

Formats of Financial Statements of NBFCS**PART I — GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

1. A statement of all significant accounting policies adopted in the preparation and presentation of the balance sheet and the profit and loss account shall be included in the company's balance sheet.
2. The accounting policies adopted in the preparation and presentation of financial statements shall be in conformity with the applicable prudential norms relating to accounting matters (including income recognition, asset classification and provisioning, and valuation of investments) issued by the Reserve Bank of India.
3. Where any of the accounting policies is not in conformity with the accounting standards and guidance notes issued by the Institute of Chartered Accountants of India, and the effect of departures from accounting standards/guidance notes is material, the particulars of the departure shall be disclosed, together with the reasons therefor and the financial effect thereof. Where such effect is not ascertainable, the fact shall be disclosed.
4. An inappropriate treatment of an item in balance sheet or profit and loss account cannot be rectified either by disclosure of accounting policies used or by disclosure in notes to balance sheet and profit and loss account.
5. Notes to the balance sheet and the profit and loss account shall contain only the explanatory material pertaining to the items in the balance sheet and the profit and loss account.
6. If the information required to be given under any of the items for which a separate schedule has not been prescribed herein cannot be conveniently included in the balance sheet or the profit and loss account itself, as the case may be, it can be furnished in a separate Schedule or Schedules to be annexed to and forming part of the balance sheet or the profit and loss account. This is recommended where items are numerous.
7. The Schedules referred to above, accounting policies and explanatory notes shall form an integral part of the balance sheet.
8. The corresponding amounts for the immediately preceding financial year for all items shown in the balance sheet and profit and loss account shall also be given in the balance sheet or profit and loss account, as the case may be (after re-grouping, where necessary). Those may be shown either in a separate column or in a bracket.
9. The figures in the balance sheet and profit and loss account shall be rounded off to the nearest thousands.
10. An NBFC having non-financial business shall also disclose all the additional information as required to be disclosed under Schedule VI to the Companies Act, 1956.
11. For the purposes of these formats unless the context otherwise requires -
 - (a) the expression "relatives" shall have the same meaning as is assigned thereto in the Reserve Bank of India Act, 1934;
 - (b) the expression "substantial shareholding" shall mean the holding of 10% or more in the nominal value of the total subscribed capital of the company;
 - (c) the expression "substantial interest" shall mean -
 - i) in a case where the concern is a company, beneficial ownership of its shares (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) exceeding 10% in nominal

- value of the subscribed capital of such company;
- ii) in the case of any other concern, entitlement to more than 10% of the profits of such concern;
- (d) the expression “companies in the same group” shall mean companies under the same management as defined below:
- Two companies shall be deemed to be under the same management, if :
- (i) the managing director or manager of the one company is the managing director or manager of the other company; or
- (ii) a majority of the directors of the one company constitute, or at any time within the six months immediately preceding constituted, a majority of the directors of the other company; or
- (iii) not less than one-third of the total voting power with respect of any matter relating to each of the two companies is exercised or controlled by the same individual or company; or
- (iv) the holding company is under the same management as the other company within the meaning of clause (i), clause (ii) or clause (iii); or
- (v) one or more directors of the one company while holding, whether by themselves or together with their relatives, the majority of shares in that company also hold, whether by themselves or together with their relatives, the majority of shares in the other company.
- (e) the expression “public deposits” shall have the same meaning as is assigned thereto under the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998;
- (f) for determining whether the company and/or one or more directors of the company have a substantial interest in a concern, the interest of spouses and minor children of the directors of the company in such concern shall also be reckoned.

PART II — FORM OF BALANCE SHEET
BALANCE SHEET AS ON _____

	AS ON _____	AS ON _____
	(CURRENT YEAR)	(PREVIOUS YEAR)

SOURCES OF FUNDS

Share Capital (Schedule I)

Equity

Preference

Reserves and Surplus (Schedule II)

Secured loans (Schedule III)

Unsecured loans (Schedule IV)

Overdue loans and other credits (Schedule V)

Other Current liabilities and provisions (Schedule VI)

TOTAL

APPLICATION OF FUNDS

Assets Given on Finance Lease (Schedule VII)

Assets Given on Operating Lease (Schedule VIII)

Investments (Schedule IX)

Long-term
Current
Total
Loans and Advances (Schedule X)
Secured
Unsecured
Total
Security Deposits
Cash and Bank Balances (Schedule XI)
Other current assets (specify nature) ¹
Fixed assets (for Own Use)[Schedule XII]
Miscellaneous expenditure (to the extent not written off or adjusted)
Profit and Loss Account
TOTAL
Contingent Liabilities [Schedule XIV]

AS ON _____ AS ON _____
(CURRENT YEAR) (PREVIOUS YEAR)

Schedule I– Share Capital

1. Authorised Capital
2. Subscribed Capital
3. Called - up Capital
- Less : Calls unpaid
- Add : Forfeited Shares
- Paid-up capital

Notes:

1. The particulars relating to share capital shall be given separately in respect of each class of shares. For this purpose, preference shares having different rights as to dividend, redemption or conversion shall be treated as different classes of shares. Compulsorily convertible preference shares shall in any case be shown separately.
2. In respect of each class of shares, the number of shares and the face value per share shall be disclosed in respect of authorised, subscribed and called-up capital.
3. The number of shares allotted as fully paid-up pursuant to a contract without payments being received in cash shall be separately disclosed.
4. The number of shares allotted as fully paid-up by way of bonus shares shall be separately disclosed. Also, the source from which bonus shares are issued, e.g., capitalisation of profits or reserves or Share Premium Account, shall be specified.
5. Terms of redemption or conversion (if any) of redeemable preference shares shall be stated, together with the earliest date of redemption or conversion.
6. Terms of conversion of any GDRs/IDRs issued by the company shall be stated along with the earliest date of conversion.
7. Particulars of any option (including employees' stock option) on unissued share capital shall be specified.
8. Where the company has, by special resolution, determined that any portion of its share capital which has not already been called up shall not be capable of being called up, except in the event and for the purposes of the company being wound up, the fact shall

be disclosed by way of a note to the balance sheet specifying the amount that shall not be so capable of being called up.

9. The number of shares held by non-resident shareholders and the aggregate number of shares held by them shall be separately stated.
10. In the case of subsidiary companies, the number of shares held by the holding company and the percentage of such shares to total shares issued by the company shall be separately stated.
11. Any profit on re-issue of forfeited shares shall be transferred to Capital Reserve.
12. Share application moneys received shall, pending allotment, be shown under a separate heading between "Share Capital" and "Reserves and Surplus", except that share application moneys received in respect of (a) invalid or revoked applications and (b) excess application moneys received due to over-subscription shall be shown separately under the head "Current Liabilities and Provisions". Where shares have not been allotted within the time limit prescribed by the relevant statute/regulatory requirements, the fact shall be disclosed along with the reasons therefor.

Schedule II– Reserves and Surplus

	AS ON _____ (CURRENT YEAR)	AS ON _____ (PREVIOUS YEAR)
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1. (a) Capital Reserve
(b) Capital Redemption Reserve
(c) Share Premium
2. Reserve Fund
3. Debenture Redemption Reserve
4. Other reserves (Specify nature)
5. Revaluation reserve
6. Balance of profit and loss account
Total

Notes:

1. (i) Unless the context otherwise requires:
 - (a) the expression "reserve" shall not include any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets or retained by way of providing for any known liability;
 - (b) the expression "capital reserve" shall mean a reserve which is not available for distribution as dividend; and in sub-clause (a) above, the expression "liability" shall include all liabilities in respect of expenditure incurred and contingencies;
 - (c) the expression "reserve fund" shall mean the reserve fund created by the company in pursuance of section 45-IC of the Reserve Bank of India Act, 1934.
2. Where -
 - (a) any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or
 - (b) any amount retained by way of providing for any known liability, is in excess of the amount which in the opinion of the board of directors is reasonably necessary for the purpose, the excess shall be treated for the purposes of this Schedule as a reserve and not as a provision.
3. Additions and deductions since last balance sheet shall be shown under each of the specified heads.

4. In respect of share premium, details of its utilisation in the manner provided in section 78 of the Companies Act, 1956 shall also be given in the year of utilisation.
5. In respect of reserve fund, details of its utilisation shall also be given in the year of utilisation.

Schedule III – Secured Loans

AS ON _____ AS ON _____
(CURRENT YEAR) (PREVIOUS YEAR)

- A. CLASSIFICATION BY NATURE
 1. Debentures
 2. Deferred credits
 3. Term loans
 4. Other Loans (specify nature)
 5. Interest accrued but not due on the above
- B. Classification by Source
 1. Loans from banks and financial institutions
 2. Loans from subsidiaries/ companies in the same group
 3. Loans from companies, firms or proprietary concerns in which the company and/or one or more directors of the company have a substantial interest.
 4. Loans from directors, relatives of directors, and shareholders having substantial shareholding in the company
 5. External commercial borrowings/foreign currency borrowings.
 6. Loans from others.
 7. Interest accrued but not due on the above.
- C. Classification by maturity
 1. Long-term loans
 - (a) Maturing between 1 - 3 years
 - (b) Maturing between 3 - 5 years
 - (c) Maturing after 5 years.
 2. Short-term loans
 3. Interest accrued but not due on the above
 - (a) Payable within one year.
 - (b) Others.

Notes:

1. 'Secured Loans and Advances' mean loans and advances made on the security of assets, the market value of which is not at any time less than the amount of the loan or the borrowing; and 'Unsecured Loans' mean loans and borrowings not so secured.
2. The amount of any overdue loans shall not be included under the head 'Secured Loans'

- but shall be included under the head 'Overdue loans and other credits'.
3. "Long-term loans", for the purposes of this Schedule, mean loans which fall due for payment beyond a period of more than 12 months from the date of the balance sheet. In determining when a loan or an advance falls due for payment, due consideration shall be given to the substance of the relevant transaction. 'Short-term loans' are loans other than long-term loans and include (i) installments of long-term loans repayable within a period of 12 months from the date of the balance sheet and (ii) loans in respect of which no repayment date or schedule has been specified.
 4. The nature of the security shall be specified in each case.
 5. Where loans have been guaranteed by directors and/or manager, a mention thereof shall be made and the aggregate amount of such loans under each sub-head shall be shown.
 6. Terms of redemption or conversion (if any) of debentures or other debt instruments issued shall be stated, together with the earliest date of redemption or conversion. Also, a disclosure shall be made of the amounts relating to –
 - (a) compulsorily fully convertible debentures;
 - (b) compulsorily convertible portion of partly convertible debentures; and
 - (c) optionally convertible debentures.
 7. Particulars of any redeemed debentures which the company has power to re-issue shall be given.
 8. Where any of the debentures of the company are held by a nominee or a trustee for the company, the nominal amount of the debentures and the amount at which they are stated in the books of the company shall be stated.
 9. The total under each of the classifications under this Schedule (namely, A, B and C) shall tally inter-se and with the amount shown as 'Secured Loans' on the face of the balance sheet.

Schedule IV– UNSecured Loans

	AS ON _____ (CURRENT YEAR)	AS ON _____ (PREVIOUS YEAR)
A. CLASSIFICATION BY NATURE		
1	Public deposits	
2	Inter-corporate loans and borrowings	
3	Debentures other than those classified under public deposits	
4	Commercial paper	
5	Other Loans (specify nature)	
6	Interest accrued but not due	
	(a) On public deposits.	
	(b) On others.	
B. Classification by Source		
1.	Loans from banks and financial institutions.	
2.	Loans from subsidiaries/ companies in the same group.	
3.	Loans from companies, firms or proprietary concerns in which the	

- company and/or one or more directors of the company have a substantial interest.
4. Loans from directors, relatives of directors, and shareholders having substantial shareholding in the company
 5. External commercial borrowings/foreign currency borrowings.
 6. Loans from others.
 7. Interest accrued but not due on the above.
- C. Classification by maturity
1. Long-term loans
 - (a) Maturing between 1 - 3 years
 - (b) Maturing between 3 - 5 years
 - (c) Maturing after 5 years.
 2. Short-term loans
 3. Interest accrued but not due on the above.

Notes:

1. Public deposits shall have the same meaning as defined in the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions 1998.
2. The amount of any overdue loans shall not be included under the head 'unsecured loans' but shall be included under the head 'Overdue loans and other credits'.
3. "Long-term loans", for the purposes of this Schedule, mean loans which fall due for payment beyond a period of more than 12 months from the date of the balance sheet. In determining when a loan or an advance falls due for payment, due consideration shall be given to the substance of the relevant transaction. 'Short-term loans' are loans other than long-term loans and include (i) instalments of long-term loans repayable within a period of 12 months from the date of the balance sheet and (ii) loans in respect of which no repayment date or schedule has been specified.
4. Terms of redemption or conversion (if any) of debentures or other debt instruments issued shall be stated, together with the earliest date of redemption or conversion. Also, a disclosure shall be made of the amounts relating to –
 - (a) compulsorily fully convertible debentures;
 - (b) compulsorily convertible portion of partly convertible debentures; and
 - (c) optionally convertible debentures.
5. Particulars of any redeemed debentures which the company has power to re-issue shall be given.
6. Where any of the debentures of the company are held by a nominee or a trustee for the company, the nominal amount of the debentures and the amount at which they are stated in the books of the company shall be stated.
7. The total under each of the classifications under this Schedule (namely, A, B and C) shall tally inter-se and with the amount shown as 'Unsecured Loans' on the face of the balance sheet.

Schedule V– Overdue Loans, INTEREST and Other Credits

	Overdue for					
	Upto to 6 months	More than 6 months upto12 months	More than 12 months upto 36 months	More than 36 months	Total	
					As on (current year)	As on (previc s year)
Debentures (a)Principal Amount (b)Interest Amount						
Public deposits (a)Principal Amount (b)Interest Amount						
Inter-corporate loans and borrowings (b)Principal Amount (b) Interest Amount						
Other Overdue loans and other credits (specify nature) (b) Principal Amount (b) Interest Amount						
TOTAL	(current Year)					
	(previous Year)					

Note:

This head shall include fully convertible debts, secured loans and unsecured loans or instalments thereof which have not being paid on due dates.

Schedule VI - OTHER Current Liabilities and provisions

AS ON _____ AS ON _____
(CURRENT YEAR) (PREVIOUS YEAR)

Current Liabilities

1. Unclaimed dividends
2. Others (to be specified)¹

Provisions

1. For taxation
2. For contingencies
3. For pension, gratuity and similar staff benefit schemes
4. Others (to be specified)

Proposed dividends

Schedule VII -- Assets given on Finance lease

A. nature-wise classification

Category of Assets	Original Cost (1)	Accumulated Depreciation (2)	Lease Adjustment Account (3)	Capital Portion of Overdue Lease Rentals (4)
A) Equipment				
1. Plant and machinery				
2. Data Processing and Office Equipment				
3. Vehicles				
4. Others (specify)				
B) Other than equipment				
Total	(Current year)			
	(Previous year)			

¹ In case of a non-banking financial company having non-financial business also, the details of its current liabilities are required to be disclosed as per the requirements of Schedule VI to the Companies Act, 1956.

B. Lessee-wise classification

Nature of Lessee	Original Cost (1)	Accumulated Depreciation (2)	Lease Adjustment A/c (3)	Capital Portion of Overdue Lease Rentals (4)
(a) Subsidiary companies/Holding company				
(b) Companies in the same group				
(c) Directors, relatives of directors, and shareholders having substantial shareholding in the company.				
(d) Companies firms or proprietary concerns in which the company and/or one or more directors of the company have a substantial interest.				
(e) Others				
Total	(current year)			
	(previous year)			

C. Performance wise classification of asset GIVEN ON FINANCE LEASE

Classification		Original Cost	Accumulated Depreciation	Lease Adjustment Account	Capital Portion of Overdue Lease Rentals	Net Book Value	Provision
		(1)	(2)	(3)	(4)	(5)	(6)
Standard Asset							
Sub-standard Assets							
Doubtful Assets							
Loss Assets							
Total	(current year)						
	(Previous year)						

Notes:

1. In the case of leased asset, 'Net Book Value' means aggregate of capital portion of overdue lease rentals accounted as receivables and depreciated book value of the lease asset as adjusted by the balance of lease adjustment account.
2. If the net book value of an item or class of items of assets given on finance lease exceeds 10 per cent of the total net book value of assets given on lease, it shall be shown separately and shall not be included under the category 'Others' under 'Equipment'.
3. Provision for diminution in the original cost recoverable shall also be made in respect of any asset given on lease where the said original cost recoverable has diminished if the diminution is expected to be other than temporary (whether its useful life is limited or not) and the amount to be included in respect of the asset shall be reduced accordingly.
4. The aggregate "Adjusted Depreciated Value" of 'A', 'B' and 'C' should tally inter-se and with the amount shown in the balance sheet.

Schedule VIII -- Assets given on Operating lease

A. nature-wise classification

Category of Assets	Original Cost	Accumulated Depreciation	Adjusted Book Value	
			As on ____ (current year)	As on ____ (previous year)
1. Plant and machinery				
2. Data Processing and Office Equipment				
3. Vehicles				
4. Others				

Total	(current year)				
	(previous year)				

B. Lessee-wise classification

Category	Original Cost	Accumulated Depreciation	Adjusted value	
			As on ____ (current year)	As on ____ (previous year)
(a) Subsidiary companies/Holding company				
(b) Companies in the same group				
(c) Directors, relatives of directors, and shareholders having substantial shareholding in the company.				
(c) Companies, firms or proprietary concerns in which the company and/or one or more directors of the company have a substantial interest.				
(d) Others				
Total	(current year)			
	(previous year)			

Notes:

1. The aggregate 'Adjusted Value' of 'A', 'B' should tally inter-se with the amount shown in the balance sheet.
2. Provision for diminution in value shall be made in respect of any asset given on lease which has diminished in value if the reduction in its value is expected to be other than temporary (whether its useful life is limited or not) and the amount to be included in respect of the asset shall be reduced accordingly.
3. If the adjusted value of an item or class of items of assets given on operating lease exceeds 10 per cent of the total adjusted value of assets given on lease, it shall be shown as a separate and distinct item and shall not be included under the category 'Others'.

Schedule IX- Investments

A. LONG-TERM INVESTMENTS

I. In respect of quoted investments, the following information shall be furnished..

Nature of Investment	Quoted		Unquoted		Total Book	
	Book Value	Market Value	Book Value	Break-up value	As on _____ (current year)	
Government securities and government guaranteed bonds including treasury bills						
Equity shares						
Preference shares						
Debentures and bonds						
Units of mutual funds						
Others (specify nature)						
Total	(current year)					
	(previous year)					

ii. INVESTEE-WISE CLASSIFICATION

- Securities of central/state governments and bonds guaranteed by central/state governments
- Equity shares, preference shares, and debentures, bonds and commercial paper (other than bonds included in category 1 above)

		Equity Shares	Preference Shares	Debentures, Bonds and Commercial Paper	Total Book va	
					As on _____ (current year)	As (prev
(a)	Subsidiaries					
(b)	Companies in the same group (other than subsidiaries)					
(c)	Companies, in which the company and/or one or more directors of the company have a substantial interest					
d	Other non-banking financial companies					
(e)	Others					
Total	(current year)					
	(previous year)					

B. CURRENT INVESTMENTS

I. Quoted

	Category	Cost	Market Value	Depreciation charged to Profit and Loss A/c.	Value carried to Sheet	
					As on _____ (current year)	As on _____ (previous year)
(a)	Govt. securities and Govt. Guaranteed Bonds including treasury bills					
(b)	Equities					
(c)	Preference Shares					
(d)	Debentures and bonds					
(e)	Units of mutual funds					
Total	(current year)					
	(previous year)					

II. Unquoted

Category	Cost/carrying cost	Break-up value/fair value/NAV	Value carried to Balance Sheet	
			As on _____ (current year)	As on _____ (previous year)
(a) Govt. Securities and Govt. Guaranteed Bonds including treasury bills				
(b) Equity shares				
(c) Preference shares				
(d) Units of Mutual Fund				
Total	(current year)			
	(previous year)			

As on _____ As on _____
(current year) (previous year)

C. OTHER INVESTMENTS

- (a) Investment in partnership firms and proprietary concerns
 - (i) Firms/proprietary concerns in which the company and/or one or more directors of the company have a substantial interest.
 - (ii) Others
- (b) Others (specify nature)

Total : -----

Notes:

1. Investments are to be classified and valued as per Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions.
2. 'Quoted investment', for the purposes of the above, means an investment in respect of which a quotation or permission to deal on a recognised stock exchange has been granted, and the expression 'unquoted investment' shall be construed accordingly.

3. If the value of investments made by the company in a particular entity/mutual fund exceeds five per cent of total value of investments in that category, the name of such entity/mutual fund, and the book value and market value of the investment made therein shall be shown. It shall also be indicated whether in the investee entity one or more directors of the company and/or their relatives, or shareholders holding substantial shareholding in the company hold more than 10% interest. Investments referred to above are:

- (a) Equity shares
- (b) Preference shares
- (c) Debentures and bonds
- (d) Units of mutual funds

For purposes of the above, the “value” of an investment or category of investments refers to the amount at which it is included in the balance sheet.

4. Show the names of the entities under each category in item A II(2) and C in this Schedule

Schedule X —Loans and Advances

A. Classification by Nature of loans and advances

1. **Stock on hire purchase**

NATURE OF GOODS ON HIRE	SECURED			UNSECURED			TOTAL	
	Amount	Provision	Net amount	Amount	Provision	Net amount	As on _____ (current year)	As on _____ (previous year)
1. (i) Automobiles		-			-			
a) Heavy Commercial Vehicles								
b) Light Commercial Vehicles		-			-			
c) Others (to be specified)		-			-			
(ii) House Hold Durables		-			-			
(iii) Data Processing/Office Automation Equipment		-			-			
(iv) Agricultural Implements		-			-			
(v) All Others		-			-			
(vi) SUB TOTAL (i) to (v)								
(vii) Less: Un-matured Finance Charges		-			-			
(viii) Aggregate Stock-on Hire (Sub-total – Unmatured Finance Charges)								
2. Bills discounted Less: Unmatured finance charges								
3. Term loan (other than inter-corporate deposits)								
4. Loans repayable on demand (other than inter-corporate deposits)								

5. Inter-corporate deposits								
6. Others (to be specified)								
Total Loans and Advances	(current year)							
	(previous year)							

B. BORROWER-WISE CLASSIFICATION OF STOCK-ON HIRE AND LOANS AND ADVANCES

CATEGORY	SECURED			UNSECURED			TOT
	Amount	Provi- sion	Net amount	Amount	Provi- sion	Net amount	As on _____ (currnet year)
1. Subsidiaries							
2. Companies in the same group (other than subsidiaries)							
3. Firms or proprietary concerns in which the company and/or one or more directors of the company have a substantial interest							
4. Directors, their relatives, and shareholders having substantial shareholding in the company							
5. Loans and advances to other NBFCs (other than those included in (1), (2) & (3) above)							
6. Others							
TOTAL	(current year)						
	(previous year)						

c. PERFORMANCE-WISE CLASSIFICATION

	SECURED			UNSECURED			TOTAL
	Amount	Provi- sion	Net amount	Amount	Provi- sion	Net amount	As on ____ (current year)
1. Loans and advances classified as standard							
2. Non-performing loans and advances (a) Sub-standard (b) Doubtful (c) Loss assets Total (a) + (b) + (c)							
TOTAL (1+2)	(current year)						
	(previous year)						

D. MATURITY-WISE CLASSIFICATION

	SECURED			UNSECURED			TOTAL
	Amount	Provi- sion	Net amount	Amount	Provi- sion	Net amount	As on ____ (current year)
1. Long-term loans and advances (a) Maturing between 1-3 years (b) Maturing between 3-5 years (c) Maturing after 5 years							
2. Short-term loans and advances							
TOTAL	(current year)						
	(previous year)						

E. CLASSIFICATION of secured loans BY NATURE OF SECURITY

	As on ____ (current year)	As o (prev year)
1. Mortgage of immovable property		
2. Pledge/Hypothecation of movable property		
3. Assets given on hire purchase		
4. Government securities including treasury bills		
5. Shares, Debentures, Bonds, etc. (other than those included in (4) above)		
6. Life insurance policies (within their surrender value)		

- 7. Bullion
- 8. Others (to be specified)

TOTAL:

Notes:-

- 1. 'Secured Loans and Advances' mean loans and advances made on the security of assets, the market value of which is not less than the amount of the loan or the advance. If the value of the security is less than the amount of the loan or advance, the uncovered portion shall be treated as unsecured.
- 2. The amount of any non-interest bearing loans and advances included under each of the heads under (B) above shall be indicated separately by way of a note.
- 3. The maximum amount due during the year from parties listed at (1) to (5) under (B) above shall be indicated by way of a note.
- 4. For purposes of classification of secured loans and advances into short-term and long-term, all loans and advances (or any part thereof) maturing during a period of next 12 months from the date of the balance sheet shall be classified as short term loans and advances. Loans and advances in respect of which no repayment date or schedule has been specified shall also be classified as short-term loans and advances; the amount of such loans and advances shall be indicated by way of a note.
- 5. The classification of loans and advances as standard and non-performing and further sub-classification of non-performing loans and advances into sub-standard, doubtful and loss assets shall be in accordance with the prudential norms issued by the Reserve Bank of India.
- 6. The 'Net Amount' under classifications A, B, C and D under this Schedule shall tally inter-se and with the amount shown as 'Loans and Advances' – 'Secured and ' Unsecured' on the face of the balance sheet.

SCHEDULE XI- Cash and bank Balances

	As on _____ (current year)	As o (prev year)
1. Cash (including cheques, drafts and stamps)		
2. Deposits with banks		
(a) Fixed deposits/certificates of deposit		
(b) Balances in other deposit accounts	_____	_____
TOTAL:	_____	_____

Note:

1. With regard to bank balances, the following information shall be disclosed by way of a note:
 - (a) the names of the banks other than scheduled banks and the balances lying with each such banker and the maximum amount outstanding at any time during the year from each such banker; and
 - (b) the nature of the interest, if any, of any director or his relative in each of the banks other than scheduled banks referred to in (a) above.

Schedule XII— Fixed Assets (for own use)

	Gross Block As on _____ (Previous Year)	Additions during the year	Deductions during the year	Gross Block As on _____ (Current Year)	Accumulated depreciation	Net Block	
						As on _____ (current year)	As on _____ (previous year)
1. Land							
2. Buildings							
3. Plant and machinery							
4. Furniture & fittings							
5. Vehicles							
6. Other fixed assets (specify nature)							
Total	(current year)						
	(previous year)						

Notes:

1. If the net book value (net block) of an item or class of items of fixed assets exceeds 10 per cent of aggregate total net book value (net block) of all fixed assets, it shall be shown as a separate and distinct item and shall not be included under the head 'Other fixed assets'.
2. Where sums have been written off on a reduction of capital or a revaluation of assets, every balance sheet (after the first balance sheet) subsequent to the reduction or revaluation shall show the reduced figures in place of the original cost. Similarly, where sums have been added by writing up the assets, every balance sheet subsequent to such writing up shall show the increased figures in place of the original cost.
3. Each balance sheet for the first five years subsequent to the date of the reduction/increase shall also show the amount of the reduction/ increase made together with the date of reduction/increase.
4. Provision for diminution in value shall be made in respect of any fixed asset which has diminished in value if the reduction in its value is expected to be other than temporary (whether its useful life is limited or not) and the amount to be included in respect of the asset shall be reduced accordingly.
5. Land or buildings acquired on leasehold basis shall be shown separately under the respective heads. The total amount amortised up to the end of the year shall be stated.
6. Capital expenditure on incomplete construction work shall be shown under the heading 'Capital work-in-progress'.
7. Advance payments to contractors and suppliers shall not be classified under the specific fixed assets but disclosed as a separate item.
8. In case of a non-banking financial company having non-financial business also, the details of its fixed assets are required to be disclosed as per the requirements of Schedule VI to the Companies Act, 1956.

Schedule XIII– Miscellaneous expenditure (to the extent not written off or adjusted)

	AS ON _____ (CURRENT YEAR)	AS ON _____ (PREVIOUS YEAR)
1. Preliminary expenses		
2. Expenses including commission or brokerage on underwriting or subscription of shares, debentures or other securities.		
3. Discount allowed on issues of shares, debentures or other securities.		
4. Other items (specify nature)	_____	_____
TOTAL:	_____	_____

Note: **No item shall be included under the head “miscellaneous expenditure” and carried forward unless (a) some benefit from the expenditure can reasonably be expected to be received in future, and (b) the amount of such benefit is reasonably determinable.**

SCHEDULE XIV -- CONTINGENT LIABILITIES

As on _____ As o
(current year) (prev
year)

1. Contingent liabilities and capital commitments, classified as below.

- (i) Moneys for which the company is contingently liable, such as those in respect of the following:
 - (a) Guarantees given by the company
 - (b) Underwriting
 - (c) Cheques/Bills discounted
 - (d) Bills rediscounted
 - (e) Letters of Credit
 - (f) Claims against the company not acknowledged as debts
 - (g) Uncalled liability on shares and debentures partly paid
 - (h) Arrears of fixed cumulative dividends
 - (i) Income-tax
 - (j) Sales Tax
- (ii) Estimated amount of contracts remaining to be executed on capital account and not provided for.
- (iii) Future liability for payment of lease rentals (in the case of a lessee).
- (iv) Amount of lease contracts entered into by the company as a lessor which are yet to be executed.

TOTAL:

PART III - REQUIREMENTS AS TO PROFIT AND LOSS ACCOUNT

A. contents

Profit and loss account shall set out various items relating to income and expenses of the company arranged under the most convenient heads and, in particular, shall disclose the following information in respect of the period covered by the account:

ITEMS OF INCOME	For the year ended (current year)	For the year ended (previous year)
A. <u>Income from Financial Business</u>		
1. Fund-Based Income		
(a) Lease Income		
Add/Less: Lease Equalisation Credit/Charge		
Net Lease Income		
(b) Hire Purchase Income (including compensation charges)		
(c) Bills Discounting Income		
(d) Interest Income		
(i) Interest on Inter-corporate Deposits		
(ii) Interest on Other Loans		
(e) Investment Income		
(i) Interest		
(ii) Dividends		
(f) Profit on Sale of Investments		
(g) Other fund-based income (to be specified)		
2. Fee-Based Income		
(a) Guarantee Fee		
(b) Underwriting Commission		
(c) Other Merchant Banking Income		
(d) Income from Brokering and syndication in bills/ICDs/Lease		
(e) Other fee-based income (to be specified)		
3. Miscellaneous income		
B. Income from Non-Financial Business (Attach a Schedule)		
C. Total Income		

ITEMS OF EXPENSES	For the year ended (current year)	For the year ended (previous year)
<u>A. Expenses Relating to Financial Business</u>		
1. Depreciation on Leased Assets		
2. Interest Expense and other financing cost		
(a) Interest on Public Deposits		
(b) Interest on Inter-corporate Deposits		
(c) Interest on credits from Banks		
(d) Interest on credits from Financial Institutions		
(e) Other Financing Charges		
3. Brokerage (including reimbursement of expenses to brokers)		
4. Discount/charges on Bills rediscounted		
2. Loss on Sale of Investments		
3. Bad Debts written off		

7. Provisions against Non-Performing Assets
8. Reversal of Income on NPAs
9. Diminution in value of investments
10. Operating Expenses
 - (a) Payments to and provisions for employees
 - (b) Rent, Taxes and Lighting
 - (c) Printing and Stationery
 - (d) Advertisement and Publicity
 - (e) Depreciation on fixed assets (other than assets given on lease)
 - (f) Directors' fees, allowances and expenses
 - (g) Auditors' fees and expenses
 - (h) Law Charges
 - (i) Postage, Telegrams, Telephones, etc.
 - (j) Repairs and Maintenance
 - (k) Insurance
 - (l) Other Operating Expenses (specify nature)

B. Expenses Relating to Non-Financial Business (Attach a Schedule)

C. Total expenses

10. Profit before Tax
11. Provision for taxation
12. Net Profit/Loss

Items to be contained in or given by way of notes to Profit and Loss Account

1. The profit and loss account shall contain or give by way of a note information regarding the following payments provided for or made during the financial year to the directors (including managing directors) or manager (if any) by the company, the subsidiaries of the company and any other person:-

- (i) managerial remuneration paid or payable during the financial year to the directors (including managing directors) or manager, if any;
- (ii) other allowances and commission including guarantee commission (details to be given);
- (iii) any other perquisites or benefits in cash or in kind (stating approximate monetary value where practicable);
- (iv) other payments-
 - (a) pension;
 - (b) gratuity;
 - (c) payments from provident funds, in excess of own subscriptions and interest thereon;
 - (d) compensation for loss of office;
 - (e) consideration in connection with retirement from office.

2. The profit and loss account shall contain or give by way of a note a statement showing the computation of net profits in accordance with section 349 of the Companies Act, 1956, with relevant details of the calculation of the commissions payable by way of percentage of such profits to the directors (including managing directors) or manager (if any).

3. The profit and loss account shall further contain or give by way of a note information with regard to amounts paid or payable to the auditor, whether as fees, expenses or otherwise for services rendered:-

- (a) as auditor;

(b) as adviser or in any other capacity, in respect of-

- (i) taxation matters;
- (ii) company law matters;
- (iii) management services; and

(c) in any other manner.

4. "Income from non-financial business" will indicate in a schedule the income from non-financial activities as per Part II of Schedule VI to the Companies Act, 1956. "Expenses relating to non-financial business" will indicate in a schedule the expenses directly attributable to the non-financial activities as per Part II of Schedule VI to the Companies Act, 1956. Common Expenses such as interest on debentures, loans etc. need not be shown separately under this head but may be clubbed with those under "Expenses relating to financial business".

NOTES AND INSTRUCTIONS FOR PREPARATION OF PROFIT AND LOSS ACCOUNT

1. The profit and loss account shall disclose every material feature and shall be so made out as to clearly disclose the result of the working of the company during the period covered by the account, showing separately -

- (a) profit or loss from ordinary activities, and
- (b) extraordinary items.

For the purposes of the above,

- (i) the expression, “ordinary activities” shall mean any activities which are undertaken by the company as part of its business and such related activities in which the company engages in furtherance of, incidental to, or arising from, these activities;
- (ii) the expression “extraordinary items” shall mean income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company and, therefore, are not expected to recur frequently or regularly.

2. The profit and loss account shall disclose separately the nature and amount of those items of income and expense within profit or loss from ordinary activities which are of such size, nature, or incidence that their disclosure is relevant to explain the performance of the company for the period covered by the account.

3. The result of the working of the company during the period covered by the account shall be disclosed before and after the amount of charge for income tax and other taxation on profits.

4. The profit and loss account shall disclose the nature and amount of a change in an accounting estimate which has a material effect in the current period, or which is expected to have a material effect in subsequent periods. If it is impracticable to quantify the amount, this fact shall be disclosed.

5. Prior period items, i.e., income or expenses which arise in the current period as a result of errors or omissions in preparation of the financial statements of one or more prior periods, shall be separately disclosed in the profit and loss account, showing the nature and amount of each such item and their combined effect on profit or loss for the year.

6. Provision shall be made for a contingent loss if:

- (a) it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability has been incurred at the balance sheet date, and
- (b) a reasonable estimate of the amount of the resulting loss can be made.

If either of the above conditions is not met, the existence of the contingent loss shall be disclosed by way of a note to the profit and loss account, unless the possibility of the loss is remote.

7. Any item of income exceeding 1 per cent of the total turnover/gross income of the company or Rs.50, 000/-, whichever is higher, shall be shown as a separate and distinct item against an appropriate account head in the profit and loss account.

8. Any item of expense exceeding 1 per cent of the total turnover/gross income of the company or Rs.50, 000/-, whichever is higher, shall be shown as a separate and distinct item against an appropriate account head in the profit and loss account.

9. Investment income by way of interest or dividends from -

- (a) subsidiaries
- (b) companies in the same group (other than subsidiaries)
- (c) companies, firms or proprietary concerns in which the company and/or one or more directors of the company have a substantial interest
- (d) directors, relatives of directors, and shareholders having substantial shareholding in

the company shall be shown separately.

10. Interest expense relating to loans taken from -

- (a) subsidiaries
- (b) companies in the same group (other than subsidiaries)
- (c) companies, firms or proprietary concerns in which the company and/or one or more directors of the company have a substantial interest
- (d) directors, relatives of directors, and shareholders having substantial shareholding in the company shall be shown separately.

11. Income from non-performing assets shall be recognised only when it is actually received.

12. The amount of lease income, depreciation on leased assets and lease equalisation credit/charge shall be determined in accordance with the guidance note/accounting standard, if any issued by the Institute of Chartered Accountants of India.

13. The amount of provision to be made in respect of loans and advances classified as sub-standard, doubtful and lose assets shall be determined in accordance with the prudential norms issued by the Reserve Bank of India.

14. The provision for taxation shall be determined on the basis of tax effect accounting method which shall be applied in accordance with the accounting standard/guidance note, if any, issued by the Institute of Chartered Accountants of India.

15. Depreciation on fixed assets shall be provided so as to charge the depreciable amount of a depreciable asset over its useful life. In respect of assets covered by Schedule XIV to the Companies Act, 1956, the rates specified in the said schedule shall be considered as the minimum rates and, therefore, a company shall not charge depreciation at rates lower than the said rates in relation to assets purchased after the applicability of the said Schedule. However, a company shall charge depreciation at rates higher than those prescribed in the said Schedule on the basis of a *bona fide* technological evaluation. Separate disclosure shall be made of the depreciation rates, if they are different from the rates specified in Schedule XIV, and reasons for adopting the said rates as well as the basis for estimating the useful life of the asset shall also be disclosed. In respect of the assets not covered by Schedule XIV, the basis for estimating the useful life of the asset along with the rates so arrived at shall be separately disclosed.

Any arrears of depreciation relating to past years shall also be provided in the profit and loss account.

For the purposes of the above paragraphs-

- (a) 'depreciable asset' means an asset which-
 - (i) is expected to be used during more than one accounting period, and
 - (ii) has a limited useful life; and
 - (iii) is held by a company for use in the production or supply of goods and services, or for rental to others, or for administrative purposes and not for the purpose of sale in the ordinary course of business;
- (b) 'depreciable amount' of a depreciable asset means its original cost, or other amount substituted for original cost in the financial statements, less the residual value;

(c) 'useful life' means either-

- (i) the period over which a depreciable asset is expected to be used by the company;
or
- (ii) the number of production or similar units expected to be obtained from the use of the asset by the company.

16. In case of a non-banking financial company having non-financial business also the details of income and expenses pertaining to such non-financial activities of the company shall be separately disclosed as per the requirements of Part II of Schedule VI to the Companies Act, 1956, to the extent these items are not included in these formats.

**PART IV-- ADDITIONAL DISCLOSURE REQUIREMENTS FORMING
PART OF AUDITED FINANCIAL STATEMENTS**

1. Where a company has raised funds by issue of shares, debentures or other securities to the public (including a public issue in a foreign country) or where a company listed on a stock exchange has issued such securities to existing shareholders, a comparative statement shall be annexed to the balance sheet showing, inter alia, projected figures relating to end use of funds and means of finance along with the actual figures relating thereto. The projected use of funds and the projected means of finance shall be as stated in the prospectus/other relevant document (e.g., offer document in case of a right issue). The aforesaid statement shall be annexed to all balance sheets issued after the date the funds are so raised till the accomplishment of the objects of the issue. In case funds are utilised for purposes other than those stated in the prospectus/other relevant document, the nature and quantum thereof and reasons for the same shall also be given in the aforesaid statement.
2. A cash flow statement shall be annexed to the balance sheet showing cash flows classified by operating, investing and financing activities. Such a statement shall be prepared and presented for the period covered by the profit and loss account and for the corresponding previous period. It should be prepared in accordance with Accounting Standard 3 (AS 3) issued by ICAI.
3. In case an application for winding up of the company due to inability of the company to pay its debts within the meaning of section 434 of the Companies Act, 1956, has been made to a court, the fact shall be disclosed.
4. A statement showing the computation of net owned fund (as defined in Explanation (I) to section 45 IA of the Reserve Bank of India Act, 1934) after making necessary provisions in accordance with Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India and Accounting Standards and / or Guidance Notes issued by the Institute of Chartered Accountants of India as at the end of the financial year.
5. A statement showing the computation of capital adequacy ratio as at the end of the financial year in accordance with the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India.
6. A statement showing –
 - (a) the amount required to be maintained by the company, as of the last day of the financial year, in unencumbered approved securities in pursuance of the provisions of section 45-IB of the Reserve Bank of India Act, 1934;
 - (b) value, as of the last day of the financial year, of securities maintained by the company in pursuance of the aforesaid section;
 - (c) name and address of the bank to whom the above-mentioned securities have been entrusted in pursuance of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
7. Disclosures as per the requirements of Part IV of Schedule VI to the Companies Act, 1956, shall also be made to the extent applicable.

8. A statement showing funds-based assets (i.e. assets given on lease, investments and loans and advances) of an NBFC, segregating such assets into two categories, viz.:
- (i) those assets in respect of which funds have been locked in an account of an individual or an individual enterprise in excess of 10% of the total funds locked in the funds based assets and
 - (ii) others

should be given in the following format:

Category of Accounts	Number of Accounts	Amount (in Rupees)
Individual Accounts in Excess of 10% of Total Funds		
Other Accounts		
TOTAL		

¹ This information can be furnished in a separate Schedule if the items are numerous. In case of a non-banking financial company having non-financial business also, the details of its current assets are required to be disclosed as per the requirements of Schedule VI to the Companies Act, 1956.