



in Schedule III of Companies Act, 2013  
(Division I & II)

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7<sup>th</sup> June, 2022

- The Ministry of Corporate Affairs (MCA) has amended Schedule III of Companies Act 2013 on 24<sup>th</sup> March, 2021 with an objective to increase transparency, provide additional disclosures to users of financial statements and to align disclosures with CARO 2020. These amendments are effective from 1<sup>st</sup> April, 2021.
- MCA had earlier issued the Companies (Auditor's Report) Order, 2020 (CARO 2020), which is also applicable for audit reports to be issued on or after 1<sup>st</sup> April, 2021. Some of the changes in Schedule III are aligned with the changes in CARO 2020.
- The **requirements of the Schedule III however, do not apply to** companies as referred to in the proviso to Section 129(1) of the Act, i.e., **any insurance or banking company** or to any other class of Company for which a form of financial statement has been specified in or under the Act governing such class of company.



## Contents

1

- Applicability

2

- Balance sheet related disclosures

3

- Profit and loss account related disclosure

4

- Other additional disclosures

## Applicability:

The revised schedule III is applicable for all the full fledged Financial Statements prepared for any period after 31<sup>st</sup> March, 2021. This includes:

- Year ended Financial Statements
- Interim Financial Statements, if full set of FS is presented

***All the new disclosure are required to be given with the comparatives.***

**Schedule III is divided into three parts, that is, Division I, Division II and Division III:**

- 1. *Division I*** is applicable to entities preparing their financial statements as per the Companies **(Accounting Standards)** Rules, 2006;
- 2. *Division II*** is applicable to entities preparing their financial statements as per the Companies **(Indian Accounting Standards)** Rules, 2015; and
- 3. *Division III*** is applicable to **non-banking financial institutions** preparing their financial statements as per **Ind AS**.





As per the Companies Ind AS Rules, “**Non-Banking Financial Company**” means a Non-Banking Financial Company as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 **and includes**:

- Housing Finance Companies,
- Merchant Banking companies,
- Micro Finance Companies,
- Mutual Benefit Companies,
- Venture Capital Fund Companies,
- Stock Broker or Sub-Broker Companies,
- Nidhi Companies,
- Chit Companies,
- Securitisation and Reconstruction Companies,
- Mortgage Guarantee Companies,
- Pension Fund Companies,
- Asset Management Companies and
- Core Investment Companies.

Schedule III (Division I & II)

Amendments with respect to


Balance Sheet

Profit & Loss

Other Additional disclosure

(i) Amendment in existing requirement  
(ii) Additional Regulatory Information

(i) Amendment in existing requirement  
(ii) Additional Regulatory Information

A person wearing a white long-sleeved shirt and a black watch is sitting at a wooden desk. In front of them is a silver laptop. To the right, another person in a white shirt and black pants is standing and holding a tablet. On the desk, there is a large monitor on a stand, a small potted plant in a metal bucket, and a black folder with an orange wallet and a pen. A blue semi-transparent box with white text is overlaid on the center of the image.

## Amendment In Existing Requirement



Compulsory Rounding off figures is now based on **Total Income** instead of Turnover. (**'May' substituted with 'Shall'**)

- a. Total Income less than Rs. 100 crores – Nearest hundreds, thousands, lakhs or millions
- b. Total Income more than Rs. 100 crores – Nearest lakhs, millions or crores.

Henceforth, companies will have to round off the figures appearing in the financial statements, earlier it was optional. Once selected it 'Should' apply it consistently.



Balance sheet related disclosures  
&  
Additional regulatory disclosures



## Addition/Deletion under sub head Non-Current Assets

### II. ASSETS

#### Non-current assets

(1)(a) Property, Plant and Equipment and **Intangible assets**

(i) ~~Tangible assets~~ Property, Plant and Equipment

(ii) **Intangible Assets**

This amendment has been made in line with the requirement of the name of the accounting standard.

# Share Capital

**Schedule III** - No such disclosure required

**Additional Requirement** - The company shall disclose shareholding of promoters at the end of the year as per following format:

Shares held by promoters at the end of year				% change during the year
Sr No.	Promoter name	No. of shares	% of total shares	
Total				

Promoter here means promoter as defined in section 2(69) Companies Act 2013 which is as follows:

- a) The person **named as such in a prospectus** or
- b) **Identified** by the company in the **annual return** referred to in section 92; or
- c) Has **control over the affairs of the company**, directly or indirectly whether **as a shareholder, director or otherwise**; or
- d) The person with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act excluding a person who is acting merely in a professional capacity.

**No Reporting Required under CARO 2020**





# Short Term Borrowings:

## Short Term Borrowings:

Now, current maturities from long term borrowings is required to be separately disclosed in the financial statements.

## No Reporting Required under CARO 2020

**Other Current Liabilities** – sub-heading (a) Current maturities of long-term debt is omitted

# Trade payables

Existing Requirement	Additional Requirement																																									
<p><b>Schedule III-</b></p> <p>Schedule III requires presenting 'Payables' as a separate line item on the face of the Balance Sheet under 'Current Liabilities'. The following shall be disclosed as sub-heads on the face of the Balance Sheet under payables as per Division III of Schedule III:</p> <p>(I) Trade Payables</p> <p>    (i) Total outstanding dues of micro enterprises and small enterprises</p> <p>    (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises</p>	<p>A part from the existing requirement the following <b>additional</b> categorization is to be disclosed:</p> <table border="1" data-bbox="1116 368 2428 942"> <thead> <tr> <th data-bbox="1116 368 1335 428">Particular</th> <th colspan="5" data-bbox="1335 368 2428 428">Outstanding for following periods <b>from due date of payment</b></th> </tr> <tr> <th data-bbox="1116 428 1335 522"></th> <th data-bbox="1335 428 1554 522">Less than 1 years</th> <th data-bbox="1554 428 1773 522">1-2 Years</th> <th data-bbox="1773 428 1992 522">2-3 Years</th> <th data-bbox="1992 428 2211 522">More than 3 years</th> <th data-bbox="2211 428 2428 522">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="1116 522 1335 616">i) MSME</td> <td data-bbox="1335 522 1554 616"></td> <td data-bbox="1554 522 1773 616"></td> <td data-bbox="1773 522 1992 616"></td> <td data-bbox="1992 522 2211 616"></td> <td data-bbox="2211 522 2428 616"></td> </tr> <tr> <td data-bbox="1116 616 1335 711">(ii) Other</td> <td data-bbox="1335 616 1554 711"></td> <td data-bbox="1554 616 1773 711"></td> <td data-bbox="1773 616 1992 711"></td> <td data-bbox="1992 616 2211 711"></td> <td data-bbox="2211 616 2428 711"></td> </tr> <tr> <td data-bbox="1116 711 1335 805">(iii) Disputed dues – MSME</td> <td data-bbox="1335 711 1554 805"></td> <td data-bbox="1554 711 1773 805"></td> <td data-bbox="1773 711 1992 805"></td> <td data-bbox="1992 711 2211 805"></td> <td data-bbox="2211 711 2428 805"></td> </tr> <tr> <td data-bbox="1116 805 1335 942">(iv) Disputed dues - Others</td> <td data-bbox="1335 805 1554 942"></td> <td data-bbox="1554 805 1773 942"></td> <td data-bbox="1773 805 1992 942"></td> <td data-bbox="1992 805 2211 942"></td> <td data-bbox="2211 805 2428 942"></td> </tr> </tbody> </table> <p><b>Note:</b> Similar information shall be given where <b>no due date of payment</b> is specified in that case disclosure shall be from the date of the transaction.</p> <p>Unbilled dues shall be disclosed separately;</p>						Particular	Outstanding for following periods <b>from due date of payment</b>						Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total	i) MSME						(ii) Other						(iii) Disputed dues – MSME						(iv) Disputed dues - Others					
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**No Reporting Required under CARO 2020**



# Title deeds of immovable properties not held in the name of company

## Schedule III- No such disclosure required

The company shall provide the details of all the immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) whose title deeds are not held in the name of the company in following format and where such immovable property is jointly held with others, details are required to be given to the extent of the company's share.

Relevant line in the balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of company (also indicate if in dispute)
PPE	Land & Building					
Investment property	Land & Building					
Non current assets held for sale	Land & Building					
Other	Land & Building					

# Relative here means relative as defined in the Companies Act, 2013.

\* Promoter here means promoter as defined in the Companies Act, 2013.

Similar reporting is required in CARO 2020

# Capital-Work-in Progress (CWIP) and intangible assets under development

## Existing Requirement

**Schedule III-** No such disclosure

### Guidance Note-

As per Schedule III, capital advances should be included under long term loans and advances and hence, cannot be included under capital work in progress.

The capital work-in-progress shall be disclosed as a separate line-item on the face of the balance sheet.

## Additional Regulatory Information

(i) Earlier there was no such disclosure required for Capital-work-in progress/ Intangible Assets under development but now the following ageing schedule shall be given:  
CWIP ageing schedule

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress					
Projects temporarily suspended					

(ii) For capital-work-in progress/ Intangible assets under development, **whose completion is overdue or has exceeded its cost compared to its original plan**, following **CWIP completion**

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1				
Projects 2				

**NOTE:** Details of projects where activity has been suspended shall be given separately

# Revaluation of property, plant and equipment and intangible assets

Existing Requirement	Additional Requirement
<p>(i) "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 or reversals shall be disclosed separately".</p>	<p>A reconciliation of the <b>amount of change due to revaluation (if change (increase or decrease) is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment)</b> shall be disclosed separately."</p> <p>Accounting Standard 10 on Property, Plant and Equipment <b>requires to disclose the entire change in the net carrying value of each class of PPE. Hence, this clause will be overridden by the requirement of AS.</b></p> <p>Also it shall <b>disclose</b> as to whether <b>the revaluation</b> (where carried out) is <b>based on the valuation by a registered valuer</b> as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.</p>

**Similar reporting is required in CARO 2020**



# Loans and advances

Existing Requirement	Additional Requirement																							
<p><b>Guidance Note-</b></p> <p>loans receivables should be sub-classified as follows:</p> <table border="1" data-bbox="63 472 1044 872"> <thead> <tr> <th data-bbox="63 472 848 589">Particulars</th> <th data-bbox="848 472 1044 589">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="63 589 848 682">(i) Loans receivables considered good – Secured</td> <td data-bbox="848 589 1044 682"></td> </tr> <tr> <td data-bbox="63 682 848 775">(ii) Loans receivables considered good – Unsecured</td> <td data-bbox="848 682 1044 775"></td> </tr> <tr> <td data-bbox="63 775 848 872">(iii) Doubtful</td> <td data-bbox="848 775 1044 872"></td> </tr> </tbody> </table> <p>As per AS 18 - Related Party Disclosures, if an entity had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances.</p>	Particulars	Amount	(i) Loans receivables considered good – Secured		(ii) Loans receivables considered good – Unsecured		(iii) Doubtful		<p>Additionally, following disclosures shall be made where loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties <b>(as defined under Companies Act, 2013) either severally or jointly with any other person</b>, that are:</p> <p>(a) Repayable on demand or            (b) Without specifying any terms or period of repayment</p> <table border="1" data-bbox="1360 562 2341 1146"> <thead> <tr> <th data-bbox="1360 562 1689 732">Types of borrower</th> <th data-bbox="1689 562 2015 732">Amount of loan or advance in the nature of loan outstanding</th> <th data-bbox="2015 562 2341 732">Percentage of total loan and advance in nature of loans</th> </tr> </thead> <tbody> <tr> <td data-bbox="1360 732 1689 836">Promoters</td> <td data-bbox="1689 732 2015 836"></td> <td data-bbox="2015 732 2341 836"></td> </tr> <tr> <td data-bbox="1360 836 1689 941">Directors</td> <td data-bbox="1689 836 2015 941"></td> <td data-bbox="2015 836 2341 941"></td> </tr> <tr> <td data-bbox="1360 941 1689 1045">KMPs</td> <td data-bbox="1689 941 2015 1045"></td> <td data-bbox="2015 941 2341 1045"></td> </tr> <tr> <td data-bbox="1360 1045 1689 1146">Related parties</td> <td data-bbox="1689 1045 2015 1146"></td> <td data-bbox="2015 1045 2341 1146"></td> </tr> </tbody> </table>	Types of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans	Promoters			Directors			KMPs			Related parties		
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Related parties																								

**Similar reporting is required in CARO 2020**

# Trade Receivables

## Existing Requirement

### Schedule III-

1) Trade receivables are sub-classified as:

Particular	Amount
(i) Considered good – Secured	
(ii) Considered good – Unsecured	
(iii) Doubtful	

2) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately

3) 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 including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member should be separately stated.

## Additional Requirement


A part from the existing requirement the **additional** categorization is to be disclosed as follows:

Particular	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) Undisputed Trade receivables- considered good						
(ii) Undisputed Trade Receivables – considered doubtful						
(iv) Disputed Trade Receivables– considered good						
(v) Disputed Trade Receivables – considered doubtful						

**NOTE:** Similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Unbilled dues shall be disclosed separately.

**No Reporting Required under CARO 2020**

A top-down view of a desk with various office supplies. A person's hands are visible, one holding a smartphone displaying a calendar and the other pointing at a tablet. A white keyboard, a pair of glasses, a coffee cup, paper clips, and a spiral notebook are also on the desk. A blue text box is overlaid in the center.

# Additional Regulatory Information



# Borrowing obtained on the basis of Security of current assets

Where the company has borrowings from banks or financial institutions **on the basis of security of current assets**, it shall disclose the following:

(a) whether quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

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

Quarter	Name of Bank	Particulars of securities provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 20XX	Bank X	a) Trade receivables b) loan receivables c) Inventory	XX	XX	XX	

The disclosure required under this clause should also be made where borrowings **have been availed based on security of current assets of other companies / entities within the same Group as the reporting entity**.

**Similar reporting is required in CARO 2020**

## End use of borrowings

Where the company **has not used the borrowings** from banks and financial institutions **for the specific purpose** for which it was taken at the balance sheet date, the company shall **disclose the details of where they have been used**.

**CARO 2020-** A reporting on the same including the earlier reporting on utilization of short term borrowing for long term purpose.

## Security Deposits

**Omitted** from Long Term Loans & Advances

**Added** in Other Non-Current Assets

# Utilisation of Borrowed funds and Share premium:

a) Where **company has advanced or loaned or invested funds** (either **borrowed funds or share premium** or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) **Directly or indirectly** lend or invest in other persons or entities identified in any manner whatsoever by or **on behalf of the company (Ultimate Beneficiaries)** or

(ii) **Provide any guarantee, security** or the like to or on behalf of the Ultimate Beneficiaries;

The company shall **disclose** the following:

Particular	Date	Amount
(i) Fund advanced or loaned or invested in Intermediaries (complete details of each Intermediary).		
(ii) Fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries (complete details of the ultimate beneficiaries).		
(iii) Guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries		

(iv) Declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003)

**Similar reporting is required in CARO 2020**



# Utilisation of Borrowed funds and Share premium:

b) Where a company has received any fund from any person(s) or entity(ies), including foreign entities (**Funding Party**) with the understanding (whether recorded in writing or otherwise) that the company shall

- (i) **Directly or indirectly** lend or invest in other persons or entities identified in any manner whatsoever by or **on behalf of the Funding Party (Ultimate Beneficiaries)** or
- (ii) **Provide any guarantee, security** or the like on behalf of the Ultimate Beneficiaries.

The company shall **disclose** the following:

Particular	Date	Amount
(i) Fund received from Funding parties with complete details of each Funding party		
(ii) Fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries along with complete details of the other intermediaries' or ultimate beneficiaries		
(iii) Guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries		

(iv) Declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003)

**Similar reporting is required in CARO 2020**

# Details of Benami Property Held

Where any proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder, the company shall disclose the following:

Details of such property	Yr. of acquisition	Amount	Details of beneficiaries	If property is in the books, then reference to the item in the balance sheet	If property is not in the books, then the fact shall be stated with reasons	Where there are proceedings against the company under this law as an abetter of the transaction or as the transferor then the details shall be provided,	Nature of proceedings, status of same and company's view on same

**Similar reporting is required in CARO 2020**

# Disclosure of Ratios

## Old Schedule III- No such disclosure required

The amendment requires disclosure of following ratios.

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

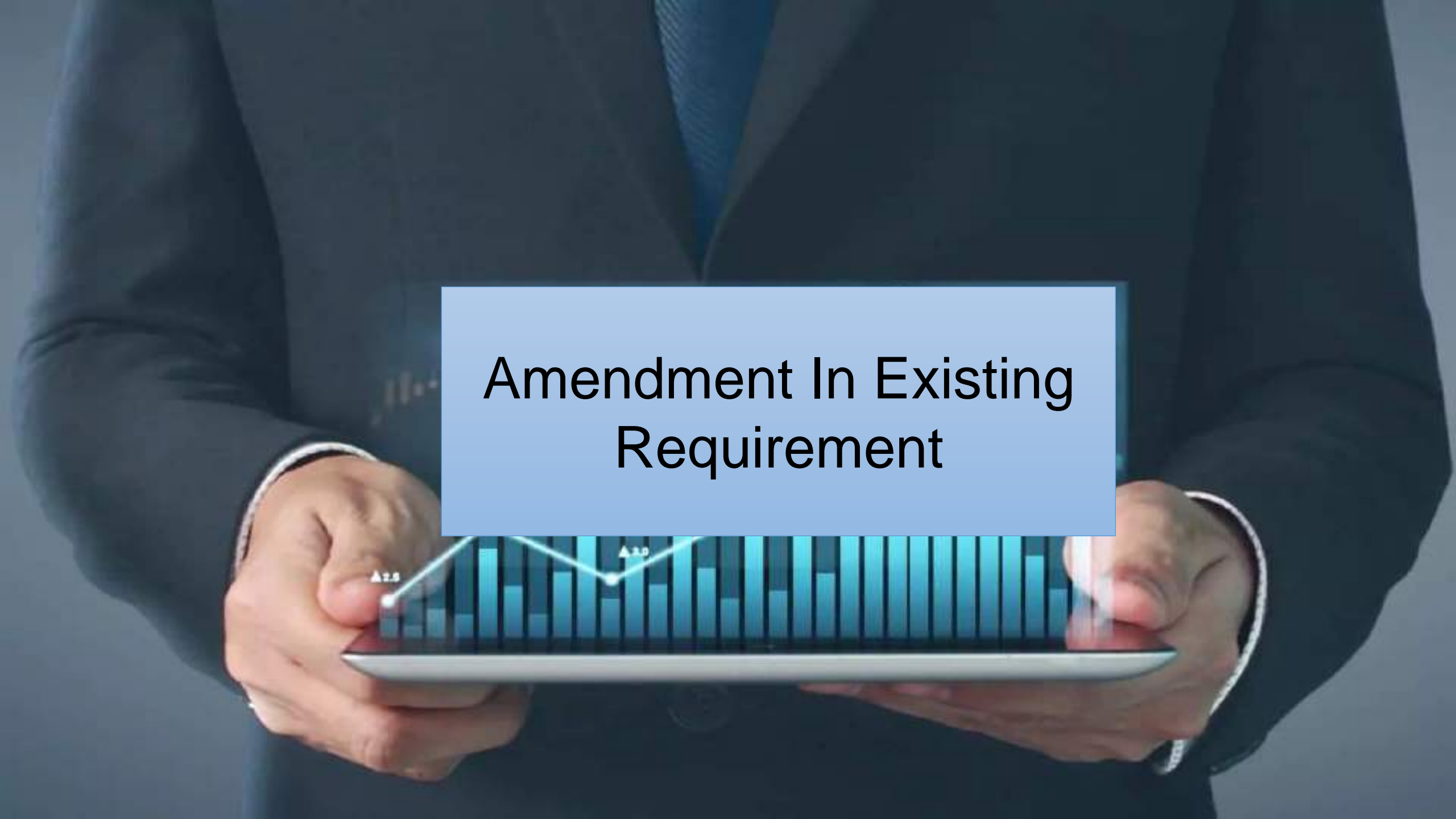
The company **shall explain the items included in numerator and denominator** for computing the above ratios. **Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.**

**No Reporting Required under CARO 2020**





## Profit & Loss related disclosures

A person in a dark suit is holding a tablet. The tablet screen displays a bar chart with a line graph overlaid. The line graph has two data points marked with upward-pointing triangles and labeled 'A1.5'. The background is a solid dark blue color.

# Amendment In Existing Requirement

# Corporate Social Responsibility (CSR)

Existing Requirement	Additional Requirement							
<p><b>Companies Act, 2013-</b> Disclosure required for <b>amount of expenditure incurred</b> on corporate social responsibility activities as per section 135 of Companies Act, 2013.</p> <p>Further, as per the <b>Technical Guide on Accounting for Expenditure on Corporate Social Responsibility Activities</b> some of the Additional disclosure are required as follows:</p> <ul style="list-style-type: none"> <li>(i) Relevant note disclosing the breakup of various heads of expenses included in the item 'CSR expenditure'.</li> <li>(ii) Gross amount required to be spent by the company during the year</li> <li>(iii) Amount approved by board to be spent during the year.</li> <li>(iv) Amount spent during the year on:               <ul style="list-style-type: none"> <li>• Construction acquisition of any asset</li> <li>• On purposes other than (i) above</li> </ul> </li> <li>• Details of related party transaction</li> </ul>	<p>Where the company covered under section 135 of the companies act, the following shall be additional with regard to CSR activities:</p>							
	Amount required to be spent by the company during the year	Amount of expenditure incurred	Shortfall at the end of the year	Total of previous years shortfall	Reason for shortfall	Nature of CSR activities	Details of related party transactions	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

**As per Guidance Note on Schedule III:** the Company should also disclose the following:

- a) the shortfall amount (i.e. unspent amount), in respect of other than ongoing projects, **transferred to a Fund** specified in Schedule VII to the Act, as per section 135(5) of the Act;
- b) the shortfall amount (i.e. unspent amount), pursuant to any ongoing project, **transferred to special account** as per section 135(6) of the Act.

**CARO 2020- A reporting is required on unspent amount**



# Face of P&L / Notes forming part of P & L

Addition / Deletion in P&L is as mentioned herein:


I. Revenue from Operations

II. Other Income

III. Total **Revenue Income** (I+II)

1. Revenue from Operations

**Grants or donations received** (relevant in case of section 8 companies only)



# Additional Regulatory Information

**BUSINESS**

25 great jobs for people who love to travel

Economy of the European Union

# Undisclosed income

The Company shall give details of **any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments** under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for **disclosure** under any scheme and also shall state whether the **previously unrecorded income and related assets** have been properly recorded in the books of account during the year.

**Reporting is required under CARO 2020**


# Details of crypto currency or virtual currency

Where the company has traded or invested in crypto currency or virtual currency during the financial year, the following shall be disclosed:

- a) **Profit or loss on transactions** involving crypto currency or virtual currency
- b) **Amount of currency** held as at the reporting date
- c) **Deposits or advances** from any person for the purpose of trading or investing in crypto currency/ virtual currency.

**No Reporting Required under CARO 2020**



A woman with long blonde hair and glasses is looking at a smartphone in a cafe setting. A white mug is on the table, and a laptop is open in the foreground. The scene is brightly lit, suggesting a window nearby.

## Other Additional disclosures

# Wilful Defaulter

Where a **company is a declared wilful defaulter** by any bank or financial Institution or other lender, following details shall be given:

- a) **Date of declaration** as wilful defaulter
- b) **Details of defaults** (amount and nature of defaults)

“**Wilful defaulter**” here means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Act) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

**Similar reporting is required in CARO 2020**



## Register of charge or satisfaction of charge with registrar of Companies

Where **any charges or satisfaction** yet to be registered with ROC beyond the statutory period, details and reasons thereof shall be disclosed.

**No Reporting Required under CARO 2020**

## Compliance with number of layers of companies

Where the company has **not complied with the number of layers** prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, **the name and CIN of the companies** beyond the specified layers and the relationship/extent of holding of the company in **such downstream companies** shall be disclosed.

**Rule 2 of the Layering Rules-** It restricts the number of layers. It states that no company is permitted to have **more than 2 (two) layers** of subsidiaries.

**Similar reporting is required in CARO 2020**



# Relationship with struck off Companies

Where the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, the company shall disclose the following details:

Name of Stuck off company	Nature of transaction with stuck off companies	Balance outstanding	Relationship with struck off company, if any, to be disclosed
	Investment in securities		
	Receivables		
	Payables		
	Shares held by struck off company		
	Other outstanding balance ( to be specified)		

The company shall disclose the name of the company which has been struck off by the respective Registrar of Companies and such information is available vide public notice (Form No. STK-7) u/s 248 of the Act, at any time during the reporting period or in an earlier reporting period if any balance in respect of the transactions with the struck off company is outstanding at the period end, on the website of Ministry of Corporate Affairs

**No Reporting Required under CARO 2020**

# Compliance with approved schemes of arrangement

Where the Scheme of **Arrangements** has been approved by the **Competent Authority** in terms of sections 230 to 237 of the Companies Act, 2013, the company shall **disclose that the effect of such Scheme of Arrangements** have been accounted for in the books of account of the company **‘in accordance with the Scheme’ and ‘in accordance with accounting standards’ and deviation in this regard shall be explained.**

**As per Guidance note on Schedule III this should be further disclosed:**

This requirement shall be applicable for schemes **that have been approved earlier and have an ongoing accounting impact as on the date of current or comparative period** financial statements where such requirements are applied.

**No Reporting Required under CARO 2020**

# Division II : Statement of changes in equity

## A. Equity share capital

### Revised disclosure requirement

		New Requirement		
Balance at the beginning of the current reporting period/ Previous period reporting	Changes in Equity Share Capital due to prior period errors	<b>Restated balance at the beginning of the current reporting period</b>	<b>Changes in equity share capital during the current year</b>	Balance at the end of the current reporting period/ Previous period reporting

**No Reporting Required under CARO 2020**





## Fair value of Investment property

Existing Requirement	Additional Requirement
Currently, the Companies disclose the fair value of the investment property (as measured for only disclosure purpose).	The companies are now also required to <b>disclose</b> as to whether <b>the fair value of investment property</b> (as measured for disclosure purposes in the financial statements) is <b>based on the valuation by a registered valuer</b> as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

**No Reporting Required under CARO 2020**

# Face of Balance Sheet and in notes

## A. Additional disclosures in division II

### 1. Addition under head Equity and Liabilities

#### II. Equity and Liabilities

##### Liabilities

##### (1) Non – Current Liabilities

##### (a) Financial Liabilities

##### (ia) **Lease Liabilities**

**No Reporting Required under CARO 2020**

##### Current Liabilities

##### (a) Financial Liabilities

##### (ia) **Lease Liabilities**

### **Additional disclosure in notes to Balance Sheet:**

#### **Other Financial Assets**

##### i. Security Deposits

##### **ii. Bank deposits with more than 12 months maturity**

##### iii. Others (to be specified)



## Reporting / disclosure requirement - comparison between key items of Schedule III and CARO 2020

Sr. No	Summary of reporting requirements under CARO 2020	Summary of disclosures requirements under Schedule III to the Companies Act, 2013	Remarks
1	Whether the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. If not, provide prescribed details [Clause 3(i)(c)]	<ul style="list-style-type: none"><li>▶ Disclosure of details of title deeds of immovable properties (excluding leased properties) not held in the name of the company in the prescribed format.</li><li>▶ Disclose company's share - if jointly held</li></ul>	

## Reporting / disclosure requirement - comparison between key items of Schedule III and CARO 2020

Sr. No	Summary of reporting requirements under CARO 2020	Summary of disclosures requirements under Schedule III to the Companies Act, 2013	Remarks
2	<ul style="list-style-type: none"><li>▶ Whether the company has revalued its property, plant and equipment (PPE) (including right of use assets) or intangible assets or both during the year,</li><li>▶ If so, whether the revaluation is based on the valuation by a registered valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of PPE or intangible assets [Clause 3(i)(d)]</li></ul>	<p>Disclosure regarding revaluation of PPE/ intangible assets:</p> <ul style="list-style-type: none"><li>▶ Amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of PPE/ intangible assets)</li><li>▶ Whether revaluation is based on valuation by a registered valuer defined under the Companies Act, 2013</li></ul>	

## Reporting / disclosure requirement - comparison between key items of Schedule III and CARO 2020

Sr. No	Summary of reporting requirements under CARO 2020	Summary of disclosures requirements under Schedule III to the Companies Act, 2013	Remarks
3	<p>▶ Whether any proceedings have been initiated/ pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder,</p> <p>▶ If so, whether the company has appropriately disclosed the details in its financial statements. [Clause 3(i)(e)]</p>	<p>Disclosure prescribed for proceeding initiated/ pending for holding any benami property e.g.:</p> <ul style="list-style-type: none"> <li>▶ Details of such property and amount thereof</li> <li>▶ Details of beneficiaries</li> <li>▶ If property is in the books, then reference to item in balance sheet</li> <li>▶ If property is not in the books, then the fact with reasons</li> <li>▶ Details of proceedings</li> <li>▶ Nature of proceedings, status of same and Company's view</li> </ul>	



## Reporting / disclosure requirement - comparison between key items of Schedule III and CARO 2020

Sr. No	Summary of reporting requirements under CARO 2020	Summary of disclosures requirements under Schedule III to the Companies Act, 2013	Remarks
4	Whether during any point of time of the year, the company has been sanctioned <b>working capital limits in excess of five crore rupees</b> , in aggregate, from banks or financial institutions <b>on the basis of security of current assets</b> ; whether the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company, if not, give details; [Clause 3(ii)(b)]	In case of <b>borrowings</b> from banks or financial institutions <b>on the basis of security of current assets</b> , disclose whether quarterly returns/statements of current assets filed with banks or financial institutions agree with books of accounts, If not, adequately disclose summary of reconciliation and reasons of material discrepancies	CARO 2020 prescribes reporting relating to sanctioned working capital limits in excess of five crore rupees, in aggregate. <b>However, disclosure requirements under Schedule III to the Companies Act, 2013 are not limited to working capital but cover all borrowings.</b> Further, no monetary threshold has been prescribed under Schedule III to the Companies Act, 2013 while making this disclosure.

## Reporting / disclosure requirement - comparison between key items of Schedule III and CARO 2020

Sr. No	Summary of reporting requirements under CARO 2020	Summary of disclosures requirements under Schedule III to the Companies Act, 2013	Remarks
5	<p>Whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, if so, specify the aggregate amount, <b>percentage thereof to the total loans granted</b>, aggregate amount of loans granted to Promoters, related parties as defined in section 2(76) of the Companies Act, 2013 [Clause 3(iii)(f)]</p>	<p>Disclosure to be provided in prescribed format where loans/ advances in the nature of loans are granted to promoters, directors, key managerial personnel and related parties, either severally or jointly with any other person, that are:</p> <ul style="list-style-type: none"> <li>▶ Repayable on demand or</li> <li>▶ Without specifying any terms or repayment period</li> </ul>	<p>CARO 2020 <b>additionally requires percentage of loan granted</b>. Further, in Schedule III to the Companies Act, 2013, loans and advances given to promoters, directors, KMP and other related parties are considered, <b>whereas in CARO 2020, if loans and advances are given to other than related parties, these are also to be included. So, reporting requirements in CARO 2020 are wider as compared to Schedule III to the Companies Act, 2013.</b></p>

## Reporting / disclosure requirement - comparison between key items of Schedule III and CARO 2020

Sr. No	Summary of reporting requirements under CARO 2020	Summary of disclosures requirements under Schedule III to the Companies Act, 2013	Remarks
6	Whether <b>term loans</b> were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported [Clause 3(ix)(c)]	Where <b>borrowings from banks and financial institutions</b> not used for the specific purpose for which it was taken at the balance sheet date – company to disclose details of where they have been used	CARO 2020 prescribes <b>reporting on term loans from any party.</b> However, disclosures under Schedule III to the Companies Act, 2013 are not limited to term loans <b>but cover all borrowings.</b> Further, disclosures under Schedule III to the Companies Act, 2013 <b>have been prescribed only for borrowings from banks and financial institutions.</b>



## Reporting / disclosure requirement - comparison between key items of Schedule III and CARO 2020

Sr. No	Summary of reporting requirements under CARO 2020	Summary of disclosures requirements under Schedule III to the Companies Act, 2013	Remarks
7	<p>On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date [Clause 3(xix)]</p>	<p>Disclosure of certain ratios including current ratio, debt-equity ratio, debt service coverage ratio, capital to risk-weighted assets ratio</p>	<p>CARO 2020 <b>requires the auditor to comment on material uncertainty in payment of liabilities on basis of the financial ratios and other prescribed matters</b>. However, Schedule III to the Companies Act, 2013 requires disclosure of certain ratios.</p>

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**ThanQ**

**CA. Amit Hundia**