Tally Prime

SIRC OF ICAI

Financial Statements for Non-corporate entities

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Agenda

1. Objective and scope of guidance note
2. Traditional Reports vs ICAI's NCE Format
3. Scope of FS for NCEs add-on Excel tool
4. NCEs add-on Excel tool Walkthrough
5. How to get FS for NCEs add-on Excel tool
6. FS for NCEs add-on Excel tool benefits

Objective and scope of guidance note

What is FS for NCEs?

June’22



ICAI had issued the technical guide on Financial Statements of Non-corporate Entities

Objective

- Applicability of accounting standards
- Recommended formats for financial statements

August’23



ICAI had issued the guidance note on Financial Statements of Non-corporate Entities

Objective

- Preparation and standardization of financial statements
- Improved quality and completeness of financial reporting

April’24



Guidance note **becomes effective** and supersedes the technical guide issued earlier

What is NCE and Financial Statements



Not considered as Non-corporate entities

- Companies incorporated under companies act
- Limited Liability Partnerships under LLP act



Considered as Non-corporate entities

- **Sole proprietorships firms**
- **Partnership firms**
- **Hindu Undivided Family**
- Association of persons (BOI, RWA)
- Societies
- Trusts
- Corporations
- Autonomous Bodies
- Authorities



Financial Statements for Non –corporate entities

- Balance Sheet
- Profit & Loss
- Cash flow statement (non-mandatory)
- Notes to accounts (break-ups)

Traditional Financial Statements vs NCE Format

Traditional Balance Sheet vs Balance Sheet as per NCE FS Format

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Traditional Format

ABC Corporation
Balance sheet
March 31, 2023

Assets	Amount	Liabilities	Amount
Current Assets		**Current Liabilities**	
Cash and Cash Equivalent	2500	Short Term Loans Payable	8500
Short Term Investments	10000	Current portion of long term debt	15000
Accounts receivable-net	31000	Accounts Payable	20900
Other receivables	1200	Accrued compensation and benefits	5000
Inventory	43000	Income taxes payable	6500
Supplies	9800	Other accrued liabilities	4000
Prepaid expenses	1500	Deferred revenues	1100
Total current assets	**89000**	**Total Current Liabilities**	**61000**
Investments	**36000**	**Long Term Liabilities**	
		Notes Payable	75000
Property plants and equipments		Bonds Payable	320000
Land	5500	Deferred Income taxes	25000
Land Improvements	6500	**Total Long Term Liabilities**	**420000**
Buildings	180000		
Equipment	201000		
Less: accumulated depreciation	56000	**Stockholders Equity**	
Total Property Plants and Equipments	**337000**	Common Stock	50000
		Retained earnings	250000
		Accum other comprehensive income	9000
Intangible Assets		Less: Treasury Stock	20000
Goodwill	105000	**Total Stockholders Equity**	**289000**
Other tangible assets	200000		
Total Intangible Assets	**305000**		
Other assets	**3000**		
Total Assets	**770000**	**Total Liabilities**	**770000**

ICAI Format

XYZ Enterprises

Balance Sheet as at 31st March 2023 *(Amounts in Rs)*

		Particulars	Note No	31-03-2023	31-03-2022
I		**EQUITY AND LIABILITIES**			
	1	**Owners' Funds**			
	a	Owners' Capital Account	3	-	-
	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			
		-Dues of MSME	6	-	-
		-Dues of others	6	-	-
	c	Other current liabilities	7	-	
	d	Short-term provisions			
			Total	-	
II		**ASSETS**			
	1	**Non-current assets**			
	a	Property, Plant and Equipment and Intangible Assets			
		i.Property, Plant and Equipment	11(a)	-	-
		ii. Intangible assets	11(b)	-	-
		iii. Capital work in progress	11(c)	-	-
		iv. Intangible asset under development	11(d)	-	-
	b	Non-current investments	12-A	-	-
	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	-	-
	b	Inventories	15	-	-
	c	Trade receivables	16	-	-
	d	Cash and bank balances	17	-	-
	e	Short Term Loans and Advances	13	-	-
	f	Other current assets	14	-	-
			Total	-	-
		Summary of significant accounting policies			
		The accompanying notes are an integral part of the financial statements			

Traditional Profit & Loss Account vs Statement of P & L as per NCE Format

Traditional Format

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Profit & Loss A/c

1-Apr-20 to 31-Mar-21

Particulars	1-Apr-20 to 31-Mar-21		Particulars	1-Apr-20 to 31-Mar-21	
Opening Stock		10,000.00	**Sales Accounts**		21,500.00
Stock of Materials	*10,000.00*		*Sales*	*21,500.00*	
Purchase Accounts		14,200.00	**Indirect Incomes**		90.00
Purchase	*14,200.00*		*Cash Discount Earned*	*60.00*	
			Interest Earned	*30.00*	
Indirect Expenses		2,000.00			
Depreciation	*2,000.00*		Closing Stock		16,000.00
			Stock of Materials	*16,000.00*	
Nett Profit		*11,390.00*			
Total		37,590.00	**Total**		37,590.00

ICAI Format

ıe Non-Corporate Entity .....

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

(Amount in Rs.)

Particulars	Note	31 March 20XX	31 March 20XX
Revenue from operations	19	-	-
Other Income	20	-	-
Total Income (I+II)		-	-
Expenses:			
Cost of goods sold	21	-	-
Employee benefits expense	22	-	-
Finance costs	23	-	-
Depreciation and amortization expense	24	-	-
Other expenses	25	-	-
Total expenses		-	-
Profit/(loss) before exceptional and extraordinary items and tax (III-IV)		-	-
Exceptional items (specify nature & provide note/delete if none)		-	-
Profit/(loss) before extraordinary items and tax (V-VI)		-	-
Extraordinary Items (specify nature & provide note/delete if none)		-	-
Profit before tax (VII-VIII)		-	-
Tax expense:			
Current tax		-	-
Excess/ Short provision of tax relating to earlier years			
Deferred tax charge/ (benefit)	6	-	-
		-	-
Profit/(Loss) for the period from continuing operations (IX-X)		-	-
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
Profit/(Loss) for the year (XI+XIV)		-	-
The accompanying notes are an integral part of the financial statements			

Scope of FS for NCE add-on – Excel tool

Scope for Smart FS for NCE tool

FS for NCE add-on tool supports

- *Sole Proprietorships*
- *Partnerships*
- *HUFs*

Steps to use add-on excel tool

1. *Export financial data in XML*
2. *Import XML into the add-on tool*
3. *Mapping of Data*
4. *Additional details to Notes*
5. *Printing*

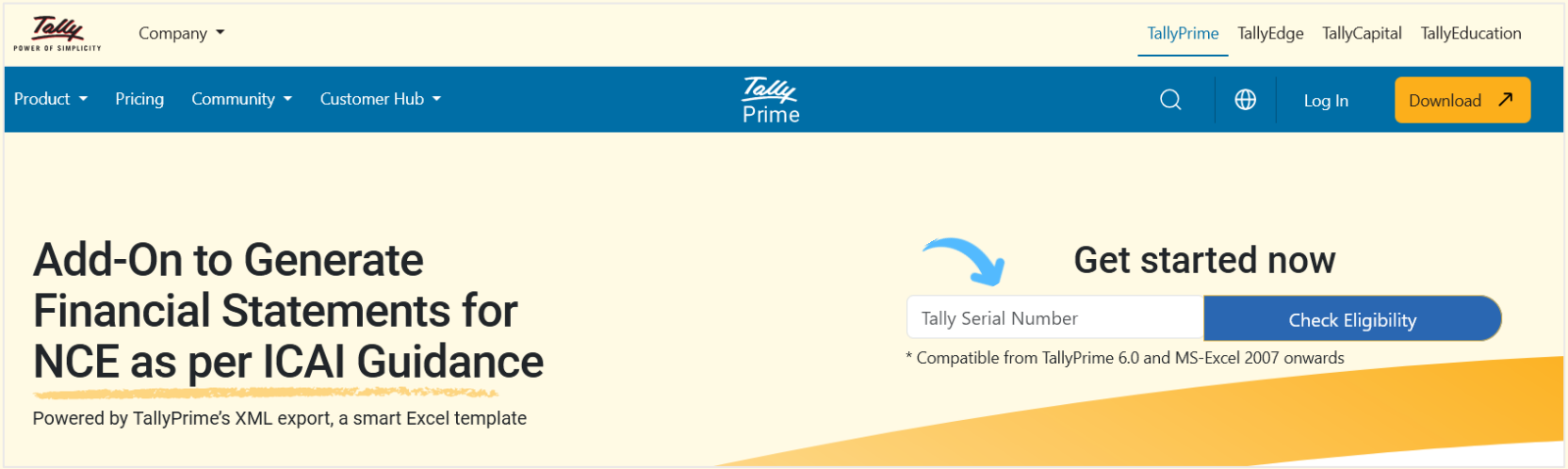
Sheets of add-on excel tool

1. *ReadMe*
2. *Index*
3. *Basic Info*
4. *Balance Sheet*
5. *P&L*
6. *Mapping Sheets*
   - *TB CY / PY*
   - *Stock CY / PY*
   - *Trade Receivable, Payable CY / PY*
7. *Notes to Accts 1 & 2*
8. *Notes to BS*
   - *Notes to BS 3 to 21*
9. *Notes to P&L*
   - *Notes to P&L 22 to 28*

How to register / enable FS for NCE tool

How to register / enable FS for NCE tool

The option to opt in for the 'FS for NCE Excel Tool' will be available on Tally Solutions' official website.



Steps to enable the add-on

1. Enter your serial number
2. Click on check eligibility
3. Enter the OTP received on admin ID
4. Add-on will be added automatically
5. Add-on will be downloaded in Tally folder

NCE add-on benefits to business and chartered accountants

Benefits for Businesses

Streamlining financial reporting for MSMEs with a smart, flexible, and cost-effective Excel-based solution.



No Manual Formatting

Auto-mapped statements reduce the time and effort spent building financials from scratch



Cost-Effective

Eliminate the need for multiple software tools or extensive training



Outside-the-Product Power

Excel-based model gives flexibility while still keeping data integrity intact



Empowering MSMEs

Majority of Tally users being MSMEs, this is designed exactly for their scale and needs

Benefits for Chartered Accountants

Enabling Chartered Accountants to work faster, serve more clients, and shift focus from compliance to value.



Ready-to-Use Mapping

60–70% of the Trial Balance is already mapped, saving hours of effort



Higher Client Capacity

Faster turnaround time means CAs can now handle more clients in less time



Strategic Uplift

With compliance work simplified, teams can focus on advisory and value-driven services



Built-in Trust

Being from Tally, the output is instantly credible with stakeholders, auditors and financial institutions

Other Tally Features

Other Tally Features

Tally Prime

- INVOICE MANAGEMENT SYSTEM
- EDIT LOG
- CONNECTED BANKING
- GST UPDATES

Frequently Asked Questions

FAQs

Can we import previous year (PY) figures through the Trial Balance Excel if the assessee was not using Tally in the previous year?

Yes. The TB details maintained in another Excel file can be copy-pasted into the PY TB sheet. Once mapping is completed, the financials will be generated accordingly.

Can we add additional ageing criteria for debtors, like 0–3 months, 3–6 months, and more than 6 months, as often requested by banks?

No. The ageing format follows the ICAI-prescribed format, and changes to this structure are not allowed.

If the Trial Balance was imported and classifications were done, but later major changes occur and TB is imported again, do we need to redo all classifications?

No. There is a feature to save the existing ledger mapping. After re-importing the updated TB, only the newly added ledgers need to be mapped.

FAQs

Can classifications be done in Tally to auto-generate Balance Sheet and P&L?

This is planned in our roadmap and will be available soon.

Can we add extra sheets for more details or workings?

Yes, additional sheets can be added for workings and detailed info.

How is the format managed when filtering out nil-value line items?

Nil-value items won't be printed; the layout and note numbers auto-adjust.

Can we use stock value from a valuation report instead of books?

Yes, update the stock value directly in the stock summary report.

FAQs

Is rounding off available?

Yes, the rounding option is in the “Basin Info” sheet.

If bill-to-bill is not enabled in Tally, how is the 6 months data handled?

Use closing balance and bifurcate manually into less/more than 6 months.

How can we digitally sign the document?

You can digitally sign the PDF after converting the file.

Does it work on AWS Cloud?

TPonAWS Cloud's LibreOffice doesn't support macro-enabled worksheets, but you can download the Excel add-on and export the XML to your local machine.

Thank you

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