
 - e) Loans and advances from related parties
 - f) Long Term maturities of finance lease obligations
 - g) Other Loans and advances, specifying nature, shown
2. Long term Borrowings to be sub-classified as:
 - Secured (nature of the security to be specified)
 - Unsecured
3. Aggregate of loans guaranteed by the following should be disclosed
 - Directors
 - Others
4. Disclosures of term of payment
Rate of interest and terms of redemption / conversion of bonds / debentures (to be stated in descending order of maturity of redemption / conversion)
Period of maturity with respect to the Balance Sheet date, number and amount of Instalments due, the applicable rate of interest and other significant relevant terms if any.
5. Particulars of the redeemed bonds which can be reissued to be shown.
6. **Period and Amount** of continuing default in the repayment of loans and interest shown separately in each case

(b) Deferred Tax Liabilities (Net)

(c) Other Long-term Liabilities

1. Classification of other long term liabilities as :-

- Trade payables
- Others

(d) Long-Term Provisions

1. Classification of Provisions as:

- Provision for employee benefits
- Others (Specifying nature)

4) CURRENT LIABILITIES

(a) Short-Term Borrowings

1. Classification of borrowings as:

- Loans repayable on demand
 - a) From banks
 - b) From other parties
- Loans and Advances from related parties
- Deposits
- Other Loans and Advances, specifying nature

2. Further sub-classification of the borrowings into:

- Secured (nature of the security to be specified)
- Unsecured

3. Aggregate of loans guaranteed by the following should be disclosed:

- Directors
- Others

4. **Period and Amount** of continuing default in the Repayment of Loans and Interest shown separately in each case

(b) Trade Payables

Trade payable is not same as sundry creditors under old Schedule VI. Trade Payable is an amount due on account of goods purchased or services received in normal course of business and current or non current should be decided on the base of due date bill.

(c) Other Current Liabilities

1. Classification of other current liabilities into:

- 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
- Application money received for allotment of securities and due for refund and interest accrued thereon.
- Unpaid matured deposits and interests accrued thereon
- Unpaid matured debentures and interest accrued thereon
- Other payables, specifying nature

(d) Short- term Provisions

1. Classification of short term provisions into:

- Provision for employee benefits
- Others, specifying nature

II. ASSETS

1) NON-CURRENT ASSETS

(a) Fixed Assets

(i) Tangible Assets (AS PER AS-10)

1. Classification of Tangible Assets into:

- Land
- Buildings
- Plant and Equipment
- Furniture and fixtures
- Vehicles
- Office Equipments
- Others (specifying nature)

2. Asset under lease shall be shown separately under each class of asset i.e each assets under two heads **Own** and **Leased**

3. Reconciliation of 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
- Other Adjustments
- Depreciation
- Impairment losses/reversals

4. Where a capital reduction scheme or a revaluation of assets has taken place, every balance sheet subsequent to the reduction or revaluation shall show the reduced/increased figures, the date of the reduction/increase and the amount of reduction / increase for the first 5 years subsequent to the reduction / revaluation.

(ii) **Intangible Assets (AS PER AS-26)**

1. Classification of Intangible Assets into:

- 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 franchises
- Others (specifying nature)

2. Reconciliation of 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
- Other Adjustments
- Amortization
- Impairment losses/reversals

3. Where a capital reduction scheme or a revaluation of assets has taken place, every balance sheet subsequent to the reduction or revaluation shall show the reduced/increased figures, the date of the reduction/increase and the amount of reduction / increase for the first 5 years subsequent to the reduction / revaluation.

(iii) **Capital Work In Progress (Excluding Capital Advances)**

Details of capital work in progress by showing Opening balance, addition, transfer from and closing balances.

(iv) Intangible Assets Under Development

Details of Intangible Assets Under Development by showing Opening balance, addition, transfer from and closing balances.

(V) Project Development Expenditure

(VI) Detailed note on Revaluation of Assets, if any (as currently given) for Five years

(VII) Detailed note on Impairment of Assets, if any (as currently given) for Five years

(b) Non-Current Investments

1. Classification of Non-current Investments into:

- Trade investments
- Other Investments

2. Sub-classification into:

- Investments in 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
- Others (specifying nature)

2. In case of investments in bodies corporate the following additional disclosures shall be made under each classification:

- Names of the body corporate (indicating whether they are associates, joint ventures, subsidiaries or controlled special purpose entities)
- Nature and extent of the investments
- Partly paid investments to be separately shown.

3. In case of investments in partnership firms, the following additional disclosures shall be made under each classification:
 - Names of the firms and their respective partners
 - Total capital and the profit sharing ratio
4. Investments carried at other than costs to be separately shown specifying basis of valuation
6. Following shall be additionally disclosed:
 - Aggregate book value of Quoted Investments and market value thereof
 - Aggregate amount of unquoted investments
 - Aggregate provision for diminution in value of investments

(c) Deferred Tax Asset (Net) (AS PER AS-22)

(d) Long Term Loans And Advances

1. Loans and advances classified into:
 - Capital Advances
 - Security deposits
 - Loans and advances to related parties (giving details thereof)
 - Other loans and advances (specifying nature)
2. Sub-classification of above as:
 - Secured, considered good
 - Unsecured, considered good
 - Doubtful
3. Allowance for bad and doubtful loans and advances disclosed under relevant heads.

4. Loans and Advances due from:

- Directors or other officers of the company
- Amounts due by firms in which any director is a partner
- Amounts due by private companies in which any director is a director or member

To be aggregated and separately stated

(e) Other Non-Current Assets

1. Other non-current assets classified into:

- Long term trade receivables (including deferred credits)
- Others (specifying nature)

2. Sub-classification of Long term trade receivables into:

- Secured, considered good
- Unsecured, considered good
- Doubtful

3. Allowance for bad and doubtful debts disclosed under relevant heads:

4. Debts due from:

- Directors or other officers of the company
- Amounts due by firms in which any director is a partner
- Amounts due by private companies in which any director is a director or member to be aggregated and separately stated

2) CURRENT ASSETS

(a) Current Investments (AS PER AS- 13)

1. Classification of Current Investments into:
 - 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
 - Investments in Property
 - Others (specifying nature)

2. In case of investments in bodies corporate the following additional disclosures shall be made under each classification:
 - Names of the body corporate (indicating whether they are associates, joint ventures, subsidiaries or controlled special purpose entities)
 - Nature and extent of the investments
 - Partly paid investments to be separately shown

3. In case of investments in partnership firms, the following additional disclosures shall be made under each classification:
 - Names of the firms and their respective partners
 - Total capital and the profit sharing ratio

4. The basis of valuation of individual investments

5. Following shall be additionally disclosed:
 - Aggregate book value of Quoted Investments and market value thereof
 - Aggregate amount of unquoted investments

- Aggregate provision for diminution in value of investments

(b) Inventories (AS PER AS-2)

1. Classification of Inventories into:

- Raw materials
- Work in progress
- Finished goods
- Stock in trade (in respect of goods acquired for trading)
- Stores and spares
- Loose tools
- Others (specifying nature)

2. Goods-in-transit to be disclosed under relevant sub-head.

3. Mode of Valuation to be stated

4. Detailed Note if in the opinion of the Board of Directors any of the above do not have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated (as currently given).

(c) Trade Receivables

1. Aggregate amount of outstanding trade receivables exceeding 6 months shown separately

2. Sub-classification of Trade Receivables:

- Secured, considered good
- Unsecured, considered good
- Doubtful

3. Allowance for bad and doubtful debts disclosed under relevant heads:

4. Debts due from:

- Directors or other officers of the company
- Amounts due by firms in which any director is a partner
- Amounts due by private companies in which any director is a director or member
- To be aggregated and separately stated

5. Detailed Note if in the opinion of the Board of Directors any of the above do not have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated (as currently given).

(d) Cash and Cash Equivalents

1. Classification of Cash and Cash Equivalents into:

- Balances with Bank
- Cheques, Drafts on hand
- Cash on hand
- Others (specifying nature)

2. The following shall be shown separately:

- Earmarked balances with bank.
- Balances with bank held as margin money or security against borrowing, guarantees and other commitments.
- Repatriation restrictions, if any, in respect of cash and bank balances.
- Bank deposits with more than 12 months maturity.

(e) Short Term Loans and Advances

1. Classification of Loans and Advances:

- Loans and Advances to Related parties (giving details thereof)
- Others (specifying nature)

2. Sub-classification of Loans and Advances :

- Secured, considered good

- Unsecured, considered good
 - Doubtful
3. Allowance for bad and doubtful debts disclosed under relevant heads
4. Debts due from:
- Directors or other officers of the company
 - Amounts due by firms in which any director is a partner
 - Amounts due by private companies in which any director is a director or member to be aggregated and separately stated

(f) Other Current Assets

1. All inclusive heading which incorporates current assets that do not fit in other asset categories. Specifying nature of all items.
2. Detailed Note if in the opinion of the Board of Directors any of the (a) above do not have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated (as currently given).

III. CONTINGENT LIABILITIES AND COMMITMENTS (AS PER AS-29)

The following shall be disclosed to the extent not provided for:

1. Classification of Contingent liabilities:
 - Claims against the company not acknowledged as debts
 - Guarantees.
 - Other money for which the company is contingently liable.

2. Classification of Commitments into:
 - 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 (specifying nature)

IV DIVIDENDS

1. Note on Proposed Equity Dividend and Proposed Preference Dividend for the period and the related amount per share .
2. Note Arrears of Fixed Cumulative Preference Dividend (as currently given).

V INVESTMENT OF UNUTILISED MONIES

Detailed note on using or investment of unutilised amounts received out of issue of Specific Purpose Securities.

C. PROFIT AND LOSS STATEMENTS

The following shall be disclosed separately by way of notes to accounts:

I. REVENUE FROM OPERATIONS

1. In respect of Company other than Finance Company, revenue shall be disclosed separately in notes from:

- Sale of products
- Sale of services
- Other Operating revenues
- Less: Excise Duty

2. In respect of Finance Company, revenue shall be disclosed separately in notes from:

- Interest
- Other Financial Services

3. Gross Income / Sales to be shown under broad heads. (For clarification Refer Note 7 at the end)

II. OTHER INCOME

1. Classification of Other Income into:

- Interest Income (except for a finance company)
- Dividend Income
- Net gain / loss on sale of Investments
- Other Non-Operating Income (net of expenses directly attributable)

2. Dividend from foreign company

3. Adjustments to the carrying amount of investments

4. Net gain from foreign currency transactions and translations other than those considered as Finance Costs

5. Any item of revenue which exceed 1 % of revenue from operations or Rs. 1 lakh , whichever is higher

III. TOTAL REVENUE (I + II)

IV. EXPENSES:

(a) Cost of Materials Consumed

1. For Manufacturing Companies:

- Raw Materials under broad heads
- Goods purchased under broad heads

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

(b) Purchases of Stock-in-trade

1. For Trading Companies:

- Purchases of goods traded in by Company under broad heads

(c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade:

- Work in progress to be shown under broad heads

(d) Employee Benefits Expense

1. The following shall be shown separately:

- Salaries and Wages
- Contribution to Provident and Other Funds
- Expenses on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)

- Staff Welfare Expenses

(e) Finance Costs

1. Classification of Finance Cost into:
 - Interest Expense
 - Other Borrowing Cost
 - Net gain / loss from foreign currency transactions and translations

(f) Depreciation and amortization expense (AS PER AS-6)

(g) Other Expenses

This heads expenditures should be classify in to

a) Manufacturing Expenses

- Consumption of stores and spare parts
- Power and Fuel
- Repairs to Machinery

b) Selling and Distribution Expenses

- Brokerage, Discount and Commission
- Packing Expenses
- Carriage Outwards

c) Administrative and General Expenses

- Rent
- Repairs to Buildings
- Insurance
- Rates and Taxes

1. Any item of expenditure which exceed 1 % of revenue from operations or Rs.1 lakh, whichever is higher

2. Adjustments to the carrying amount of investments

3. Net loss from foreign currency transactions and translations other than those considered as Finance Costs

4. Payment to the Auditors:
 - As Auditors
 - For Taxation matters
 - For Company Law matters
 - For Management services
 - For other services
 - For Reimbursement of expenses

5. Prior Period Items (**AS PER AS-5**)

6. Provision for losses of subsidiary companies

7. Amounts set aside / withdrawn to / from 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.

8. Amounts set aside / withdrawn to / from 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.

V. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX

VI. EXCEPTIONAL ITEMS (AS PER AS-5)

- Writing down of inventories to NRV
- Disposal of Fixed assets
- Disposal of Long Term Investments
- Legislative Changes Having Retrospective Effect

VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX

VIII. EXTRAORDINARY ITEMS (AS PER AS-5)

- Losses due to Earthquake
- Losses due to Floods
- Attachment of property

IX. PROFIT BEFORE TAX

X. TAX EXPENSE (AS PER AS-22)

To be classified into Current and Deferred Tax (in the face of Profit and Loss Account)

XI. PROFIT / (LOSS) FOR THE PERIOD FROM *CONTINUING OPERATIONS*

XII. PROFIT / (LOSS) FROM *DISCONTINUING OPERATIONS* (AS PER AS-24)

XIII. TAX EXPENSE OF *DISCONTINUING OPERATIONS*

XIV. PROFIT / (LOSS) FROM *DISCONTINUING OPERATIONS* (AFTER TAX)

XV. PROFIT / (LOSS) FOR THE PERIOD

XVI. EARNINGS PER EQUITY SHARE: (AS PER AS-20)

1. Basic
2. Diluted

D. ADDITIONAL INFORMATION

1. The amount of dividends proposed to be distributed to equity and preference shareholders for the period and the related amount per share to be shown.
2. Arrears of fixed cumulative dividend on preference shares to be shown separately.
3. In respect of issue of securities for specific purpose, where whole or part of such amount has not been used for specified purpose at Balance Sheet date, indication by way of note of how such unutilised amount has been utilised.
4. In opinion of Board, if any asset other than Fixed Assets and Non-Current assets do not have value on realisation in ordinary course at least equal to the amount at which they are stated, the fact that the Board is at that opinion shall be stated.
5. Value of imports during the year calculated on CIF basis have been shown by way of note in respect of :
 - Raw materials
 - Components and spare parts
 - Capital goods

6. Expenditure in foreign currency on the following during the year:

- Royalty
- Know-how
- Professional and consultancy fees
- Interest
- Other matters

7. Value of indigenous and imported materials:

- Total value of all imported raw materials, spare parts and components consumed during the financial year
- Total value of all indigenous raw materials, spare parts and components consumed during the financial year
- The percentage of each to total consumption

8. Dividends to non-residents:

- Amount remitted during the year in foreign currencies on account of dividend dividends specifically mentioning the total number of non resident shareholders
- Number of shares held by them on which dividends were due and the year to which the dividends related

9. Classification of Foreign Exchange Earnings:

- Export of goods calculated on FOB basis
- Royalty, know-how, professional and consultancy fees
- Interest and dividend
- Other income (indicating nature)