



The Companies Act 2013

Enlightening Nation

E-newsletter

APRIL, 2016

About the E-newsletter

Dear Users,

To keep you updated about the latest notifications, circulars & orders issued during the month, thecompaniesact2013.com present herewith its monthly e-newsletter. This is the issue of the April month comprising contemporary articles & monthly amendments.

The notion is to render all the updates in a compiled format and serve a better pavement for easy accessibility.



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INTRODUCTION

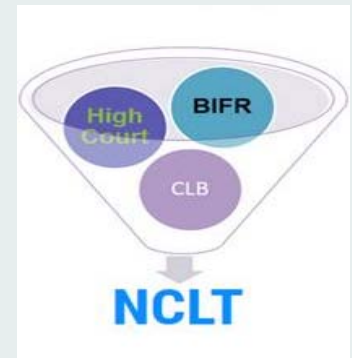
There is perceptible trend around the world towards simplification or rationalization of legislations. Time is ripe, therefore it is to be ensured that dispensation of justice and disposal of business matters by the court and authorities should be in tune with the speed with which business is being transacted. This is in continuation of “ease of doing business”.

NATIONAL COMPANY LAW TRIBUNAL (NCLT) is a proposed quasi-judicial body in India that will govern the Companies in India. It will be established under the Companies Act, 2013 and is a successor body of the Company Law Board. Establishment of NCLT is good for ease of doing business.

NCLT is a “SINGLE WINDOW INSTITUTIONS FOR CORPORATE JUSTICE”.

NCLT can be called as Mega Tribunal. Because NCLT will CONSOLIDATE the corporate jurisdiction of the followings:

- Company Law Board.
- The Board for Industrial and Financial Reconstruction
- The Appellate authority for Industrial and Financial Reconstruction
- Jurisdiction and powers relating to winding up restructuring and other such provisions, vested in the High courts



FEATURES OF NCLT:-

- Specialized court for the Corporate Members.
- This will be only Tribunal for the Corporate Members.
- It shall avoid multiplicity of litigation before various Forums
- There shall be various branches of the NCLT all over India, thereby providing justice almost at one's doorstep.
- There will be a mixture of judicial and Technical members while deciding matters
- There shall a reduction in period of winding- up.
- Reduction in pendency of cases.
- Expeditious disposal of cases.
- NCLT & NCLAT have deals with exclusive jurisdiction.

IMPACT OF ESTABLISHMENT OF NCLT

The formation of NCLT / NCLAT will open wide gates for the professionals, as they would now be able to represent their client companies in matters requiring Tribunal approval i.e. mergers and amalgamations, capital restructuring, revival of sick companies and shareholders-management dispute matters. Until the formation of the NCLT/NCLAT, the practicing professionals (CA, CS & CWA) could appear only before the CLB and for the matters being heard by the HC and Supreme Court, only Advocates were eligible for arguments and representation. Now all practicing professionals (Advocates, practicing CA, practicing CS & practicing CWA) will be treated at par for representation before NCLT / NCLAT.

For entering / establishing oneself in the field of NCLT / NCLAT, it would be desirable of a practicing professional to take some efforts for enhancing their skill sets, some of which are listed below:

- (1) Thorough study of the provisions of Companies Act, 2013;
- (2) Thorough study of the Secretarial Standards,
- (3) In-depth analysis and study of the provisions of Companies Act, 2013 as well as 1956 relating to mergers and amalgamations, capital restructuring, revival of sick companies and shareholders-management dispute matters;
- (4) Thorough knowledge of the case-laws on the topics relating to mergers and amalgamations, capital restructuring, revival of sick companies and shareholders-management dispute matters;
- (5) Developing art of advocacy and soft skill;
- (6) Having basic knowledge relating to Tax Laws, Accounting treatments in matters relating to mergers and amalgamations, capital restructuring, revival of sick companies and shareholders-management dispute matters;

SCOPE FOR PROFESSIONALS:

The establishment of NCLT/NCLAT shall offer various opportunities to Company Secretaries /Chartered accountants/cost accountants / legal practitioners as they have been authorized to appear before the Tribunal/Appellate Tribunal (Section 432).

Areas opened up for professionals under NCLT are stated in the table given below

S.No.	Section of the companies act,2013	Nature of application/petition
1	Sec.2(41)	Application for change in financial year
2	Sec.7(7)	Application to tribunal where company has been incorporated by furnishing false or incorrect info by any fraudulent action.
3	Sec.14(1)	Conversion of public company into private company
4	Sec.48(2)	Application for cancellation of variation

5	Sec.55(3)	Application for issue further redeemable preference shares
6	Sec.58(3)	Appeal against refusal of registration of shares
7	Sec.59	Appeal for rectification of register of member
8	Sec.61(1)	Application to tribunal for consolidation and division of share capital
9	Sec.62(4)	Appeal against order of govt. fixing terms and conditions for conversion of debenture and shares
10	Sec.66(1)	Application for reduction of share capital
11	Sec.66(8)(b)	Application by a creditor for entering his name on the list of persons
12	Sec.78(9)	Petition by debenture-trustees
13	Sec.71(10)	Application in the event of failure of redeeming of debentures
14	Sec.73(4)	Application by deposition for repayment of deposit or interest
15	Sec.74(2)	Application to allow further time as considered reasonable to the company to repay deposits.
16	Sec. 97 (1)	Application for calling of Annual General meeting.
17	Sec. 98 (1)	Application for calling of general meeting of company other than annual general meeting
18	Sec. 119 (4)	Petition to pass an order directing immediate inspection of minutes books or directing a copy thereof be sent forthwith to person requiring it.
19	Sec. 130 (1)	Application for re-opening of books of account, if made by any person other than Central Government, Income Tax authorities, SEBI or any other statutory regulatory body or authority.
20	Sec. 131 (1)	Application by company for voluntary revision of financial statement on Board's report.
21	Sec. 140 (4)	Application for not sending the copy of representation of auditor to the members.
22	Sec. 140 (5)	Application by any other person concerned for cheque of auditors.
23	Sec. 169 (4)	Application for not sending copies of representation

24	Sec. 213	Application to Tribunal for investigation into company affairs.
25	Sec. 218 (1)	Application for approval for action proposed against employee.
26	Sec. 222 (1)	Application for imposition of restrictions on securities.
27	Sec. 230 (1)	Application for compromise arrangement and amalgamation.
28	Sec. 230 (12)	Application in the event of grievance of takeover of company.
29	Sec. 235 (2)	Application by dissenting shareholders.
30	Sec. 237 (4)	Appeal to Tribunal against assessment of compensation.
31	Sec. 238 (2)	Appeal against order of Registrar refusing register any circular.
32	Sec. 241 (1)	Application in cases of oppression and mismanagement.
33	Sec. 242 (4)	Application for regulating the conduct of company.
34	Sec. 243 (1) (b)	Application for appointment as Managing Director
35	Sec. 244 (1)	Application for waiver of requirement specified in clause (a) or (b) of Sec. 224 (1)
36	Sec. 245	Application for class action suits.
37	Sec. 252 (1)	Appeal against order of Registrar
38	Sec. 252 (3)	Application to Tribunal against strike-off from Register of Company.
39	Sec. 253 (1)	Application for determination of sickness.
40	Sec. 255	Reference to Tribunal by Public Financial Institution or State Level Institution or Scheduled Bank.
41	Sec. 254 (3)	Application for revival and rehabilitation of sick company.
42	Sec. 269	Application by Company for withdrawal of funds from Rehabilitation and Insolvency funds.
43	Sec. 272	Petition for winding-up of company.
44	Sec. 276 (1)	Application for removal and replacement of liquidation.

45	Sec. 277 (4)	Application for constitution of winding-up committee.
46	Sec. 279 (1)	Application for stay of suits on winding-up order.
47	Sec. 283 (3)	Application for custody of company's property.
48	Sec. 288 (2)	Application for revision of orders passed by Tribunal.
49	Sec. 289 (1)	Application for stay of winding-up by promoter, shareholder or creditors or any other interested person.
50	Sec. 289 (4)	Application for stay of winding-up by promoter, shareholder or creditors or any other interested person by company liquidator.
51	Sec. 290 (1)	Application for exercise of power by company liquidator.
52	Sec. 291 (1)	Application seeking professional assistance by company liquidator.
53	Sec. 292 (4)	Application by any person aggrieved by any act on decision of company liquidator.
54	Sec. 293 (2)	Application by creditor or contributory for inspection of books maintained by company liquidator.
55	Sec. 299 (1)	Application to summon persons suspected of having the property of company.
56	Sec. 302	Application for dissolution of company by Tribunal.
57	Sec. 306 (3)	Application by company for winding-up.
58	Sec. 322 (1)	Application for determining questions etc.
59	Sec. 322 (2)	Application for setting aside attachment, distress or execution.
60	Sec. 328 (1)	Application for setting aside fraudulent preference.
61	Sec. 331	Application for determination of liability and rights of certain persons fraudulently preferred.
62	Sec. 333 (1)	Application for disclaimer of onerous proper.
63	Sec. 333 (5)	Application for rescinding the contract etc.
64	Sec. 333 (6)	Application for vesting or delivery of property etc.
65	Sec. 334 (1)	Application for transfer of shares etc.

66	Sec 335 (1)	Application for obtaining leave of Tribunal for effecting attachments, executions etc.
67	Sec. 339	Application for fraudulent conduct of biz.
68	Sec. 340 (1)	Application for assessing damages against delinquent director etc .
69	Sec. 342 (1)	Application for prosecution of delinquent offices and member of company.
70	Sec. 342 (2)	Application for directing company liquidator to make a report.
71	Sec. 343 (3)	Application with respect to exercise of powers by company liquidator.
72	Sec. 347	Application of disposal of books and papers of company.
73	Sec. 350 (2)	Application by company liquidator to retain sum in excess of Rs.5,000/-
74	Sec. 353 (1)	Application for directing company liquidator to make good the default.
75	Sec. 356	Application to declare dissolution of company as void.
76	Sec. 373	Application for stay of suits on winding-up order.
77	Sec. 399 (2)	Application seeking leave of Tribunal.
78	Sec. 425	Petition for initiating contempt.
79	Sec. 441	Application for compounding of certain offences.
80	Section 421	Appeals to NCLAT
81	Application under any other provisions specifically not mentioned herein above	



CONCLUSION

In view of vast opportunities emerging with the establishment of National Company Law Tribunal, the Professionals should standardize their competencies with the global benchmarks to provide value added services in assisting the Tribunal in dispensation of justice and speedier disposal of matters.



NOTIFICATIONS

A. G.S.R.(E) Notification regarding sub-section (1) AND (2) of section 469 READ WITH SECTION 398 OF THE COMPANIES ACT,2013(18 OF 2013)

Dated 04.04.2016

In exercise of the powers conferred by sub-sections (1) and (2) of section 469 read with section 398 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015, namely:-

1. Short title and Commencement:- (1) These rules may be called the Companies(Filing of Documents and Forms in Extensible Business Reporting Language)Amendment Rules, 2016.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015, in rule 3, for the proviso, the following proviso shall be substituted, namely:-

"Provided that the companies in banking, insurance, power sector, non-banking financial companies and housing finance companies need not file financial statements under this rule."

B. G.S.R.(E) Notification regarding sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013)

DATED:06.04.2016

G.S.R. (E).-In exercise of the powers conferred by sub section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments to Schedule III of the said Act with effect from the date of publication of this notification in the Official Gazette, namely:-

2. In the Companies Act, 2013 (hereinafter referred to as the principal Act) in Schedule III, for the heading "General instructions for preparation of Balance Sheet and Statements of Profit and Loss of a Company" the following shall be substituted, namely:-

"Division I

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

GENERAL INSTURCITOTIS FOR PREPARATION OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS OF A COMPANY'

3. In the principal Act, in Schedule III, at the end, the following shall be inserted, namely:-

"Division II

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

GENERAL INSTRUCTIONS FOR PREPARATION OF FINANCIAL STATEMENTS OF A COMPANY REQUIRED TO COMPLY WITH Ind AS

1. Every company to which Indian Accounting Standards apply, shall prepare its financial statements in accordance with this Schedule or with such modification as may be required under certain circumstances.
2. Where compliance with the requirements of the Act including Indian Accounting Standards (except the option of presenting assets and liabilities in the order of liquidity as provided by the relevant Ind AS) as applicable to the companies require any change in treatment or disclosure including addition, amendment substitution or deletion in the head or sub-head or any changes inter se, in the financial statements or statements forming part thereof, the same shall be made and the requirements under this Schedule shall stand modified accordingly.
3. The disclosure requirements specified in this Schedule are in addition to and not in substitution of the disclosure requirements specified in the Indian Accounting Standards. Additional disclosures specified in the Indian Accounting Standards shall be made in the Notes or by way of additional statement or statements unless required to be disclosed on the face of the Financial Statements. Similarly, all other disclosures as required by the Companies Act, 2013 shall be made in the Notes in addition to the requirements set out in this Schedule.
4. (i) Notes shall contain information in addition to that presented in the Financial Statements and shall provide where required-
 - (a) narrative descriptions or disaggregations of items recognised in those statements; and (b) information about items that do not qualify/ for recognition in those statements.
 - (ii) Each item on the face of the Balance Sheet, Statement of Changes in Equity and Statement of Profit and Loss shall be cross-referenced to any related information in the Notes. In preparing the Financial Statements including the Notes, a balance shall be maintained between providing excessive detail that may not assist users of Financial Statements and not providing important information as a result of too much aggregation.
5. Depending upon the turnover of the company the figures appearing in the Financial Statements shall be rounded off as below:

Turnover	Rounding off
(i) less than one hundred crore rupees	To the nearest hundreds, thousands, lakhs or millions, or decimals thereof.
(ii) one hundred crore rupees or more	To the nearest, lakhs, millions or crores, or decimals thereof.

Once a unit of measurement is used, it should be used uniformly in the Financial Statements.

6. Financial Statements shall contain the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the Financial Statement including Notes except in the case of first Financial Statements laid before the company after incorporation.
7. Financial Statements shall disclose all 'material' items, i.e., the items if they could; individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size or nature of the item or a combination of both, to be judged in the particular circumstances.
8. For the purpose of this Schedule, the terms used herein shall have the same meanings assigned to them in Indian Accounting Standards.
9. Where any Act or Regulation requires specific disclosures to be made in the standalone financial statements of a company, the said disclosures shall be made in addition to those required under this Schedule.

Note:

This Schedule sets out the minimum requirements for disclosure on the face of the Financial Statements, i.e, Balance Sheet, Statement of Changes in equity for the period, the Statement of profit and Loss for the period (The term statement of 'Profit and Loss' has the same meaning as 'Profit and loss accounts') Notes. Cash flow statement shall be prepared, where applicable, in accordance with the requirements of the relevant Indian Accounting Standard.

Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry or sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act, 2013 or under the Indian Accounting Standards.

PART I -BALANCE SHEET

Name of the Company

Balance Sheet as at

(Rupees in)

Particulars	Note no.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
1	2	3	4
ASSETS Non-current assets (a) Property, Plant and Equipment (b) Capital work-in progress (c) Investment Property (d) Goodwill (e) Other Intangible assets (f) Intangible assets under development (g) Biological Assets other than bearer plants (h) Financial Assets (i) Investments			

(ii) Trade receivables			
(iii) Loans			
(iv) Others (to be specified)			
(i) Deferred tax assets (net)			
(j) Other non-current assets			
Current assets			
(a) Inventories			
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) cash and cash equivalents			
(iv) Bank balances other than (iii) above			
(v) Loans			
(vi) Others (to be specified)			
(c) Current Tax Assets (Net)			
(d) Other current assets			
Total Assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital			
(b) Other Equity			
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in item			

(b), to be specified)			
(b) Provisions			
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities			
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in item (c))			
(b) Other current liabilities			
(c) Provisions			
(d) Current Tax Liabilities (Net)			
Total Equity and Liabilities			

STATEMENT OF CHANGES IN EQUITY

Name of the Company

Statement of Changes in Equity for the period ended

(Rupees in

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period

B. Other Equity

	Share application on money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income (specify nature)	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
Balance at the beginning of the reporting period														
Changes in accounting policy or prior period errors														
Restated balance at the beginning of the reporting period														
Total Comprehensive														
Income for the year														
Dividends														
Transfer to retained earnings														
Any other change (to be specified)														
Balance at the end of the														

Note: Remeasurement of defined benefit plans and fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss shall be recognised as a part of retained earnings as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the notes.

Notes:

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

1. An entity shall classify an asset as current when-

- it 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 unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

2. The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3. An entity shall classify a liability as current when-

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. 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.

An entity shall classify all other liabilities as non-current.

4. 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.

5. 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.

6. A company shall disclose the following in the Notes:

A. Non-Current Assets

I. Property, Plant and Equipment:

(i) Classification shall be given as:

- (a) Land
- (b) Buildings
- (c) Plant and Equipment
- (d) Furniture and Fixtures
- (e) Vehicles
- (f) Office equipment
- (g) Bearer Plants
- (h) Others (specify nature)

(ii) Assets under lease shall be separately specified under each class of assets.

(iii) 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.

II. Investment Property:

A reconciliation of the gross and net carrying amounts of each class of property 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.

III Goodwill:

A reconciliation of the gross and net carrying amount of goodwill at the beginning and end of the reporting period showing additions, impairments, disposals and other adjustments.

IV. Other Intangible assets:

(i) Classification shall be given as:

(a) Brands or trademarks

(b) Computer software

(c) Mastheads and publishing titles

(d) Mining rights

(e) Copyrights, patents, other intellectual property rights, services and operating rights

(f) Recipes, formulae, models, designs and prototypes

(g) Licenses and franchises

(h) Others (specify nature)

(ii) 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 or reversals shall be disclosed separately.

V. Biological Assets other than bearer plants:

A reconciliation of the 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 shall be disclosed separately.

VI. Investments:

(i) Investments shall be classified as:

(a) Investments in Equity Instruments:

(b) Investments in Preference Shares;

(c) Investments in Government or trust securities;

(d) Investments in debentures or bonds;

(e) Investments in Mutual Funds;

(f) Investments in partnership firms; or

(g) Other investments (specify nature).

Under each classification, details shall be given of names of the bodies corporate that are-

(i) subsidiaries,

(ii) associates,

(iii) joint ventures, or

(iv) structured entities,

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). Investments in partnership firms along with names of the firms, their partners, total capital and the shares of each partner shall be disclosed separately.

(ii) The following shall also be disclosed:

(a) Aggregate amount of quoted investments and market value thereof;

(b) Aggregate amount of unquoted investments; and

(c) Aggregate amount of impairment in value of investments.

VII. Trade Receivables:

(i) Trade receivables shall be sub-classified as:

(a) Secured, considered good;

(b) Unsecured considered good; and

(c) Doubtful.

(ii) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.

(iii) 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.

VIII. Loans:

(i) Loans shall be classified as-

(a) Security Deposits;

(b) Loans to related parties (giving details thereof); and

(c) Other loans (specify nature).

(ii) The above shall also be separately sub-classified as-

(a) Secured, considered good;

(b) Unsecured, considered good; and

(c) Doubtful.

(iii) Allowance for bad and doubtful loans shall be disclosed under the relevant heads separately.

(iv) Loans 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.

IX. Bank deposits with more than 12 months maturity shall be disclosed under 'Other financial assets';

X. Other non-current assets: Other non-current assets shall be classified as-

(i) Capital Advances; and

(ii) Advances other than capital advances;

(1) Advances other than capital advances shall be classified as:

(a) Security Deposits;

(b) Advances to related parties (giving details thereof); and

(c) Other advances (specify nature).

(2) Advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member should be separately stated. In case advances are of the nature of a financial asset as per relevant Ind AS, these are to be disclosed under 'other financial assets' separately.

(iii) Others (specify nature),

B. Current Assets

1. Inventories:

(i) Inventories shall be classified as-

(a) Raw materials;

(b) Work-in-progress;

(c) Finished goods;

(d) Stock-in-trade (in respect of goods acquired for trading);

(e) Stores and spares

(f) Loose tools; and

(g) Others (specify nature),

(ii) Goods-in-transit shall be disclosed under the relevant sub-head of inventories.

(iii) Mode of valuation shall be stated.

II. Investments:

(i) Investments shall be classified as-

(a) Investments in Equity Instruments;

(b) Investment in Preference Shares;

(c) Investments in government or trust securities;

(d) Investments in debentures or bonds;

(e) Investments in Mutual Funds;

(f) Investments in partnership firms; and

(g) Other investments (specify nature),

Under each classification, details shall be given of names of the bodies corporate that are-

(i) subsidiaries,

(ii) associates,

(iii) joint ventures, or

(iv) structured entities,

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).

(ii) The following shall also be disclosed-

(a) Aggregate amount of quoted investments and market value thereof;

(b) Aggregate amount of unquoted investments;

(c) Aggregate amount of impairment in value of investments.

III. Trade Receivables:

(i) Trade receivables shall be sub-classified as:

(a) Secured, considered good;

(b) Unsecured considered good; and

(c) Doubtful.

(ii) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.

(iii) 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.

IV. Cash and cash equivalents: Cash and cash equivalents shall be classified as

a. Balances with Banks (of the nature of cash and cash equivalents);

b. Cheques, drafts on hand;

c. Cash on hand; and

d. Others (specify nature).

v. Loans:

(i) Loans shall be classified as:

(a) Security deposits;

(b) Loans to related parties (giving details thereof); and

(c) Others (specify nature).

(ii) The above shall also be sub-classified as-

(a) Secured, considered good;

(b) Unsecured, considered good; and

(c) Doubtful.

(iii) Allowance for bad and doubtful loans shall be disclosed under the relevant heads separately.

(iv) Loans 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.

VI. Other current assets (specify nature): This is an all-inclusive heading, which incorporates current assets that do not fit into any other asset categories.

Other current assets shall be classified as-

(i) Advances other than capital advances

(1) Advances other than capital advances shall be classified as:

(a) Security Deposits;

(b) Advances to related parties (giving details thereof);

(c) Other advances (specify nature).

(2) Advances to directors or other officers of the company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

(ii) Others (specify nature)

C. Cash and Bank balances: The following disclosures with regard to cash and bank balances shall be made:

(a) Earmarked balances with banks (for example, for unpaid dividend) shall be separately stated.

(b) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.

(c) Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

D. Equity

1. Equity Share Capital: For each class of equity share capital:

(a) the number and amount of shares authorised;

(b) the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;

(c) par value per share;

(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;

(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;

(f) shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;

(g) shares in the company held by each shareholder holding more than five per cent. shares specifying the number of shares held;

(h) shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts;

(i) for the period of five years immediately preceding the date at which the Balance Sheet is prepared-

- aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;
- aggregate number and class of shares allotted as fully paid up by way of bonus shares; and
- aggregate number and class of shares bought back;

(j) terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date;

(k) calls unpaid (showing aggregate value of calls unpaid by directors and officers);

(l) forfeited shares (amount originally paid up).

II. Other Equity:

(i) 'Other Reserves' shall be classified in the notes as-

(a) Capital Redemption Reserve;

(b) Debenture Redemption Reserve;

(c) Share Options Outstanding Account; and

(d) Others- (specify the nature and purpose of each reserve and the amount in respect thereof);

(Additions and deductions since last balance sheet to be shown under each of the specified heads)

(ii) Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity;

(iii) A reserve specifically represented by earmarked investments shall disclose the fact that it is so represented;

(iv) Debit balance of Statement of Profit and Loss shall be shown as a negative figure under the head 'retained earnings', Similarly, the balance of 'Other Equity', after adjusting negative balance of retained earnings, if any, shall be shown under the head 'Other Equity' even if the resulting figure is in the negative; and

(v) Under the subhead 'Other Equity', disclosure shall be made for the nature and amount of each item.

E. Non-Current Liabilities

I. Borrowings:

(i) Borrowings shall be classified as-

- (a) Bonds or debentures
- (b) Term loans
- (I) from banks
- (II) From other parties
- (c) Deferred payment liabilities
- (d) Deposits
- (e) Loans from related parties
- (f) Long term maturities of finance lease obligations
- (g) Liability component of compound financial instruments
- (h) Other loans (specify nature);

(ii) borrowings shall further be sub-classified as secured and unsecured.

Nature of security shall be specified separately in each case.

(iii) where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed;

(iv) bonds or 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;

(v) particulars of any redeemed bonds or debentures which the company has power to reissue shall be disclosed;

(vi) terms of repayment of term loans and other loans shall be stated; and

(vii) period and amount of default as on the balance sheet date in repayment of borrowings and interest shall be specified separately in each case.

III. Provisions: The amounts shall be classified as-

- (a) Provision for employee benefits; and
- (b) Others (specify nature).

IV . Other non-current liabilities:

- (a) Advances; and
- (b) Others (specify nature).

F. Current Liabilities

I. Borrowings:

(i) Borrowings shall be classified as-

(a) Loans repayable on demand

(I) from banks

(II) from other parties

(b) Loans from related parties

(c) Deposits

(d) Other loans (specify nature);

(ii) borrowings shall further be sub-classified as secured and unsecured.

Nature of security shall be specified separately in each case;

(iii) where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed;

(iv) period and amount of default as on the balance sheet date in repayment of borrowings and interest, shall be specified separately in each case.

II. Other Financial liabilities: Other Financial liabilities shall be classified as-

(a) Current maturities of long-term debt;

(b) Current maturities of finance lease obligations;

(c) Interest accrued;

(d) Unpaid dividends;

(e) Application money received for allotment of securities to the extent refundable and interest accrued thereon;

(f) Unpaid matured deposits and interest accrued thereon;

(g) Unpaid matured debentures and interest accrued thereon; and

(h) Others (specify nature).

'Long term debt' is a borrowing having a period of more than twelve months at the time of origination

III. Other current liabilities :

The amounts shall be classified as-

(a) revenue received in advance;

(b) other advances (specify nature); and

(c) others (specify nature);

IV. Provisions: The amounts shall be classified as-

(i) provision for employee benefits; and

(ii) others (specify nature).

G. The presentation of liabilities associated with group of assets classified as held for sale and non-current assets classified as held for sale shall be in accordance with the relevant Indian Accounting Standards (Ind ASs).

H. Contingent Liabilities and Commitments:

(to the extent not provided for)

(i) Contingent Liabilities shall be classified as-

(a) claims against the company not acknowledged as debt;

(b) guarantees excluding financial guarantees; and

(c) other money for which the company is contingently liable.

(ii) Commitments shall be classified as-

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid; and

(e) other commitments (specify nature).

I. 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 irredeemable preference shares shall also be disclosed separately.

J. Where in respect of an issue of securities made for a specific purpose the whole or part of amount has not been used for the specific purpose at the Balance Sheet date, there shall be indicated by way of note how such unutilised amounts have been used or invested.

7. When a company applies an accounting policy retrospectively or makes a restatement of items in the financial statements or when it reclassifies items in its financial statements, the company shall attach to the Balance Sheet, a "Balance Sheet" as at the beginning of the earliest comparative period presented.

8. Share application money pending allotment shall be classified into equity or liability in accordance with relevant Indian Accounting Standards. Share application money to the extent not refundable shall be shown under the head Equity and share application money to the extent refundable shall be separately shown under 'Other financial liabilities'.

9. Preference shares including premium received on issue, shall be classified and presented as 'Equity' or 'Liability' in accordance with the requirements of the relevant Indian Accounting Standards. Accordingly, the disclosure and presentation requirements in this regard applicable to the relevant class of equity or liability shall be applicable mutatis mutandis to the preference shares. For instance, redeemable preference shares shall be classified and presented under 'non-current liabilities' as 'borrowings' and the disclosure requirements in this regard applicable to such borrowings shall be applicable mutatis mutandis to redeemable preference shares.

10. Compound financial instruments such as convertible debentures, where split into equity and liability components, as per the requirements of the relevant Indian Accounting Standards, shall be classified and presented under the relevant heads in 'Equity' and 'Liabilities'.

11. Regulatory Deferral Account Balances shall be presented in the Balance Sheet in accordance with the relevant Indian Accounting Standards.

PART II - STATEMENT OF PROFIT AND LOSS

Name of the Company.....

Statement of Profit and Loss for the period ended

(Rupees in

	Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
I	Revenue From Operations			
II	Other Income			
III	Total Income (I+II)			
IV	EXPENSES			
	Cost of materials consumed			
	Purchases of Stock-in -Trade			
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress			
	Employee benefits expense			
	Finance costs			
	Depreciation and amortization expenses			
	Other expenses			
	Total expenses (IV)			
V	Profit/(Loss) before exceptional items and tax (I - IV)			
VI	Exceptional Items			
VII	Profit/(Loss) before tax (V-VI)			
VIII	Tax expense:			

	(1) Current tax (2) Deferred tax			
IX	Profit (Loss) for the period from continuing operations (VII-VIII)			
X	Profit/(Loss) from discontinued operations			
XI	Tax expense of discontinued operations			
XII	Profit/(Loss) from Discontinued operations (after tax) (X-XI)			
XIII	Profit/(loss) for the period (IX+XII)			
XIV	Other Comprehensive Income A (i) Items that will not be reclassified to profit or loss (ii) Income tax relating to items that will not be reclassified to profit or loss B (i) Items that will be reclassified to profit or loss (ii) Income tax relating to items that will be reclassified to profit or loss			
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)			
XVI	Earnings per equity share (for continuing operation): (1) Basic (2) Diluted			
XVII	Earnings per equity share (for discontinued operation): (1) Basic (2) Diluted			
XVIII	Earnings per equity share (for discontinued & continuing operations) (1) Basic (2) Diluted			

Notes:

GENERAL INSTRUCTION FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS

1. The provisions of this Part shall apply to the income and expenditure account, in like manner as they apply to a Statement of Profit and Loss,

2. The Statement of Profit and Loss shall include:

- (1) Profit of loss for the Period;
- (2) Other comprehensive Income for the period

The sum of (1) and (2) above is "Total Comprehensive Income"

3. Revenue from operations shall disclose separately in the notes

- (a) sale of products (including Excise Duty);
- (b) sale of services; and
- (c) other operating revenues.

4. Finance Costs: Finance costs shall be classified as-

- (a) interest;
- (b) dividend on redeemable preference shares;
- (c) exchange differences regarded as an adjustment to borrowing costs; and
- (d) other borrowing costs (specify nature).

5. Other income: other income shall be classified as-

- (a) interest Income;
- (b) dividend Income; and
- (c) other non-operating income (net of expenses directly attributable to such . income).

6. Other Comprehensive Income shall be classified into-

- (A) Items that will not be reclassified to profit or loss
 - (i) Changes in revaluation surplus;
 - (ii) Remeasurements of the defined benefit plans;
 - (iii) Equity Instruments through Other Comprehensive Income;
 - (iv) Fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss;
 - (v) Share of Other Comprehensive Income in Associates and joint Ventures, to the extent not to be classified into profit or loss; and
 - (vi) Others (specify nature).

- (B) Items that will be reclassified to profit or loss;
- (i) Exchange differences in translating the financial statements of a foreign operation;
- (ii) Debt instruments through Other Comprehensive Income;
- (iii) The effective portion of gains and loss on hedging instruments in a cash flow hedge;
- (iv) Share of other comprehensive income in Associates and joint ventures, to the extent to be classified into profit or loss; and
- (v) Others (specify nature)

7. Additional Information: A Company shall disclose by way of notes, additional information regarding aggregate expenditure and income on the following items:

- (a) employee Benefits expense [showing separately (i) salaries and wages, (ii) contribution to provident and other funds, (iii) share based payments to employees, (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.10,00,000, whichever is higher, in addition to the consideration of 'materiality' as specified in clause 7 of the General Instructions for Preparation of Financial Statements of a Company,
- (d) interest Income;
- (e) interest Expense;
- (f) dividend income;
- (g) net gain or loss on sale of investments;
- (h) net gain or loss on foreign currency transaction and translation (other than considered as finance cost);
- (i) payments to the auditor as (a) auditor, (b) for taxation matters, (c) for company law matters, (d) for other services, (e) for reimbursement of expenses;
- j) in case of companies covered under section 135, amount of expenditure incurred on corporate social responsibility activities; and
- (k) details of items of exceptional nature;

8. Changes in Regulatory Deferral Account Balances shall be presented in the Statement of Profit and Loss in accordance with the relevant Indian Accounting Standards

PART III-GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

1. Where a company is required to prepare Consolidated Financial Statements, i.e., consolidated balance sheet, consolidated statement of changes in equity and consolidated statement of profit and loss, the company shall mutatis mutandis follow the requirements of this Schedule as applicable to a company in the preparation of balance sheet, statement of changes in equity and statement of profit and loss. In addition, the consolidated financial statements shall disclose the information as per the requirements specified in the applicable Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules 2015, including the following, namely:-

(i) Profit or loss attributable to 'non-controlling interest' and to 'owners of the parent' in the statement of profit and loss shall be presented as allocation for the period. Further, 'total comprehensive income' for the period attributable to 'non-controlling interest' and to 'owners of the parent' shall be presented in the statement of profit and loss as allocation for the period. The aforesaid disclosures for 'total comprehensive income' shall also be made in the statement of changes in equity. In addition to the disclosure requirements in the Indian Accounting Standards, the aforesaid disclosures shall also be made in respect of 'other comprehensive income'.

(ii) 'Non-controlling interests' in the Balance Sheet and in the Statement of Changes in Equity, within equity, shall be presented separately from the equity of the owners of the parent'.

(iii) Investments accounted for using the equity method

2. In consolidated financial statement, the following shall be disclosed by way of additional information:

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Subsidiaries								
Indian								
1.								
2.								
3.								
-								
Foreign								
1.								
2.								
3.								
-								
Non-controlling Interests in all subsidiaries								
Associates (Investment as per the equity method)								
Indian								
1.								
2.								
3.								
-								
Foreign								
1.								
2.								
3.								
-								
Joint Ventures (investment as per the equity method)								
Indian								
1.								
2.								
3.								
-								
Foreign								
1.								
2.								
3.								
-								
Total								

3. All subsidiaries, associates and joint ventures (whether Indian or Foreign) will be covered under consolidated financial statement.

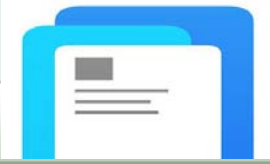
4. An entity shall disclose the list of subsidiaries or associates or joint ventures which have not been consolidated financial statements along with the reason of not consolidating.

C. S.O. Notification regarding sub-section (1) of section 396 of the Companies Act, 2013 (18 of 2013)

Dated 26.04.2016

S.O.- In exercise of the powers conferred by sub-section (1) of section 396 of the Companies Act 2013 (18 of 2013) (herein alter referred to as the said Act), the Central Government notified the jurisdictions of Regional Directors vide notification number G.S.R 832(E) dated 03.11.2015 to discharge the functions under sub-section (1) of section 396 of the said Act.

2. In the said notification in serial number (7), in column (2), for the words "States of Karnataka and Andhra Pradesh" the words "States of Karnataka, Andhra Pradesh and Telangana" shall bc substituted and shall be deemed to have been substituted with effect from 3rd November, 2015.



CIRCULARS

General Circular No.3/2016

DATED 27.04.2016

Subject:- Relaxation of additional fees and extension of last date of filing of various e-Forms under the Companies Act - reg.

This Ministry has launched V2R2 on 28th March, 2016, downtime was given to Infosys from 25th March, 2016 to 27th March, 2016. Since the launch of the system, a number of stakeholders have faced issues and representations have been received from stakeholders to resolve the issues including, for allowing waiver of additional fee till the new system stabilizes.

In view of the above, it has been decided to relax the additional fee payable on e-forms which are due for filing by companies between 25th March 2016 to 30th April, 2016 as one time waiver of additional fee and it is also clarified to stakeholders that if such due e-forms are filed after 10.05.2016, no such relaxation shall be allowed.

A. General Circular No.4/2016

DATED 27.04.2016

Subject: Clarification with regard to Companies (Accounting Standards) Amendment Rules 2016

Stakeholders have sought clarifications with regard to the accounting period for which the accounts would need to be prepared using the Accounting Standards, as amended through the Companies (Accounting Standards) Amendment Rules, 2016. The matter has been examined in the Ministry and it is hereby clarified that the amended Accounting Standards should be used for preparation of accounts for accounting periods commencing on or after the date of notification.

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- **G.S.R.(E):In exercise of the powers conferred by sub section (1) of section 467 of the Companies Act, 2013 (18 of 2013) dated 06.04.2016**
- **G.S.R 832(E):section 396 of CA 2013 - Jurisdiction of the state of Telangana Dated 26.04.2016**
- **General Circular No.03/2016:Relaxation of additional fees and extension of last date of filing of various e-forms under the companies act-reg.**
- **General Circular No. 04/2016: Clarification with regard to companies (Accounting Standards) Amendment Rules, 2016**

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