

PRACTICAL ASPECTS OF

Financial Statements for Non-Corporate Entities and LLPs

A DEEP DIVE INTO ICAI'S GUIDANCE
FRAMEWORK (EFFECTIVE FY 2024-25)

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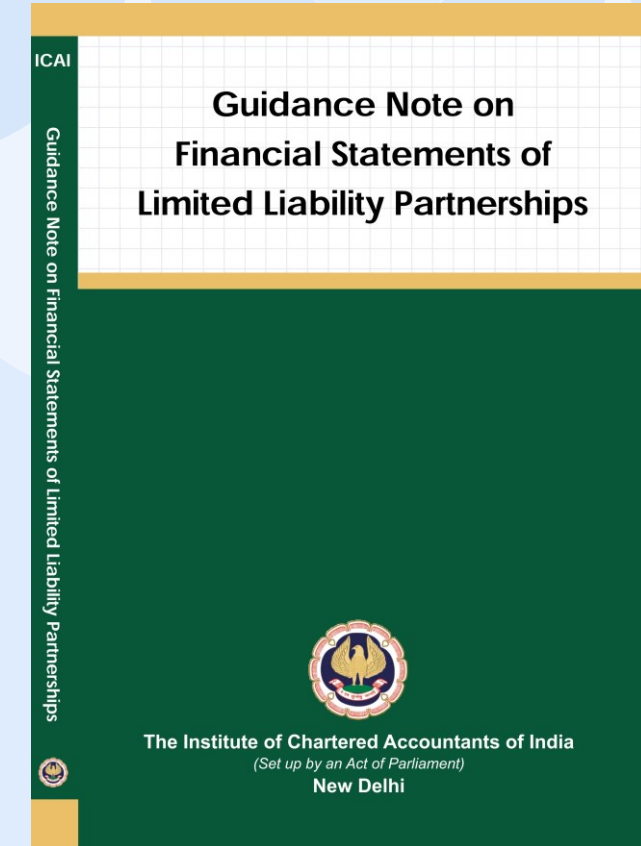
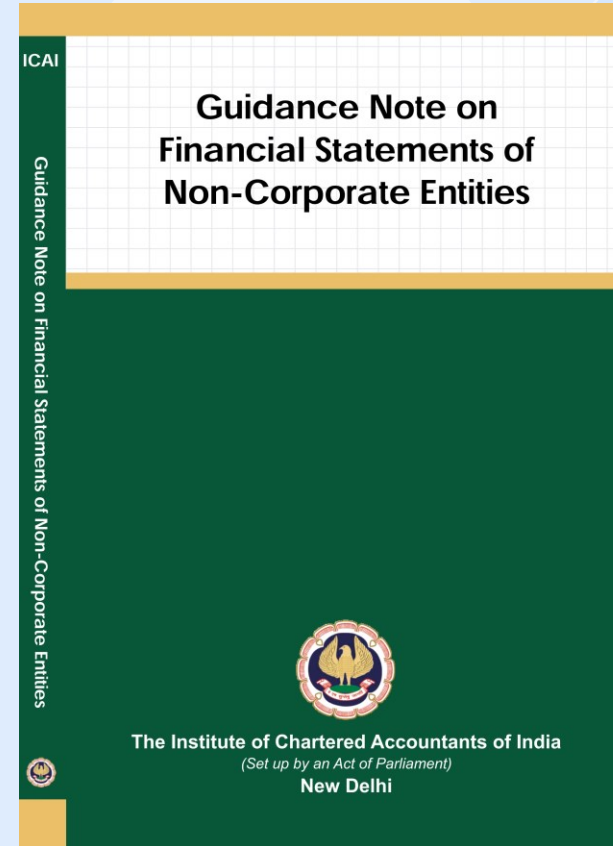
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ICAI GUIDANCE NOTE AND REFERENCE MATERIAL

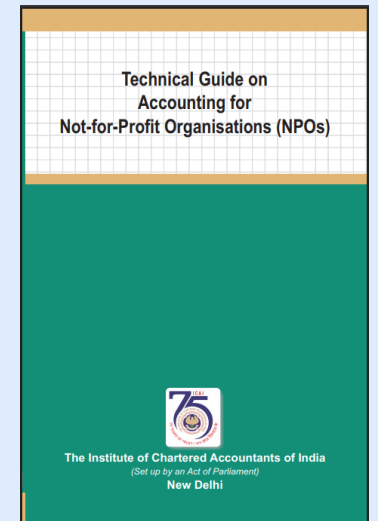
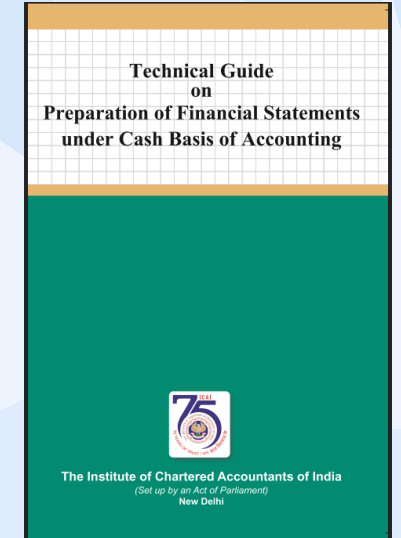
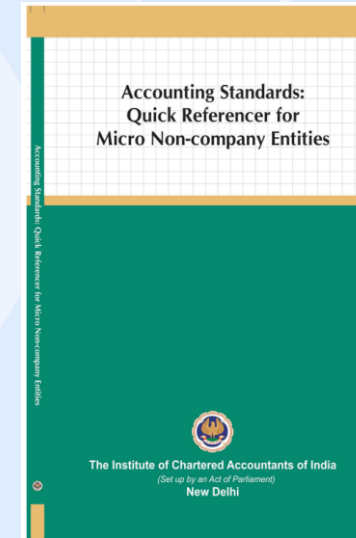
- ICAI has released multiple resources which are available on -
<https://www.icai.org/post/guidance-notes>
- Key Items:-
 - Guidance Note on Financial Statements of Non-Corporate Entities
 - Excel File for Illustrative formats for Financial Statements of Non-Corporate Entities
 - Guidance Note on Financial Statements of Limited Liability Partnerships
 - Excel File for Illustrative formats for Financial Statements of Limited Liability Partnerships





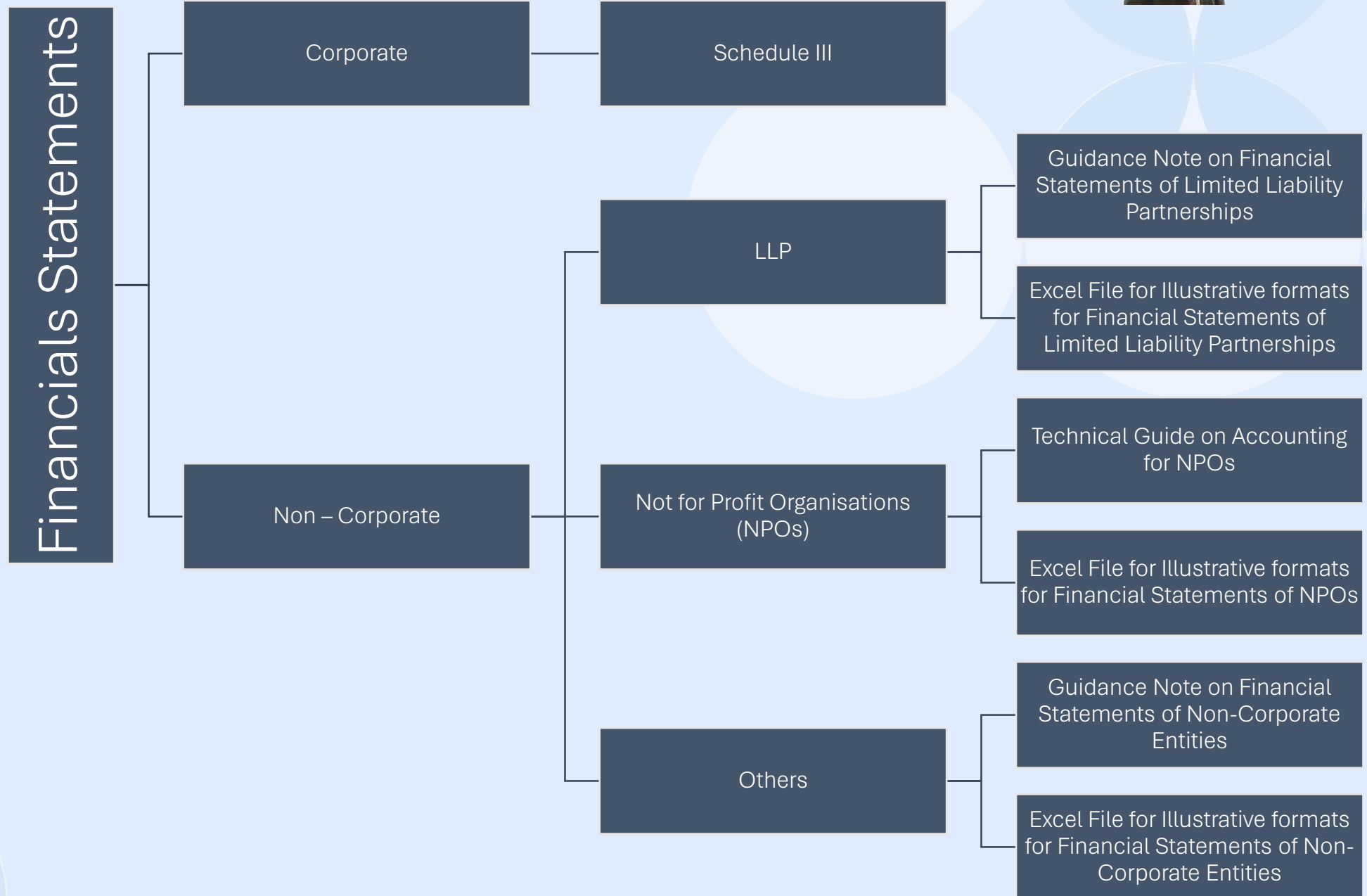
ICAI GUIDANCE NOTE AND REFERENCE MATERIAL

- ICAI has released multiple resources which are available on - <https://www.icai.org/post/technical-guides-and-other-materials>
- Key Items:-
 - Accounting Standard (AS)
 - Accounting Standards (AS) : Disclosures Checklist (Revised October, 2022)
 - Accounting Standards: Quick Referencer (As on April 01, 2025)
 - Accounting Standards: Quick Referencer for Micro Non-Company Entities
 - Technical Guide on Preparation of Financial Statements under Cash basis of Accounting
 - Technical Guide on Accounting for NPOs
 - Technical Guide on Accounting for NPOs
 - Excel File for Illustrative formats for Financial Statements of NPOs





FORMAT OF FINANCIAL STATEMENTS





APPLICABILITY: ENTITY CLASSIFICATION

- The ICAI classifies entities into four levels based on turnover, borrowings, and public interest criteria. This classification determines the extent of Accounting Standards (AS) applicability and disclosure requirements.
- Note: LLPs follow similar thresholds but are subject to the LLP Act, 2008, and specific MCA audit criteria.*

Level	Turnover (₹)	Borrowings (₹)	Applicability
<u>LARGE</u> Level I or Non – SMC <u>M.S.M.E.</u> Level II, III & IV or SMC	> 250 crore	> 50 crore	Full AS compliance
	≤ 250 crore	≤ 50 crore	Partial compliance

Two year wait period in availing the exemptions if change from Non-SMC / Large to SMC / MSME.



FINANCIAL STATEMENT COMPONENTS

For Non-Corporate Entities

- **Balance Sheet:** With current and non-current classification.
- **Profit & Loss Account:** Revenue and expense classification in line with AS.
- **Cash Flow Statement:** Recommended (mandatory for Level I); indirect method as per AS-3.
- **Notes to Accounts:** Disclosure of accounting policies, contingent liabilities, RPTs, ageing of receivables/payables, and more.

For Limited Liability Partnerships (LLPs)

- **Statement of Accounts & Solvency:** Form 8 Mandatory under LLP Act.
 - Part A – Statement of Solvency
 - Part B – Statement of Accounts, Statement of Income, and Expenditure
- **Capital Account Details:** Partner-wise contributions, withdrawals, profit sharing.
- Part A is an abridged statement of Assets and Liabilities along with a declaration that as at year end the LLP is in a position to meet all its obligations.
- All Items as advised from Non – Corporate Entities including Balance Sheet, Profit & Loss Account, Cash Flow Statement, Notes to Accounts together form the **Part B**



AUDIT REQUIREMENTS:

For Limited Liability Partnerships (LLPs)

- Statutory audit is mandatory if:
 - Turnover exceeds ₹40 lakh or
 - Contribution exceeds ₹25 lakh

For Non-Corporate Entities & Limited Liability Partnerships (LLPs)

- Tax Audit is mandatory if:
 - Business Turnover > ₹10 crores
 - Business Turnover > ₹1 crores & Cash Transactions > 5%
 - Business in the nature covered u/s 44AE, 44BB or 44BBB claiming his income to be lower than the profits or gains so deemed.
 - Specified Profession Turnover > ₹75 lacs
 - Specified Profession Turnover > ₹50 lacs & Cash Transactions > 5%
 - Other Professionals Turnover > ₹50 lacs
 - Sec. 44AD (4) / 44ADA(4) - An assessee (being an individual, HUF or firm excluding LLP) opts out of presumptive taxation in lock in period and income > exemption limits.





KEY COMPONENTS OF FINANCIAL STATEMENTS (FS)

Component	Remarks
Balance Sheet (BS)	Must be classified into current vs non-current as per standard definitions (12-month test)
Statement of Profit & Loss (P&L)	Include income from operations , other income, expenses, and owner/partner remuneration
Cash Flow Statement (CFS)	Mandatory for Level I; recommended for Levels II & III
Notes to Accounts	Must include accounting policies, contingent liabilities, related party disclosures, MSME disclosures, etc.

Note: Schedules are to be integrated as “Notes” and **cross-referenced** to line items.



ACCOUNTING STANDARDS (AS) COMPLIANCE MATRIX

AS No.	ShortTitle	Companies		Non - Companies	
		Non-SMC	SMC	Large	MSME
1	Disclosure of Accounting Policies	Y	Y	Y	Y
2	Valuation of Inventories	Y	Y	Y	Y
3	Cash Flow Statements	Y	Y / N	Y	N
4	Events after Balance Sheet date	Y	Y	Y	Y
5	Prior Period Items & Changes in Policies	Y	Y	Y	Y
6	Depreciation (Omitted 30.3.16)	NA	NA	NA	NA
7	Construction Contracts	Y	Y	Y	Y
9	Revenue Recognition	Y	Y	Y	Y
10	Property, Plant & Equipment	Y	Y	Y	Partly
11	Changes in Foreign Exchange Rates	Y	Y	Y	Partly
12	Accounting for Government Grants	Y	Y	Y	Y
13	Accounting for Investments	Y	Y	Y	Y
14	Accounting for Amalgamations	Y	Y	Y	Y / N
15	Employee Benefits	Y	Partly	Y	Partly



ACCOUNTING STANDARDS (AS) COMPLIANCE MATRIX

AS No.	ShortTitle	Companies		Non – Companies	
		Non-SMC	SMC	Large	MSME
16	Borrowing Cost	Y	Y	Y	Y
17	Segment Reporting	Y	N	Y	N
18	Related Party Disclosures*	Y	Y	Y	N*
19	Leases	Y	Partly	Y	Partly
20	Earning Per Share	Y	Partly	NA	N
21	Consolidated Financial Statement	N/Y	N/Y	NA	N
22	Accounting for Taxes on Income	Y	Y	Y	Partly
23	Accounting for Associates in CFS	N/Y	N/Y	NA	N
24	Discontinuing Operations	Y	Y	Y	N
25	Interim Financial Reporting	Y (Listed)	N**	N**	N
26	Intangible Assets	Y	Y	Y	Partly
27	Interest in Joint Ventures	N/Y	N/Y	NA	N
28	Impairment of Assets*	Y	Partly	Y	N*
29	Provisions, Contingent Liab & Assets	Y	Partly	Y	Partly



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 10	Property, Plant & Equipment	May not comply with paragraph 87 relating to encouraged disclosures.

87. An enterprise is encouraged to disclose the following:

- (a) the carrying amount of temporarily idle property, plant and equipment;
- (b) the gross carrying amount of any fully depreciated property, plant and equipment that is still in use;
- (c) for each revalued class of property, plant and equipment, the carrying amount that would have been recognised had the assets been carried under the cost model;
- (d) the carrying amount of property, plant and equipment retired from active use and not held for disposal.

Provided that a Micro and Small-sized Enterprise (Levels IV and III non-company entities) as defined in Appendix I to this Compendium, may not comply with paragraph 87.



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 11	The Effects of Changes in Foreign exchange Rates	May not comply with paragraph 44 relating to encouraged disclosures.

The Effects of Changes in Foreign Exchange Rates **161**

44. Disclosure is also encouraged of an enterprise's foreign currency risk management policy.

Provided that a Micro and Small-sized Enterprise (Levels IV and III non-company entities) as defined in Appendix I to this Compendium, may not comply with paragraph 44.



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 13	Accounting for Investments	Paragraph 35(f) relating to disclosures is not applicable to Level IV.

(f) other disclosures as specifically required by the relevant statute governing the enterprise

Provided that a Micro Enterprise (Level IV non-company entities), as defined in Appendix I to this Compendium, may not comply with Paragraph 35(f).

AS No.	Short Title	Relaxation / Exemption
AS 14	Accounting for Amalgamations	Not applicable to Level IV



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 15	Employee Benefits	Paragraph 11 to 16, paragraphs 46 and 139, paragraphs 50 to 116, paragraphs 117 to 123, paragraphs 129 to 131. Discounting not required. Actuarial valuation not mandatory. Instead of following PUCM these entities can follow any other rational method to calculate and account for accrued liability - on assumption that such benefits are payable to all employees at the end of accounting year

The ***Projected Unit Credit Method (PUCM)*** is the required actuarial valuation method under ***Accounting Standard (AS) 15 (Employee Benefits)*** and Ind AS 19 for determining the present value of employee benefit obligations, particularly for defined benefit plans like gratuity and leave encashment. ***It's a method that recognizes each period of employee service as giving rise to an additional unit of benefit, which is then measured and added to the overall obligation.***



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 18	Related Party Disclosures	Applicable if : • Turnover (excluding other income) exceeds Rs. 50 crore in the immediately preceding accounting year; or • Have borrowings in excess of Rs. 10 crore at any time during the immediately preceding accounting year
AS 19	Leases	May not comply with paragraph 22 (c), (e) and (f); 25 (a),(b) and (e); 37 (a), (f) and (g); 38; and 46 (b), (d) and (e).

(c) a reconciliation between the total of minimum lease payments at the balance sheet date and their present value. In addition, an enterprise should disclose the total of minimum lease payments at the balance sheet date, and their present value, for each of the following periods:

- (i) not later than one year;**
- (ii) later than one year and not later than five years;**
- (iii) later than five years;**

(e) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date; and

(f) a general description of the lessee's significant leasing arrangements including, but not limited to, the following:

- (i) the basis on which contingent rent payments are determined;**
- (ii) the existence and terms of renewal or purchase options and escalation clauses;**
- (iii) restrictions imposed by lease arrangements, such as those and concerning dividends, additional debt, and further leasing.**



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 19	Leases	May not comply with paragraph 22 (c), (e) and (f); 25 (a),(b) and (e); 37 (a), (f) and (g); 38; and 46 (b), (d) and (e).

25. The lessee should make the following disclosures for operating leases:

- (a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:**
 - (i) not later than one year;**
 - (ii) later than one year and not later than five years;**
 - (iii) later than five years;**
- (b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date;**

(e) a general description of the lessee's significant leasing arrangements including, but not limited to, the following:

- (i) the basis on which contingent rent payments are determined;**
- (ii) the existence and terms of renewal or purchase options and escalation clauses; and**
- (iii) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.**

Provided that a Small and Medium Sized Company and a Micro, Small and Medium Sized Enterprises (Levels IV, III and II non-company entities), as defined in Appendix I to this Compendium, may not comply with sub-paragraphs (a), (b) and (e).



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 19	Leases	May not comply with paragraph 22 (c), (e) and (f); 25 (a),(b) and (e); 37 (a), (f) and (g); 38; and 46 (b), (d) and (e).

37. The lessor should make the following disclosures for finance leases:

(a) *a reconciliation between the total gross investment in the lease at the balance sheet date, and the present value of minimum lease payments receivable at the balance sheet date. In addition, an enterprise should disclose the total gross investment in the lease and the present value of minimum lease payments receivable at the balance sheet date, for each of the following periods:*

(i) *not later than one year;*

(ii) *later than one year and not later than five years;*

(iii) *later than five years;*

(f) *a general description of the significant leasing arrangements of the lessor; and*

(g) *accounting policy adopted in respect of initial direct costs.*

Provided that a Small and Medium Sized Company and a Micro, Small and Medium Sized Enterprise (Levels IV, III and II non-company entities) as defined in Appendix 1 to this Compendium, may not comply with subparagraphs (a) and (f). Further, a Micro and Small Sized Enterprise

38. As an indicator of growth it is often useful to also disclose the gross investment less unearned income in new business added during the accounting period, after deducting the relevant amounts for cancelled leases.

Provided that a Micro enterprise (Level IV non-company entities), as defined in Appendix 1 to this Compendium, may not comply with disclosure requirement of paragraph 38.



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 19	Leases	May not comply with paragraph 22 (c), (e) and (f); 25 (a),(b) and (e); 37 (a), (f) and (g); 38; and 46 (b), (d) and (e).

46. The lessor should, in addition to the requirements of and AS 10, Property, Plant and Equipment, and the governing statute, make the following disclosures for operating leases:

- (b) the future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods:**
 - (i) not later than one year;**
 - (ii) later than one year and not later than five years; (iii) later than five years;**
- (d) a general description of the lessor 's significant leasing arrangements; and**
- (e) accounting policy adopted in respect of initial direct costs.**



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 22	Accounting for Taxes on Income	To comply with current tax related provisions only. Transitional - the accumulated deferred tax asset/liability appearing in FS of immediate previous accounting period, shall be adjusted against the opening revenue reserves / owner's funds In case any Interim Financials are prepared for SMC, then this standard can be used.
	Interim Financial Reporting	In case they are prepared for Non-Corporate, then also parts of this standard will apply, while format for Financial Statements, shall be same as for Annual Financials.



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 26	Accounting for Intangibles	May not comply with paragraphs 90(d)(iii), 90(d)(iv) and 98

90. *The financial statements should disclose the following for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets:*

- (a) *the useful lives or the amortisation rates used;*
- (b) *the amortisation methods used;*
- (c) *the gross carrying amount and the accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period;*
- (d) *a reconciliation of the carrying amount at the beginning and end of the period showing:*
 - (i) *additions, indicating separately those from internal development and through amalgamation;*
 - (ii) *retirements and disposals;*
 - (iii) *impairment losses recognised in the statement of profit and loss during the period (if any);*
 - (iv) *impairment losses reversed in the statement of profit and loss during the period (if any);*

98. *An enterprise is encouraged, but not required, to give a description of any fully amortised intangible asset that is still in use.*

Provided that a Micro Enterprise (Levels IV non-company entities), as defined in Appendix I to this Compendium, may not comply with paragraph 98 above.



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 28	Impairment of Assets	- Allowed to measure value in use on basis of reasonable estimate instead of PV technique and hence, may not comply with paragraph 121 (g). May not comply with paragraphs 121(c)(ii); 121(d)(i); 121(d)(ii) and 123. - Partially Applicable if : - Turnover (excluding other income) exceeds Rs. 10 crore in the immediately preceding accounting year; or - Have borrowings in excess of Rs. 2 crore at any time during the immediately preceding accounting year. - AS 28 not applicable if entity not covered under above mentioned limits.



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 28	Impairment of Assets	Allowed to measure value in use on basis of reasonable estimate instead of PV technique and hence, may not comply with paragraph 121 (g). May not comply with paragraphs 121(c)(ii); 121(d)(i); 121(d)(ii) and 123.

(g) if recoverable amount is value in use, the discount rate(s) used in the current estimate and previous estimate (if any) of value in use. Provided that if a Small and Medium-Sized Company (SMC) and a Small and Medium-Sized Enterprise (SME) (Level III or Level II non- company entities), as defined in Appendix 1 to the Compendium, chooses to measure the 'value in use' as per the proviso to paragraph 4.2 of the Standard, such an SMC/SME need not disclose the information required by paragraph 121(g) of the Standard.

123. An enterprise is encouraged to disclose key assumptions used to determine the recoverable amount of assets (cash-generating units) during the period.

Provided that a Small-sized Enterprise (Levels III non-company entities), as defined in Appendix I to this Compendium, may not comply with paragraph 123.

(c) for an individual asset:

- (i) the nature of the asset; and**
- (ii) the reportable segment to which the asset belongs, based on the enterprise's primary format (as defined in AS 17, Segment Reporting);**

(d) for a cash-generating unit:

- (i) a description of the cash-generating unit (such as whether it is a product line, a plant, a business operation, a geographical area, a reportable segment as defined in AS 17 or other);**
- (ii) the amount of the impairment loss recognised or reversed by class of assets and by reportable segment based on the**



AS RELAXATIONS FOR MSME

AS No.	Short Title	Relaxation / Exemption
AS 29	Provisions, Contingent Liabilities and Contingent Assets	May not comply with paragraphs 66 and 67

Disclosure

66. For each class of provision, an enterprise should disclose:

- (a) the carrying amount at the beginning and end of the period;
- (b) additional provisions made in the period, including increases to existing provisions;
- (c) amounts used (i.e. incurred and charged against the provision) during the period; and
- (d) unused amounts reversed during the period.

Provided that a Small and Medium-sized Company and a Micro, Small and Medium-sized Enterprise (Level IV, III and II non-company entities), as defined in Appendix 1 to this Compendium, may not comply with paragraph 66 above.

67. An enterprise should disclose the following for each class of provision:

- (a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;
- (b) an indication of the uncertainties about those outflows. Where necessary to provide adequate information, an enterprise should disclose the major assumptions made concerning future events, as addressed in paragraph 41; and
- (c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.

Provided that a Small and Medium-sized Company and a Micro, Small and Medium-sized Enterprise (Level IV, III and II non-company entities), as defined in Appendix 1 to this Compendium, may not comply with paragraph 67 above.

NAVIGATE THE FUTURE

Formats of Financial Statements for Non-Corporate Entities





FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

Name of the Non-Corporate Entity.....				
Balance Sheet as at				
(Amount in Rs. XX)				
	Particulars	Note No	31 March 20XX	31 March 20XX
I	OWNERS' FUNDS AND LIABILITIES			
1.	Owners' Funds			
(a)	Owners' Capital Account		-	-
	(i) Owners'/Partners' Capital Account ⁴	3a		
	(ii) Owners'/Partners' Current Account ⁴	3b		
(b)	Reserves and surplus	4	-	-
			-	-
2.	Non-current liabilities			
(a)	Long-term borrowings	5	-	-
(b)	Deferred tax liabilities (Net)	6	-	-
(c)	Other long-term liabilities	7	-	-
(d)	Long-term provisions	8	-	-
			-	-
3.	Current liabilities			
(a)	Short-term borrowings	5	-	-
(b)	Trade payables	9		
(c)	Other current liabilities	10	-	-
(d)	Short-term provisions	8	-	-
			-	-
	Total			
II	ASSETS			

1.	Non-current assets			
(a)	Property, Plant and Equipment and Intangible assets	11		
	(i) Property, Plant and Equipment			
	(ii) Intangible assets			
	(iii) Capital work in progress			
	(iv) Intangible asset under development			
(b)	Non-current investments	12	-	
(c)	Deferred tax assets (Net)	6		
(d)	Long Term Loans and Advances	13		
(e)	Other non-current assets	14		
			-	-
2.	Current assets			
(a)	Current investments	12		
(b)	Inventories	15		
(c)	Trade receivables	16		
(d)	Cash and bank balances	17		
(e)	Short Term Loans and Advances	13		
(f)	Other current assets	18		
			-	-
	Total		-	-
	Brief about the Entity	1		
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements			

⁴ Applicable, if relevant



FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

Name of the Non-Corporate Entity.....
 Statement of Profit and Loss for the year ended

(Amount in Rs.)

	Particulars	Note	31 March 20XX	31 March 20XX
I	Revenue from operations	19	-	-
II	Other Income	20	-	-
III	Total Income (I+II)		-	-
IV	Expenses:			
(a)	Cost of Material Consumed	21	-	-
(b)	Purchases of Stock-in-Trade		-	-
(c)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	-	-
(d)	Employee benefits expense	23	-	-
(e)	Finance costs	24	-	-
(f)	Depreciation and amortization expense	25	-	-
(g)	Other expenses	26	-	-
	Total expenses		-	-
V	Profit/(loss) before exceptional and extraordinary items, partners' remuneration and tax (III- IV)		-	-
VI	Exceptional items (specify nature & provide note/delete if none)		-	-
VII	Profit/(loss) before extraordinary items, partners' remuneration and tax (V-VI)		-	-
VIII	Extraordinary Items (specify nature &		-	-

	Particulars	Note	31 March 20XX	31 March 20XX
	provide note/delete if none)			
IX	Profit before partners' remuneration and tax (VII-VIII)		-	-
X	Partners' remuneration⁵		-	-
XI	Profit before Tax (IX-X)		-	-
XII	Tax expense:			
(a)	Current tax		-	-
(b)	Excess/Short provision of tax relating to earlier years		-	-
(c)	Deferred tax charge/ (benefit)	6	-	-
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)		-	-
XVI	Profit/(Loss) for the year (XIII+XVI)		-	-
I	The accompanying notes are an integral part of the financial statements			

⁵ Wherever applicable



FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

Name of the Entity

Notes forming part of the Financial Statements for the year ended, 31 March 20XX

Note – 3a Owners'/Partners' Capital Account

(Amount in Rs.)

Sr. No.	Name of Partner/P roprietor/ Owner	Share of profit/ (loss) (%)	As at 1 st April 20XX (Opening Balance)	Capital Introduced /contribute d during the year	Remunerat ion for the year	Interest for the year	Withdrawals during the year	Share of Profit / Loss for the year	As at 31 st March 20XX (Closing Balance)
1									-
2									-
3									-
4									-
			-	-	-	-	-	-	-
Previous Year (PY)			-	-	-	-	-	-	-

Name of the Entity

Notes forming part of the Financial Statements for the year ended, 31 March 20XX

Note – 3b Owners'/Partners' Current Account

(Amount in Rs.)

Sr. No.	Name of Partner/P roprietor/ Owner	Share of profit/ (loss) (%)	As at 1 st April 20XX (Opening Balance)	Capital Introduced /contribute d during the year	Remunerat ion for the year	Interest for the year	Withdrawals during the year	Share of Profit / Loss for the year	As at 31 st March 20XX (Closing Balance)
1									-
2									-
3									-
4									-
			-	-	-	-	-	-	-
Previous Year (PY)			-	-	-	-	-	-	-

Name of the Entity

Notes forming part of the Financial Statements for the year ended
31st March , 20XX

(Amount in Rs.)

4	Reserves and surplus	31 March 20XX	31 March 20XX
(a)	Capital Reserve	-	-
(b)	Revaluation Reserve	-	-
(c)	Other Reserve (Please specify)	-	-
(d)	Undistributed surplus (Balance from statement of profit and loss)	-	-
	Total		

(Amount in Rs.)

5	Borrowings	Long Term		Short Term	
		31 March 20XX	31 March 20XX	31 March 20XX	31 March 20XX
(a)	<u>Secured</u> Term loans from banks	-	-	-	-
	from other parties	-	-	-	-
(b)	Loans repayable on demand from banks	NA	NA	-	-
	from other parties	NA	NA	-	-
(c)	Deferred payment liabilities	-	-	-	-
(d)	Loans and advances from related parties	-	-	-	-



FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

(e)	Long term/current maturities of finance lease obligation	-	-	-	-
(f)	Other loans advances (specify nature)	-	-	-	-
	Total (A)	-	-	-	-
(a)	Unsecured Term loans				
	from banks	-	-	-	-
	from other parties	-	-	-	-
(b)	Loans repayable on demand				
	from banks	NA	NA	-	-
	from other parties	NA	NA	-	-
(c)	Deferred payment liabilities	-	-	-	-
(d)	Loans and advances from related parties	-	-	-	-
(e)	Long term/current maturities of finance lease obligation	-	-	-	-
(f)	Other loans advances (specify nature)	-	-	-	-
	Total (B)	-	-	-	-
	Total (A) + (B)	-	-	-	-
	Footnote:				
(i)	Nature of the Security to be specified separately.				
(ii)	Terms of repayment of terms loans and other loans shall be stated.				
(iii)	Where loans guaranteed by partners/proprietors/owners aggregate of such amount under each head shall be disclosed.				

(Amount in Rs.)				
6	Deferred tax liabilities/ (asset) (Net)	31 March 20XX	Charge/ (benefit) for the year	31 March 20XX
	Deferred tax asset			
	Expenses provided but allowable in Income Tax on payment basis.	-	-	-
	Provision for doubtful debts.	-	-	-
	Difference between book depreciation & tax depreciation.	-	-	-
	Others (please specify)	-	-	-
	Gross deferred tax asset (A)	-	-	-
	Deferred tax liability			
	Difference between book depreciation & tax depreciation.	-	-	-
	Others (please specify)	-	-	-
	Gross deferred tax liability (B)	-	-	-
	Net deferred tax liability/(asset) (B-A)	-	-	-

(Amount in Rs.)			
7	Other long -Term liabilities	31March 20XX	31March 20XX
	Advance from customers	-	-
	Others (please specify)	-	-
	Total Other long-term liabilities	-	-



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(Amount in Rs.)					
8	Provisions	Long term		Short term	
		31March 20XX	31March 20XX	31March 20XX	31March 20XX
(a)	Provision for employee benefits				
	Provision for gratuity	-	-	-	-
	Provision for leave	-	-	-	-
	Encashment				
(b)	Other provisions				
	Provision for Income tax [net of advance tax of Rs.____ (previous year Rs.____)]	-	-	-	-
	Other Provisions (Please Specify - eg/- Provision for warranties / Provision for Sales Return) Other (specify nature)	-	-	-	-
	Total Provisions	-	-	-	-

(Amount in Rs.)			
9	Trade payables	31March 20XX	31March 20XX
(a)	Total outstanding dues of micro, small and medium enterprises	-	-
(b)	Total outstanding dues of creditors other than micro, small and medium enterprises	-	-

Total Trade payables		
Disclosure relating to suppliers registered under MSMED Act based on the information available with the entity Company:		
Particulars	31March 20XX	31March 20XX
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	-	-
Interest	-	-
Total	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

(Amount in Rs.)			
10	Other current liabilities	31 March 20XX	31 March 20XX
(a)	Current maturities of finance lease obligations	-	-
(b)	Interest accrued but not due on borrowings	-	-
(c)	Interest accrued and due on borrowings	-	-
(d)	Income received in advance	-	-
(e)	Unearned revenue	-	-
(f)	Goods and Service tax payable	-	-
(g)	TDS payable	-	-
(h)	Other payables (specify nature)	-	-
	Total Other current liabilities	-	-



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11 Property, Plant and Equipment and Intangible Assets (owned assets)

Particulars /Assets	TANGIBLE ASSETS							
	Freehold land	Buildings	Plant and Equipment	Office equipment	Furniture & Fixtures	Vehicles	Others (specify nature)	Total
Gross Block								
At 1 April 20X1								
Additions								
Deductions/Adjustments								
At 1 April 20X0								
Additions								
Deductions/Adjustments								
At 31 March 20X2								
At 31 March 20X1								
Depreciation/Adjustments								
At 1 April 20X1								
Additions								
Deductions/Adjustments								
At 1 April 20X0								
Additions								
Deductions/Adjustments								
At 31 March 20X2								
At 31 March 20X1								
Net Block								
At 31 March 20X1								
At 31 March 20X2								

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(Amount in Rs.)										
Particulars /Assets	INTANGIBLE ASSETS									
	Good will	Brand s/trade marks	Comp uter Softw are	Mini ng Righ ts	Masthead and publishin g title	Copyrigh ts/patent s	Recipe/form ulae/model/ design prototype	Licens e and franchi se	Others (specify nature)	Tot al --
Gross Block										
At 1 April 20X1										
Additions										
Deductions/Adju stments										
At 1 April 20X0										
Additions										
Deductions/Adju stments										
At 31 March 20X2										
At 31 March 20X1										

Amortization/Adjustment										
At 1 April 20X1										
Additions										
Deductions/Adju stments										
At 1 April 20X0										
Additions										
Deductions/Adju stments										
At 31 March 20X2										
At 31 March 20X1										
Net Block										
At 31 March 20X1										
At 31 March 20X2										

Assets under lease to be separately specified under each class of asset.

Capital Work in Progress	31 March 20XX	31 March 20XX	Intangible assets under development	31 March 20XX	31 March 20XX
Opening Balance			Opening Balance		
Add: Additions during the year			Add: Additions during the year		
Less: Capitalized during the year			Less: Capitalized during the year		
Closing Balance (B)	-	-	Closing Balance (B)	-	-



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		(Amount in Rs.)					
12	Investments - Non Current and Current (valued at historical cost unless stated otherwise)	As at 31 March 20XX			As at 31 March 20XX		
		Face Value	Numbers/ Units/ Shares	Book Value	Numbers/ Units/ Shares	Book Value	
	<u>Trade Investments - Quoted</u>						
(a)	Investments in Other Entities Less: Provision for diminution in value of investments			-		-	
(b)	Investments in partnership firm (Refer footnote 1)			-		-	
	<u>Other Investments</u>						
(c)	Investments in preference shares			-		-	
(d)	Investments in equity instruments			-		-	
(e)	Investments in government or trust securities			-		-	
(f)	Investments in debentures or bonds			-		-	
(g)	Investments in mutual funds			-		-	

(h)	Investments Property			-		-
(i)	Other non-current investments (specify nature)			-		-
	Total Investments			-		-
	<u>Trade Investments – Unquoted</u>					
(a)	Investments in Other Entities Less: Provision for diminution in value of investments			-		-
(b)	Investments in partnership firm (Refer footnote 1)			-		-
	<u>Other Investments</u>					
(c)	Investments in preference shares			-		-
(d)	Investments in equity instruments			-		-
(e)	Investments in government or trust securities			-		-
(f)	Investments in debentures or bonds			-		-
(g)	Investments in mutual funds			-		-
(h)	Other Non-current investments (specify nature)			-		-
(i)	Investments property			-		-
	Total Investments			-		-

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	Aggregate market value as at the end of the year: Aggregate amount of quoted investments and market value thereof. Aggregate amount of Un-quoted investments. Aggregate Provision for diminution in value of investments.			-		-
	Footnote 1: Details of investment in partnership firm Name of partner with % share in profits of such firm ABC XYZ Mr. A Total capital of the firm (Amount in Rs.)	31 March 20XX			31 March 20XX	
				-		-
				-		-
				-		-
				-		-
	Current Investments	Face Value	As at 31 March 20XX		As at 31 March 20XX	
			Numbe rs/ Units/ Shares	Book Value	Numbe rs/ Units/ Shares	Boo k Val ue
(a)	Trade (valued at lower of cost or market value) - Quoted Current maturities of long-term investments			-		-

(b)	Investments in equity instruments	-	-
(c)	Investments in preference shares	-	-
(d)	Investments in government or trust securities	-	-
(e)	Investments in debentures or bonds	-	-
(f)	Investments in mutual funds	-	-
(g)	Other Short-term investments (specify nature)	-	-
	Net current investments	-	-
	Trade (valued at lower of cost or market value) – Unquoted		
(a)	Current maturities of long- term investments	-	-
(b)	Investments in equity instruments	-	-
(c)	Investments in preference shares	-	-
(d)	Investments in government or trust securities	-	-
(e)	Investments in debentures or bonds	-	-
(f)	Investments in mutual funds	-	-
(g)	Other Short-term investments (specify nature)	-	-



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Net current investments			-		-
Grand Total			-		-
Aggregate value of quoted investments and market value thereof			-		-
Aggregate value of quoted investments			-		-
Aggregate Provision for diminution in value of investments			-		-

(Amount in Rs.)

13A	Loans and advances (Secured)	Long Term		Short Term	
		31 March 20XX	31 March 20XX	31 March 20XX	31 March 20XX
(a)	Capital advances				
	Considered good	-	-	-	-
	Doubtful	-	-	-	-
	Less: Provision for doubtful advances	-	-	-	-
	(a)	-	-	-	-
(b)	Loans advances to partners or relative of partners	-	-	-	-
(c)	Other loans and advances (specify nature)	-	-	-	-
	Prepaid expenses	-	-	-	-

	Advance tax and tax deducted at source [Net of provision for income tax of Rs. ____ (previous year Rs. ____)]	-	-	-	-
	CENVAT credit receivable				
	VAT credit receivable				
	Service tax credit receivable				
	GST input credit receivable				
	Security Deposits				
	Balance with government authorities				
	(b)	-	-	-	-
	Total (a)+(b) (A)	-	-	-	-
B	Loans and advances (Unsecured)	Long Term		Short Term	
		31 March 20XX	31 March 20XX	31 March 20XX	31 March 20XX
(a)	Capital advances				
	Considered good	-	-	-	-
	Doubtful	-	-	-	-
	Less: Provision for doubtful advances	-	-	-	-
	(a)	-	-	-	-
(b)	Loans advances to partners or relative of partners	-	-	-	-
(c)	Other loans and advances (specify nature)	-	-	-	-
	Prepaid expenses	-	-	-	-



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Advance tax and tax deducted at source [Net of provision for income tax of Rs. ____ (previous year Rs. ____)]	-	-	-	-
CENVAT credit receivable				
VAT credit receivable				
Service tax credit receivable				
GST input credit receivable				
Security Deposits				
Balance with government authorities				
(b)	-	-	-	-
Total (a)+(b) (B)	-	-	-	-
Total (A + B)	-	-	-	-

(Amount in Rs.)

14	Other non-current assets	31 March 20XX	31 March 20XX
(a)	Security Deposits	-	-
(b)	Prepaid expenses	-	-
(c)	Others (Specify nature)	-	-
	Total other non-current other assets	-	-

(Amount in Rs.)

15	Inventories	31 March 20XX	31 March 20XX
(a)	Raw materials	-	-
(b)	Work-in-progress	-	-
(c)	Finished goods	-	-
(d)	Stock-in-trade	-	-
(e)	Stores and spares	-	-

(f)	Loose Tools	-	-
(g)	Others (Specify nature) [Goods in Transit to be disclosed under relevant sub-head of inventories]	-	-
	Total	-	-

(Amount in Rs.)

16	Trade receivables	31 March 20XX	31 March 20XX
(a)	Outstanding for a period less than 6 months from the date they are due for receipt		
	Secured Considered good	-	-
(b)	Unsecured Considered good	-	-
(c)	Doubtful	-	-
	Less: Allowance for doubtful receivables	-	-
	Outstanding for a period exceeding 6 months from the date they are due for receipt	-	-
(a)	Secured Considered good	-	-
(b)	Unsecured considered good	-	-
(c)	Doubtful	-	-
	Less: Allowance for doubtful receivables	-	-
	Unbilled receivables		
	Total	-	-

(Amount in Rs.)

17	Cash and Bank Balances	31 March 20XX	31 March 20XX
A	Cash and cash equivalents		
(a)	On current accounts	-	-
(b)	Cash credit account (Debit balance)	-	-
(c)	Fixed Deposits		
	Deposits with original maturity of less than three months	-	-



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(i)	Inventory at the beginning of the year	-	-
(ii)	Add: Purchases during the year	-	-
(iii)	Less: Inventory at the end of the year	-	-
	Cost of packing material consumed (II)	-	-
	Other materials (purchased intermediates and components)		
(i)	Inventory at the beginning of the year	-	-
(ii)	Add: Purchases during the year	-	-
(iii)	Less: Inventory at the end of the year	-	-
	Cost of other material consumed (III)	-	-
	Total raw material consumed (I+II+III)	-	-

(Amount in Rs.)

22	Changes in inventories of finished goods, work in progress and stock-in trade	31 March 20XX	31 March 20XX
	Inventories at the beginning of the year:		
(i)	Stock-in-trade	-	-
(ii)	Work in progress	-	-
(iii)	Finished goods	-	-
	(I)	-	-
	Inventories at the end of the year:		
(i)	Stock-in-trade	-	-
(ii)	Work in progress	-	-
(iii)	Finished goods	-	-
	(II)	-	-
	(Increase)/decrease in inventories of finished goods, work-in-progress and	-	-

	stock-in-trade (I+II)		

(Amount in Rs.)

23	Employee benefits expense (Including contract labour)	31 March 20XX	31 March 20XX
(a)	Salaries, wages, bonus and other allowances	-	-
(b)	Contribution to provident and other funds	-	-
(c)	Gratuity expenses	-	-
(d)	Staff welfare expenses	-	-
	Total Employee benefits expense	-	-

(Amount in Rs.)

24	Finance cost	31 March 20XX	31 March 20XX
(a)	Interest expense (other than interest on partners' capital/members' capital)		
(i)	On bank loan	-	-
(ii)	On assets on finance lease	-	-
(b)	Interest on partners' capital /members' capital		
(c)	Other borrowing costs	-	-
(d)	Loss on foreign exchange transactions and translations considered as finance cost (net)		
	Total Finance cost	-	-



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(Amount in Rs.)

25		31 March 20XX	31 March 20XX
	Depreciation and amortization expense		
(a)	on tangible assets (Refer note 11)		
(b)	on intangible assets (Refer note 11)		
	Total Depreciation and amortization expense	-	-

(Amount in Rs.)

26	Other Expenses	31 March 20XX	31 March 20XX
(a)	Consumption of stores and spare parts	-	-
(b)	Power and fuel	-	-
(c)	Rent	-	-
(d)	Repairs and maintenance - Buildings	-	-
(e)	Repairs and maintenance - Machinery	-	-
(f)	Insurance	-	-
(g)	Rent, Rates and taxes, excluding, taxes on income	-	-
(h)	Labour charges	-	-
(i)	Travelling expenses	-	-
(j)	Auditor's remuneration (Refer note below)	-	-
(k)	Printing and stationery	-	-
(l)	Communication expenses	-	-
(m)	Legal and professional charges	-	-
(n)	Advertisement and publicity	-	-
(o)	Business promotion expenses	-	-
(p)	Commission	-	-
(q)	Clearing and forwarding charges	-	-
(r)	Loss on sale of Property, Plant and Equipment	-	-
(s)	Loss on foreign exchange transactions (net)	-	-
(t)	Loss on cancellation of forward contracts	-	-
(u)	Loss on sale of investments (net)	-	-

(v)	Provision for diminution in value of investments	-	-
(w)	Provision for doubtful debts	-	-
(x)	Miscellaneous expenses	-	-
	Total	-	-

T. Contingent liabilities (to the extent not provided for)

(i) Contingent liabilities shall be 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.



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--- Following shall be disclosed by way of notes regarding aggregate expenditure and income on the following items:—

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

- (ii) 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.



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Other Matters on which guidance has been provided : -

Modification of Format to Comply with Accounting Standard or Other Applicable Statutory Requirement

Where compliance with the requirements of the relevant statute including Accounting Standards as applicable to the Non-Corporate entity 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.

Modification of Terminology used in Format – Permitted

This Guidance Note uses terminology that is suitable considering the nature and business of non-corporate entities in general. However, certain non corporate entities may need to amend the descriptions used for particular line items in the formats of financial statements and for the financial statements themselves, **e.g., Association of Persons may need to use terminology “members’ funds” instead of “owners’ funds”.**



FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

Other Matters on which guidance has been provided : -

Disclosure of Certain information as required in Accounting Standards or Statute

Additional disclosures specified in the Accounting Standards 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. Similarly, all other disclosures as required by the relevant statute shall be made in the notes to accounts in addition to the requirements set out in these formats.

Other Disclosures in Notes to Accounts or Break Up of Amounts.

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 of items recognised in those statements; and (b) information about items that do not qualify for recognition in those statements.

A balance shall be maintained between providing excessive detail that may not assist users of financial statements and not providing important information as a result of too much aggregation.



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Other Matters on which guidance has been provided : -

Rounding Off

Depending upon the Total Income of the Non-Corporate entity, the figures appearing in the Financial Statements may be rounded off as given below:—

Total Income	Rounding off
(a) less than one hundred crore rupees	To the nearest hundreds, thousands, lakhs or millions, or decimals thereof.
(b) one hundred crore rupees or more	To the nearest lakhs, millions or crores, or decimals thereof.

One Unit of Measurement

Once a unit of measurement is used, it should be used uniformly in the Financial Statements.



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Other Matters on which guidance has been provided : -

Mandatory to Disclose Comparable

Except in the case of the first Financial Statements prepared by the Non - Corporate entity (after its incorporation) the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the Financial Statements including notes shall also be given.

Offset of income / Expenses or Assets / liability

It is not permitted to net off any balances in the books of accounts or business transactions.
For eg: - Debit Balances of Creditors, Credit Balances of Debtors – to be reclassified.

Can some transactions be directly adjusted to Capital Account

- All Business Transactions to be recorded as per Accounting Standards, accordingly not possible.
- All Non-Business Transactions (if any) to be captured only as Introduction of Capital / Drawings.



CHANGES IN TERMINOLOGY – AWAY FROM PAST PRACTICES

Old Terms	New Terms
FA - Fixed Assets	PPE – Property Plant & Equipment
Debtors	Trade Receivables
Creditors	Trade Payables
Capital	Owners Fund
Accounting policies	Significant Accounting Policies
Sales	Revenue from operations
Income Tax	Tax Expenses
P/L Account	Statement of Profit and Loss



PRACTICAL RECOMMENDATIONS

Action	Professionals Should...
Trial Balance Design	Include classifications (current/non-current)
Review AS Applicability	Maintain annual Level review checklist
Use Templates	Standard formats for BS, P&L, CFS across clients
Documentation	Workpaper trail of estimates, assumptions
Client Training	Educate clients on importance of correct disclosures
Audit Trail Enabled Accounting Software	To encourage voluntary adoption.



SPECIAL CIRCUMSTANCES & TRANSITIONAL NOTES

Scenario	Compliance / Disclosure Requirement
Cash Basis Accounting	Must disclose basis of accounting in Notes to Accounts and qualify in Audit Report
MSME Relaxations	Simplified AS applicability, exemption from some disclosures, especially actuarial valuation
April 2025 Update	New thresholds and presentation formats are mandatory for FY 2024-25 onwards

NAVIGATE THE FUTURE

Formats of Financial Statements for Not-for- Profit Organisations (NPOs)



FORMAT AS GIVEN IN EXCEL FORMAT ISSUED BY ICAI

Name of the NPO
 Balance Sheet as at

(Amount in Rs. XX)				
	Particulars	Note	31 March 20XX	31 March 20XX
I	Sources of Funds			
1	NPO Funds	3	0	0
(a)	Unrestricted Funds			
(b)	Restricted Funds			
			-	-
2	Non-current liabilities			
(a)	Long-term borrowings	4	-	-
(b)	Other long-term liabilities	5	-	-
(c)	Long-term provisions	6	-	-
			-	-
3	Current liabilities			
(a)	Short-term borrowings	4	-	-
(b)	Payables	7		
(c)	Other current liabilities	8	-	-
(d)	Short-term provisions	6	-	-
			-	-
	Total		-	-



FORMAT AS GIVEN IN EXCEL FORMAT ISSUED BY ICAI

Name of the NPO
 Balance Sheet as at

(Amount in Rs. XX)				
	Particulars	Note	31 March 20XX	31 March 20XX
II	Application of Funds			
1	Non-current assets			
(a)	Property, Plant and Equipment and Intangible assets	9		
(i)	Property, Plant and Equipment			
(ii)	Intangible assets			
(iii)	Capital work in progress			
(iv)	Intangible asset under development			
(b)	Non-current investments	10	-	-
(c)	Long Term Loans and Advances	11	-	-
(d)	Other non-current assets (specify nature)	12	-	-
			-	-
2	Current assets			
(a)	Current investments	10	-	-
(b)	Inventories			
(c)	Receivables	13	-	-
(d)	Cash and bank balances	14	-	-
(e)	Short Term Loans and Advances	11	-	-
(f)	Other current assets	15	-	-
			-	-
	Total		-	-
			-	-
	Brief about the Entity	1		
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements			



FORMAT AS GIVEN IN EXCEL FORMAT ISSUED BY ICAI

Name of the NPO
 Income and Expenditure for the year ended

(Amount in Rs.)							
	Particulars	Note	31 March 20XX			31 March 20XX	
			Unrestr icted funds	Restric ted funds	Total	Unres tricted funds	Restric ted funds Total
I	Income						
(a)	Donations and Grants						
(b)	Fees from Rendering of Services						
(c)	Sale of Goods						
II	Other Income	16				-	-
III	Total Income (I+II)					-	-
IV	Expenses:						
(a)	Material consumed/distributed	17				-	-
(b)	Donations/contributions paid						
(c)	Employee benefits expense	18				-	-
(d)	Depreciation and amortization expense	19				-	-
(e)	Finance costs	20				-	-
(f)	Other expenses	21				-	-
(g)	Religion/charitable expenses						
(h)	Other Expenses (specify nature)						
	Total expenses					-	-
V	Excess of Income over Expenditure for the year before exceptional and extraordinary items (III- IV)					-	-
VI	Exceptional items (specify nature & provide note/delete if none)					-	-
VII	Excess of Income over Expenditure for the year before extraordinary items (V-VI)					-	-
VIII	Extraordinary Items (specify nature & provide note/delete if none)					-	-
IX	Excess of Income over Expenditure for the year (VII-VIII)					-	-
	Appropriations Transfer to funds, e.g., Building fund						
	Transfer from funds						
	Balance transferred to General Fund						
	The accompanying notes are an integral part of the financial statements						

Name of the Entity

Notes forming part of the Financial Statements for the year ended, 31st March, 20XX

Note - 1 Brief about the entity

Note - 2 Significant Accounting Policies

Note - 3 NPOs Funds

(Amount in Rs.)					
Sr. No.	Particulars	As at 1st April 20XX (Opening Balance)	Funds transferred/received during the year	Funds Utilised during the year	As at 31st March 20XX (Closing Balance)
(A)	Unrestricted Funds				
1	Corpus Funds				-
2	General Funds				-
3	Designated Funds				-
(B)	Restricted Funds				-
			-	-	-
Previous Year (PY)			-	-	-

NAVIGATE THE FUTURE

Formats of Financial Statements for Limited Liability Partnerships (LLPs)





FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

Name of the Limited Liability Partnership.....

Balance Sheet as at

(Amount in Rs. XX)

	Particulars	Note No	31 March 20XX	31 March 20XX
I	PARTNERS' FUNDS AND LIABILITIES			
1.	Partners' Funds			
(a)	Partners' Capital Account			
	(i) Partners' contribution	3a	-	-
	(ii) Partners' Current Account	3b	-	-
(b)	Reserves and surplus	4	-	-
			-	-
2.	Non-current liabilities			
(a)	Long-term borrowings	5	-	-
(b)	Deferred tax liabilities (Net)	6	-	-
(c)	Other long-term liabilities	7	-	-
(d)	Long-term provisions	8	-	-
			-	-
3.	Current liabilities			
(a)	Short-term borrowings	5	-	-
(b)	Trade payables	9	-	-
(c)	Other current liabilities	10	-	-
(d)	Short-term provisions	8	-	-
	Total		-	-
II	ASSETS			
1.	Non-current assets			
(a)	Property, Plant and Equipment	11		

	and Intangible assets			
(i)	Property, Plant and Equipment		-	-
(ii)	Intangible assets		-	-
(iii)	Capital work in progress		-	-
(iv)	Intangible asset under development		-	-
(b)	Non-current investments	12	-	-
(c)	Deferred tax assets (Net)	6	-	-
(d)	Long Term Loans and Advances	13	-	-
(e)	Other non-current assets	14	-	-
			-	-
2.	Current assets			
(a)	Current investments	12	-	-
(b)	Inventories	15	-	-
(c)	Trade receivables	16	-	-
(d)	Cash and bank balances	17	-	-
(e)	Short Term Loans and Advances	13	-	-
(f)	Other current assets	18	-	-
			-	-
	Total		-	-
	Brief about the Entity	1		
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements			



FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

Name of the Limited Liability Partnership
 Statement of Profit and Loss for the year ended

(Amount in Rs.)				
	Particulars	No te	31 March 20XX	31 March 20XX
I	Revenue from operations	19	-	-
II	Other Income	20	-	-
III	Total Income (I+II)		-	-
IV	Expenses:			
(a)	Cost of material consumed	21	-	-
(b)	Purchases of Stock-in-Trade			
(c)	Changes in inventories of finished goods, Work-in-progress and Stock-in-Trade	22		
(d)	Employee benefits expense	23	-	-
(e)	Finance costs	24	-	-
(f)	Depreciation and amortization expense	25	-	-
(g)	Other expenses	26	-	-
	Total expenses		-	-
V	Profit/(loss) before exceptional and extraordinary items and partners' remuneration and tax (III- IV)		-	-
VI	Exceptional items (specify nature & provide note/delete if none)		-	-
VII	Profit/(loss) before extraordinary items and partners' remuneration and tax (V-VI)		-	-
VIII	Extraordinary Items (specify nature & provide		-	-

	Particulars	No te	31 March 20XX	31 March 20XX
	note/delete if none)			
IX	Profit before partners' remuneration and tax (VII-VIII)		-	-
X	Partners' remuneration		-	-
XI	Profit before tax (IX-X)		-	-
XII	Tax expense:			
(a)	Current tax			
(b)	Excess/Short provision of tax relating to earlier years		-	-
(c)	Deferred tax charge/ (benefit)	6	-	-
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)		-	-
XVI	Profit/(Loss) for the year (XIII+XVI)		-	-
I	The accompanying notes are an integral part of the financial statements			



FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

Name of the Entity

Notes forming part of the Financial Statements for the year ended, 31 March 20XX

Note – 3a Partners' Contribution Account

(Amount in Rs.)

Sr. No.	Name of Partner	Agreed contribution	Share of profit/ (loss) (%)	As at 1 st April 20XX (Opening Balance)	Introduced/contributed during the year	Remuneration for the year	Interest for the year	Withdrawals during the year	Share of Profit / Loss for the year	As at 31 st March 20XX (Closing Balance)
1										-
2										-
3										-
4										-
				-	-	-	-	-	-	-
Previous Year (PY)				-	-	-	-	-	-	-

Note – 3b Partners' Current Account

Sr. No.	Name of Partner	Share of profit/ (loss) (%)	As at 1 st April 20XX (Opening Balance)	Introduced/contributed during the year	Remuneration for the year	Interest for the year	Withdrawals during the year	Share of Profit / Loss for the year	As at 31 st March 20XX (Closing Balance)
1									-
2									-
3									-
4									-
				-	-	-	-	-	-
Previous Year (PY)									

Name of the Entity

Notes forming part of the Financial Statements for the year ended 31st March , 20XX

(Amount in Rs.)

4	Reserves and surplus	31 March 20XX	31 March 20XX
(a)	Capital Reserve	-	-
(b)	Revaluation Reserve	-	-
(c)	Other Reserve (Please specify)	-	-
(d)	Undistributed surplus (Balance from statement of profit and loss)	-	-
	Total		



FORMAT AS GIVEN IN GUIDANCE NOTE ISSUED BY ICAI

		(Amount in Rs.)	
24	Finance cost	31 March 20XX	31 March 20XX
(a)	Interest expense (other than interest on partners' capital)		
(i)	On bank loan	-	-
(ii)	On assets on finance lease	-	-
(b)	Interest on partners' capital		
(c)	Other borrowing costs	-	-
(d)	Loss on foreign exchange transactions and translations considered as finance cost (net)		
	Total Finance cost	-	-

NAVIGATE THE FUTURE

Formats of Audit Report for Limited Liability Partnerships (LLPs)





AUDIT OF LLPS

- As per LLP Act, 2008, The accounts of LLPs shall be audited in accordance with such rules as may be prescribed.
- As per **Rule 24 of LLP Rules, 2009**, An LLP audit is mandatory
 - if the LLP's annual turnover exceeds ₹40 lakhs or
 - if the total contribution of partners surpasses ₹25 lakhs.
- However, if the partners of such LLP decide to get the accounts of such LLP audited, it shall be audited in accordance with such rule.
- The Auditor of an LLP is required to conduct the audit and issue the **Auditors' Report** in accordance with the **Auditing Standards** issued by the Auditing & Assurance Standards Board of ICAI.
- Where tax audit is also applicable to a LLP, the auditor should issue a report as required under the income Tax Act 1961 read with Income Tax Rules 1962, taking into consideration the "**Guidance Note on Tax Audit under Section 44AB of the Income-tax Act, 1961**" as issued and revised by the ICAI.



LLP CASE STUDIES – ICAI COMPLIANCE SCENARIOS

Case	Turnover	Audit Applicability	Disclosures & Reporting	Key Takeaways
A	₹55 lakh	Mandatory Audit Sec 34(4) of LLP Act	under Form 3CA & 3CD, full financials, AS-compliant notes	LLPs exceeding ₹40L turnover or ₹25L contribution must get accounts audited
B	₹35 lakh	Audit Exempt Voluntary undertaken	Disclosures under ICAI's Voluntary audits are encouraged for Accounting Standards and as per requirements of Guidance Notes. Requirements under LLP Act to be followed.	creditworthiness, bank loans, or internal controls

Note: Form 3CA-3CD is applicable in case of person who is required by or under any law to get its accounts audited. Form 3CB-3CD is applicable in case of a person not being a person referred above i.e. where accounts are not required to be audited under any other law.



FORMAT OF AUDIT REPORT FOR LLPS

INDEPENDENT AUDITOR'S REPORT

**To the Partners of
XYZ LLP**

Opinion

We have audited the financial statements of **XYZ LLP**, which comprise the Balance Sheet (Statement of Assets & Liabilities) as at 31st March, XXXX, and the Statement of Profit & Loss (Statement of Income & Expenditure Account) for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the entity are prepared, in all material respects, in accordance with Limited Liability Partnership Act, 2008 and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the LLP as at 31st March XXXX and its Profit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



FORMAT OF AUDIT REPORT FOR LLPS

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Limited Liability Partnership Act, 2008, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



FORMAT OF AUDIT REPORT FOR LLPS

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For
Chartered Accountants
FRN: -

(Name of partner)
Partner
M. No.
UDIN:
Place:
Date:



CASH BASIS OF ACCOUNTING

- AS 1 – Requires Financial Statements to be prepared on Accrual Basis.
- In case the Client follows Cash Basis of Accounting, then disclosure is required: -
 - **In Accounting Policy** , eg: - “It is the policy of the enterprise to prepare its financial statements on the cash receipts and disbursements basis. On this basis revenue and the related assets are recognised when received rather than when earned, and expenses are recognised when paid rather than when the obligation is incurred.
 - **In Auditors’ Report** , eg: - In our opinion, the financial statements give a true and fair view of the assets and liabilities arising from cash transactions of at and of the revenue collected and expenses paid during the year then ended on the cash receipts and disbursements basis as described in Note X.



CASH BASIS OF ACCOUNTING

- Revenue Recognition & TDS Matters - In case, revenue has not been received in cash, however, TDS has been deducted and deposited by the payer, in that case,
 - If TDS Credit is intended to be availed and adjusted to outward tax liability, then Revenue shall be recognised equivalent to the amount of TDS.
 - Alternatively, If TDS Credit is carry forwarded in ITR then, it need not be included in Revenue.
 - Appropriate Disclosure in Accounting Policy may be made. Also, Management Representation Letter (MRL) to capture undertaking by client as ITR will be filed after Audit in most cases.



CASH BASIS OF ACCOUNTING

- Borrowing Cost
- Interest on Loans - to be paid
- Capitalisation of borrowing costs shall commence when expenditure for acquisition, construction or production of a qualifying asset is paid & all activities necessary to prepare qualifying asset for its intended use or sale are in progress.
- Borrowing costs paid after substantial completion of all activities necessary to prepare qualifying asset for its intended use or sale shall be expensed off.



FORMAT OF AUDIT REPORT FOR NON-CORPORATE ENTITIES

- **For Entities under Tax Audit** – Format of Audit Report shall be in Form 3CA along with the particulars annexed in Form 3CD.
- **Audit under any other Statute** - Although as on date, there is no statutory audit requirements for non-corporate entities in general while in case specific requirement exists, then report shall be as per such Statute. For e.g.: under a state societies act etc read with the Standards on Auditing issued by the ICAI.
- In case of **Voluntary Audit** requested by any Non – Corporate Client, the Auditor shall conduct the audit and issue the Auditors' Report in accordance with the Standards on Auditing issued by the ICAI.

For this Presentation and Other Presentations & Handbooks by CA. Vaibhav Jain

Please Visit - <https://www.cavaibhavjain.com/>



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Thank you

CA. VAIBHAV JAIN

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