

APPENDIX : II.IConcepts and Definitions of Specified Heads of Accounts

(R.B.I. Study)

(A) : BALANCE SHEETLIABILITIES :

1. Share Capital: The company accounts present a break-up of paid-up capital by class of shares, viz., preference shares and ordinary shares, together with sub-classifications, if any. In the statements on combined balance sheets presented in this volume, paid-up share capital is shown under these two categories in Series 1. The main heading being paid-up capital. For series II, it is changed to 'share capital' and includes the amounts relating to forfeited shares, the item forfeited shares being shown separately. In Series I, forfeited shares are clubbed with capital reserve. Share application money and allotment money in respect of new shares are not included under share capital, whereas bonus shares are included.

1.1.1 Ordinary Share Capital: This comprises capital paid-up on all shares which are not preference shares (in terms of Section 85(i) of the Companies Act, 1956) viz., 'ordinary' and 'deferred' shares. All ordinary shares issued against cash payments and also in lieu of dividends e.g., ordinary shares issued in lieu of accumulated dividends on cumulative preference shares or shares issued pursuant to an arrangement converting a loan into paid-up capital, as well as those issued for consideration other than cash (e.g., vendors' shares, shares given to collaborators for technical

know-how, etc.) and also bonus shares are included.

1.1.2 Preference Share Capital: All shares issued under Section 85(i) of the Companies Act, 1956 such as preferred ordinary, cumulative preferred ordinary, equity shares with right for cumulative preference dividend and equity shares with preferential right to cumulative dividend are included. Preference shares issued for cash, for consideration other than cash and bonus shares are covered under this head.

1.1.3 Bonus Shares: These are the shares issued by capitalization of reserves of the company since incorporation. These include bonus shares on which dividends have been declared, although the shares have not yet been included under paid-up capital in the company's accounts as on the date of closing of accounts.

1.2 Forfeited Shares : Amounts received on forfeited shares are shown here. For series 1, this item is included in capital reserves.

2. Reserves and Surplus.

2.1 Capital Reserve : This item comprise capital reserves, profit/loss on sale of fixed assets and/or investments, profit realised on purchase of company's own debentures, profit on re-issue of forfeited shares, surplus arising on the acquisition of a subsidiary, capital redemption reserves, reserves arising out of revaluation of fixed assets and premium on shares. For Series II, premium on shares is shown separately.

In the case of electricity companies, the item 'special appropriations under clause XVII(2) (c)(vi) of the Sixth Schedule to the Electricity (supply) Act, 1948', or 'Capital contributions from consumers', etc., shown either as a dedu-

ction from Gross Block or under Reserves in their accounts, are treated as capital reserves. Capital reserves also include any other reserve shown under this head in the balance sheet by a company and any other reserve except Statutory Development Rebate Reserve and Sinking Fund, which are not available for distribution by way of dividends.

2.2 Development Rebate Reserve: This item comprises all reserves set apart in terms of Section 33 of the Income-Tax Act, 1961. In particular, it includes development allowance in the case of plantation companies and development reserves in electricity companies.

2.3 Other reserves and Surplus: All reserves other than capital reserve and development rebate reserve are shown under this item together with balance of profit/loss carried forward. In particular, it includes initial depreciation (i.e. amounts provided over and above the normal depreciation provision), depreciation on investments, all types of sinking funds and amortisation reserves, receipts by way of sale of rubber trees and replanting subsidy in the case of rubber plantations and deferred taxation reserves. These include general reserve, funds/reserves created for price equalisation, dividend equalisation labour housing, mine development machinery replacement, workers' amenities, workmen's compensation, reserves set apart for gratuity payments, initial depreciation, social depreciation (i.e. amounts provided over and above the normal depreciation provision), depreciation on investments, development reserves, reserves for purchase of land, reserves created out of upward revaluation of stocks, forfeited dividends, amounts forgone by managing agents, reserves for contingencies, all types of sinking and redemption funds and amortisation reserves,

tax reserves, tax equalisation reserves, deferred taxation reserve, tax credit certificates reserve and any other reserve fund created out of profits. In the case of rubber plantation companies receipts by way of sale of rubber trees, replanting subsidy or subsidy for replanting expenditure are shown as other reserves even if these have been shown in the accounts as deductions from value of fixed assets.

3. Provisions.

3.1 Taxation provision: (net of advance of income-tax).

This is taken net of advance payment of income-tax and includes provision for wealth tax, income-tax, capital gains tax, super tax and agricultural income-tax.

3.2 Other current provisions : This includes provisions for dividends declared, bonus to staff, employees, welfare, repairs, contingencies and provisions for obsolescence, etc.

3.3 Non-current provisions: This includes provisions for gratuity, pension and superannuation benefits to employees, etc.

4. Borrowings: Different presentations have been adopted in the two series in respect of borrowings other than those from banks and statutory financial corporations. In Series I the total borrowings have been classified under (i) debentures, (ii) other mortgages and (iii) others, depending on the nature of the loan and security offered, irrespective of credit agency. In series II, these have been classified according to credit agencies, viz., (i) other institutional agencies, (ii) government and semi-government and (iii) other. However, in Series II, the debentures (including convertible notes and sterling debentures stock)

and other mortgage loans have been considered as debt (i.e., long-loans have been considered as debt (i.e. long-term loans) for the compilation of debt-equity ratio and the portion of such loans included under each of the heads under borrowings has been presented separately, For this purpose, the entire amounts shown against (i) Industrial Finance Corporation of India and State financial Corporations, (ii) other institutional agencies and (iii) government and semi-government have been considered as long-term loans. All loans and advances (including deferred payment credits) secured against pledge of company's own debentures and other mortgages of fixed assets are included in debt.

4.1 Borrowing from banks: All borrowings from banks including loans against mortgages and advances against the borrowing companies' debentures lodged with banks as security, are included in this item.

4.2 Borrowings from Industrial Finance Corporation of India and State Financial Corporations: All borrowings from the Industrial Finance Corporation of India and State Financial Corporations (including Tamil Nadu Industrial Investment Corporation Limited) are shown against this item. These have been shown under 'Statutory Financial Corporations' in Series I.

4.3 Borrowings from other Institutional Agencies : These include borrowings from all institutional agencies, Indian as well as foreign, other than the Industrial Financial Corporation of India. State Financial Corporations including the Tamil Nadu Industrial Investment Corporation Limited. Loans from Tea board under the Tea plantation finance scheme are included here.

4.4 Borrowings from Government : Borrowings from central and state governments and foreign governments are shown in this item.

4.5 Other borrowings : This item includes all borrowing not covered under any of the above categories. Thus, it comprises borrowings from Indian and foreign companies, managing agents, secretaries and treasurers and directors and also deposits from public, and all other deposits except those shown under current liabilities in the accounts of the companies, etc. and other borrowings not classified elsewhere such as debentures issued to public, convertible notes, sterling debentures stock, etc. Deferred payment credits and hire purchase liabilities also are included here.

5. Trade dues and other current liabilities : This item is classified under two heads: viz., (i) sundry creditors and (ii) others. This break-up is not presented in Series I.

5.1 Sundry creditors : This item comprises sundry creditors, liabilities for goods supplied, liabilities for expenses and liabilities for other finance.

5.2 Other current liabilities : Other current liabilities: This includes liabilities to subsidiary companies, interest on loans, unclaimed dividends, bills payable, trade deposits, managing agents' remuneration payable, share application money (including premium received), outstanding payments against orders which are not classified under sundry creditors, calls in advance, outstanding liabilities for expenses, 'service deposits' in the case of electricity companies if classified by them under current liabilities and other liabilities of a current nature. Security deposits from staff are classified under miscellaneous non-current liabilities in Series I but in Series II these have been taken under other current liabilities.

6. Miscellaneous non-current liabilities: This item includes employees' contribution to provident fund and all other non-current liabilities, not elsewhere classified.

ASSETS :

7. Gross fixed assets : The gross value of fixed assets i.e. gross of depreciation is shown in this item. Fixed assets are classified into land, buildings, plant and machinery and others and the gross value of each type of asset is shown separately.

7.1 Land : This is the gross value of free-hold and lease-hold land, mines, quarries, collieries. Mining rights, forest rights, prospecting rights (i.e. rights of utilization of natural sources), development expenses on land or nurseries of plantation companies and mining in Series I are shown here. Land held by way of investment is shown under immovable properties.

7.2 Building: This includes factory buildings, office buildings, staff and workers' quarters, godowns, hospital for staff, creches, canteen, library, recreation centre, etc. Buildings and other structures held by way of investments are grouped under a separate head 'immovable properties'. However, in the case of land and estate companies since the main income is derived from investments in immovable properties these are treated as fixed assets and not as immovable properties.

7.3 Plant and machinery: This item includes all types of plant and machinery used in the production process, e.g., engines, generators, motors, transformers, spindles, looms, humidifiers, sprinklers, furnaces, boilers, foundries, kilns, electrical installations, etc. Vehicles used for passenger

and freight transport in the case of transport companies, ships and boats of shipping and other water transport companies, moulds of ceramic and rubber manufacturing companies, over and earth moving equipment in the case of mining companies, condensers of salt manufacturing companies and types in respect of printing companies are also shown in this item.

7.4 Other fixed assets : All installations and equipments used for production purpose, other than those grouped under 'Plant and Machinery' are classified under this item. These include mains, cables, overhead/underground wires in the case of electricity companies and cylinders for storing gas in the case of gas manufacturing companies, expenditure incurred on pit sinking, development expenses on land, tea cultivation and nurseries (if shown under fixed assets) in the case of plantation companies (in series II), coal tubs, sand stowing and development expenses in the case of mining companies.

Items such as machinery under erection, machinery in transit, payments on accounts of steamers under construction are shown under 'plant and machinery'. In all other cases in which the balance sheets show the total capital work-in-progress as a separate item, the break-ups of the amounts into buildings, plant and machinery and other assets are obtained from the company. In cases where the break-ups are not received in time the same have been estimated.

8. Depreciation Provision : This represents accumulated depreciation provided on various fixed assets including extra/multiple shift allowances. Special depreciation reserve or initial depreciation reserve is not included under this head but shown under 'other reserves and surplus'.

As per the requirements of the Companies Act, 1956, where the company has taken the net value of fixed assets as on 1.1.1956 as the gross value in the accounts for the subsequent years and depreciation has been calculated on this amount, the net value as on 1.1.1956 is considered as the original gross value of assets and the corresponding amount of depreciation calculated thereon as the accumulated depreciation.

9. Net Fixed Assets : This item is derived by deducting accumulated depreciation provision from total gross fixed assets.

10. Inventories : Inventories are classified under three heads, viz., (i) raw materials, components, etc. (ii) finished goods and work-in-progress and (iii) others.

10.1 Raw materials, components, etc. : This item includes the stocks of all types of raw materials and components used in the manufacture of the final product/products.

10.2 Finished goods and work-in-progress : The stocks of all types of finished products of the company and also the work-in-progress are included in this item. The stock in trade, i.e., goods meant for resale of trading companies and the stocks of shares, debentures, etc. acquired for trading in the case of a company regularly trading in securities are shown under this item : however, in Series I such stocks of shares are included under investments in industrial securities. This item covers the work-in-progress (gross of advances received) in the case of construction companies. In the case of coffee plantation companies showing the estimated value of stock lying with the Coffee Board as stocks or dues receivable from the Coffee Board, the net amount receivable from the Coffee Board, i.e., the estimated value of crop

delivered to the Coffee pool less dividend received from the Coffee Board is taken as the stock of finished goods. In Series I, dividends to be declared or received from Coffee pool are included in loans and advances and other debtor balances.

10.3 Others : This item includes stocks of stores and spares used by the company for maintenance of its plant and machinery, buildings, transport equipment, etc., food-stuffs for canteen run for benefit of employees, patterns, tools, implements and jigs, office stationery, tins, guinnies and other packing material, building materials, etc. goods in transit, if not mentioned as raw materials or finished goods are also included here.

11. Loans and advances and other debtor balances : This item consists of (i) sundry debtors and (ii) others.

11.1 Sundry debtors : This item is taken net of provision for bad debts. In Series I this item is not presented separately.

11.2 Others : This item includes all loans and advances and other debtor balances other than sundry debtors. This item covers dividend/interest accrued on investments, loans, loans and advances to subsidiaries, companies under the same management and other loans and advances including those to staff, balances in current account with managing agents, secretaries and treasurers, bills receivable, prepaid expenses, trade deposits with companies and others, excise duty claims, export duty claims and similar items. Tax credit certificates and cost of entitlements under National Defence Remittance Scheme are also included here.

12. Investments : These are classified under five heads, viz., (i) government securities, (ii) semi-government securities (iii) industrial securities, (iv) shares and debentures of subsidiary companies and (v) others. Securities/shares, etc. lodged as security deposits by the company with another company or government departments or authority are also included under the respective heads of investments. In series I such investments are included under miscellaneous non-current assets.

12.1 Government securities : This represents the investments in all types of Central and State Government securities including investments in Treasury Savings Deposits Certificates, Prize Bonds, National Savings Certificates, etc. and securities issued by foreign governments.

12.2 Semi-Government Securities : Loans floated by municipalities, local bodies, port trusts, Industrial Finance Corporation of India, State Financial Corporations, bonds of electricity boards, etc. are classified under this item.

12.3 Industrial Securities : Investments in shares and debentures of joint stock companies other than subsidiary companies are shown under this item: investments in the shares and debentures of ICICI and other financial institutions except IFCI/SFCs are also included here.

12.4 Shares and debentures of subsidiary companies : Investments of holding companies in the shares and debentures of their subsidiary companies are included in this item.

12.5 Other investments : Investments in Unit Trust of India in shares of co-operative, partnership and proprietary concerns and investments in co-operative societies of

employees are shown here. However, investments in non-profit making institutions like Chambers of Commerce, Press Trust of India, etc. are treated as miscellaneous non-current assets and hence not included here.

13. Advance of Income-Tax : (Net of Tax provision) : This item relates to both agricultural and non-agricultural income-tax and is net of tax provision (when the total advances of income-tax paid exceeds the total tax provision made). It includes tax paid under protest, tax payments under dispute or appeal, tax payments pending adjustments, etc. In Series I, advance for agricultural income-tax is included in loans and advances and other debtor balances'.

14. Other Assets : This item is sub-divided into three heads, viz., (i) immovable properties, (ii) intangible assets and (iii) miscellaneous non-current assets.

14.1 Immovable properties : All immovable properties not used directly or indirectly for production purposes shown by way of investments are included in this item.

14.2 Intangible assets : This item includes goodwill, patents, trade marks, capitalised expenses including preliminary expenses, underwriting and share selling commission, brokerage and discount on issue of shares and debentures, deferred revenue expenditure, promotional expenditure on advertisement, prospecting expenses, etc., and any other item of expenditure not representing tangible assets which are to be written off over a period of time.

14.3 Miscellaneous non-current assets : This item includes assets earmarked for employees' provident fund and gratuity etc. investments and deposits with non-profit making insti-

tutions such as Indian Jute Mills Association, Chambers of Commerce and Press Trust of India. Other miscellaneous items of non-current nature such as capital contribution to group mills' retail shops under loans and advances, dues from concerns in liquidation, in litigation, and investment in shares of companies in liquidation are included here. Assets under dispute in foreign countries (including fixed assets, dues, investments, etc.) are also classified here.

1.5 Cash and bank balances: Cash and bank balances are presented under three heads, viz., (i) fixed deposits with banks, (ii) other bank balances and (iii) cash in hand.

15.1 Fixed deposits with banks: All fixed deposits with banks are shown in this item. This includes term deposits as well as deposits account except call deposits.

15.2 Other bank balances : All balances other than fixed deposits with banks are classified in this item. Deposits with Post Office savings banks are also included in this item.

15.3 Cash in hand : This item includes cash in transit, petty cash and stamps in the custody of directors, managers etc. and cheques in the course of realisation.

(B): INCOME, EXPENDITURE AND APPROPRIATION ACCOUNT

1. Income and Value of Production.

1.1 Sales net of rebate and discount and excise duty and cess : All receipts from sale of finished goods and services of the company including sale of bye-product, waste and scrap are included in this item. Sales are net of rebate and discount and excise duty and cess. Excise duty and cess

include tea cess, coal cess and band roll duty in the case of tea, coal and matches sub-groups, respectively, salt cess in respect of salt manufacturing companies and liquor duty, bottling fee, sales duty, vendors' fee, etc., in the case of brewery companies. Local cess rates and taxes are excluded. Rebate and discount on sales include trade discount. In Series I rebate and discount are not deducted from sales but are included in other expenses' on the expenditure side of the profit and loss account. In the case of coffee companies sales represent the actual cash received from the Coffee Board during the year in respect of crops of current or previous seasons by way of dividends and/or bonus. This item also includes managing agency commission, commission on sales/purchases, etc. of managing agency companies, income from rent in the case of land and estate companies, sand stowing expenses reimbursed to coal mining companies, interest on loans and dividends on investments in the case of financial and investment companies and freight earned by shipping companies. In the case of construction companies items such as work/jobs contracts completed, trading/manufacturing/work-bills or bills of contracts completed, service charges/fees, and share of profit on joint ventures is also included in this item. The sales are net of sales tax and entertainment tax in the case of cinema companies. The sales are also net of returns.

1.2 Increase(+) or decrease (-) in value of stock of finished goods and work-in-progress : This item is arrived at by subtracting opening stock from the closing stock of finished goods and work-in-progress.

1.3 Value of production: This item is arrived at by adding increase(+) or decrease(-) in value of stock of

finished goods and ~~working~~ progress to sales net of rebate and discount and excise duty and cess.

1.4 Other income: Income from interest, dividends, rents, royalties, etc., are included in this item. Dividends and interest are taken gross of income-tax cut at source, the amount of tax cut at source being shown under 'tax provision' on the expenditure side. This item also includes regular income from profit on share transactions and earnings from forward transactions, share of profits transferred by subsidiary companies and partnership concerns, rent by way of hire charges of machinery, profit on hedging contracts, and share transfer and subdivision fees and office expenses received by managing agency companies from managed companies, and income from sale of loom hours in the case of jute companies. Further, subsidy from government other than subsidy for replanting (in the case of rubber plantation companies), rebate on excise duty on excess sugar production and tax credit certificates and income from incentive schemes such as export incentives, extra production incentives, National Defence Remittance Scheme, etc., income by way of premium on import licences and any other non-operating income are classified under this head.

1.5 Total income : This is the total of value of production and other income and excludes (i) transfers from reserves outstanding at the end of the previous year, (ii) balance of profit/loss brought forward from previous year and (iii) non-recurring income like profit on sale of investments, fixed assets, insurance claims, etc.

2. Expenditure and Appropriations.

2.1 Raw materials, components, etc., consumed : This item represents the cost of raw materials and components actually consumed by the manufacturing companies during the period and includes carriage inwards, excise duty, customs duty, octroi and town duty, cess, commission and sales tax paid on raw materials purchases, purchase of goods for resale by trading companies and purchasing, generating and distributing expenses of electricity companies. All the components including nuts, bolts, rivets, etc., purchased from others, and used for assembling the automobile or repairing the ship in the case of automobile manufacturing or ship repairing companies, and also the raw materials consumed in manufacturing the components produced by the company and used in assembling/repair are included in this item. Sale of raw materials is adjusted in this item.

2.2 Stores and spares consumed : This item includes stores and spares consumed by the company for maintenance of plant and machinery, buildings, transport equipments, etc., moulds, castings, dies, etc., written off and packing materials. Stores, spares, etc., utilised for repairs to building and plant and machinery are not included here but shown under heads 2.9 and 2.10 in Series I this item was included under 'other manufacturing expenses'.

2.3 Power and fuel: This item relates to the consumption of electricity, coal, gas and other fuel and water for manufacturing purposes.

2.4 Other manufacturing expenses: This item includes processing charges, royalty and expenditure on job work done by others. For Series I, all the manufacturing expenses other than salaries and wages are covered in two items, viz.,

(i) 'raw materials, components, etc., consumed' and (ii) other manufacturing expenses. However, for Series II, the manufacturing expenses are split up under four heads, viz., (i) raw materials, components, etc., consumed, (ii) stores and spares consumed, (iii) power and fuel and (iv) other manufacturing expenses.

This item also includes 'sand stowing expenses' of mining companies, 'construction expenses' of construction companies, and 'maintenance expenses' of land and estate companies. For these companies raw materials consumed is 'nil' or 'negligible'. Expenses clearly identifiable as manufacturing expenses but which cannot be classified under any of the aforesaid heads are also taken here. In the case of some rubber plantation companies, the expenses on salaries and wages, stores, spares, etc., are inclusive of those in respect of replanting, and the total amount pertaining to replanting is shown separately by way of deduction from the total cultivation expenses. In such cases the adjustments are made under each of the heads, salaries and wages, stores, speares, etc., other manufacturing expenses and other expenses.

2.5 Salaries, Wages and Bonus : All salaries, wages and bonus (including provisions) relating to the accounting year but not arrears of bonus relating to previous years are included here. Dearness allowance, rent allowance and also other benefits (such as leave wages), whether paid in cash or kind, are included in this item.

2.6 Provident Fund : Employer's contributions towards provident fund are included here.

2.7 Employees' Welfare expenses : This item includes amounts

paid as gratuity, pension, expenses on employees' state insurance, superannuation funds, leave passages to staff, recreation and medical benefits, creche and canteen, loss on foodgrain shops for employees, free fuel and other welfare expenses.

2.8 Managerial Remuneration: This item includes the amount paid as percentage of profits, minimum/maximum remuneration as also the compensation for termination of agency agreements paid to managing agents, secretaries and treasures, managers, managing directors, etc. This includes all salaries, provident fund and welfare and other perquisites paid to managerial staff. In the Series II, these details are given separately under three heads viz., (i) managing agents, (ii) secretaries and treasures and (iii) managers, managing directors, etc. This item includes sitting fees paid to managing director, directors, managers, etc. However, in Series I, the amount paid as sitting fees was included in 'other expenses'.

2.9 Repairs to buildings : This item comprises stores consumed, salaries and wages and other overhead expenses incurred for repairs to buildings.

2.10 Repairs to machinery : This item comprises stores non-consumed, salaries and wages and other overhead expenses incurred for repairs to machinery. In Series I the above two item 2.9 and 2.10 are included under 'other expenses' :

2.11 Bad debts : Bad debts written off or provided for during the year are shown in this item.

2.12 Selling Commission: This item comprises selling commission, sole selling commission, brokerage, etc., including the

selling commission paid to managing agents and secretaries and treasurers. In Series I, selling commission is included under 'other expenses'.

2.13 Other expenses : All miscellaneous expenses including carriage and freight outward, postage, telegram, stationery, export and customs duty, loss on hedging contracts in raw materials as well as loss from other forward transactions if the company is regularly trading in shares or commodities, licence fees, office expenses reimbursed to managing agents, technical fees/guarantee commission and commission on purchases of machinery to managing agents or managing directors, shares transfer/subdivision expenses, auditors' fees, advertisement and publicity expenses, entertainment expenses, subscriptions to periodicals and journals, donations to political parties and to charitable institutions, guest house expenses, rent, rates and taxes, electricity duty shown in electricity companies, preliminary expenses, goodwill and other intangible expenses written off, etc. are shown under this item.

2.14 Depreciation provision : This relates to depreciation provision on fixed assets, whether for current year or earlier year/years, made during the year and includes extra- and multiple shifts allowances.

2.15 Other provisions (Other than depreciation and tax provision): This item includes all types of provisions other than depreciation provision and tax provision made during the year, e.g., provisions for obsolescence, contingencies, gratuity, etc. In Series I, such provisions are included in 'other expenses'.

2.16 Gross profits : This item represents profits before tax provision and interest.

2.17 Interest : The gross interest paid on all borrowings, debentures, income-tax arrears, etc. is shown here.

2.18 Profit before tax : This item represents the total of tax provision, dividends distributed and profits retained.

2.19 Tax provision : This is the provision towards corporate tax liability and includes amounts set aside for meeting liability of income-tax (both agricultural and non-agricultural), super tax, sur-tax, and taxes paid during the year but excludes sales tax, cess and other duties. It also includes tax deducted at source in respect of interest and dividends received by the company.

2.20 Profits after tax : This is the difference between profits before tax and tax provision. It is the profit of net of all expenses and tax provision and represents the amounts available for transfer to reserves and for distribution of dividends to shareholders.

2.21 Dividends : This item represents the total amount distributed/declared as dividends on ordinary and preference shares declared/paid during the year and is gross of tax cut at source. Preference dividend includes accumulated preference dividend for earlier years declared during the year under review. Bonus dividends are also included here.

2.22 Profits retained : This comprises profits retained in business in the form of transfers to various reserves (other than taxation and depreciation) and the balance of profit/loss carried to balance sheet. Provision for any other

type of depreciation such as special/future depreciation is included here and not in depreciation provision. This item is on sale of investments, fixed assets, etc., and loss due to devaluation. This item also does not take into account non-recurring receipts like profits on sale of investments, fixed assets, etc., insurance claims received and bad debts realised, transfers from reserves outstanding at the end of the previous year and the balance of profit brought forward from the previous year. In the case of rubber plantation companies, sale of trees and subsidy for replanting or for replanting expenditure, if shown as income, is adjusted (i.e. deducted from retained profits) though this item appears regularly in some annual accounts. Similarly, expenditure pertaining to earlier period or periods e.g., previous years' arrears of salary, etc., paid during the current year, loss due to devaluation or any damage or compensation for breach of contract is adjusted in arriving at the profits figures. In brief, the profit is worked out after eliminating all transactions of non-recurring nature and transactions in respect of the previous year or years.

APPENDIX : II.II

Information Available in Combined Balance Sheet : Selected
Medium and Large Public Limited Companies (Collected by R.B.I.)

CAPITAL AND LIABILITIES

- A. Share Capital
 - 1. Paid-up-capital
 - (a) Ordinary
 - (of which, bonus)
 - (b) Preference
 - (of which, bonus)
 - 2. Add forfeited shares
- B. Reserves and surplus
 - 3. Capital reserve
 - (Of which, premium on shares)
 - 4. Development rebate reserve
 - 5. Others.
- C. Provisions
 - 6. Taxation
 - 7. Other current
 - 8. Non-current
- D. Borrowings
 - 9. From banks
 - (Of which, portion included under debt)
 - 10. From Industrial Finance Corporation and State Financial Corporations.
 - 11. From other institutional agencies.
 - 12. From Government and semi-government.
 - 13. From others.
 - (Of which, portion included under debt).

- E. Trade dues and other current liabilities.
 - 14. Sundry creditors
 - 15. Others.
- F. 16. Miscellaneous non-current liabilities.
- 17. TOTAL LIABILITIES/ASSETS.

ASSETS

- G. Gross fixed assets.
 - 18. Land
 - 19. Buildings
 - 20. Plant and machinery
 - 21. Others.
- H. 22. Less : Depreciation provision
- I. 23. Net fixed assets.
- J. Inventories.
 - 24. Raw Materials, components etc.
 - 25. Finished goods and work-in-progress.
 - 26. Others.
- K Loans and advances and other debtor balances.
 - 27. Sundry debtors.
 - 28. Others.
- L. Investments.
 - 29. Government securities.
 - 30. Semi-Government securities.
 - 31. Industrial Securities.
 - 32. Shares and debentures of subsidiary companies.
 - 33. Others.
- M 34. Advance of income-tax.
- N Other assets.
 - 35. Immovable properties.
 - 36. Intangible assets.
 - 37. Miscellaneous non-current assets.
- O Cash and bank balances
 - 38. Fixed deposits with banks
 - 39. Other bank balances
 - 40. Cash in hand.

APPENDIX : II.III

Information Available Under the Heads of Combined Income,
Value of Production, Expenditure and Appropriation Accounts
of Selected Medium and Large Public Limited Companies
(Collected by R.B.I.)

INCOME AND VALUE OF PRODUCTION :

1. Sales net of rebate and discount and excise duty and cess.
2. Increase(+) or decrease(-) in value of stock of finished goods and work-in-progress.
3. Value of production (1+2)
4. Other income.
5. TOTAL INCOME/EXPENDITURE AND APPROPRIATIONS.

EXPENDITURE AND APPROPRIATIONS

6. Raw materials, components, etc. consumed
7. Stores and spares consumed
8. Power and fuel
9. Other manufacturing expenses
10. Salaries, wages and bonus
11. Provident fund.
12. Employees' welfare expenses
13. Managerial remuneration
 - (a) Managing agents
 - (b) Secretaries and treasurers
 - (c) Managing directors, managers, etc.
14. Repairs of buildings
15. Repairs to machinery
16. Bad debts
17. Selling commission
18. Other expenses
19. Depreciation provision

- 20. Other provisions (other than tax provision)
- 21. Gross profits
- 22. Less Interest
- 23. Profits before tax
- 24. Less : Tax provision
- 25. Profits after tax
 - (a) Dividends
 - i) Ordinary
 - ii) Preference
 - (b) Profits retained