

# REVISIONS IN SCHEDULE III

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CAPITAL  
WORK IN  
PROGRESS  
(CWIP)



# REQUIREMENTS

a) For capital work-in progress/ intangible assets under development categories namely:

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

\*Total shall tally with CWIP amount in the balance sheet

# REQUIREMENTS

b) For capital work-in progress / Intangible assets under development categories namely,

(1) whose completion is overdue or

(2) has exceeded its cost compared to its original plan, following CWIP completion Schedule shall be given\*\*:

\*\*Details of projects where activity has been suspended shall be given separately.

	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1				
Project 2				



## ISSUES

- Practical expedient in consolidated financial statements : disclosure required if material i.e. >10% of the respective balance sheet item
  - How will the 'Total' tally with the balance sheet number?
  - 10% materiality - how to apply?
- No practical expedient for standalone financial statements! – whether ageing required for immaterial items?
- What is 'suspended' projects mean? – as per Ind AS 23 *Borrowing costs*?
- What is 'overdue'? – GN defines overdue as “*actual timelines for completion of an asset/project have exceeded the estimated timelines as per original plan*” – what happens in case of scope change?
- What should be presented in point b) – costs to be incurred? – How to audit this information?

# TRADE RECEIVABLES & PAYABLES





# TRADE PAYABLES

- Due for payment and 'Not due' to be separated
- Important to differentiate between provisions and trade payables
- Significant unpaid dues may raise question on liquidity and hence liquidity risk disclosure becomes critical
- In case where there is no specified 'due date', the disclosure is required from the 'date of transaction' i.e. date of recognition of expense/ payable.
- Have you done settlement of invoices in ERP?

Particulars	Unbilled payables	Not due	Outstanding for following periods from due date of payment#				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*							
(ii) Others							
(iii) Disputed dues – MSME							
(iv) Disputed dues – Others							

#Where no due date of payment is specified, in that case disclosure shall be from the date of the transaction.

\*only includes micro enterprises and small enterprises





**BORROWINGS**

# END-USE/ UTILISATION

## End use – details of end-use, if not used for the purpose borrowed

- Earlier, it was securities. Now, in addition, it is borrowings from banks and financial institutions.
- CARO mentions term loans only

## Utilisation of borrowed funds or Share capital

- If directly or indirectly lent or invested in entities/ persons identified by or on behalf of the Ultimate Beneficiary (UB)
- If provided any guarantee or security to or on behalf of the UB
- If received funds from any person/ entity to do the above, then also reporting required
- Required at consol level if >10% of the respective financial statement line item

## Current maturities of long-term borrowings → Current borrowings

## Wilful defaulter – required at consol level as well

## STOCK STATEMENTS – RECONCILIATION WITH BOOKS

- Required for all borrowings from banks or financial institutions made basis security of current assets
- Borrowings ‘during any point of time of the year’, hence required even if not outstanding.
- To give disclosure even if limits are unutilised, for both fund-based and non-fund based
- Required on quarterly basis only, even if stock statements submitted monthly
- For consol, materiality = > 10% of the respective balance sheet item
- CARO vs. Sch III →

Sr. No.	Reporting under CARO 2020	Schedule III requirement
<b>1</b>	Required only where working capital limits sanctioned are in excess of INR 5 crores and are obtained on the basis of current assets security	No such limit mentioned
<b>2</b>	Only required in case of sanctioned working capital	Disclosure required for all types of borrowings which are obtained on the basis of security of current assets

# LOANS & ADVANCES



# ON-DEMAND LOANS



Gross amounts  
(before ECL/ provisions)

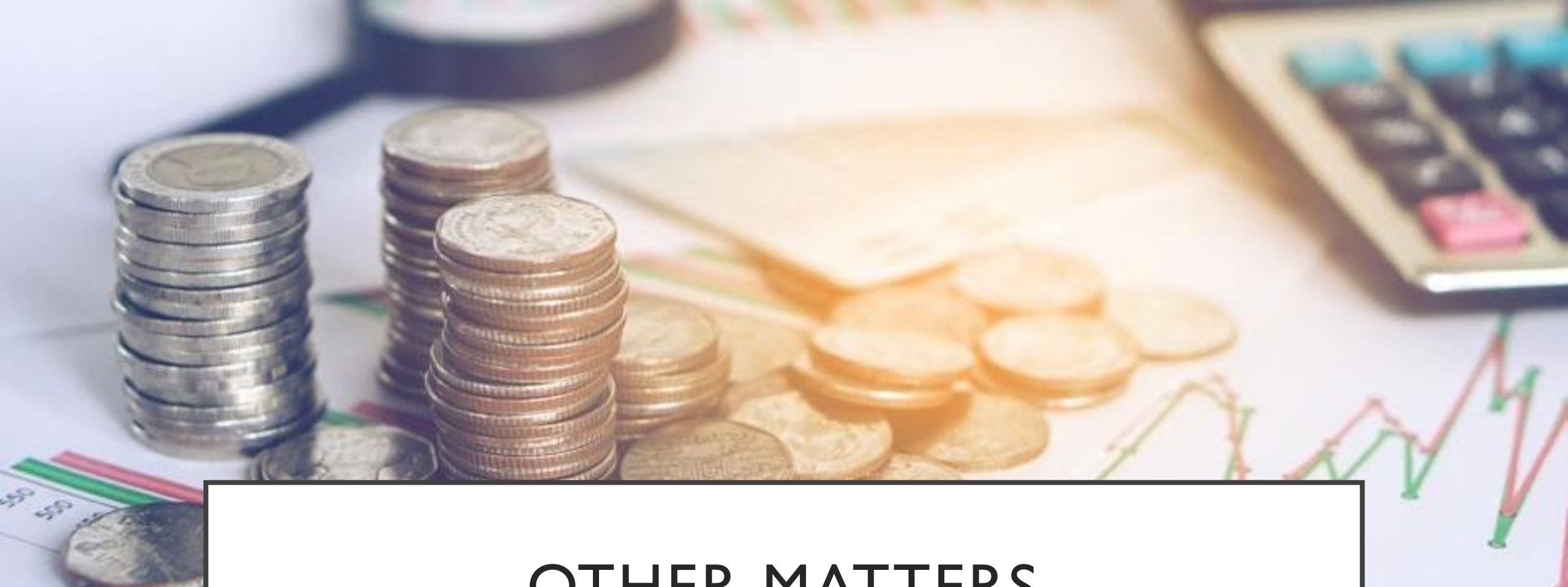


Whether arms-length,  
transfer pricing  
compliance, etc



Will impact fair value and  
ECL

Type of borrower	Current Period		Previous Period	
	Amount outstanding	% of Total	Amount outstanding	% of Total
<b>Repayable on demand</b>				
Promoters				
Directors				
KMPs				
Related parties				
<b>Sub-total (A)</b>				
<b>Without specifying any terms or period of repayment</b>				
Promoters				
Directors				
KMPs				
Related parties				
<b>Sub-total (B)</b>				
<b>Total (A+B)</b>				



**OTHER MATTERS**

## TITLE DEEDS OF IMMOVABLE PROPERTIES



Disclosure required wherein the immovable properties whose title deeds are not held in the name of the company



Transfer Development Rights (TDRs), plant and machinery embedded in land, etc., are not considered as an immovable property



Not required to be disclosed in the consolidated financial statements. However, the disclosure is required in Ind AS 16.



## UNDISCLOSED INCOME

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Disclose details of any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

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State whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year

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Exemption, if immunity obtained from disclosure under any scheme

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Prior period error assessment

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Internal controls over financial reporting?



# OTHER DISCLOSURES

- Benami properties
- CSR – now required at Board report, Sch III and CARO
  - Not relevant for consol
- II financial ratios
- Details of trading or investing in crypto currencies or virtual currencies
- Transactions with Struck off companies
  - Investment in securities
  - Receivables
  - Payables
  - Shares held by struck off companies
  - Other outstanding balances
- Shares (instruments entirely equity in nature) held by Promoters (promoter group not included?)

# OTHER DISCLOSURES

- Revaluation of assets (if change >10%)
  - Whether valuation is done by a 'Registered' valuer
  - Fair valuation done at the time of Ind AS transition?
- Delay in registration of charges or satisfaction with RoC beyond the statutory period, details and reasons thereof
- Compliance with number of layers of companies
- Deviation between Scheme of Arrangements and relevant accounting standards

THANK YOU!