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**[TO BE PUBLISHED IN GAZETTE OF INDIA, EXTRAORDINARY, PART-II, SECTION 3, SUB-SECTION (i)]**

**GOVERNMENT OF INDIA**
**MINISTRY OF CORPORATE AFFAIRS**
**Notification**

New Delhi, 11th October, 2018

**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 further amendments in Schedule III to the said Act with effect from the date of publication of this notification in the Official Gazette, namely:-

In the said Schedule,-

(a) in Division I,-

(i) under the heading "General instructions for preparation of Balance Sheet and statement of Profit and Loss of a company", under sub-heading "General instructions", in paragraph 4, in clause (ii), for the word "shall", the word "should" shall be substituted;

(ii) in Part I- Balance Sheet,-

(A) under the heading "II Assets", under sub-heading "Non-current assets", for the words "Fixed assets", the words "Property, Plant and Equipment" shall be substituted;

(B) in the "Notes", under the heading "General Instructions for preparation of Balance Sheet", in paragraph 6,-

(I) under the heading "B. Reserves and Surplus", in item (i), in sub- item (c), the word "Reserve" shall be omitted;

(II) in clause W., for the words "fixed assets", the words "Property, Plant and Equipment" shall be substituted;

(b) in Division II, in Part I- Balance Sheet,-

(i) under the heading "Equity and Liabilities", for the words "Trade payables" at both the places where they occur, the following shall be substituted, namely:—

"Trade Payables:-

(A) total outstanding dues of micro enterprises and small enterprises; and

(B) total outstanding dues of creditors other than micro enterprises and small enterprises.";

(ii) under the heading "Statement of Changes in Equity", under sub-heading "B. Other Equity",-

(A) for the words "Securities Premium Reserve", the words "Securities Premium" shall be substituted;

(B) The "Note" shall be renumbered as clause (i) thereof and after clause (i) as so renumbered, the following clause shall be inserted, namely:-

"(ii) A description of the purposes of each reserve within equity shall be disclosed in the Notes.";

(iii) in the "Notes", under the heading "General Instructions for Preparation of Balance Sheet",-

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(A) in paragraph 6,-

(I) under the heading "A. Non-Current Assets",-

**(i)** under sub-heading "VII. Trade Receivables", for item (i), the following shall be substituted, namely:—

"(i) Trade Receivables shall be sub-classified as:

(a) Trade Receivables considered good - Secured;
(b) Trade Receivables considered good - Unsecured;
(c) Trade Receivables which have significant increase in Credit Risk; and
(d) Trade Receivables - credit impaired.";

**(ii)** under sub-heading "VIII. Loans", for item (ii), the following shall be substituted, namely:—

"(ii) Loans Receivables shall be sub-classified as:

(a) Loans Receivables considered good - Secured;
(b) Loans Receivables considered good - Unsecured;
(c) Loans Receivables which have significant increase in Credit Risk; and
(d) Loans Receivables - credit impaired,";

(II) under the heading "B. Current Assets",-

**(i)** under sub-heading "III. Trade Receivables", for item (i) the following shall be substituted, namely:—

"(i) Trade Receivables shall be sub-classified as:

(a) Trade Receivables considered good - Secured;
(b) Trade Receivables considered good - Unsecured;
(c) Trade Receivables which have significant increase in Credit Risk; and
(d) Trade Receivables - credit impaired.";

**(ii)** under sub-heading "V. Loans", for item (ii), the following shall be substituted, namely:—

"(ii) Loans Receivables shall be sub-classified as:

(a) Loans Receivables considered good - Secured;
(b) Loans Receivables considered good - Unsecured;
(c) Loans Receivables which have significant increase in Credit Risk; and
(d) Loans Receivables - credit impaired.";

(III) after the heading "F. Current Liabilities" and the entries relating thereto, the following shall be inserted, namely:—

"FA. Trade Payables

The following details relating to micro, small and medium enterprises shall be disclosed in the notes:-

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;

(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;

(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;

(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

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(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Explanation.- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning as assigned to them under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.".

(B) in paragraph 9, after the words "For instance,", the words "plain vanilla" shall be inserted;

(c) after Division II and the entries relating thereto, the following shall be inserted, namely:-

**"Division III**

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

***GENERAL INSTURCTIONS FOR PREPARATION OF FINANCIAL STATEMENTS OF A NON-BANKING FINANCIAL COMPANY (NBFC) THAT IS REQUIRED TO COMPLY WITH INDIAN ACCOUNTING STANDARDS (Ind AS)***

1. Every Non-Banking Financial company as defined in the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 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 relevant Act, Regulations, Guidelines or Circulars issued by the relevant regulator from time to time including Indian Accounting Standards (Ind AS) (except the option of presenting assets and liabilities in accordance with current, non-current classification as provided by relevant Ind AS) as applicable to the NBFCs 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.

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(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 details that may not assist users of Financial Statements and not providing important information as a result of too much aggregation.

5. Depending upon the total income of the NBFC, the figures appearing in the Financial Statements shall be rounded off as below:

| Total Income | 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 Statements including Notes except in the case of first Financial Statements 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, Regulation, Guidelines or Circulars issued by the relevant regulators from time to time requires specific disclosures to be made in the standalone financial statements of an NBFC, the said disclosures shall be made in addition to those required under this Schedule.

10. The NBFCs preparing financial statements as per this Schedule may change the order of presentation of line items on the face of financial statements or order of line items within the schedules in order of liquidity, if appropriate, considering the operations performed by the NBFC.

**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 Account') and 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 NBFC's financial position or performance or to cater to categories of NBFCs as prescribed by the relevant regulator or sector-specific disclosure requirements or when required for compliance with the amendments to the relevant statutes or under the Indian Accounting Standards.

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## ***PART I –BALANCE SHEET***

*Name of the Non-Banking Financial 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 |
| | **ASSETS** | | | |
| **(1)** | **Financial Assets** | | | |
| (a) | Cash and cash equivalents | | | |
| (b) | Bank Balance other than (a) above | | | |
| (c) | Derivative financial instruments | | | |
| (d) | Receivables | | | |
| | (I) Trade Receivables | | | |
| | (II) Other Receivables | | | |
| (e) | Loans | | | |
| (f) | Investments | | | |
| (g) | Other Financial assets (to be specified) | | | |
| | | | | |
| **(2)** | **Non-financial Assets** | | | |
| (a) | Inventories | | | |
| (b) | Current tax assets (Net) | | | |
| (c) | Deferred tax Assets (Net) | | | |
| (d) | Investment Property | | | |
| (e) | Biological assets other than bearer plants | | | |
| (f) | Property, Plant and Equipment | | | |
| (g) | Capital work-in-progress | | | |
| (h) | Intangible assets under development | | | |
| (i) | Goodwill | | | |

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| | | | | |
|---|---|---|---|---|
| (j) | Other Intangible assets | | | |
| (k) | Other non-financial assets (to be specified) | | | |
| | **Total Assets** | | | |
| | **LIABILITIES AND EQUITY** | | | |
| | **LIABILITIES** | | | |
| **(1)** | **Financial Liabilities** | | | |
| (a) | Derivative financial instruments | | | |
| (b) | Payables | | | |
| | (I)Trade Payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | | |
| | (II) Other Payables | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | | |
| (c) | Debt Securities | | | |
| (d) | Borrowings (Other than Debt Securities) | | | |
| (e) | Deposits | | | |
| (f) | Subordinated Liabilities | | | |
| (g) | Other financial liabilities(to be specified) | | | |

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|---|---|---|---|---|
| **(2)** | **Non-Financial Liabilities** | | | |
| (a) | Current tax liabilities (Net) | | | |
| (b) | Provisions | | | |
| (c) | Deferred tax liabilities (Net) | | | |
| (d) | Other non-financial liabilities(to be specified) | | | |
| | | | | |
| **(3)** | **EQUITY** | | | |
| (a) | Equity Share capital | | | |
| (b) | Other Equity | | | |
| | **Total Liabilities and Equity** | | | |

**See accompanying notes to the financial statements**

***STATEMENT OF CHANGES IN EQUITY***

*Name of the Non-Banking Financial 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 |
|---|---|---|
| xxx | xxx | xxx |

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**B. Other Equity**

| | Share application 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Statutory Reserves | Capital Reserve | Securities Premium | Other Reserves (specify nature) | Retained Earnings | | | | | | | | |
| Balance at the beginning of the reporting period | | | | | | | | | | | | | | | |
| Changes in accounting policy/prior period errors | | | | | | | | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 reporting period | | | | | | | | | | | | | | | |

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**Note**:

(i) 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 with separate disclosure of such items alongwith the relevant amounts in the Notes.

(ii) A description of the purpose of each reserve within equity shall be disclosed in the Notes.

***Notes***

***GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET***

A Non-Banking Financial company shall disclose the following in the notes to accounts:

**(A) Cash and cash equivalents**: Cash and cash equivalents shall be classified as:

(i) Cash on hand
(ii) Balances with Banks (of the nature of cash and cash equivalents);
(iii) Cheques, drafts on hand;and
(iv) Others (specify nature).

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

(i) Earmarked balances with banks (for example, for unpaid dividend) shall be separately stated.
(ii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.
(iii) Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

**(B) Derivative financial Instruments**

*1 Explain use of derivatives*
*2 Cross-reference to Financial Risks section for management of risks arising from derivatives*

| **Part I** | **(Current Year)** | | | **(Previous Year)** | | |
|---|---|---|---|---|---|---|
| | **Notional amounts** | **Fair Value - Assets** | **Fair Value - Liabilities** | **Notional amounts** | **Fair Value - Assets** | **Fair Value - Liabilities** |
| **(i)Currency derivatives:** | | | | | | |

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|---|---|---|---|---|---|---|
| -Spot and forwards | | | | | | |
| -Currency Futures | | | | | | |
| -Currency swaps | | | | | | |
| -Options purchased | | | | | | |
| -Options sold (written) | | | | | | |
| -Others | | | | | | |
| **Subtotal (i)** | | | | | | |
| | | | | | | |
| **(ii)Interest rate derivatives** | | | | | | |
| -Forward Rate Agreements and Interest Rate Swaps | | | | | | |
| -Options purchased | | | | | | |
| -Options sold (written) | | | | | | |
| -Futures | | | | | | |
| -Others | | | | | | |
| **Subtotal(ii)** | | | | | | |
| **(iii)Credit derivatives** | | | | | | |
| **(iv)Equity linked derivatives** | | | | | | |
| **(v)Other derivatives (Please specify)** | | | | | | |
| | | | | | | |
| **Total Derivative** | | | | | | |

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|---|---|---|---|---|---|---|
| **Financial Instruments (i)+(ii)+(iii)+(iv)+(v)** | | | | | | |
| **Part II** | | | | | | |
| Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: | | | | | | |
| **(i)Fair value hedging:** | | | | | | |
| - Currency derivatives | | | | | | |
| - Interest rate derivatives | | | | | | |
| - Credit derivatives | | | | | | |
| - Equity linked derivatives | | | | | | |
| - Others | | | | | | |
| **Subtotal (i)** | | | | | | |
| **(ii)Cash flow hedging:** | | | | | | |
| - Currency derivatives | | | | | | |
| - Interest rate | | | | | | |

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|---|---|---|---|---|---|---|
| derivatives | | | | | | |
| - Credit derivatives | | | | | | |
| - Equity linked derivatives | | | | | | |
| - Others | | | | | | |
| **Subtotal (ii)** | | | | | | |
| **(iii)Net investment hedging:** | | | | | | |
| **(iv)Undesignated Derivatives** | | | | | | |
| **Total Derivative Financial Instruments (i)+(ii)+(iii)+(iv)** | | | | | | |

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With respect to hedges and hedge accounting, NBFCs may provide a description in accordance with the requirements of Indian Accounting Standards, of how derivatives are used for hedging, explain types of hedges recognized for accounting purposes and their usage/application by the entity.

**(C) Receivables:**

(i) Receivables shall be sub-classified as:

(a) Receivables considered good - Secured;
(b) Receivables considered good - Unsecured;
(c) Receivables which have significant increase in Credit Risk; and
(d) Receivables - credit impaired

(ii) Allowance for impairment loss allowance shall be disclosed under the relevant heads separately.

(iii) Debts due by directors or other officers of the NBFC 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.

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**(D) Loans**

| | (Current Year) | | | | | | (Previous Year) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Amortised cost | At Fair Value | | | Subtotal | Total | Amortised cost | At Fair Value | | | Subtotal | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | |
| | (1) | (2) | (3) | (4) | (5=2+3+4) | (6=1+5) | (7) | (8) | (9) | (10) | (11=8+9+10) | (12=(7)+(11) |
| **Loans** | | | | | | | | | | | | |
| **(A)** (i) Bills Purchased and Bills Discounted | | | | | | | | | | | | |
| (ii) Loans repayable on Demand | | | | | | | | | | | | |
| (iii) Term Loans | | | | | | | | | | | | |
| (iv) Leasing | | | | | | | | | | | | |
| (v) Factoring | | | | | | | | | | | | |
| (vi) Others (to be specified) | | | | | | | | | | | | |
| **Total (A) - Gross** | | | | | | | | | | | | |
| Less:Impai | | | | | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| rment loss allowance | | | | | | | | | | | | |
| **Total (A) - Net** | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| **(B)** (i) Secured by tangible assets | | | | | | | | | | | | |
| **(ii)Secured by intangible assets** | | | | | | | | | | | | |
| (iii) Covered by Bank/Government Guarantees | | | | | | | | | | | | |
| (iv) Unsecured | | | | | | | | | | | | |
| **Total (B)-Gross** | | | | | | | | | | | | |
| Less: Impairment loss allowance | | | | | | | | | | | | |
| **Total (B)-Net** | | | | | | | | | | | | |
| **(C) (I) Loans in India** | | | | | | | | | | | | |
| (i) Public Sector | | | | | | | | | | | | |
| (ii) Others | | | | | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (to be specified) | | | | | | | | | | | | |
| **Total (C)-Gross** | | | | | | | | | | | | |
| Less: Impairment loss allowance | | | | | | | | | | | | |
| **Total(C)(I)-Net** | | | | | | | | | | | | |
| **(C)(II)Loans outside India** | | | | | | | | | | | | |
| Less: Impairment loss allowance | | | | | | | | | | | | |
| **Total (C)(II)- Net** | | | | | | | | | | | | |
| **Total C(I) and C(II)** | | | | | | | | | | | | |

**(E) Investments**

| **Investments** | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Investments** | **(Current Year)** | | | | | | | **(Previous Year)** | | | | | | |
| | **Amortised cost** | **At Fair Value** | | | **Sub-Total** | **Others*** | **Total** | **Amortised cost** | **At Fair Value** | | | **Sub-Total** | **Others*** | **Total** |
| | | **Through Other Comprehensive Income** | **Through profit or loss** | **Designated at fair value through profit or loss** | | | | | **Through Other Comprehensive Income** | **Through profit or loss** | **Designated at fair value through profit or loss** | | | |

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| | (1) | (2) | (3) | (4) | (5)=(2)+(3)+(4) | (6) | (7)=(1)+(5)+(6) | (8) | (9) | (10) | (11) | (12)=(9)+(10)+(11) | (13) | (14)=(8)+(12)+(13) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mutual funds | | | | | | | | | | | | | | |
| Government securities | | | | | | | | | | | | | | |
| Other approved securities | | | | | | | | | | | | | | |
| Debt securities | | | | | | | | | | | | | | |
| Equity instruments | | | | | | | | | | | | | | |
| Subsidiaries | | | | | | | | | | | | | | |
| Associates | | | | | | | | | | | | | | |
| Joint Ventures | | | | | | | | | | | | | | |
| Others (specify) | | | | | | | | | | | | | | |
| **Total – Gross (A)** | | | | | | | | | | | | | | |
| (i) Investments outside India | | | | | | | | | | | | | | |
| (ii) Investments in India | | | | | | | | | | | | | | |
| **Total (B)** | | | | | | | | | | | | | | |
| Total (A) to tally with (B) | | | | | | | | | | | | | | |
| Less: Allowance for Impairment | | | | | | | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| loss (C) | | | | | | | | | | | | | | |
| **Total – Net D= (A)-(C)** | | | | | | | | | | | | | | |
| * Other basis of measurement such as cost may be explained as a footnote | | | | | | | | | | | | | | |

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**(F) 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.

**(G) 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.

**(H)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 asset.

(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.

**(I) 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.

**(J) 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

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(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.

**(K) Payables**

The following details relating to Micro, Small and Medium Enterprises shall be disclosed:

(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Explanation.- The terms 'appointed day', 'buyer', 'enterprise', 'micro enterprise', 'small enterprise' and 'supplier', shall have the same meaning assigned to those under clauses (b), (d), (e), (h), (m) and (n) respectively of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006."

**(L) Debt Securities**

| | **(Current Year)** | | | | **(Previous Year)** | | | |
|---|---|---|---|---|---|---|---|---|
| | **At Amortised Cost** | **At Fair Value Through profit or loss** | **Designated at fair value through profit or loss** | **Total** | **At Amortised Cost** | **At Fair Value Through profit or loss** | **Designated at fair value through profit or loss** | **Total** |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) | (5) | (6) | (7) | (8)=(5)+(6)+(7) |
| Liability component of compound financial instrument | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|
| s | | | | | | | | |
| Others (Bonds/ Debenture etc.) | | | | | | | | |
| **Total (A)** | | | | | | | | |
| Debt securities in India | | | | | | | | |
| Debt securities outside India | | | | | | | | |
| **Total (B) to tally with (A)** | | | | | | | | |

(i) 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 earliest 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;

(ii) particulars of any redeemed bonds or debentures which the NBFC has power to reissue shall be disclosed.

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**(M) Borrowings (Other than Debt Securities)**

| | (Current Year) | | | | (Previous Year) | | | |
|---|---|---|---|---|---|---|---|---|
| | **At Amortised Cost** | **At fair value Through profit or loss** | **Designated at fair value through profit or loss** | **Total** | **At Amortised Cost** | **At fair value Through profit or loss** | **Designated at fair value through profit or loss** | **Total** |
| | **(1)** | **(2)** | **(3)** | **(4)=(1)+(2)+(3)** | **(1)** | **(2)** | **(3)** | **(4)=(1)+(2)+(3)** |
| (a)Term loans | | | | | | | | |
| (i)from banks | | | | | | | | |
| (ii)from other parties | | | | | | | | |
| (b)Deferred payment liabilities | | | | | | | | |
| (c)Loans from related parties | | | | | | | | |
| (d) Finance lease obligations | | | | | | | | |
| (e)Liability component of compound financial instruments | | | | | | | | |
| (f)Loans repayable on demand | | | | | | | | |

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|---|---|---|---|---|---|---|---|---|
| (i)from banks | | | | | | | | |
| (ii)from other parties | | | | | | | | |
| (g) Other loans (specify nature) | | | | | | | | |
| **Total (A)** | | | | | | | | |
| Borrowings in India | | | | | | | | |
| Borrowings outside India | | | | | | | | |
| **Total (B) to tally with (A)** | | | | | | | | |

(i) Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.

(ii) Where borrowings have been guaranteed by directors or others, the aggregate amount of such borrowings under each head shall be disclosed;

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

(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.

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**(N) Deposits**

| | (Current Year) | | | | (Previous Year) | | | |
|---|---|---|---|---|---|---|---|---|
| | **At Amortised Cost** | **At fair value through profit or loss** | **Designated at fair value through profit or loss** | **Total** | **At Amortised Cost** | **At fair value through profit or loss** | **Designated at fair value through profit or loss** | **Total** |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) | (5) | (6) | (7) | (8)=(5)+(6)+(7) |
| Deposits | | | | | | | | |
| (i) Public Deposits | | | | | | | | |
| (ii) From Banks | | | | | | | | |
| (iii)From Others | | | | | | | | |
| **Total** | | | | | | | | |

**(O) Subordinated Liabilities**

| | (Current Year) | | | | (Previous Year) | | | |
|---|---|---|---|---|---|---|---|---|
| | **At Amortised Cost** | **At fair value through profit or loss** | **Designated at fair value through profit or loss** | **Total** | **At Amortised Cost** | **At fair value through profit or loss** | **Designated at fair value through profit or loss** | **Total** |
| | (1) | (2) | (3) | (4)=(1)+(2)+(3) | (5) | (6) | (7) | (8)=(5)+(6)+(7) |
| Perpetual Debt Instruments to the | | | | | | | | |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| extent that do not qualify as equity | | | | | | | | |
| Preference Shares other than those that qualify as Equity | | | | | | | | |
| Others (specifying the nature and type of instrument issued) | | | | | | | | |
| **Total (A)** | | | | | | | | |
| | | | | | | | | |
| Subordinated Liabilities in India | | | | | | | | |
| Subordinated Liabilities outside India | | | | | | | | |
| **Total (B) to tally with (A)** | | | | | | | | |

**(P) Other Financial Liabilities (to be specified)**: Other Financial liabilities shall be classified as-

(a) Interest accrued;
(b) Unpaid dividends;
(c) Application money received for allotment of securities to the extent refundable and interest accrued thereon;
(d) Unpaid matured deposits and interest accrued thereon;
(e) Unpaid matured debentures and interest accrued thereon;

(f) Margin money (to be specified);and
(g) Others (specify nature)

**(Q) Provisions:** The amounts shall be classified as-

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

**(R) Other Non-financial liabilities (to be specified):**

(a) Revenue received in advance;
(b) Other advances (Specify nature); and
(c) Others (specify nature).

**(S) Equity Share Capital** : For each class of equity share capital:

(a) the number and amount of shares authorized;
(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 or 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 percent shares specifying the number of shares held;
(h) shares reserved for issue under options and contracts/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:

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- 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)

(m) An NBFC shall disclose information that enables users of its financial statements to evaluate the NBFC's objectives, policies and processes for managing capital.

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**(T) 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;
(d) Statutory Reserves; and
(e) 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;
(v) Under the sub-head 'Other Equity', disclosure shall be made for the nature and amount of each item; and
(vi) Under the sub-head 'Other Equity', disclosure shall be made for conditions or restrictions for distribution attached to statutory reserves.

**(U) 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;
(c) Other commitments (specify nature).

**(V)** 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.

**(W)** 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 unutilized amounts have been used or invested.

**(X) Other Classification related General Instructions**

1. When an NBFC 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 NBFC shall attach to the Balance Sheet, a "Balance Sheet" as at the beginning of the earliest comparative period presented.

2. 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'.

3. 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, plain vanila redeemable preference shares shall be classified and presented under 'liabilities' as 'borrowings' or 'subordinated liability' and the disclosure requirements in this regard applicable to such borrowings shall be applicable *mutatis mutandis* to redeemable preference shares.

4. 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 ''Liabilities and Equity'.

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

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## ***PART II – STATEMENT OF PROFIT AND LOSS***

*Name of the Non-Banking Financial 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** |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| (i) | Interest Income | | | |
| (ii) | Dividend Income | | | |
| (iii) | Rental Income | | | |
| (iv) | Fees and commission Income | | | |
| (v) | Net gain on fair value changes | | | |
| (vi) | Net gain on derecognition of financial instruments under amortised cost category | | | |
| (vii) | Sale of products(including Excise Duty) | | | |
| (viii) | Sale of services | | | |
| (ix) | Others (to be specified) | | | |
| (I) | **Total Revenue from operations** | | | |
| | | | | |
| (II) | Other Income (to be specified) | | | |
| (III) | **Total Income (I+II)** | | | |
| | | | | |
| | **Expenses** | | | |
| (i) | Finance Costs | | | |
| (ii) | Fees and commission expense | | | |
| (iii) | Net loss on fair value changes | | | |
| (iv) | Net loss on derecognition of financial instruments under amortised cost category | | | |
| (v) | Impairment on financial instruments | | | |
| (vi) | Cost of materials consumed | | | |

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|---|---|---|---|---|
| (vii) | Purchases of Stock-in-trade | | | |
| (viii) | Changes in Inventories of finished goods, stock-in-trade and work-in- progress | | | |
| (ix) | Employee Benefits Expenses | | | |
| (x) | Depreciation, amortization and impairment | | | |
| (xi) | Others expenses (to be specified) | | | |
| (IV ) | **Total Expenses (IV)** | | | |
| | | | | |
| (V ) | Profit / (loss) before exceptional items and tax (III-IV) | | | |
| (VI ) | Exceptional items | | | |
| (VII ) | Profit/(loss) before tax (V -VI ) | | | |
| (VIII) | Tax Expense:<br>(1) Current Tax<br>(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<br>(specify items and amounts) | | | |

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| | | | | |
|---|---|---|---|---|
| | | | | |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| | **Subtotal (A)** | | | |
| | (B) (i) Items that will be reclassified to profit or loss<br>(specify items and amounts) | | | |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | | | |
| | **Subtotal (B)** | | | |
| | **Other Comprehensive Income (A + B)** | | | |
| | | | | |
| **(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 operations)** | | | |
| | Basic (Rs.) | | | |
| | Diluted (Rs.) | | | |
| | | | | |
| **(XVII)** | **Earnings per equity share (for discontinued operations)** | | | |
| | Basic (Rs.) | | | |
| | Diluted (Rs.) | | | |
| | | | | |
| **(XVIII)** | **Earnings per equity share (for continuing and discontinued operations)** | | | |
| | Basic (Rs.) | | | |
| | Diluted (Rs.) | | | |

**See accompanying notes to the financial statements**

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***Notes***

***GENERAL INSTRUCTIONS 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:
(A) Profit or loss for the period;
(B) Other Comprehensive Income for the period.
The sum of (A) and (B) above is 'Total Comprehensive Income'.

**3. Interest Income**

| **Particulars** | **(Current Year)** | | | **(Previous Year)** | | |
|---|---|---|---|---|---|---|
| | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income on Financial Assets classified at fair value through profit or loss | On Financial Assets measured at fair value through OCI | On Financial Assets measured at Amortised Cost | Interest Income on Financial Assets classified at fair value through profit or loss |
| Interest on Loans | | | | | | |
| Interest income from investments | | | | | | |
| Interest on deposits with Banks | | | | | | |
| Other interest Income | | | | | | |
| Total | | | | | | |

**4. Net gain/ (loss) on fair value changes***

| **Particulars** | **(Current Year)** | **(Previous Year)** |
|---|---|---|
| (A) Net gain/ (loss) on financial instruments at fair value through profit or loss | | |
| (i) On trading portfolio | | |
| - Investments | | |
| - Derivatives | | |
| - Others | | |

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|---|---|---|
| (ii) On financial instruments designated at fair value through profit or loss | | |
| (B) Others ( to be specified) | | |
| Total Net gain/(loss) on fair value changes (C) | | |
| Fair Value changes:<br><br>-Realised<br>-Unrealised | | |
| Total Net gain/(loss) on fair value changes(D) to tally with (C) | | |

*Fair value changes in this schedule are other than those arising on account of accrued interest income/expense.

**5. Other Income (to be specified)**

| Particulars | (Current Year) | (Previous Year) |
|---|---|---|
| Net gain/(loss) on ineffective portion of hedges | | |
| Net gain/(loss) on derecognition of property, plant and equipment | | |
| Net gain or loss on foreign currency transaction and translation (other than considered as finance cost)( to be specified) | | |
| Others ( to be specified)* | | |
| Total | | |

* Any item under the subhead 'Others' which exceeds one per cent of the total income to be presented separately.

**6. Finance Costs**

| Particulars | (Current Year) | | (Previous Year) | |
|---|---|---|---|---|
| | On Financial liabilities measured at fair value through profit or loss | On Financial liabilities measured at Amortised Cost | On Financial liabilities measured at fair value through profit or loss | On Financial liabilities measured at Amortised Cost |
| Interest on deposits | | | | |
| Interest on borrowings | | | | |
| Interest on debt securities | | | | |
| Interest on subordinated liabilities | | | | |

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|---|---|---|---|---|
| Other interest expense | | | | |
| Total | | | | |

**7. Employee Benefits Expenses**

| Particulars | (Current Year) | (Previous Year) |
|---|---|---|
| Salaries and wages | | |
| Contribution to provident and other funds | | |
| Share Based Payments to employees | | |
| Staff welfare expenses | | |
| Others (to be specified) | | |
| Total | | |

**8. Impairment on financial instruments**

| Particulars | (Current Year) | | (Previous Year) | |
|---|---|---|---|---|
| | On Financial instruments measured at fair value through OCI | On Financial instruments measured at Amortised Cost | On Financial instruments measured at fair value through OCI | On Financial instruments measured at Amortised Cost |
| Loans | | | | |
| Investments | | | | |
| Others (to be specified) | | | | |
| Total | | | | |

**9. Other expenses (to be specified)**

| Particulars | (Current Year) | (Previous Year) |
|---|---|---|
| Rent, taxes and energy costs | | |
| Repairs and maintenance | | |
| Communication Costs | | |
| Printing and stationery | | |
| Advertisement and publicity | | |
| Director's fees, allowances and expenses | | |
| Auditor's fees and expenses | | |
| Legal and Professional charges | | |
| Insurance | | |
| Other expenditure | | |
| Total | | |

* Any item under the subhead 'Others expenditure' which exceeds one per cent of the total income to be presented separately.

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**10. 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).

**11. Additional Information:** An NBFC shall disclose by way of notes, additional information regarding aggregate expenditure and income on the following items:

i. Depreciation, amortisation and impairment
ii. 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;
iii. in case of NBFCs covered under section 135, amount of expenditure incurred on corporate social responsibility activities; and
iv. details of items of exceptional nature

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**PART III-** ***GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS***

**(1)** Where a Non-Banking Financial Company (NBFC) 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 NBFC shall mutatis mutandis follow the requirements of this Schedule as applicable to an NBFC in the preparation of balance sheet, statement of changes in equity and statement of profit and loss. However, where the consolidated financial statements contains elements pertaining to NBFCs and other than NBFCs, mixed basis of presentation may be followed for consolidated financial statements where both kinds of operations are significant. 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.

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**(2)** In Consolidated Financial Statements, 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<br><br>Subsidiaries<br>Indian<br>1.<br>2.<br>3.<br>.<br>.<br>Foreign<br>1.<br>2.<br>3.<br>.<br>.<br>Non-controlling Interests in all subsidiaries<br><br>Associates (Investment as per the equity method) | | | | | | | | |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Indian<br>1.<br>2.<br>3.<br>.<br>.<br>Foreign<br>1.<br>2.<br>3.<br>.<br>.<br>Joint Ventures(as per the equity method)<br>Indian<br>1.<br>2.<br>3.<br>.<br>.<br>Foreign<br>1.<br>2.<br>3.<br>.<br>. | | | | | | | | |
| Total | | | | | | | | |

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

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

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11/10/2018

K. V. R. Murty, Jt. Secy.

**Note**: Schedule III of the Companies Act, 2013 came into force with effect from the 1st April, 2014 *vide* Notification S.O.902 (E), dated 26th March 2014 and subsequently amended vide Notification G.S.R. 679(E), dated 4th September 2015 and vide Notification G.S.R. 404(E), dated 6th April 2016.