

Changes in Schedule III



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SCHEDULE III

- ❖ Division I
- ❖ Companies (Accounting Standard) Rule 2006
- ❖ Division II
- ❖ Ind AS
- ❖ Division III
- ❖ NBFC – Ind AS

CHANGES IN DIVISION - I

- ❖ **General Instructions – 1**
- ❖ **Balance Sheet – 1**
- ❖ **General Instructions for B/s - > 25**
- ❖ **Statement of PL – 1**
- ❖ **General Instruction for S of PL - 4**

CHANGES IN DIVISION -II

- ❖ **General Instructions – 1**
- ❖ **Balance Sheet – 2**
- ❖ **Statement for Changes in Equity – substituted**
- ❖ **General Instructions for B/s - > 28**
- ❖ **General Instruction for S of PL - 4**

CHANGES IN DIVISION -III

- ❖ **Statement for Changes in Equity – substituted**
- ❖ **General Instructions for B/s - > 23**
- ❖ **General Instruction for S of PL - 3**

CHANGES – B/S

- ❖ Rounding-Off – Turnover to Total Income
- ❖ Heading of PPE corrected
 - II. ASSETS
 - Non-current assets
 - (1) (a) Property, Plant & Equipment and Intangible assets
 - (i) ~~Tangible assets~~ Property, Plant & Equipment
- ❖ Promoters' shareholding & changes during the year
- ❖ “Current Maturities of Long term borrowings” reclassified as Short Term Borrowings instead of Current Liabilities

CHANGES – B/S

- ❖ Security Deposits reclassified as Other Non-current assets instead of Long-Term Loans & advances
- ❖ Trade Payables Ageing – MSME / Disputed
- ❖ Trade Receivable Ageing – Disputed / Doubtful / Unbilled Dues
- ❖ CWIP / Intangible Asset under Development ageing – In Progress / temporarily suspended - overdue or has exceeded its cost compared to its original plan CWIP separately (ageing of to be completed)
- ❖ In PPE / Intangible Asset Reco. - amt of change due to revaluation (if change is 10% or more in aggregate of net carrying value of each class of PPE) added

CHANGES – B/S

- ❖ Title deeds of Immovable Property not held in name of the Company – Includes ...if held in name of promoter, director or relative of promoter / director or employee of promoter / director – **CARO – Cl. – 1(c)**
- ❖ In case of revaluation of PPE – valuation by a registered valuer – **CARO – Cl. – 1(d)**
- ❖ Loans or Advances in nature of loans **granted** to promoters, directors, KMPs & related parties (Companies Act) either severally or jointly - repayable on demand or without specifying any terms / period of repayment... along with % to total advances – AS 18, S. 186(4) – **CARO – Cl. – 3(f)**

CHANGES – B/S

- ❖ Where company has not used borrowings from banks & FIs for specific purpose for which it was taken at B/S date - Details of where used – **CARO – Cl. – 9(c)**
– **For TL only**
- ❖ Benami Property – to be given only where any proceedings have been initiated or pending against the company – **CARO – Cl. – 1 (e)**
- ❖ Where the Company has borrowings from banks or FIs against current assets - Quarterly returns filed are in agreement with books of accounts - if not, summary of reconciliation & reasons of material discrepancies – **CARO – Cl. 2(b) – 5 Cr**

CHANGES – B/S

✦ Ratios along with numerator & denominator -
explanation if variation > 25% - CARO – cl. (19)

1. Current Ratio
2. Debt-Equity Ratio
3. Debt Service Coverage Ratio
4. Return on Equity Ratio
5. Inventory turnover ratio
6. Trade Receivables turnover ratio
7. Trade payables turnover ratio
8. Net capital turnover ratio,
9. Net profit ratio,
10. Return on Capital employed
11. Return on investment.

CHANGES – B/S

- ❖ Details where a company is a declared wilful defaulter by any bank / FI / other – **CARO – Cl. - 9(b)**
- ❖ Details of utilisation of Borrowed funds and share premium – **CARO – Cl. 9(e) & 9(f)**
 - ❖ Where company has advanced.. 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:
 - ❖ 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 to or on behalf of Ultimate Beneficiaries
 - ❖ Similar – where company has borrowed....

CHANGES – B/S

- ❖ Relationship with struck-off Company – Investment, Drs, Crs, Shareholders, Others
- ❖ Any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period, details and reasons thereof.
- ❖ Compliance with number of layers of companies
- ❖ Compliance with approved Scheme(s) of Arrangements – accounting in books of account ‘in accordance with the Scheme’ and ‘in accordance with accounting standards’ and deviation, if any

CHANGES – PL

- ❖ Total Revenue – Total Income
- ❖ Revenue from operations to include - Grants or donations received (relevant in case of s. 8 co. only)
- ❖ Undisclosed income - not recorded in books of a/cs which are surrendered or disclosed as income during the year under Income Tax, unless immunity under scheme - also whether previously unrecorded income & related assets have been properly recorded in books of a/c during the year. – **CARO – Cl. (8)**
- ❖ Details where the Company has traded or invested in Crypto currency or Virtual Currency

CHANGES – PL

❖ Corporate Social Responsibility (CSR) – CARO – Cl. 20

1. Amount required to be spent during the year,
2. Amount of expenditure incurred,
3. Shortfall at the end of the year,
4. Total of previous years shortfall,
5. Reason for shortfall,
6. Nature of CSR activities,
7. Details of related party transactions
8. 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.

CHANGES – DIV II & III

- ❖ Mostly same as Division I
- ❖ In Financial Liabilities – addition of Lease Liabilities
- ❖ Statement for Changes in Equity substituted – additional disclosure in changes in equity due to prior period errors and restated balance at the beginning of the reporting year – also disclose the same for the previous reporting period. Also details of other equity for prior reporting period.
- ❖ Fair Value of Investment Property, Revaluations by RV only – **CARO – Cl.- 1**

CHANGES – III

- Ratios for NBFCs :
 1. Capital to risk-weighted assets ratio (CRAR)
 2. Tier I CRAR
 3. Tier II CRAR
 4. Liquidity Coverage Ratio

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THANKS



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