

Press Note No.5/2011 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. With a view to simplifying the process, the Central Government has, by notification, issued a general exemption whereby the Public Financial Institutions will be exempted from disclosing Investments as required under paragraph (1) of Note (1) of Part-I of Schedule VI in their balance sheet subject to fulfillment of the following conditions, namely:-

(i) the Public Financial Institutions shall make the complete disclosures about investments in the balance sheet in respect of the following, namely: -

- (a) immovable property;
- (b) capital of Partnership firms;
- (c) all unquoted investments and;
- (d) investments in subsidiary companies.

(ii) the Public Financial Institutions shall disclose the total value of quoted investments in each of the following respective categories, namely:-

- (a) Government and trusts securities;
- (b) shares;
- (c) debentures;
- (d) bonds; and
- (e) other securities.

(iii) in each of the above categories referred to in sub-paragraphs (i) and (ii), investments where value exceeds two percent of total value in each category or one crore rupees, whichever is lower, shall be disclosed fully provided that where disclosures do not result in disclosure of at least fifty percent of total value of investment in a

particular category, additional disclosure of investments in descending order of value shall be made so that specific disclosures account for at least fifty percent of the total value of investments in that category;

(iv) the Public Financial Institutions shall also give an undertaking to the effect that as and when any of the shareholders ask for specific particulars the same shall be provided;

(v) all unquoted investments shall be separately shown;

(vi) the company shall undertake to file with any other authorities, whenever necessary, all the relevant particulars as may be required by the Government or other regulatory bodies;

(vii) the Investments in subsidiary companies or in any company such that it becomes a subsidiary, shall be fully disclosed.