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# ABOUT THE BOARD



- Accounting Standards Board constituted on April 21, 1977. To mark this day Accounting Standards Day is celebrated on April 21st every year.
- With its close co-ordination and interaction with various national and international bodies and regulators, the ASB strives hard in national interest and formulates Indian Accounting Standards (Ind AS) converged with IFRS Accounting Standards and AS.
- Conducts Ind AS courses and various knowledge dissemination activities to promote excellence and consistency in financial reporting.



## '3' Sets of Accounting Standards

**Companies governed by Companies Act  
2013**

### Indian Accounting Standards (Ind AS)

- Notified by MCA - Companies (Indian Accounting Standards) Rules 2015. [40 Standards]
- Applicable for specified class of companies.

### Accounting Standards (AS)

- Notified by MCA - Companies (Accounting Standards) Rules 2021 [27 Standards]
- Applicable to companies not covered by Ind AS.

### Accounting Standards (AS)

- Issued by ICAI [27 Standards]
- Similar to AS notified by MCA with minor differences regarding presentation, exemptions etc.

***Note: AS for LLPs are under formulation***



# ACCOUNTING STANDARDS - APPLICABILITY IN INDIA



IFRS Accounting Standards converged Indian Accounting Standards		Accounting Standards notified by MCA		Accounting Standards prescribed by ICAI	
Listed companies and NBFCs	Unlisted companies and NBFCs having net worth above INR 250 crore	Unlisted companies having net worth less than INR 250 crore	Small and Medium Companies (SMCs) - With <b>certain exemptions/relaxations.</b>	Non-Company Entities	Micro, Small and Medium Sized Entities (MSMEs) - With <b>certain exemptions/relaxations.</b>



# Applicable Accounting Standards for large entities

Large entities are required to comply in full with all the Accounting Standards. List of AS is as under:

AS	Name	AS	Name
AS 1	Disclosure of Accounting Policies	AS 10	Property, Plant and Equipment
AS 2	Valuation of Inventories	AS 11	The Effects of Changes in Foreign Exchange Rates
AS 3	Cash Flow Statements	AS 12	Accounting for Government Grants
AS 4	Contingencies and Events Occurring after the Balance Sheet Date	AS 13	Accounting for Investments
AS 5	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	AS 14	Accounting for Amalgamations
AS 7	Construction Contracts	AS 15	Employee Benefits
AS 9	Revenue Recognition	AS 16	Borrowing Costs



# Applicable Accounting Standards for large entities

AS	Name	AS	Name
AS 17	Segment Reporting	AS 24	Discontinuing Operations
AS 18	Related Party Disclosures	AS 25	Interim Financial Reporting
AS 19	Leases	AS 26	Intangible Assets
AS 20	Earnings Per Share	AS 27	Financial Reporting of Interests in Joint Ventures
AS 21	Consolidated Financial Statements	AS 28	Impairment of Assets
AS 22	Accounting for Taxes on Income	AS 29	Provisions, Contingent Liabilities and Contingent Assets
AS 23	Accounting for Investments in Associates in Consolidated Financial Statements		

## Micro, Small and Medium Sized entity



**Micro, Small and Medium Sized entity (MSME) means, a non-company entity :**

- (i) whose equity or debt securities are not listed or are not in the process of listing on any stock exchange, whether in India or outside India;*
- (ii) which is not a bank, financial institution or an insurance company;*
- (iii) whose turnover (excluding other income) does not exceed two hundred and fifty crore rupees in the immediately preceding accounting year;*
- (iv) which does not have borrowings in excess of fifty crore rupees at any time during the immediately preceding accounting year; and*
- (v) which is not a holding or subsidiary of an entity which is not a micro, small and medium-sized entity.*

**Explanation.-** For the purposes of this clause, a non-company entity shall qualify as a Micro, Small and Medium Sized entity, if the conditions mentioned therein are satisfied as at the end of the relevant accounting period.

**Large entity** is a non-company entity that is not an MSME.

## Relaxations/exemptions to MSMEs



**Certain exemptions/relaxations have been provided to Micro, small and medium sized Non-company entities.**

Accounting Standards not applicable to all MSMEs in their entirety:

- AS 3, *Cash Flow Statements*
- AS 17, *Segment Reporting*
- AS 20, *Earnings per Share*
- AS 24, *Discontinuing Operations*

AS 18, *Related Party Disclosures* and AS 28, *Impairment of Assets* not applicable in their entirety to MSMEs :

- a) whose turnover (excluding other income) does not exceed rupees fifty crore in the immediately preceding accounting year;
- b) which does not have borrowings in excess of rupees ten crore at any time during the immediately preceding accounting year; and
- c) which is not a Holding and subsidiary of an MSME not covered above

## Relaxations/exemptions to MSMEs



- (i) Accounting Standard (AS) 10, *Property, Plant and Equipment* MSMEs may not comply with paragraph 87 relating to encouraged disclosures.
- (ii) AS 11, *The Effects of Changes in Foreign Exchange Rates* MSMEs may not comply with paragraph 44 relating to encouraged disclosures.
- (iii) AS 15, *Employee Benefits*
  - (1) MSMEs may not comply with the following paragraphs:
    - a) paragraphs 11 to 16 of the standard to the extent they deal with recognition and measurement of short-term accumulating compensated absences which are non-vesting (i.e., short-term accumulating compensated absences in respect of which employees are not entitled to cash payment for unused entitlement on leaving);
    - b) paragraphs 46 and 139 of the Standard which deal with discounting of amounts that fall due more than 12 months after the balance sheet date;
    - c) recognition and measurement principles laid down in paragraphs 50 to 116 and presentation and disclosure requirements laid down in paragraphs 117 to 123 of the Standard in respect of accounting for defined benefit plans. However, such entities may calculate and account for the accrued liability under the defined benefit plans by reference to some other rational method, e.g., a method based on the assumption that such benefits are payable to all employees at the end of the accounting year; and
    - d) recognition and measurement principles laid down in paragraphs 129 to 131 of the Standard in respect of accounting for other long-term employee benefits. Such entities may calculate and account for the accrued liability under the other long-term employee benefits by reference to some other rational method, e.g., a method based on the assumption that such benefits are payable to all employees at the end of the accounting year.

## Relaxations/exemptions to MSMEs



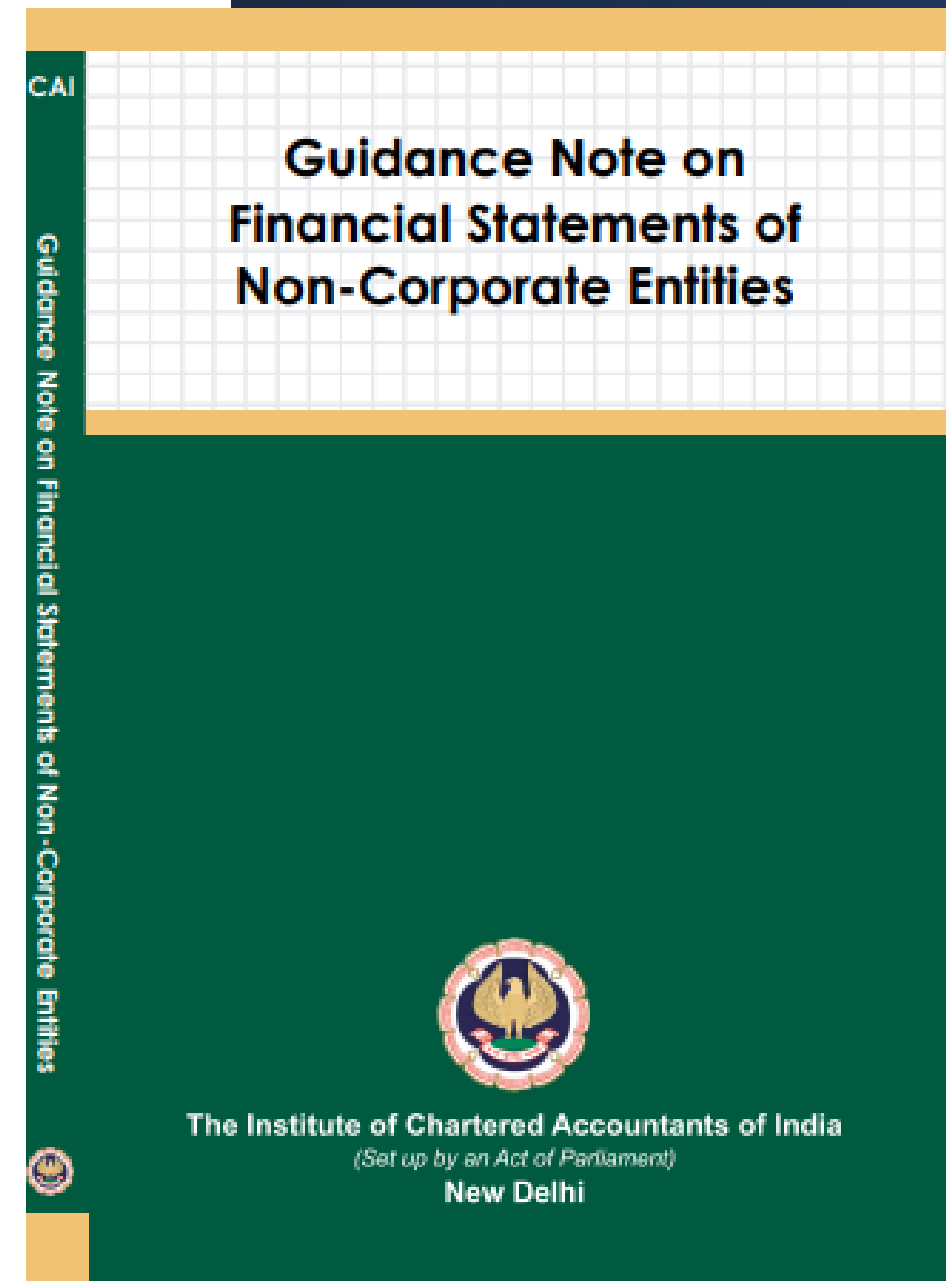
- iv. AS 19, *Leases*- MSMEs may not comply with paragraphs 22 (c),(e) and (f); 25 (a), (b) and (e); 37 (a), (f) and (g); 38; and 46 (b), (d) and (e) relating to disclosures.
- v. AS 22, *Accounting for Taxes on Income*
  - a) MSMEs shall comply with the requirements of AS 22, *Accounting for Taxes on Income*, for Current tax defined in paragraph 4.4 of AS 22, with recognition as per paragraph 9, measurement as per paragraph 20 of AS 22, and presentation and disclosure as per paragraphs 27-28 of AS 22.
  - b) Transitional requirements- On the first occasion when an MSME avails this exemption, the accumulated deferred tax asset/liability appearing in the financial statements of immediate previous accounting period, shall be adjusted against the opening revenue reserves/owner's funds.
  - c) Amendments relating to International tax reform—Pillar Two model rules provides relaxations to MSMEs with regard to disclosures in paragraphs 32C and 32D.
- vi. AS 26, *Intangible Assets*- MSMEs may not comply with paragraphs 90(d)(iii); 90(d)(iv) and 98 relating to disclosures.
- vii. AS 28, *Impairment of Assets*
  - a) MSMEs that are otherwise not exempted from applying this standard [refer note 2(A)(ii)] are allowed to measure the 'value in use' on the basis of reasonable estimate thereof instead of computing the value in use by present value technique. Consequently, if such MSME chooses to measure the 'value in use' by not using the present value technique, the relevant provisions of AS 28, such as discount rate etc., would not be applicable to such an entity. Further, such an entity need not disclose the information required by paragraph 121(g) of the Standard.
  - b) MSMEs that are otherwise not exempted from applying this standard [refer note 2(A)(ii)] may not comply with paragraphs 121(c)(ii); 121(d)(i); 121(d)(ii) and 123 relating to disclosures.

## Relaxations/exemptions to MSMEs



- viii. AS 29, *Provisions, Contingent Liabilities and Contingent Assets*- MSMEs may not comply with paragraphs 66 and 67 relating to disclosures.
- (C)** In case of Micro, Small and Medium sized Non-company entities, generally there are no such transactions that are covered under AS 14, *Accounting for Amalgamations*, or jointly controlled operations or jointly controlled assets covered under AS 27, *Financial Reporting of Interests in Joint Ventures*. Therefore, these standards are not applicable to Micro, Small and Medium size Non-company entities. However, if there are any such transactions, these entities shall apply the requirements of the relevant standard.
- (D)** AS 21, *Consolidated Financial Statements*, AS 23, *Accounting for Investments in Associates in Consolidated Financial Statements*, AS 27, *Financial Reporting of Interests in Joint Ventures* (to the extent of requirements relating to Consolidated Financial Statements), and AS 25, *Interim Financial Reporting*, do not require a Non-company entity to present consolidated financial statements and interim financial report, respectively. Relevant AS is applicable only if a Non-company entity is required or elects to prepare and present consolidated financial statements or interim financial report.

To enhance the quality, comparability and comprehensiveness of the financial reporting by these entities, the Accounting Standards Board of ICAI issued the Guidance Note on Financial Statements of Non-Corporate Entities.



# BACKGROUND



Sound financial reporting creates trust of investors and others in financial reporting.



There are wide users of the financial information of the Non-Corporate entities (NCEs).



Financial statements prepared following high quality reporting framework faithfully represent transactions and makes it more reliable, complete and comparable.



ICAI has prescribed criteria for classification of non-company entities for AS applicability. The criteria is revised in the year 2024.



ICAI issues Accounting Standards (AS) for non-company entities engaged in commercial, industrial or business activities.



# OBJECTIVE AND SCOPE



## Guidance Note

Issued for the purpose of preparation of the financial statements of NCEs including formats for the same.



## Objective

To standardise the formats of financial statements for these entities and to enhance the quality and comprehensiveness of the financial reporting by these entities.



## Effective Date

Guidance Note is effective in phased manner for annual reporting periods 2025-26 onwards.



## Illustrative Formats

Guidance Note also contains Illustrative formats for financial statements. Illustrative formats are available in Excel file form also.





# OBJECTIVE AND SCOPE

## Applicability

Guidance Note is relevant for preparation of the financial statements of the NCEs unless:

- any formats/principles are specifically prescribed by the relevant Statute or Regulator or any Authority

## Examples of Exceptions

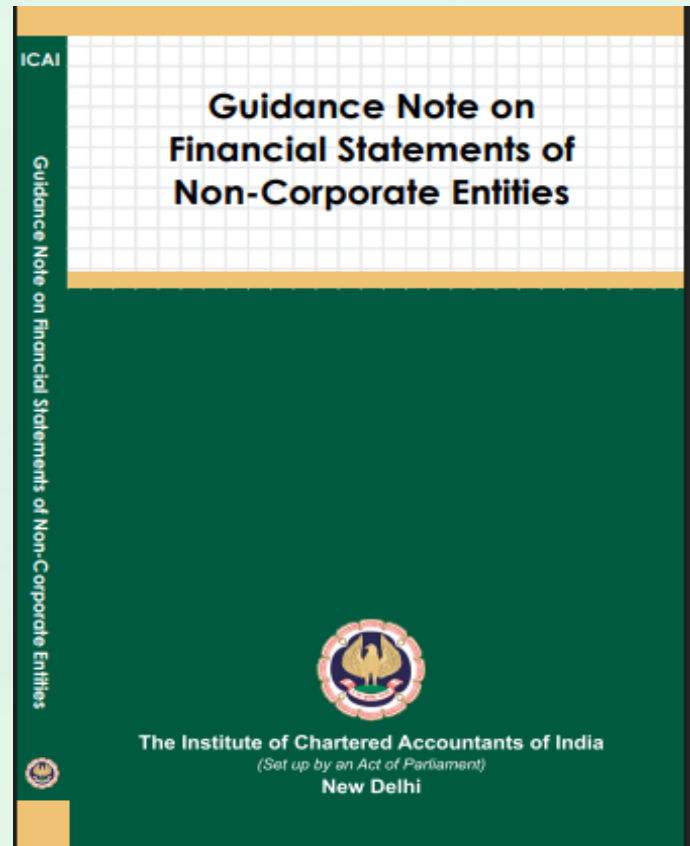
- Formats prescribed for Trusts under Maharashtra Public Trust Rules, 1951
- Autonomous Bodies under GOI are required to compile their accounts in a uniform format of accounts as prescribed by GOI (MOF)
- Guidance has been specifically given by ICAI (e.g., Educational Institutions, Political Parties, NPOs, etc.)

## Prior Guidance

Prior to issuance of GN, Technical Guide issued by the ASB in 2022 dealt with formats of Financial Statements of NCEs. With effect from 1.4.2024, the said TG has been superseded by the GN.



# OBJECTIVE AND SCOPE



Guidance Note on Financial Statements of Non-Corporate Entities

<https://resource.cdn.icai.org/75516asb61093-a.pdf>

The screenshot shows an Excel spreadsheet titled 'Intangible assets' with a balance sheet format. The spreadsheet is set up for a Limited Liability Partnership (LLP) and is dated 31 March 20XX. The balance sheet is presented in two columns for the same date, with the amount in Rs. XX. The format is as follows:

		Note	31 March 20XX	31 March 20XX
<b>EQUITY AND LIABILITIES</b>				
<b>Partners' Funds</b>				
(a)	Partners' Capital Account			
	(i) Partners' Contribution	3a	-	-
	(ii) Partners' Current Account	3b	-	-
(b)	Reserves and surplus	4	-	-
<b>Non-current liabilities</b>				
(a)	Long-term borrowings	5	-	-
(b)	Deferred tax liabilities (Net)	6	-	-
(c)	Other long-term liabilities	7	-	-
(d)	Long-term provisions	8	-	-
<b>Current liabilities</b>				
(a)	Short-term borrowings	5	-	-
(b)	Trade payables		-	-
(c)	Other current liabilities	10	-	-
(d)	Short-term provisions	8	-	-
<b>Total</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a)	Property, Plant and Equipment and Intangible assets			
(i)	Property, Plant and Equipment	11	-	-

Excel file containing Illustrative Formats

[https://www.icai.org/post.html?post\\_id=15771](https://www.icai.org/post.html?post_id=15771)



# FINANCIAL STATEMENTS: COMPONENTS



## Balance Sheet

- Information about financial position is provided through balance sheet.
- The elements directly related to the measurement of financial position in the balance sheet are assets, liabilities and equity
- In the context of NCEs, formats of financial statements use the term 'owners' funds' in place of 'equity' as some of the items of 'owners' funds' may not strictly meet the definition of 'equity'



## Statement of Profit and Loss

- Used for reporting entity's financial performance over a specific accounting period
- Focuses on entity's income and expenses during a particular period.



# FINANCIAL STATEMENTS: COMPONENTS

## Cash Flow Statement (where applicable)

Provides information that enables users to evaluate:

- the changes in net assets of an enterprise, its financial structure (including its liquidity and solvency)
- Its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities

Micro, Small and Medium Sized NCEs may not prepare cash flow statements. Such entities are, however, encouraged to comply with this standard.

## Notes, Other Statements and Explanatory Material

- Additional information (disclosures) relevant to the needs of users about the items in above components of financial statements
- Example: disclosures regarding risks and uncertainties affecting the enterprise, resources and obligations not recognised in the balance sheet, etc.



# FORMATS OF FINANCIAL STATEMENTS FOR NON-CORPORATE ENTITIES





# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS



## Applicability

- Formats apply for preparation of Balance Sheet and Statement of Profit and Loss of an NCE
- Where compliance with requirements of the relevant statute including AS as applicable to NCE require any change in treatment or disclosure including addition, amendment, substitution or deletion in the head or sub-head or any changes, inter se, in the financial statements or statements forming part thereof, the same shall be made and the formats shall be modified accordingly.



## Terminology

- Guidance Note uses terminology suitable considering the nature and business of NCEs in general.
- Certain NCEs may need to amend the descriptions used for particular line items in the formats and for the financial statements themselves, e.g., AoP may need to use terminology "members' funds" instead of "owners' funds" .



## Disclosures

- Disclosure requirements specified in the formats are in addition to and not in substitution of the disclosure requirements specified in the AS issued by the ICAI.
- Additional disclosures specified in the AS shall be made in the notes to accounts or by way of additional statement unless required to be disclosed on the face of the Financial Statements.



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS



## Notes to Accounts

- Notes to accounts shall contain information in addition to that presented in the Financial Statements and shall provide where required
  - narrative descriptions or disaggregation's; and
  - information about items that do not qualify for recognition in those statements.



## Cross-Referencing

- Each item on the face of the Balance Sheet and Statement of Profit and Loss shall be cross-referenced to any related information in the notes to accounts.



## Balanced Information

- In preparing the Financial Statements including the notes to accounts, a balance shall be maintained between providing excessive detail and not providing important information due to too much aggregation.



## Rounding Off

- Income below ₹100 crore: Round to nearest hundreds, thousands, lakhs or millions
- Income of ₹100 crore or more: Round to nearest lakhs, millions or crores



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS



## Comparative Information Required

- Except in the case of the first Financial Statements prepared by NCE the comparatives for the immediately preceding reporting period for all items shown in the Financial Statements including notes shall also be given.

## Standard Terminology

- For the purpose of this format, the terms used herein shall be as per the applicable Accounting Standards.

*Note:— It set-outs the minimum requirements for disclosure on the face of the Balance Sheet, and the Statement of Profit and Loss. Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Financial Statements when such presentation is relevant to an understanding of the NCE's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the relevant statutes or under the Accounting Standards*



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



## Current Asset

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

## Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Where the normal operating cycle cannot be identified, it is assumed to have a duration of 12 months.



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Current Liability

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the Non-Corporate entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

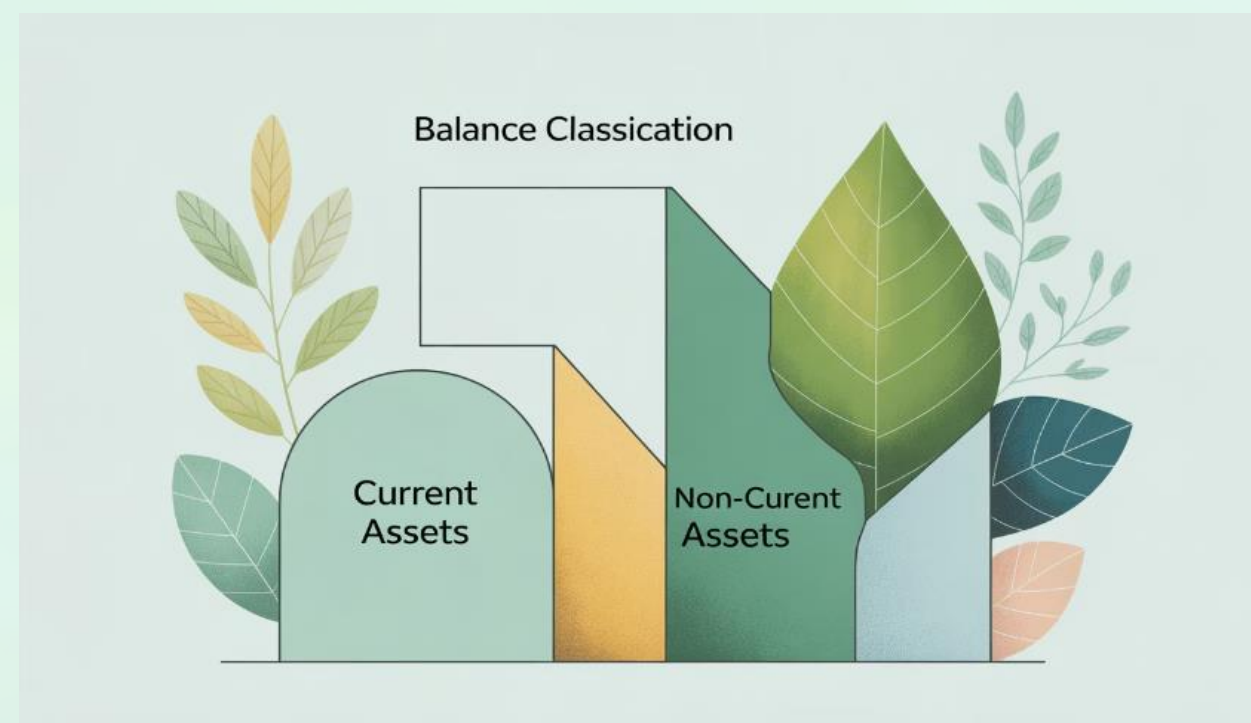
All other liabilities shall be classified as non-current.

## Trade Receivables

A receivable shall be classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business.

## Trade Payable

A payable shall be classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business.



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



## Disclosure in the Notes to Accounts

### Owners' Funds

For each owner capital/current account, following items to be disclosed separately:

- opening balance
- capital Introduced/ Contributed during the year
- remuneration for the year
- interest for the year
- withdrawals during the year
- share of profit or loss for the year (share in % and amount)
- closing balance

### Reserves and Surplus

Reserves and Surplus classified as:

- Capital Reserves
- Revaluation Reserve
- Other Reserves
- Undistributed Surplus i.e. balance in Statement of P&L
  - Debit balance of statement of profit and loss shall be shown as a negative figure under the head 'Undistributed Surplus'.
  - Similarly, the balance of 'Reserves and Surplus', after adjusting negative balance of surplus, if any, shall be shown under the head 'Reserves and Surplus' even if the resulting figure is in the negative.



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Long-Term Borrowings

Long-term borrowings classified as:

- Term loans
    - From banks
    - From other parties
  - Deferred payment liabilities
  - Loans and advances from related parties
  - Long term maturities of finance lease obligations
  - Other loans and advances (specify nature)
- Further sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.
- Where loans have been guaranteed by partners/proprietor/owners or others, the aggregate amount of such loans under each head shall be disclosed.
- Terms of repayment of term loans and other loans shall be stated.

## Long-term provisions

Long-term provisions classified as:

- Provision for employee benefits
- Others (specify nature)





# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Short-Term Borrowings

Short-term borrowings classified as:

- Loans repayable on demand
    - From banks
    - From other parties
  - Loans and advances from related parties
  - Other loans and advances (specify nature)
- Further sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.
- Loans guaranteed by partners/proprietor/owners or others – Disclose aggregate amount of such loans under each head.
- Current maturities of Long-term borrowings - Disclosed separately.

## Trade Payables

Details relating to Micro, Small and Medium Enterprises to be disclosed.





# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Other current liabilities

Other current liabilities classified as:

- Current maturities of finance lease obligations
- Interest accrued but not due on borrowings
- Interest accrued and due on borrowings
- Income received in advance
- Other payables (specify nature)

## Short-term provisions

Short-term provisions classified as:

- Provision for employee benefits
- Others (specify nature)

BALANCE DESTINY	5239.83 M	5.5	15.00
ACCOUNTS PAYABLE	2049.43 M	8.0	19.00
SHORT TERM DEBT	2022.60 M	5.9	53.00
SHORT TERM DEBT	2083.60 M	4.5	10.00
ACCURUE EXPENSES	9235.00 M	271	40.00
ACCURUED EXPENSES	2064.00 M	2.5	15.00
TOTAL	3039.00 M	3.0	01.00



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Property, Plant and Equipment

Classified as:

- Land
  - Buildings
  - Plant and Equipment
  - Furniture and Fixtures
  - Vehicles
  - Office Equipment
  - Others (specify nature)
- Assets under lease - Separately specified under each class of asset.

❖ Disclosed separately – For both PPE and Intangible Assets:

- Reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals acquisitions through business combinations, amount of change due to revaluation (if change is 10% or more in the aggregate of the net carrying value of each class of PPE/Intangible Assets) and other adjustments;
- Related depreciation and impairment losses/reversals.

## Intangible assets

Classified as:

- Goodwill
- Brands / trademarks
- Computer software
- Mastheads and publishing titles
- Mining rights
- Copyrights, and patents and other IPR, services and operating rights
- Recipes, formulae, models, designs and prototypes
- Licenses and franchise
- Others (specify nature)



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Non-current investments

Classified as trade investments and other investments.

Further classified as:

- Investment property
  - Investments in Equity Instruments
  - Investments in preference shares
  - Investments in Government or trust securities
  - Investments in debentures or bonds
  - Investments in Mutual Funds
  - Investments in partnership firms
  - Other non-current investments (specify nature)
- Under each aforesaid classification, details shall be given of names of the entities (indicating separately whether such entities are joint ventures or controlled special purpose entities) in whom investments have been made (showing separately investments which are partly-paid).
- Investments in the capital of partnership firms – Give Names of the firms (with the names of all their partners, total capital and the shares of each partner).
- Investments carried at other than at cost - Separately stated specifying the basis for valuation thereof.

The following shall also be disclosed:

- (a) Aggregate amount of quoted investments and market value thereof;
- (b) Aggregate amount of unquoted investments;
- (c) aggregate provision for diminution in value of investments.





# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Long-term loans and advances

Classified as:

- Capital Advances;
  - Loans and advances to related parties (giving details thereof)
  - Other loans and advances (specify nature).
- Above shall also be separately sub-classified as:
- (a) Secured, considered good;
  - (b) Unsecured, considered good;
  - (c) Doubtful.
- Allowance for bad and doubtful loans and advances shall be disclosed separately.

## Other non-current assets

Classified as:

- Security Deposits
- Bank deposits with more than 12 months maturity
- Others (specify nature).

The screenshot displays a financial software interface with a 'Loans and Advances' table and a 'Balance Sheet' summary. The table has columns for 'Loans and Advances', 'Loanable', 'Loans on', 'Loans on', '30th', '51st', '22nd', and 'Loans Advances'. The 'Balance Sheet' summary shows 'Loans Advances' with a value of 415.00.

Loans and Advances	Loanable	Loans on	Loans on	30th	51st	22nd	Loans Advances
10.00	85.00	13.00	49.20	43.00	74.00	22.00	60.00
49.5004	8.850	99.90	18.85	18.00	4.00	96.00	40.00
45.78	38.000	14.00	185.0	15.00	60.00	91.00	5.08
5.5740000	25000	55.00	1521	18.00	84.90	22.80	1.00
12.05	41.28	5.57	28.54	81.00	5.880	87.50	5.75
492.140001	43000	33.00	75.33	18.90	3.000	14.00	4.00
513.0	33.300	83.4	133.0	13.00	51.00	4.81	98.8
118.160051	4.00	3.1	38.95	5.180	95.00	5.88	50.0
19.00	11.000	2.50	2.50	28.00	21.59	7.00	28.00
1192.10005	79.00	65.00	94	94	15.00		55.0



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Current Investments

Classified as:

- Investments in Equity Instruments
  - Investment in Preference Shares
  - Investments in government or trust securities
  - Investments in debentures or bonds
  - Investments in Mutual Funds
  - Investments in partnership firms
  - Other investments (specify nature).
- Under each aforesaid classification, details shall be given of names of the entities (indicating separately whether such entities are joint ventures or controlled special purpose entities) in whom investments have been made (showing separately investments which are partly-paid).
- Investments in the capital of partnership firms – Give Names of the firms (with the names of all their partners, total capital and the shares of each partner).

The following shall also be disclosed:

- (a) The basis of valuation of individual investments;
- (b) Aggregate amount of quoted investments and market value;
- (c) Aggregate amount of unquoted investments;
- (d) Aggregate provision for diminution in value of investments.





# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Inventories

Classified as:

- Raw materials
  - Work-in-progress
  - Finished goods
  - Stock-in-trade (in respect of goods acquired for trading)
  - Stores and spares
  - Loose tools
  - Others (specify nature)
- Goods-in-transit – To be disclosed under the relevant sub-head of inventories.

## Trade Receivables

Classified as:

- Secured, considered good
  - Unsecured considered good
  - Doubtful.
- Aggregate amount of trade receivables outstanding for a period exceeding six months from the date they are due for receipt shall be stated separately.
- Allowance for bad and doubtful debts – To be disclosed separately.

Financial Summary: Inventories & Trade Receivables				
Balance Sheet		Debit		
Raw Materials	200,000	200,000		
Work-in-Progress	150,000	150,000		
Finished Goods	100,000	100,000		
Stock-in-Trade	50,000	50,000		
Stores and Spares	20,000	20,000		
Loose Tools	10,000	10,000		
Others	5,000	5,000		
Goods-in-Transit	5,000	5,000		
Total	540,000	540,000		



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Cash and bank balances

Classified as:

- Balances with banks
- Cheques, drafts on hand
- Cash on hand
- Others (specify nature)
- Other bank balances classified as:
  - Bank Deposits - Earmarked balances with banks.
  - Margin money or deposits under lien shall be disclosed separately.
  - Bank deposits with original maturity for more than 3 months but less than 12 months from reporting date
  - others (specify nature)

## Short-term loans and advances

Classified as:

- Loans and advances to related parties (giving details thereof)
- Others (specify nature).
- Above shall also be separately sub-classified as:
  - Secured, considered good
  - Unsecured, considered good
  - Doubtful
- Allowance for bad and doubtful loans and advances – To be disclosed separately.

Cash and Bank Balances	
ELAR CAIJEIENEES	122,00,52.57
	30,81,56.28
	12,91,53.41
19,5,1,57	
232,0,6,545	
80,10,2,576	
1016,89,49	
25,2,35,07	
19,20,25,56	
19,1,3,16	
12,1,20,87	
55,00,29,90	
14,18,4,457	
10,3,1,16	
19,10,1,148	
11,1,1,10	



# GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET

## Other current assets (specify nature)

This is an all-inclusive heading, which incorporates current assets that do not fit into any other asset categories.

## Contingent liabilities (to the extent not provided for)

Classified as:

- (a) Claims against the non-corporate entity not acknowledged as debt;
- (b) Guarantees;
- (c) Other money for which the non-corporate entity is contingently liable.

Other current assets and contingent liabilities

Balance Sheet

Particulars	2022	2021	2020	2019	2018	2017
Other current assets	100	100	100	100	100	100
Contingent liabilities	100	100	100	100	100	100
Total	200	200	200	200	200	200



# NON-CORPORATE ENTITIES

## STATEMENT OF PROFIT AND LOSS

**PART II – Form of STATEMENT OF PROFIT AND LOSS**

Name of the Non-Corporate Entity.....

Statement of Profit and Loss for the year ended .....

(Rupees in.....)

	Particulars	Note	Figures for the current reporting period (in) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)	Figures for the previous reporting period (in) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)
	1	2	3	4
I.	Revenue from operations			
II.	Other income			
III.	<b>Total Income (I + II)</b>			
IV.	Expenses			
	Cost of Material Consumed			
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods			
	Work-in-progress and Stock-in-Trade			
	Employee benefits expense			

	Depreciation and amortization expense			
	Finance Cost			
	Other expenses			
	<b>Total expenses</b>			
V	Profit before exceptional and extraordinary items, partners' remuneration and tax (III-IV)			
VI	Exceptional items			
VII	Profit before extraordinary items, partners' remuneration and tax (V - VI)			
VIII	Extraordinary Items			
IX	Profit before partners' remuneration and tax (VII- VIII)			
X	Partners' remuneration <sup>3</sup>			
XI	Profit before tax (IX-X)			
XII	Tax expense:			
(i)	Current tax			

(ii)	Deferred tax			
XIII	Profit (Loss) for the period from continuing operations (XI-XII)			
XIV	Profit/(loss) from discontinuing operations			
XV	Tax expense of discontinuing operations			
XVI	Profit/(loss) from Discontinuing operations (after tax) (XIV-XV)			
XVII	Profit/ (Loss) (XIII + XVI)			

The above images show the standardized format for the Statement of Profit and Loss of Non-Corporate Entities as prescribed by the Institute of Chartered Accountants of India.



# GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS

## Revenue from operations

Disclose separately in the notes revenue from —

- Sale of products  
Less: Excise duty
- Sale of services
- Other operating revenues

In respect of a finance Non-Corporate entity, revenue from operations shall include revenue from —

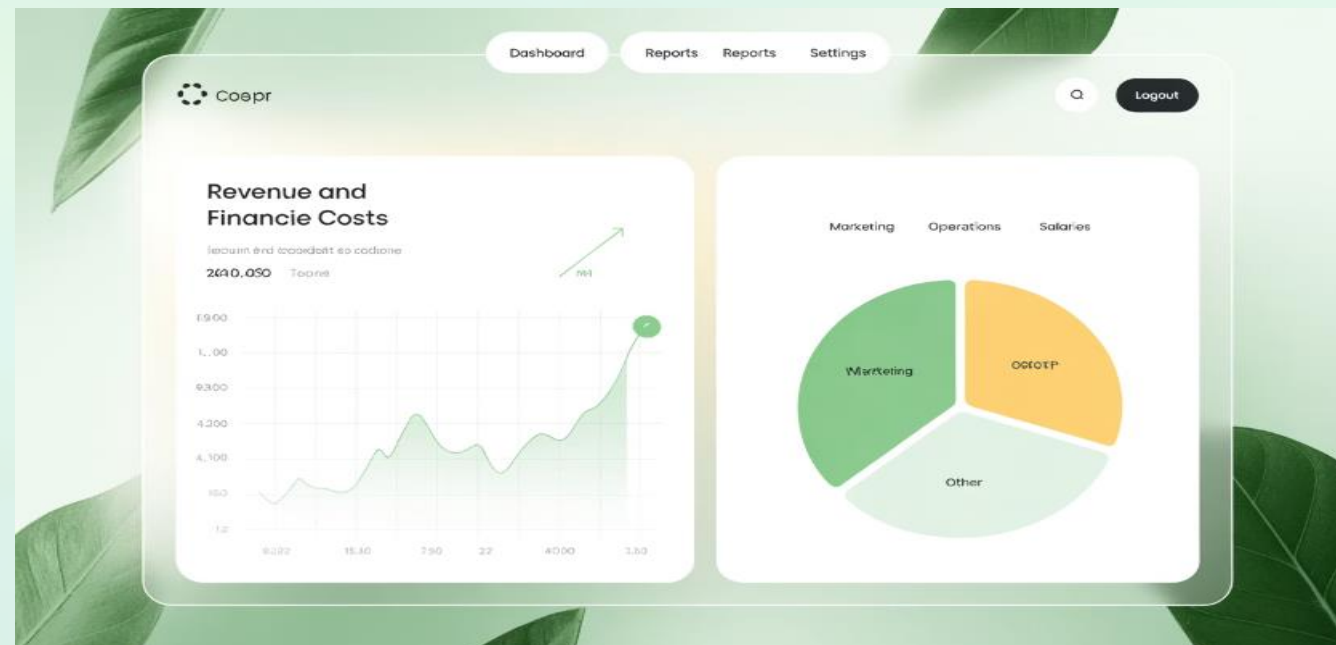
- (a) Interest; and
- (b) Other financial services.

## Finance Costs

Classified as:

- Interest expense (other than interest on partners'/members' capital)
- Interest on partners'/ members' capital
- Other borrowing costs
- Applicable net gain/loss on foreign currency transactions and translation.

The provisions of this Part shall be applied to the income and expenditure account in like manner as they apply to a statement of profit and loss.



# GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS



## Other income

Classified as:

- Interest Income
- Dividend Income
- Net gain/loss on sale of investments
- Other non-operating income (net of expenses directly attributable to such income).









## Notes regarding aggregate expenditure and income

- Employee Benefits Expense showing separately
  - (i) salaries and wages,
  - (ii) Contribution to provident and other funds,
  - (iii) staff welfare expenses;
- Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.1,00,000 whichever is higher;
- Adjustments to the carrying amount of investments;
- Net gain or loss on foreign currency transaction and translation (other than considered as finance cost);
- Details of items of exceptional and extraordinary nature;
- Prior period items.



# GENERAL INSTRUCTIONS FOR PREPARATION OF STATEMENT OF PROFIT AND LOSS

Expenditure incurred on each of the following items, separately for each item:—

-  Consumption of stores and spare parts;
-  Power and fuel;
-  Repairs to machinery;
-  Rent;
-  Repairs to buildings;
-  Miscellaneous expenses.
-  Insurance;
-  Rates and taxes, excluding, taxes on income;

[XYZ Balance Sheet FY 24-25.xlsx](#)



# GN ON FINANCIAL STATEMENTS OF LLPs

## Guidance Note Issuance

Guidance Note on Financial Statements of Limited Liability Partnerships (LLPs) has also been issued which contains similar formats with necessary terminology related changes in the context of Limited Liability Partnerships (LLPs).

## Format Adaptation

The formats follow the same structure as those for Non-Corporate Entities but with terminology appropriate for LLPs.

## Implementation

These formats provide standardized reporting for LLPs to enhance quality and comprehensiveness of financial reporting.



# LIMITED LIABILITY PARTNERSHIPS



## BALANCE SHEET

**PART I – Form of BALANCE SHEET**  
 Name of the Limited Liability Partnership.....  
 Balance Sheet as at .....  
 (Rupees in.....)

	Particulars	Note No	Figures as at the end of (Current reporting period) (in Rs.) (DD/MM/YYYY)	Figures as at the end of (Previous reporting period) (in Rs.) (DD/MM/YYYY)
	1	2	3	4
<b>I.</b>	<b>PARTNERS' FUNDS AND LIABILITIES</b>			
(1)	Partners' Fund			
	(a) Partners' Capital Account (i) Partners' Contribution (ii) Partners' Current Account			
	(b) Reserves and surplus			
(2)	<b>Non-current liabilities</b>			
	(a) Long-term borrowings			
	(b) Deferred tax liabilities (Net)			
	(c) Other Long term liabilities			
	(d) Long-term provisions			
(3)	<b>Current liabilities</b>			
	(a) Short-term borrowings			
	(b) Trade payables			

	(c) Other current liabilities			
	(d) Short-term provisions			
	<b>TOTAL</b>			
<b>II.</b>	<b>ASSETS</b>			
(1)	<b>Non-Current Assets</b>			
	(a) Property, Plant and Equipment and Intangible assets			
	(i) Property, Plant and Equipment			
	(ii) Intangible assets			
	(iii) Capital work-in-progress			
	(iv) Intangible assets under development			
	(b) Non-current investment			
	(c) Deferred tax assets (net)			
	(d) Long-term loans and advances			
	(e) Other non-current assets			
(2)	<b>Current assets</b>			
	(a) Current investments			
	(b) Inventories			
	(c) Trade receivables			
	(d) Cash and bank balances			
	(e) Short-term loans and			

The above images show the standardized format for the Balance Sheet of Limited Liability Partnerships as prescribed by the Institute of Chartered Accountants of India. Note the terminology differences compared to Non-Corporate Entities formats, specifically adapted for the LLP structure.



# LIMITED LIABILITY PARTNERSHIPS

## STATEMENT OF PROFIT AND LOSS

**PART II – Form of STATEMENT OF PROFIT AND LOSS**

Name of the LLP.....

Statement of Profit and loss for the year ended .....

(Rupees in.....)

	Particulars	Note	Figures for the current reporting period (in) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)	Figures for the previous reporting period (in) From _____ (DD/MM/YYYY) To _____ (DD/MM/YYYY)
	1	2	3	4
I.	Revenue from operations			
II.	Other income			
III.	<b>Total Income (I + II)</b>			
IV.	Expenses			
	Cost of Material Consumed			
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods			
	Work-in-progress and Stock-in-Trade			

	Employee benefits expense			
	Depreciation and amortization expense			
	Finance Cost			
	Other expenses			
	<b>Total expenses</b>			
V	Profit before exceptional and extraordinary items, partners' remuneration and tax (III-IV)			
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IX	Profit before partners' remuneration and tax (VII- VIII)			
X	Partners' remuneration			
XI	Profit before tax (IX-X)			

XII	Tax expense:			
(i)	Current tax			
(ii)	Deferred tax			
XIII	Profit (Loss) for the period from continuing operations (XI-XII)			
XIV	Profit/(loss) from discontinuing operations			
XV	Tax expense of discontinuing operations			
XVI	Profit/(loss) from Discontinuing operations (after tax) (XIV-XV)			
XVII	Profit/ (Loss) (XIII + XVI)			

*The above images show the standardized format for the Statement of Profit and Loss of Limited Liability Partnerships as prescribed by the Institute of Chartered Accountants of India. These formats maintain consistency with the Non-Corporate Entities formats while incorporating terminology specific to LLPs.*



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# THANKYOU

