Indian Accounting Standard (Ind AS) 27

Consolidated and Separate Financial Statements

Contents ***Paragraphs***

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Consolidated and Separate Financial Statements

*(This Indian Accounting Standard includes paragraphs set in **bold** type and plain type, which have equal authority. Paragraphs in bold type indicate the main principles).*

Scope

1 This Standard shall be applied in the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent.

2 This Standard does not deal with methods of accounting for business combinations and their effects on consolidation, including goodwill arising on a business combination (see Ind AS 103 *Business Combinations*).

3 This Standard shall also be applied in accounting for investments in subsidiaries, jointly controlled entities and associates when an entity elects, or is required by law, to present separate financial statements.

Definitions

4 The following terms are used in this Standard with the meanings specified:

Consolidated financial statements **are the financial statements of a group presented as those of a single economic entity.**

Control **is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.**

A *group* **is a parent and all its subsidiaries.**

Non-controlling interest **is the equity in a subsidiary not attributable, directly or indirectly, to a parent.**

A *parent* **is an entity that has one or more subsidiaries.**

Separate financial statements **are those presented by a parent, an investor in an associate or a venturer in a jointly controlled entity, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.**

A *subsidiary* **is an entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the parent).**

5 A parent or its subsidiary may be an investor in an associate or a venturer in a jointly controlled entity. In such cases, consolidated financial statements prepared and presented in accordance with this Standard are also prepared so as to comply with Ind AS 28 *Investments in Associates* and Ind AS 31 *Interests in Joint Ventures*.

6 For an entity described in paragraph 5, separate financial statements are those prepared and presented in addition to the financial statements referred to in paragraph 5. Separate financial statements need not be appended to, or accompany, those statements, unless required by law.

7 The financial statements of an entity that does not have a subsidiary, associate or venturer's interest in a jointly controlled entity are not separate financial statements.

8 [Refer to Appendix 1]

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Presentation of Consolidated Financial Statements

9 A parent shall present consolidated financial statements in which it consolidates its investments in subsidiaries in accordance with this Standard. Where a parent is a company, the consolidated financial statements shall be in the form set out in Appendix C to this Standard or as near thereto as circumstances admit.

10 (Refer to Appendix 1)

11 A parent presents separate financial statements in compliance with paragraphs 38–43.

Scope of Consolidated Financial Statements

12 Consolidated financial statements shall include all subsidiaries of the parent.[1]

13 Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity when there is:[2]

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[1] If on acquisition a subsidiary meets the criteria to be classified as held for sale in accordance with Ind AS 105 Non-*current Assets Held for Sale and Discontinued Operations,* it shall be accounted for in accordance with that Indian Accounting Standard.

[2] See also Appendix A Consolidation—Special Purpose Entities.

(a) power over more than half of the voting rights by virtue of an agreement with other investors;

(b) power to govern the financial and operating policies of the entity under a statute or an agreement;

(c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or

(d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

14 An entity may own share warrants, share call options, debt or equity instruments that are convertible into ordinary shares[3], or other similar instruments that have the potential, if exercised or converted, to give the entity voting power or reduce another party's voting power over the financial and operating policies of another entity (potential voting rights). The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity has the power to govern the financial and operating policies of another entity. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event.

15 In assessing whether potential voting rights contribute to control, the entity examines all facts and circumstances (including the terms of exercise of the potential voting rights and any other contractual arrangements whether considered individually or in combination) that affect potential voting rights, except the intention of management and the financial ability to exercise or convert such rights.

16 A subsidiary is not excluded from consolidation simply because the investor is a venture capital organisation, mutual fund, unit trust or similar entity.

17 A subsidiary is not excluded from consolidation because its business activities are dissimilar from those of the other entities within the group. Relevant information is provided by consolidating such subsidiaries and disclosing additional information in the consolidated financial statements about the different business activities of subsidiaries. For example, the disclosures required by Ind AS 108 *Operating Segments* help to explain the significance of different business activities within the group.

Consolidation Procedure

18 In preparing consolidated financial statements, an entity combines the financial statements of the parent and its subsidiaries line by line by adding together like items of assets, liabilities, equity, income and expenses. In order that the consolidated financial statements present financial information about the group as that of a single economic entity, the following steps are then taken:

[3] In Indian context, the term 'ordinary shares' is equivalent to 'equity shares'.

(a) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated (see Ind AS 103 *Business Combinations*, which describes the treatment of any resultant goodwill);

(b) non-controlling interests in the profit or loss of consolidated subsidiaries for the reporting period are identified; and

(c) non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the parent's ownership interests in them. Non-controlling interests in the net assets consist of:

   (i) the amount of those non-controlling interests at the date of the original combination calculated in accordance with Ind AS 103 Business *Combinations* and

   (ii) the non-controlling interests' share of changes in equity since the date of the combination.

19 When potential voting rights exist, the proportions of profit or loss and changes in equity allocated to the parent and non-controlling interests are determined on the basis of present ownership interests and do not reflect the possible exercise or conversion of potential voting rights.

20 Intragroup balances, transactions, income and expenses shall be eliminated in full.

21 Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

22 The financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements shall be prepared as of the same date. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial statements as of the same date as the financial statements of the parent unless it is impracticable to do so.

23 When, in accordance with paragraph 22, the financial statements of a subsidiary used in the preparation of consolidated financial statements are prepared as of a date different from that of the parent's financial statements, adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the parent's financial statements. In any case, the difference between the end of the reporting period of the subsidiary and that of the parent shall be no more than three months. The length of the reporting periods and any difference between the ends of the reporting periods shall be the same from period to period.

24 Consolidated financial statements shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances.

25 If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

26 The income and expenses of a subsidiary are included in the consolidated financial statements from the acquisition date as defined in Ind AS 103 *Business Combinations*. Income and expenses of the subsidiary shall be based on the values of the assets and liabilities recognised in the parent's consolidated financial statements at the acquisition date. For example, depreciation expense recognised in the consolidated statement of profit and loss after the acquisition date shall be based on the fair values of the related depreciable assets recognised in the consolidated financial statements at the acquisition date. The income and expenses of a subsidiary are included in the consolidated financial statements until the date when the parent ceases to control the subsidiary.

27 Non-controlling interests shall be presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent.

28 Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

29 If a subsidiary has outstanding cumulative preference shares that are classified as equity and are held by non-controlling interests, the parent computes its share of profit or loss after adjusting for the dividends on such shares, whether or not dividends have been declared.

30 Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e transactions with owners in their capacity as owners).

31 In such circumstances the carrying amounts of the controlling and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the parent.

Loss of Control

32 A parent can lose control of a subsidiary with or without a change in absolute or relative ownership levels. This could occur, for example, when a subsidiary becomes subject to the control of a government, court, administrator or regulator. It also could occur as a result of a contractual agreement.

33 A parent might lose control of a subsidiary in two or more arrangements (transactions). However, sometimes circumstances indicate that the multiple arrangements should be accounted for as a single transaction. In determining whether to account for the arrangements as a single transaction, a parent shall consider all of the terms and conditions of the arrangements and their economic effects. One or more of the following may indicate that the parent should account for the multiple arrangements as a single transaction:

(a) They are entered into at the same time or in contemplation of each other.

(b) They form a single transaction designed to achieve an overall commercial effect.

(c) The occurrence of one arrangement is dependent on the occurrence of at least one other arrangement.

(d) One arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements. An example is when one disposal of shares is priced below market and is compensated for by a subsequent disposal priced above market.

34 If a parent loses control of a subsidiary, it:

a) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

(b) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);

(c) recognises:

(i) the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control; and

(ii) if the transaction that resulted in the loss of control involves a distribution of shares of the subsidiary to owners in their capacity as owners, that distribution;

(d) recognises any investment retained in the former subsidiary at its fair value at the date when control is lost;

(e) reclassifies to profit or loss, or transfers directly to retained earnings if required in accordance with other Indian Accounting Standards, the amounts identified in paragraph 35; and

(f) recognises any resulting difference as a gain or loss in profit or loss attributable to the parent.

35. If a parent loses control of a subsidiary, the parent shall account for all amounts recognised in other comprehensive income in relation to that subsidiary on the same basis as would be required if the parent had directly disposed of the related assets or

liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the parent reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses control of the subsidiary. For example, if a subsidiary has available-for-sale financial assets and the parent loses control of the subsidiary, the parent shall reclassify to profit or loss the gain or loss previously recognised in other comprehensive income in relation to those assets. Similarly, if a revaluation surplus previously recognised in other comprehensive income would be transferred directly to retained earnings on the disposal of the asset, the parent transfers the revaluation surplus directly to retained earnings when it loses control of the subsidiary.

36 On the loss of control of a subsidiary, any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary shall be accounted for in accordance with other Indian Accounting Standards from the date when control is lost.

37 The fair value of any investment retained in the former subsidiary at the date when control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with Ind AS 39 *Financial Instruments: Recognition and Measurement* or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Accounting for Investments in Subsidiaries, Jointly Controlled Entities and Associates in Separate Financial Statements

38 For preparing separate financial statements the entity shall account for investments in subsidiaries, jointly controlled entities and associates either:

(a) at cost, or
(b) in accordance with Ind AS 39

The entity shall apply the same accounting for each category of investments. Investments accounted for at cost shall be accounted for in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105. The measurement of investments accounted for in accordance with Ind AS 39 is not changed in such circumstances.

38A An entity shall recognise a dividend from a subsidiary, jointly controlled entity or associate in profit or loss in its separate financial statements when its right to receive the dividend is established.

38B When a parent reorganises the structure of its group by establishing a new entity as its parent in a manner that satisfies the following criteria:

(a) the new parent obtains control of the original parent by issuing equity instruments in exchange for existing equity instruments of the original parent;

(b) the assets and liabilities of the new group and the original group are the same immediately before and after the reorganisation; and

(c) the owners of the original parent before the reorganisation have the same absolute and relative interests in the net assets of the original group and the new group immediately before and after the reorganisation

and the new parent accounts for its investment in the original parent in accordance with paragraph 38(a) in its separate financial statements, the new parent shall measure cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation.

38C Similarly, an entity that is not a parent might establish a new entity as its parent in a manner that satisfies the criteria in paragraph 38B. The requirements in paragraph 38B apply equally to such reorganisations. In such cases, references to 'original parent' and 'original group' are to the 'original entity'.

39 This Standard does not mandate which entities produce separate financial statements available for public use. Paragraphs 38 and 40–43 are applied by an entity for preparing separate financial statements that comply with Indian Accounting Standards. The entity also produces consolidated financial statements available for public use as required by paragraph 9, unless exempted under law.

40 Investments in jointly controlled entities and associates that are accounted for in accordance with Ind AS 39 in the consolidated financial statements shall be accounted for in the same way in the investor's separate financial statements.

Disclosures

41 The following disclosures shall be made in consolidated financial statements:

(a) the nature of the relationship between the parent and a subsidiary when the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power;

(b) the reasons why the ownership, directly or indirectly through subsidiaries, of more than half of the voting or potential voting power of an investee does not constitute control;

(c) the end of the reporting period of the financial statements of a subsidiary when such financial statements are used to prepare consolidated financial statements and are as of a date or for a period that is different from that of the parent's financial statements, and the reason for using a different date or period;

(d) the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries

to transfer funds to the parent in the form of cash dividends or to repay loans or advances;
(e) a schedule that shows the effects of any changes in a parent's ownership interest in a subsidiary that do not result in a loss of control on the equity attributable to owners of the parent; and

(f) if control of a subsidiary is lost, the parent shall disclose the gain or loss, if any, recognised in accordance with paragraph 34, and:

(i) **the portion of that gain or loss attributable to recognising any investment retained in the former subsidiary at its fair value at the date when control is lost; and**

(ii) the line item(s) in the statement of profit and loss in which the gain or loss is recognised (if not presented separately in the statement of profit and loss).

42 [Refer to Appendix 1]

43 Separate financial statements of a parent, venturer with an interest in a jointly controlled entity or an investor in an associate shall disclose:

(a) the fact that the statements are separate financial statements;

(b) a list of significant investments in subsidiaries, jointly controlled entities and associates, including the name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held; and

(c) a description of the method used to account for the investments listed under (b);

and shall identify the financial statements prepared in accordance with paragraph 9 of this Standard (unless preparation of consolidated financial statements is exempt under law) or Ind AS 28 and Ind AS 31 to which they relate.

Appendix A

This Appendix is an integral part of Indian Accounting Standard (Ind AS) 27.

Consolidation—Special Purpose Entities

Issue

1 An entity may be created to accomplish a narrow and well-defined objective (e.g., to effect a lease, research and development activities or a securitisation of financial assets). Such a special purpose entity ('SPE') may take the form of a corporation, trust, partnership or unincorporated entity. SPEs often are created with legal arrangements that impose strict and sometimes permanent limits on the decision-making powers of their governing board, trustee or management over the operations of the SPE. Frequently, these provisions specify that the policy guiding the ongoing activities of the SPE cannot be modified, other than perhaps by its creator or sponsor (i.e., they operate on so-called 'autopilot').

2 The sponsor (or entity on whose behalf the SPE was created) frequently transfers assets to the SPE, obtains the right to use assets held by the SPE or performs services for the SPE, while other parties ('capital providers') may provide the funding to the SPE. An entity that engages in transactions with an SPE (frequently the creator or sponsor) may in substance control the SPE.

3 A beneficial interest in an SPE may, for example, take the form of a debt instrument, an equity instrument, a participation right, a residual interest or a lease. Some beneficial interests may simply provide the holder with a fixed or stated rate of return, while others give the holder rights or access to other future economic benefits of the SPE's activities. In most cases, the creator or sponsor (or the entity on whose behalf the SPE was created) retains a significant beneficial interest in the SPE's activities, even though it may own little or none of the SPE's equity.

4 Ind AS 27 requires the consolidation of entities that are controlled by the reporting entity. While the standard does not provide explicit guidance on the consolidation of SPEs, this Appendix does so.

5 The issue is under what circumstances an entity should consolidate an SPE.

6 This Appendix does not apply to post-employment benefit plans or other long-term employee benefit plans to which Ind AS 19 applies.

7 A transfer of assets from an entity to an SPE may qualify as a sale by that entity. Even if the transfer does qualify as a sale, the provisions of this Standard including this Appendix may mean that the entity should consolidate the SPE. This Appendix does not address the circumstances in which sale treatment should apply for the entity or the elimination of the consequences of such a sale upon consolidation.

Accounting Principles

8 An SPE shall be consolidated when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity.

9 In the context of an SPE, control may arise through the predetermination of the activities of the SPE (operating on 'autopilot') or otherwise. Paragraph 13 of this Standard indicates several circumstances which result in control even in cases where an entity owns one half or less of the voting power of another entity. Similarly, control may exist even in cases where an entity owns little or none of the SPE's equity. The application of the control concept requires, in each case, judgement in the context of all relevant factors.

10 In addition to the situations described in paragraph 13 of this Standard, the following circumstances, for example, may indicate a relationship in which an entity controls an SPE and consequently should consolidate the SPE (additional guidance is provided by way of indicators of control over an SPE given along with this Appendix):

(a) in substance, the activities of the SPE are being conducted on behalf of the entity according to its specific business needs so that the entity obtains benefits from the SPE's operation;

(b) in substance, the entity has the decision-making powers to obtain the majority of the benefits of the activities of the SPE or, by setting up an 'autopilot' mechanism, the entity has delegated these decision-making powers;

(c) in substance, the entity has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE; or

(d) in substance, the entity retains the majority of the residual or ownership risks related to the SPE or its assets in order to obtain benefits from its activities.

Indicators of control over an SPE

These indicators accompany, but are not part of, Appendix A.

The examples in paragraph 10 of Appendix A are intended to indicate types of circumstances that should be considered in evaluating a particular arrangement in light of the substance-over-form principle. The guidance provided in Appendix A and in these indicators of control over an SPE are not intended to be used as ‘a comprehensive checklist’ of conditions that must be met cumulatively in order to require consolidation of an SPE.

(a) Activities

The activities of the SPE, in substance, are being conducted on behalf of the reporting entity, which directly or indirectly created the SPE according to its specific business needs.

Examples are:

- the SPE is principally engaged in providing a source of long-term capital to an entity or funding to support an entity’s ongoing major or central operations; or

- the SPE provides a supply of goods or services that is consistent with an entity’s ongoing major or central operations which, without the existence of the SPE, would have to be provided by the entity itself.

Economic dependence of an entity on the reporting entity (such as relations of suppliers to a significant customer) does not, by itself, lead to control.

(b) *Decision-making*

The reporting entity, in substance, has the decision-making powers to control or to obtain control of the SPE or its assets, including certain decision-making powers coming into existence after the formation of the SPE. Such decision-making powers may have been delegated by establishing an ‘autopilot’ mechanism.

Examples are:

- power to unilaterally dissolve an SPE;
- power to change the SPE’s charter or bylaws; or
- power to veto proposed changes of the SPE’s charter or bylaws.

(c) *Benefits*

The reporting entity, in substance, has rights to obtain a majority of the benefits of the SPE’s activities through a statute, contract, agreement, or trust deed, or any other scheme, arrangement or device. Such rights to benefits in the SPE may be indicators of control when they are specified in favour of an entity that is engaged in transactions with an SPE and that entity stands to gain those benefits from the financial performance of the SPE.

Examples are:

- rights to a majority of any economic benefits distributed by an entity in the form of future net cash flows, earnings, net assets, or other economic benefits; or
- rights to majority residual interests in scheduled residual distributions or in a liquidation of the SPE

(d) *Risks*
An indication of control may be obtained by evaluating the risks of each party engaging in transactions with an SPE. Frequently, the reporting entity guarantees a return or credit protection directly or indirectly through the SPE to outside investors who provide substantially all of the capital to the SPE. As a result of the guarantee, the entity retains residual or ownership risks and the investors are, in substance, only lenders because their exposure to gains and losses is limited

Examples are:

- the capital providers do not have a significant interest in the underlying net assets of the SPE;
- the capital providers do not have rights to the future economic benefits of the SPE;
- the capital providers are not substantively exposed to the inherent risks of the underlying net assets or operations of the SPE; or
- in substance, the capital providers receive mainly consideration equivalent to a lender's return through a debt or equity interest.

Appendix B

References to matters contained in other Indian Accounting Standards

This Appendix is an integral part of Indian Accounting Standard (Ind AS) 27.

1. Appendix A, *Distribution of Non-cash Assets to Owners* contained in Ind AS 10 *Events after the Reporting Period* makes reference to this Standard also.

2. Appendix A, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds* contained in Ind AS 37 *Provisions, Contingent Liabilities and Contingent Assets* (makes reference to this Standard also.

Appendix C

Form of consolidated financial statements

(This Appendix is an integral part of Indian Accounting Standard 27)

GENERAL INSTURCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

GENERAL INSTRUCTIONS

1. This Appendix shall apply to companies, for preparation of Consolidated Financial Statements.

2. This Appendix sets out the minimum requirements for disclosure on the face of

   (a) the Consolidated Balance Sheet at the end of the period and a Consolidated Statement of Changes in Equity for the period as a part of the Consolidated Balance Sheet,

   (b) the Consolidated Statement of Profit and Loss for the period. (The term Consolidated 'Statement of Profit and Loss' has the same meaning as 'Consolidated Profit and Loss Account').

   (c) Notes

   (hereinafter referred to as "Consolidated Financial Statements" for the purpose of this Appendix).

   Line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the Consolidated Financial Statements when such presentation is relevant to an understanding of the Group's (i.e. the parent and its subsidiaries) financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with any law or under the Indian Accounting Standards.

3. Where compliance with the requirements of any law including Indian Accounting Standards as applicable to the companies require any change in treatment or disclosure including addition, amendment, substitution or deletion in the head/sub-head or any changes interse, in the consolidated financial statements or statements forming part thereof, the same shall be made and the requirements of this Appendix shall stand modified accordingly.

4. The disclosure requirements specified in Part I and Part II of this Appendix are in addition to and not in substitution of the disclosure requirements specified in the Indian Accounting Standards. Additional disclosures specified in the Indian 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 Consolidated Financial Statements. Similarly, all other disclosures as required by any law shall be made in the notes to accounts in addition to the requirements set out in this Appendix.

5. Notes to accounts shall contain information in addition to that presented in the Consolidated Financial Statements and shall provide where required (a) narrative descriptions or disaggregations of items recognized in those statements and (b) information about items that do not qualify for recognition in those statements.

   Each item on the face of the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss shall be cross-referenced to any related information in the notes to accounts. In preparing the Consolidated Financial Statements including the notes to accounts, 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.

6. Depending upon the turnover of the Group, the figures appearing in the Consolidated Financial Statements may be rounded off as below:

Turnover	**Rounding off**
(i) less than one hundred crore rupees	To the nearest hundreds, thousands, lakhs or millions, or decimals thereof.
(ii) one hundred crore rupees or more	To the nearest, lakhs, millions or crores, or decimals thereof.

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

7. Except in the case of the first Consolidated Financial Statements laid before the Company (after its incorporation) the corresponding amounts (comparatives) for the immediately preceding reporting period for all items shown in the Consolidated Financial Statements including notes shall also be given.

8. For the purpose of this Appendix, the terms used herein shall be as per the applicable Indian Accounting Standards.

PART I – CONSOLIDATED BALANCE SHEET

Name of the Group…………………….
Consolidated *Balance Sheet as at ………………………*

(Rupees in…………)

	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
	1		2	3

I. (1)	**EQUITY AND LIABILITIES** **Equity** ***Equity attributable to owners of the parent*** (a) Equity Share capital (b) Other Equity (i) Equity component of other financial instruments (ii) Retained Earnings (iii) Reserves 1.1 Reserves representing unrealised gains/losses 1.2 Other Reserves (iv) Money received against share warrants (v) Others ***Equity attributable to non-controlling Interests*** (a) Equity Share Capital (b) Other equity			
(2)	**Share application money pending allotment**			
(3)	**Non-current liabilities** (a) Financial Liabilities (i) Liability component of other financial instruments (ii) Long-term borrowings (iii) Others (b) Liabilities associated with group(s)of assets held for disposal (c) Long-term provisions (d) Deferred tax liabilities (Net) (e) Other non-current liabilities			
(4)	**Current liabilities** (a) Financial Liabilities (i) Short Term Borrowings (ii) Trade and other payables (ii) Others (b) Other current liabilities (c) Short-term provisions (d) Liabilities for Current Tax (Net)			
	TOTAL			

II.	**ASSETS**			
(1)	**Non-current assets** (a) Property, Plant and Equipment (b) Capital work-in-progress (c) Investment Property (d) Intangible Assets (i) Goodwill (ii) Other intangible assets (iii) Intangible assets under development (e) Biological Assets (f) Financial Assets (i) Non-current investments (ii) Long-term loans and advances (iii) Others (g) Deferred tax assets (net) (h) Other non-current assets			
(2)	**Current assets** (a) Inventories (b) Financial Assets (i) Current investments (ii) Trade and other receivables (iii) Cash and cash equivalents (iv) Short-term loans and advances (c) Non-current assets classified as held for sale (d) Assets for Current Tax (Net) (e) Other current assets			
	TOTAL			

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (presented as a part of Consolidated Balance Sheet)

Name of the Group…………………….

Consolidated Statement of Changes in Equity for the period ended ……………………

(Rupees in…………….)

a. Equity Share Capital

	Balance at the beginning of the reporting period Balance	Changes in equity share capital during the year	Balance at the end of the reporting period

Attributable to owners of the parent	xxx	xxx	xxx
Attributable to non-controlling interests	xxx	xxx	xxx
Total	xxx	xxx	xxx

b. Other Equity

	Balance at the beginning of the reporting period	Changes in accounting policy/prior period errors	Restated balance at the beginning of the reporting period	Dividends	Total Comprehensive Income for the year	Transfer to retained earnings	Any other change (to be specified)	Balance at the end of the reporting period
(i) Equity component of other financial instruments	xxx	-----	xxx	-----	----	----	xxx	xxx
(ii) Retained Earnings	xxx	xxx	xxx	(xxx)	xxx	xxx	xxx	xxx
(iii) Reserves								
1.1 ***Reserves representing unrealised gains/losses***								
Available for sale financial assets	xxx	-----	xxx	-----	xxx	----	xxx	xxx
Effective portion of Cash Flow Hedges	xxx	-----	xxx	-----	xxx	----	xxx	xxx
Re-valuation Surplus	xxx	-----	xxx	-----	xxx	(xxx)	xxx	xxx

Actuarial gains and losses in defined benefit plans	xxx	-----	xxx	-----	xxx	----	xxx	xxx
Exchange differences on translating the financial statements of a foreign operation	xxx	-----	xxx	-----	xxx	----	xxx	xxx
Others	xxx	----	xxx	-----	xxx	xxx	xxx	xxx
1.2 ***Other Reserves***								
(iii) Total Reserves	xxx	----	xxx	-----	xxx	xxx		
(iv) Money received against share warrants	xxx	-----	xxx	-----	----	----	xxx	xxx
(v) Others	xxx	Xxx	xxx	(xxx)	xxx	xxx	xxx	Xxx
Other equity attributable to parent	xxx	Xxx	xxx	(xxx)	xxx	xxx	xxx	Xxx
Other equity attributable to non-controlling interests	xxx	Xxx	xxx	(xxx)	xxx	xxx	xxx	Xxx
Total other equity	xxx	xxx	xxx	(xxx)	xxx	xxx	xxx	xxx

Notes

GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED BALANCE SHEET

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

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

All other assets shall be classified as non-current.

2. An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Where the normal operating cycle cannot be identified, it is assumed to have a duration of 12 months.

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

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

All other liabilities shall be classified as non-current.

4. 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.

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

6. The following shall be disclosed in the notes to accounts:

A. Equity Share Capital

for each class of equity share capital pertaining to the owners of the parent and the non-controlling interests, wherever applicable:

(a) the number and amount of shares authorised;
(b) the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;
(c) par value per share;
(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;

(f) shares held by each shareholder holding more than 5 percent shares specifying the number of shares held;
(g) shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts;
(h) For the period of five years immediately preceding the date as at which the Consolidated Balance Sheet is prepared:

- Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares.
- Aggregate number and class of shares bought back.

(i) Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date.

(j) Calls unpaid (showing aggregate value of calls unpaid by directors and officers)

(k) Forfeited shares (amount originally paid up)

B. Other Equity

(i) Reserves under Óther Equity’ shall be sub-classified as-
1.1 Reserves representing unrealised gains/losses (Details to be given in the Consolidated Statement of Changes in Equity)

1.2 Other Reserves

(ii) 'Other Reserves' shall be classified in the notes as:
  (a) Capital Reserves;
  (b) Capital Redemption Reserve;
  (c) Securities Premium Reserve;
  (d) Debenture Redemption Reserve;
  (e) Share Options Outstanding Account
  (f) Others – (specify the nature and purpose of each reserve and the amount in respect thereof);

  (Additions and deductions since last consolidated balance sheet to be shown under each of the specified heads)

(iii) Retained Earnings represents surplus i.e. balance of the relevant column in the Consolidated Statement of Changes in Equity.

(iv) A reserve specifically represented by earmarked investments shall be termed as a 'fund'.

(v) Debit balance of the Consolidated Statement of Profit and Loss shall be shown as a negative figure under the head 'retained earnings'. Similarly, the balance of 'Other Equity', after adjusting negative balance of retained earnings, if any, shall be shown under the head 'Other Equity' even if the resulting figure is in the negative.

(vi) Under the sub-head 'Other Equity', disclosure shall be made for the nature and amount of each item.

C. Long-Term Borrowings

(i) Long-term borrowings shall be classified as:

  (a) Bonds/debentures
  (b) Term loans
  - from banks.
  - from other parties.
  (c) Deferred payment liabilities.
  (d) Deposits.
  (e) Loans and advances from related parties.
  (f) Long term maturities of finance lease obligations
  (g) Other loans and advances (specify nature).

(ii) Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.

(iii) Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed.

(iv) Bonds/debentures (along with the rate of interest, and particulars of redemption or conversion, as the case may be) shall be stated in descending order of maturity or conversion, starting from farthest redemption or conversion date, as the case may be. Where bonds/debentures are redeemable by installments, the date of maturity for this purpose must be reckoned as the date on which the first installment becomes due.

(v) Particulars of any redeemed bonds/ debentures which the entity has power to reissue shall be disclosed.

(vi) Terms of repayment of term loans and other loans shall be stated.

(vii) Period and amount of continuing default as on the consolidated balance sheet date in repayment of loans/bonds/debentures and interest shall be specified separately in each case.

D. Other Long Term Liabilities:

Other long term liabilities shall be classified as:

(a) Trade payables
(b) Others

E. Long-term provisions

The amounts shall be classified as:

(a) Provision for employee benefits.
(b) Others (specify nature).

F. Short-term borrowings

(i) Short-term borrowings shall be classified as:

(a) Loans repayable on demand

- from banks.
- from other parties.

(b) Loans and advances from related parties.
(c) Deposits.
(d) Other loans and advances (specify nature).

(ii) Borrowings shall further be sub-classified as secured and unsecured. Nature of security shall be specified separately in each case.

(iii) Where loans have been guaranteed by directors or others, the aggregate amount of such loans under each head shall be disclosed.

(iv) Period and amount of default as on the consolidated balance sheet date in repayment of loans and interest, shall be specified separately in each case.

G. Other current liabilities

The amounts shall be classified as:

(a) Current maturities of long-term debt;
(b) Current maturities of finance lease obligations;
(c) Interest accrued but not due on borrowings;
(d) Interest accrued and due on borrowings;
(e) Income received in advance;
(f) Unpaid dividends
(g) Application money received for allotment of securities and due for refund and interest accrued thereon
(h) Unpaid matured deposits and interest accrued thereon
(i) Unpaid matured debentures and interest accrued thereon
(j) Other payables (specify nature);

H. Short-term provisions
The amounts shall be classified as:

(a) Provision for employee benefits.
(b) Others (specify nature).

I. Property, Plant and Equipment

(i) Classification shall be given as:
(a) Land.
(b) Buildings.
(c) Plant and Equipment.
(d) Furniture and Fixtures.
(e) Vehicles.
(f) Office equipment.
(g) Others (specify nature).

(ii) Assets under lease shall be separately specified under each class of asset.

(iii) A 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 and other adjustments and the related depreciation and impairment losses/reversals shall be disclosed separately.

J. Goodwill

A reconciliation of the gross and net carrying amount of goodwill at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments.

K. Other intangible assets

(i) Classification shall be given as:
- (a) Brands /trademarks.
- (b) Computer software.
- (c) Mastheads and publishing titles.
- (d) Mining rights.
- (e) Copyrights, and patents and other intellectual property rights, services and operating rights.
- (f) Recipes, formulae, models, designs and prototypes.
- (g) Licenses and franchise.
- (h) Others (specify nature).

(ii) A 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 and other adjustments and the related amortization and impairment losses/reversals shall be disclosed separately.

L. Non-current investments

(i) Non-current investments shall be classified as:

- (a) Investments in Equity Instruments;
- (b) Investments in Preference Shares;
- (c) Investments in Government or trust securities;
- (d) Investments in debentures or bonds;
- (e) Investments in Mutual Funds;
- (f) Investments in partnership firms;
- (g) Other non-current investments (specify nature)

(ii) Investments carried at other than at cost should be separately stated specifying the basis for valuation thereof.

(iii) The following shall also be disclosed:

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

M. Long-term loans and advances

(i) Long-term loans and advances shall be classified as:

(a) Capital Advances;
(b) Security Deposits;
(c) Loans and advances to related parties (giving details thereof);
(d) Other loans and advances (specify nature).

(ii) The above shall also be separately sub-classified as:

(a) Secured, considered good;
(b) Unsecured, considered good;
(c) Doubtful.

(iii) Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.

(iv) Loans and advances due by directors or other officers of the Group or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

N. Other non-current assets

Other non-current assets shall be classified as-

(i) Long Term Trade and Other Receivables (including trade receivables on deferred credit terms);

(ii) Others (specify nature);

(iii) Long term Trade and Other Receivables shall be sub-classified as:

(1)(a) Secured, considered good;
(b) Unsecured considered good;

(c) Doubtful;

(2) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately

(3) Debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

O. Current Investments

(i) Current investments shall be classified as:
- (a) Investments in Equity Instruments;
- (b) Investment in Preference Shares;
- (c) Investments in government or trust securities;
- (d) Investments in debentures or bonds;
- (e) Investments in Mutual Funds;
- (f) Investments in partnership firms
- (g) Other investments (specify nature).

(ii) The following shall also be disclosed

- (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.

P. Inventories

(i) Inventories shall be classified as:
- (a) Raw materials;
- (b) Work-in-progress;
- (c) Finished goods;
- (d) Stock-in-trade (in respect of goods acquired for trading);
- (e) Stores and spares;
- (f) Loose tools;
- (g) Others (specify nature).

(ii) Goods-in-transit shall be disclosed under the relevant sub-head of inventories.

(iii) Mode of valuation shall be stated.

Q. Trade and Other Receivables

(i) Aggregate amount of Trade and Other Receivables outstanding for a period exceeding six months from the date they are due for payment should be separately stated.

(ii) Trade and Other Receivables shall be sub-classified as:
(a) Secured, considered good;
(b) Unsecured considered good;
(c) Doubtful.

(iii) Allowance for bad and doubtful debts shall be disclosed under the relevant heads separately.

(iv) Debts due by directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member should be separately stated.

R. Cash and cash equivalents

(i) Cash and cash equivalents shall be classified as:

(a) Balances with Banks;
(b) Cheques, drafts on hand;
(c) Cash on hand;
(d) Others (specify nature).

(ii) Earmarked balances with banks (for example, for unpaid dividend) shall be separately stated.

(iii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments shall be disclosed separately.

(iv) Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

(v) Bank deposits with more than 12 months maturity shall be disclosed separately.

S. Short-term loans and advances

(i) Short-term loans and advances shall be classified as:

(a) Loans and advances to related parties (giving details thereof);

(b) Others (specify nature).

(ii) The above shall also be sub-classified as:

(a) Secured, considered good;
(b) Unsecured, considered good;
(c) Doubtful.

(iii) Allowance for bad and doubtful loans and advances shall be disclosed under the relevant heads separately.

(iv) Loans and advances due by directors or other officers of the Group or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member shall be separately stated.

T. Other current assets (specify nature).

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

U. Contingent Liabilities and commitments
(to the extent not provided for)

(i) Contingent Liabilities shall be classified as:

(a) Claims against the Group not acknowledged as debt;

(b) Guarantees;

(c) Other money for which the Group is contingently liable

(ii) Commitments shall be classified as:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) Uncalled liability on shares and other investments partly paid;

(c) Other commitments (specify nature).

V. The amount of dividends proposed to be distributed to equity and preference shareholders for the period and the related amount per share shall be disclosed separately. Arrears of fixed cumulative dividends on irredeemable preference shares shall also be disclosed separately.

W. If any of the current assets do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact shall be stated.

7. When an accounting policy is applied retrospectively or items in the consolidated financial statements are restated or when items are reclassified in consolidated financial statements, a Consolidated Balance Sheet as at the beginning of the earliest comparative period from which the above adjustments are made shall be attached to the Consolidated Balance Sheet.

8. Share application money includes advances towards allotment of share capital. The terms and conditions including the number of shares proposed to be issued, the amount of premium, if any, and the period before which shares shall be allotted shall be disclosed. It shall also be disclosed whether the company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money. Further, the period for which the share application money has been pending beyond the period for allotment as mentioned in the prospectus or the document inviting application for shares along with the reason for such share application money being pending shall be disclosed.
Share application money not exceeding the issued capital and to the extent not refundable shall be shown under the head Equity and share application money to the extent refundable i.e., the amount in excess of subscription or in case the requirements of minimum subscription are not met, shall be separately shown under 'Óther current liabilities'.

9. Preference shares shall be classified and presented as 'Equity' or 'Liability' in accordance with the requirements of the relevant Indian Accounting Standards. Accordingly, the disclosure and presentation requirements in this regard applicable to the relevant class of equity or liability shall be applicable *mutatis mutandis* to the preference shares. For instance, redeemable preference shares shall be classified and presented under 'liabilities' as 'long term borrowings' and the disclosure requirements in this regard applicable to such borrowings shall be applicable *mutatis mutandis* to redeemable preference shares.

10. Compound financial instruments such as convertible debentures, where split into equity and liability components, as per the requirements of the relevant Indian Accounting Standards, shall be classified and presented under the relevant heads in 'Equity and 'Liabilities'

11. Consolidated Statement of Changes in Equity shall be a part of the Consolidated Balance Sheet and shall be as per the format specified herein.

PART II – CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Name of the Group…………………….
Consolidated Statement of Profit and Loss for the period ended ………………………

(Rupees in…………)

	Particulars	Note No.		Figures for the current reporting period		Figures for the previous reporting period
I.	Revenue From Operations			xxx		xxx
	Other Income			Xxx		xxx
	Total Revenue (I)			xxx		Xxx
II.-	**EXPENSES** Cost of materials consumed			xxx		xxx
	Purchases of Stock-in-Trade			xxx		Xxx
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress			xxx		Xxx
	Employee benefits expense			xxx		xxx
	Finance costs			xxx		Xxx
	Depreciation and amortization expense			xxx		Xxx
	Other expenses			xxx		xxx
	Total expenses (II)			xxx		xxx
III.	Profit before exceptional items and tax (I-II)			xxx		xxx
IV.	Exceptional Items			xxx		xxx
V.	Profit/(loss) before tax (III-IV)			xxx		xxx
VI.	Tax expense: (1) Current tax (2) Deferred tax		xxx xxx xxx	xxx	xxx xxx xxx	Xxx
VII.	Profit (Loss) for the period from continuing operations (V-VI)			xxx		Xxx
VIII.	Profit/(loss) from discontinued operations			xxx		Xxx
IX.	Tax expense of discontinued operations			xxx		Xxx

X.	Profit/(loss) from Discontinued operations (after tax) (VIII-IX)			xxx		Xxx
XI.	Profit/(loss) for the period attributable to (VII+ X) (a) Owners of the parent (b) Non-controlling Interests		 xxx xxx	 xxx	 xxx xxx	 xxx
XII.	Other Comprehensive Income attributable to (a) Owners of the parent (b) Non-controlling Interests		 xxx xxx	 xxx	 xxx xxx	 xxx
XIII.	Total Comprehensive Income for the period (XI + XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period) attributable to (a) Owners of the parent (b) Non-controlling Interests		xxx xxx	 xxx	xxx xxx	xxx
XIV.	Total comprehensive income as adjusted by the prior period errors and changes in accounting policies which have been applied retrospectively as per the requirements of the relevant Indian Accounting Standards			xxx		
XV.	Earnings per equity share (for continuing operation): (1) Basic (2) Diluted			 xxx xxx		 xxx xxx
XVI.	Earnings per equity share (for discontinued operation): (1) Basic (2) Diluted			 xxx xxx		 xxx xxx
XVII.	Earnings per equity share(for discontinued & continuing operations) (1) Basic (2) Diluted			 xxx xxx		 xxx xxx

See accompanying notes to the consolidated financial statements

Notes

GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

1. The provisions of this Part shall apply to the consolidated income and expenditure account, in like manner as they apply to a Consolidated Statement of Profit and Loss.

2. The Consolidated Statement of Profit and Loss shall include:
(1) Profit or loss for the period;
(2) Other Comprehensive Income for the period.
The sum of (1) and (2) above is 'Total Comprehensive Income'.

3. (A) In respect of business other than financing business, revenue from operations shall disclose separately in the notes revenue from
(a) sale of products;
(b) sale of services;
(c) other operating revenues;
Less:
(d) Excise duty.

(B) In respect of financing business, revenue from operations shall include revenue from
(a) Interest; and
(b) Other financial services

Revenue under each of the above heads shall be disclosed separately by way of notes to accounts to the extent applicable.

4 Finance Costs
Finance costs shall be classified as:
(a) Interest;
(b) Dividend on redeemable preference shares
(c) Applicable net gain/loss on foreign currency transactions and translation.
(d) Other borrowing costs (specify nature);

5 Other income
Other income shall be classified as:
(a) Interest Income (in case of a company other than a finance company);
(b) Dividend Income
(c) Other non-operating income (net of expenses directly attributable to such income).

6. Other Comprehensive Income shall be classified into

(i) Changes in revaluation surplus
(ii) Gains and losses on re-measuring available–for–sale financial assets
(iii) The effective portion of gains and loss on hedging instruments in a cash flow
Hedge
(iv) Actuarial gains and losses on defined benefit plans
(v) Exchange differences in translating the financial statements of a foreign operation
(vi) Others (specifying nature)

7. Reclassification adjustments of Other Comprehensive Income in the Consolidated Statement of Profit and Loss

(a) A reclassification adjustment shall be included with the related component of Other Comprehensive Income in the period that the adjustment is classified to profit or loss;

(b) The amount of income tax relating to each component of Other Comprehensive Income, including reclassification adjustments, shall be disclosed.

8. Additional Information

Disclosures shall be made by way of notes, additional information 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) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP), (iv) staff welfare expenses].
(b) Depreciation and amortization expense;
(c) Any item of expenditure which exceeds one per cent of the revenue from operations or Rs.10,00,000, whichever is higher;
(d) Interest Income;
(e) Interest Expense;
(f) Dividend income
(g) Net gain/loss on sale of investments;
(h) Adjustments to the carrying amount of investments;
(i) Net gain/loss on foreign currency translation and translation (other than considered as finance cost);
(j) Payments to the auditor as (a) auditor, (b) for taxation matters, (c) for company law matters, (d) for management services, (e) for other services, (f) for reimbursement of expenses;
(k) Details of items of exceptional nature;

(ii) (a) In the case of manufacturing operations of the Group,-
(1) Raw materials under broad heads.

(2) goods purchased under broad heads.

(b) In the case of trading operations of the Group, purchases in respect of goods traded in by the Group under broad heads.

(c) In the case of operation of rendering or supplying services, gross income derived form services rendered or supplied under broad heads.

(d) In the case of a Group, which carries on more than one of the operations mentioned in (a), (b) and (c) above, it shall be sufficient compliance with the requirements herein if purchases, sales and consumption of raw material and the gross income from services rendered is shown under broad heads.

(e) In the case of others, gross income derived under broad heads.

(iii) In the case of all concerns having work in progress, work-in-progress under broad heads.

(iv) (a) The aggregate, if material, of any amounts set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment known to exist at the date as to which the consolidated balance-sheet is made up.

(b) The aggregate, if material, of any amounts withdrawn from such reserves.

(v) (a) The aggregate, if material, of the amounts set aside to provisions made for meeting specific liabilities, contingencies or commitments.

(b) The aggregate, if material, of the amounts withdrawn from such provisions, as no longer required.

(vi) 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.
(g) Insurance .
(h) Rates and taxes, excluding, taxes on income.
(i) Miscellaneous expenses:

The following shall be disclosed by way of additional information:

Name of the entity in the Group	**Net Assets, i.e., total assets minus total liabilities**		**Share in profit or loss**		**Share in other comprehensive income**		**Share in total comprehensive income**	
	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								

Subsidiaries Indian 1. 2. 3. . . Foreign 1. 2. 3. . . Non-controlling Interests in all subsidiaries Associates (Investment as per the equity method) Indian 1. 2. 3. . . Foreign 1. 2. 3. . . Joint Ventures(as per proportionate consolidation/investment as per the equity method) Indian 1. 2. 3.								

. . Foreign 1. 2. 3. . .								
Total								

1. All subsidiaries, associates and joint ventures (whether Indian or foreign) will be covered under consolidated financial statements.
2. List of subsidiaries or associates or joint ventures which have not been consolidated in the consolidated financial statements along with the reasons of not consolidating shall be disclosed.

Appendix 1

Comparison with IAS 27, *Consolidated and Separate Financial Statements* and SIC 12, *Consolidation—Special Purpose Entities*

Note: This Appendix is not a part of the Indian Accounting Standard. The purpose of this Appendix is only to bring out the differences between Indian Accounting Standard (Ind AS) 27 and the corresponding International Accounting Standard (IAS) 27, Consolidated and Separate Financial Statements and SIC 12, *Consolidation—Special Purpose Entities.*

1. Paragraphs 8, 10 and 42 have been deleted and paragraphs 9, 11, 39 and 43 have been modified as the applicability or exemptions to the Indian Accounting Standards is governed by the Companies Act and the Rules made thereunder. However, paragraph numbers 8, 10 and 42 have been retained in Ind AS 27 to maintain consistency with paragraph numbers of IAS 27.

2 The transitional provisions given in IAS 27 have not been given in Ind AS 27, since all transitional provisions related to Ind ASs, wherever considered appropriate have been included in Ind AS 101, *First-time Adoption of Indian Accounting Standards* corresponding to IFRS 1, *First-time Adoption of International Financial Reporting Standards*.

3 A sentence has been added in paragraph 9 requiring that for companies the form of consolidated financial statements as given in Appendix C to this standard shall be applied to the extent circumstances admit.

4 Different terminology is used, as used in existing laws e.g., the term ‘balance sheet’ is used instead of ‘Statement of financial position’ and ‘Statement of profit and loss’ is used instead of ‘Statement of comprehensive income’.