

Guidance Note on Financial Statements of

**Issued by The Institute of Chartered
Accountants of India**



CA Chandrashekhar V. Chitale CCM

Pune Branch of WIRC of the
ICAI



Guidance Note on Financial
Statements of
Non-Corporate Entities

Guidance Note on Financial
Statements of
Limited Liability Partnerships

CA Chandrashekhar V. Chitale CCM

Authority



THE CHARTERED ACCOUNTANTS ACT, 1949

An Act to make provision for the [regulation and development] of the [profession of Chartered Accountants].

WHEREAS it is expedient to make provision for the regulation of the [profession of chartered accountants] and for that purpose to establish an Institute of Chartered Accountants:

Necessity



- ❑ **Sound financial reporting**
 - Foundation for trust of investors and other stakeholders in financial reporting.

- ❑ **Non-Corporate entities (NCEs)**
 - Substantial in Numbers and Size also

- ❑ **Wide spectrum users of the financial information of NCEs.**

Necessity



- ❑ FS prepared following high quality reporting framework - faithful transactions represent leading to enhanced Reliability and Comparable.
- ❑ **ICAI issues Accounting Standards (AS) for NCEs - engaged in Trade, Commerce or Industry**
- ❑ ICAI has prescribed criteria for classification of NCEs for AS applicability and relaxation.

Formats of Financial Statements

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graph TD; A[Formats of Financial Statements] --> B[Companies]; A --> C[Non-Companies]; B --> D[Schedule III]; C --> E[By ICAI]
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Companies

Schedule III

**Non-
Companies**

By ICAI

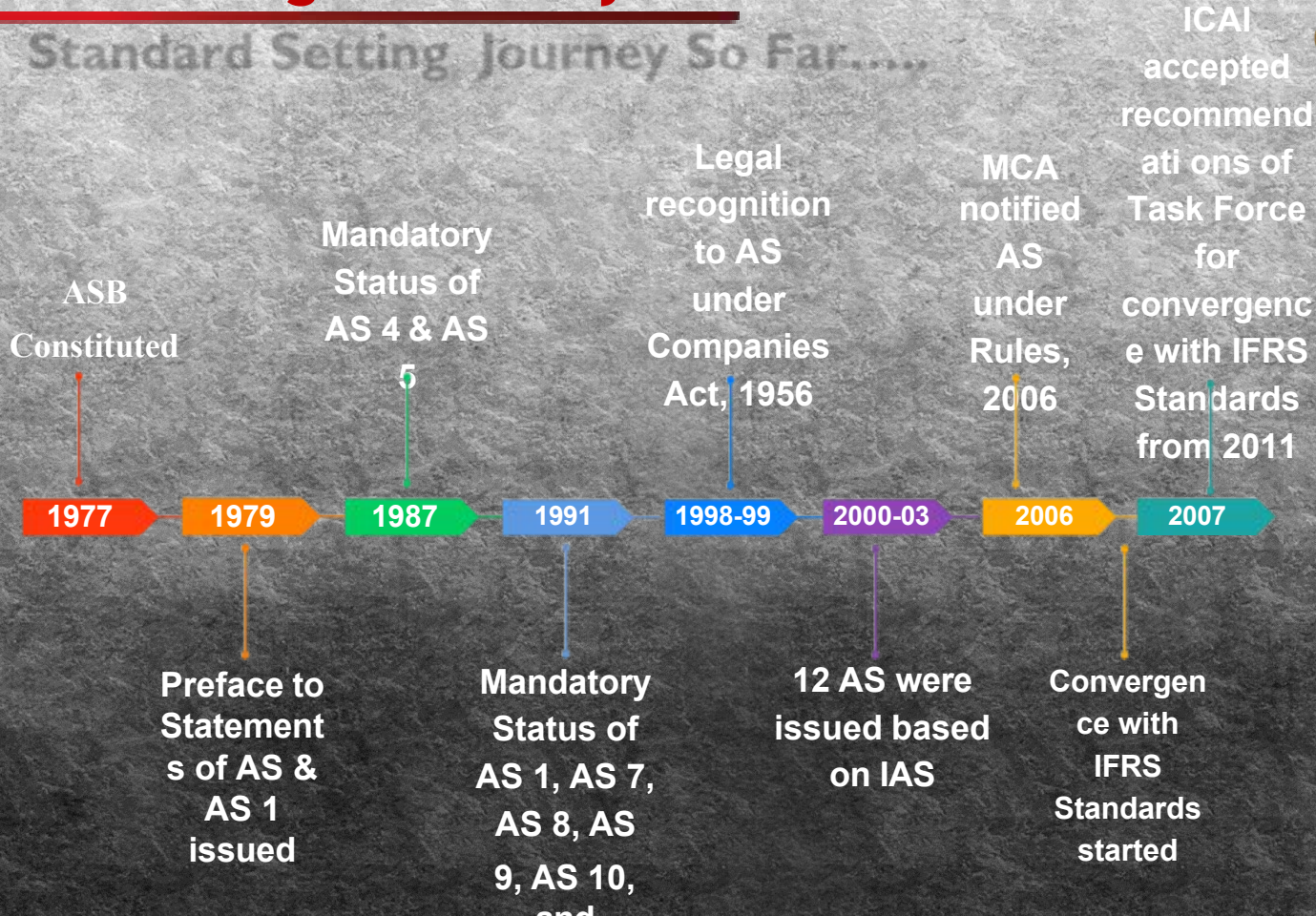
Schedule III

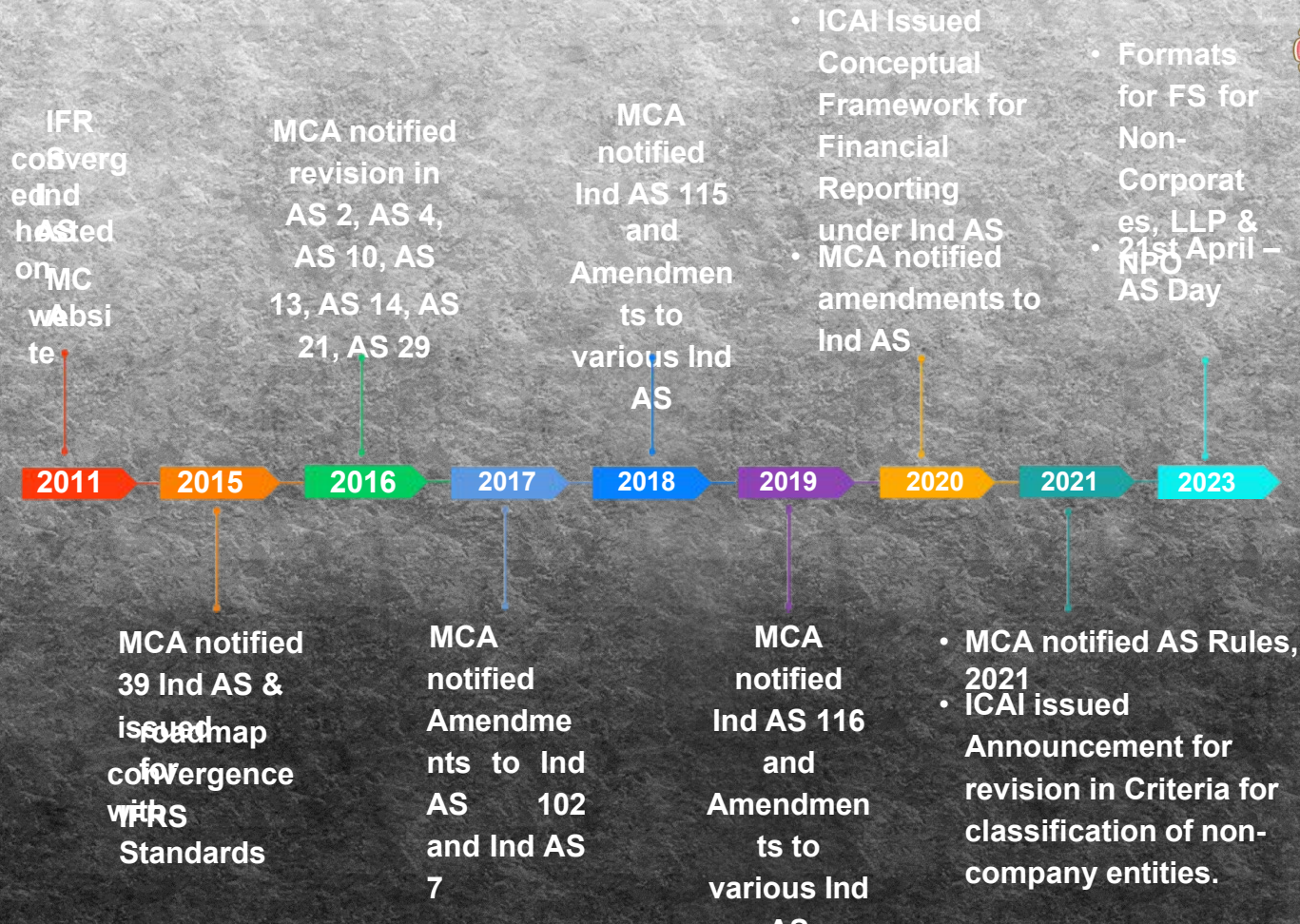


- ❑ Division I
 - ❑ Companies (Accounting Standard) Rule 2021
- ❑ Division II
 - ❑ Ind AS
- ❑ Division III
 - ❑ NBFC - Ind AS

Standard Setting Journey.....

Standard Setting Journey So Far.....





Recognition of Accounting Standards by Regulators



1999

Legal recognition to AS issued by the ICAI under Companies Act

2001

SEBI mandate to listed Cos to comply with AS

2002

IRDAI - Insurance Cos to comply with AS

2003

RBI guidelines for Bank for strict compliance of AS



ASB engages with the Regulators on accounting issues and supports capacity building initiatives.

AS



- ❑ Companies (Accounting Standards) Rules, 2006
- ❑ Superseded by **Companies (Accounting Standards) Rules, 2021** notified on 23.06.2021
- ❑ **Effective for accounting periods commencing on / after 1st April, 2021**

Please Ask Yourself



- During Tax audit of Prop. Partnership - Do you Audit Financial Statements?
- Notes to accounts - Whether Available in FS?
- Accounting Standards - Are complied with?
- If NOT - what is stated in Audit Report?
- Non-compliance - Where to Report?

Accounting Standards



**Entities that
are to
follow AS**

Companies

**Other than
Companies**

**Companies
(Accounting
Standards)
Rules, 2021
(27 Standards)**

**Ind AS
(40 Standards)**

**AS issued
by ICAI
(27
Standards)**

Guidance Notes



┘ Clarification Regarding Authority Attached to Documents Issued by the Institute

- ┘ 1. The Institute has, from time to time, issued 'Guidance Notes' on a number of matters. With the formation of the Accounting Standards Board and the Auditing and Assurance Standards Board, 'Accounting Standards' and 'Standards on Auditing' are also being issued.

Guidance Notes



- 5. 'Guidance Notes' are primarily designed to provide guidance to members on matters which may arise in the course of their professional work and on which they may desire assistance in resolving issues which may pose difficulty. Guidance Notes are recommendatory in nature. A member should ordinarily follow recommendations in a guidance note relating to an auditing matter except where he is satisfied that in the circumstances of the case, it may not be necessary to do so.

Guidance Notes



5. Similarly, while discharging his attest function, a member should examine whether the recommendations in a guidance note relating to an accounting matter have been followed or not. **If the same have not been followed, the member should consider whether keeping in view the circumstances of the case, a disclosure in his report is necessary.**

Objective and Scope



Guidance Note

□ issued for the purpose of preparation of the financial statements of NCEs including FS formats

□ 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.

Objective and Scope



- Guidance Note is effective for financial statements covering periods beginning on or after April 1, 2024.
- Guidance Note also contains *Illustrative formats for financial statements.*
- Illustrative formats* are available in Excel file form also

Objective and Scope



□ Guidance Note is NOT APPLICABLE for the financial statements of :

1. Any formats are prescribed by governing Statute or Regulator or any Authority, e.g. formats prescribed for Trusts under Maharashtra Public Trust Rules, 1951,
2. Government's Autonomous Bodies – If required to compile their accounts in a uniform format of accounts prescribed by the Ministry of Finance,
3. Guidance has been specifically given by ICAI, e.g., Educational Institutions, Political Parties, NPOs, etc.

Information and Access



Technical Guide issued by the ASB in 2022 dealt with formats of Financial Statements of NCEs. Is now superseded on Issuance of Guidance Note

Guidance Note and Excel File can be accessed on the ICAI's website at the following links:

Guidance Note on *Financial Statements of Non-Corporate Entities* - <https://resource.cdn.icai.org/75516asb61093-a.pdf>

Excel file containing Illustrative Formats - https://www.icai.org/post.html?post_id=15771

Financial statements: Components



Balance Sheet

Statement of Profit and Loss

Cash Flow Statement

GN provides formats and contents and guidance for each of the above three component

Financial statements: Components



Balance Sheet

- Information financial position is provided
- Elements directly related to measurement of financial position in 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'*

Financial statements: Components



Statement of Profit and Loss

- Lists entity's income and expenses during a particular period

Cash Flow Statement

Provides information that enables users to evaluate:

- 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 to adapt to changing circumstances and opportunities



Guidance Note on Financial Statements of Non-Corporate Entities



Guidance Note on Financial Statements of Non-Corporate Entities



This Guidance Note is relevant for the purpose of preparation of the financial statements of the Non-Corporate Entities unless any formats/principles are specifically prescribed by the relevant Statute or Regulator or any Authority or Guidance has been specifically given by ICAI

Guidance Note on Financial Statements



LLPs are **scoped out** of this Guidance Note.

Effective Date

This GN is effective for financial statements covering periods beginning on or after April 1,

2024. Technical Guide on Financial Statements of Non-Corporate Entities stands superseded by this GN.

Formats of Financial Statements for Non-Corporate Entities





- Formats apply to a Non-Corporate Entity
- Where compliance with requirements of governing statute or AS are applicable to NCE - the same shall be followed and the formats shall be modified accordingly
- 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”.



- **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 shall contain information in addition to that presented in the Financial Statements and shall provide where required (a) narrative descriptions or disaggregations; and (b) information about items that do not qualify for recognition in those statements.
- 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.

GENERAL INSTRUCTIONS FOR PREPARATION OF Balance Sheet and Statement of Profit and Loss



- In preparing FS & notes to accounts, **balance** shall be maintained between providing **excessive** detail and **not providing** important information due to too much aggregation.
- **Unit of measurement should be used uniformly.**
- Based on Total Income, the figures appearing may be rounded off:—

Total Income	Rounding off
(a) less than Rs. 100 Cr.	To the nearest hundreds, thousands, lakhs or millions, or decimals thereof.
(b) Rs. 100 Cr. or more	To the nearest lakhs, millions or crores, or decimals thereof.

GENERAL INSTRUCTIONS FOR PREPARATION OF
Balance Sheet and Statement of Profit and Loss



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

GENERAL INSTRUCTIONS FOR PREPARATION OF Balance Sheet and Statement of Profit and Loss



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.

Non-Corporate Entities

Balance Sheet



PART I – Form of BALANCE SHEET

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

Balance Sheet as at

(Rupees in.....)

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

	(b) Trade payables			
	(c) Other current liabilities			
	(d) Short-term provisions			
	TOTAL			
II.	ASSETS			
(1)	Non-Current Assets			
	(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)	Current assets			
	(a) Current investments			
	(b) Inventories			
	(c) Trade receivables			
	(d) Cash and bank balances			
	(e) Short-term loans and advances			

	(f) Other current assets			
	TOTAL			

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



Current Asset	<p>An asset shall be classified as current when it satisfies any of the following criteria:</p> <ul style="list-style-type: none">(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. <p>All other assets shall be classified as non-current.</p>
Operating cycle	<p>An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.</p> <p>Where the normal operating cycle cannot be identified, it is assumed to have a duration of 12 months.</p>

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



Current Liability	<p>A liability shall be classified as current when it satisfies any of the following criteria:</p> <ul style="list-style-type: none">(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. <p>All other liabilities shall be classified as non-current.</p>
Trade Receivables	<p>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.</p>
Trade	<p>A payable shall be classified as a 'trade payable' if it is in respect of the</p>

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



Disclosure in the Notes to Accounts

Owner's 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.
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Reserves and Surpluses

- Reserves and Surplus classified as:

Capital Reserves	Revaluation Reserve	Other Reserves	Undistributed Surplus i.e. balance in Statement of Profit and Loss
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- 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

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



Long-Term Borrowings	<ul style="list-style-type: none"> Long-term borrowings classified as: 				
	Term loans <ul style="list-style-type: none"> ❖ 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).
	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Long-term provisions classified as: 				
	Provision for employee benefits.		Others (specify nature).		

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



Short-Term Borrowings	<ul style="list-style-type: none"> Short-term borrowings classified as: 		
	Loans repayable on demand <ul style="list-style-type: none"> ❖ From banks ❖ From other parties 	Loans and advances from related parties.	Other loans and advances (specify nature).
<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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).		

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.								
Intangible assets	• Classified as:								
	Goodwill	Brands / trade marks.	Computer software.	Master ads 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).

- 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

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)
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- 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

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).
	<ul style="list-style-type: none"> • Above shall also be separately sub-classified as: <ul style="list-style-type: none"> (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).

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



Current Investments	<ul style="list-style-type: none"> Classified as: 						
	Investments in Equity Instruments	Investment in Preference Shares	Investment in government or trust securities	Investments in debentures or bonds	Investments in Mutual Funds	Investments in partnership firms	Other investments (specify nature).
<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> (a) The basis of valuation of individual investments; (b) Aggregate amount of quoted investments and market value thereof; (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).
	<ul style="list-style-type: none"> • Goods-in-transit – To be disclosed under the relevant sub-head of inventories. 						
Trade Receivables	<ul style="list-style-type: none"> • Classified as: 						
	Secured, considered good		Unsecured considered good			Doubtful.	
	<ul style="list-style-type: none"> • 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 						

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	Unsecured considered good	Doubtful	

GENERAL INSTRUCTIONS FOR PREPARATION OF BALANCE SHEET



Other current assets (specify nature)	<ul style="list-style-type: none">• 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: <ul style="list-style-type: none">(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.

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.	Total Income (I + II)				
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			
	Total expenses			
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 ³			
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)			

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	
	<ul style="list-style-type: none"> In respect of a finance Non-Corporate entity, revenue from operations shall include revenue from— (a) Interest; and (b) Other financial services. 			
Finance Costs	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> • 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



Notes regarding aggregate expenditure and income

- Expenditure incurred on each of the following items, separately for each item:—
 - (a) Consumption of stores and spare parts;
 - (b) Power and fuel;
 - (c) Rent;
 - (d) Repairs to buildings;
 - (e) Repairs to machinery;
 - (f) Insurance;
 - (g) Rates and taxes, excluding, taxes on income;
 - (h) Miscellaneous expenses.



Guidance Note on
Financial
Statements of
Limited Liability
Partnerships



GN on Financial Statements of LLPs



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).

GN on Financial Statements of LLPs



Objective and Scope of Guidance Note

The Accounting Standards Board has now prescribed the formats for the presentation of the financial statements of LLPs in the form of Guidance Note, which were earlier issued as a part of Technical Guide. The objective is to standardise the formats of financial statements for these entities and to enhance the quality and comprehensiveness of the financial reporting by these entities.

GN on Financial Statements of LLPs



Effective Date

This Guidance Note is effective for financial statements covering periods beginning on or after April 1, 2024. The Technical Guide on Financial Statements of Limited Liability Partnerships stands superseded by this Guidance Note.

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
I.	PARTNERS' FUNDS AND LIABILITIES			
(1)	Partners' Fund			
	(a) Partners' Capital Account (i) Partners' Contribution (ii) Partners' Current Account			
	(b) Reserves and surplus			
(2)	Non-current liabilities			
	(a) Long-term borrowings			
	(b) Deferred tax liabilities (Net)			
	(c) Other Long term liabilities			
	(d) Long-term provisions			
(3)	Current liabilities			
	(a) Short-term borrowings			
	(b) Trade payables			

	(c) Other current liabilities			
	(d) Short-term provisions			
	TOTAL			
II.	ASSETS			
(1)	Non-Current Assets			
	(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)	Current assets			
	(a) Current investments			
	(b) Inventories			
	(c) Trade receivables			
	(d) Cash and bank balances			
	(e) Short-term loans and advances			
	(f) Other current assets			
	TOTAL			

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.	Total Income (I + II)			
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			
	Total expenses			
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			
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)			



SUMMARY

Guidance Notes on FS of NCEs & LLPs

Issued by ICAI to improve consistency and quality in financial reporting of NCEs & LLPs.

Applicable to non-company entities & LLPs engaged in commercial, industrial, or business activities.

Builds user trust through reliable and comparable financial statements.

Effective from: Accounting periods beginning on or after 1st April 2024.



Objective & Scope

Standardises financial statement formats across NCEs & LLPs.

Enhances comprehensiveness, comparability, and quality of financial reporting.

NOT Applicable to (i) where - Statutory formats prescribed (ii) where - ICAI issues specific guidance (e.g., for NPOs, educational institutions, political parties).

Includes illustrative formats and Excel file templates.

Structure of Financial Statements



Components:

- Balance Sheet
- Statement of Profit and Loss / Income & Expenditure A/c
- Notes to Accounts

Detailed general instructions provided for:

- Classification and disclosure of assets, liabilities, income, and expenses &
- Presentation principles for consistency with AS



Transition & Resources

GN applicable from FY 2024-25 onwards.

Resources:

- Guidance Note:

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

- Excel Formats:

https://www.icai.org/post.html?post_id=15771



Thank You!

