

Government of India
Ministry of Corporate Affairs

Press Note No. 2/2011 dated 8.2.2011

General Exemption under Section 211

Section 211 of the Companies Act, 1956 requires that the balance sheet and profit and loss account of a company shall be in the form set out in Part I of Schedule VI or in such other form as may be approved by the Central Government either generally or in any particular case. The Ministry has been regularly receiving requests for exemption from various classes of companies from the disclosure of certain quantitative details required under Schedule VI. So far, these exemptions were being given on a case-by-case basis with certain conditions.

2. These requirements date back to the era when there was industrial licensing etc., and there was a regulatory purpose in monitoring quantitative aspects of production etc. Their relevance in the present economic and regulatory environment has been re-assessed. Such disclosures are not required in other countries. Indian companies have represented that such disclosure puts Indian companies at a competitive disadvantage where their details are known to foreign competitors, but they cannot get the details from the other side.

3. Accordingly, the Central Government has, by notification, issued a general exemption whereby the categories of companies in column (2) of the Table below will be exempted from the disclosures given in column 3:-

| SN | Class of Companies | Exemptions from para(s) of Part-II of Schedule VI. |
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| 1. | Companies producing Defence Equipments including Space Research; | para 3(i)(a), 3(ii)(a), 3(ii)(d), 4-C, 4-D (a) to (e) except (d). |
| 2. | Export Oriented company (whose export is more than 20% of the turnover); | para 3(i)(a) 3(ii)(a), 3(ii)(b), 3(ii)(d). |
| 3. | Shipping companies (Including Airlines); | para 4-D (a) to (e) except (d). |
| 4. | Hotel companies (including Restaurants); | para 3(i)(a) and 3(ii)(d) |
| 5. | Manufacturing companies/multi-product companies; | para 3(i)(a) and 3(ii)(a). |
| 6 | Trading companies; | para 3(i)(a) and 3(ii)(b) |