

**CIRCULAR**

CIR/CFD/FAC/62/2016

July 05, 2016

To

**All Listed Entities**

**All Recognized Stock Exchanges**

Dear Sir / Madam,

**Sub: Revised Formats for Financial Results and Implementation of Ind-AS by Listed Entities**

1. SEBI vide Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015, has prescribed formats for publishing financial results.
2. SEBI, in consultation with the market participants viz. Listed Entities, Stock Exchanges and Members of the Institute of Chartered Accountants of India ('ICAI'), has now decided the following:

**Formats:**

2.1. The existing formats prescribed in SEBI Circular dated November 30, 2015 for Unaudited/Audited quarterly financial results i.e. Statement of Profit and Loss and the Unaudited/Audited Half-Yearly Balance Sheet to be submitted by the listed entities, with the stock exchanges, shall continue till the period ending December 31, 2016.

For the period ending on or after March 31, 2017, the formats for Unaudited/Audited quarterly financial results i.e. Statement of Profit and Loss and the Unaudited/Audited Half-Yearly Balance Sheet to be submitted by the Listed Entities, with the stock exchanges, shall be as per the formats for Balance Sheet and Statement of Profit and Loss (excluding notes and detailed sub-classification) as prescribed in Schedule III to the Companies Act, 2013. However, Banking Companies and Insurance Companies shall follow the formats as prescribed under the respective Acts/Regulations as specified by their Regulators.

2.2. Until Companies (Indian Accounting Standards) Rules, 2015 ('**Ind-AS Rules**') become applicable, the listed entities shall adopt Companies (Accounting Standards) Rules, 2006 ('**AS Rules**') as prescribed by the Ministry of Corporate Affairs ('**MCA**').

2.3. The Quarterly / Annual Segment Information published in compliance with the requirements as prescribed under Accounting Standard ('AS') 17/ Indian Accounting Standard ('Ind AS') 108 of the AS Rules/ Ind-AS Rules, as applicable, shall contain the following minimum information: -

- (a) Segment Revenue (including inter-segment revenue);
- (b) Segment Results;
- (c) Segment Assets;
- (d) Segment Liabilities.

Unallocated items, wherever applicable, shall be shown separately in respect of the above information. Aggregate inter-segment revenue shall be shown as a deduction from the segment revenue.

- 2.4. While publishing the aforementioned financial results, the listed entities shall disclose the figures relating to the periods as mentioned in the respective annexures to the circular dated November 30, 2015.
- 2.5. The financial results published in the newspapers, in terms of Regulation 47 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), shall be in the format as prescribed in **Annexure I** to the instant circular, which has now been slightly modified.

**Implementation of Ind-AS during the first year:**

2.6. As mentioned in para 5 of the circular dated November 30, 2015, the comparatives filed alongwith the quarterly / annual financial results are required to be Ind-AS compliant. However, in order to facilitate smooth transition during the first year of Ind-AS implementation, the following relaxations are being given to the listed entities to which Ind-AS Rules are applicable from the accounting period beginning on or after April, 1, 2016:

2.6.1. For the quarter ending June 30, 2016 and September 30, 2016:

- (i) The timeline for submitting the financial results in compliance with the provisions of this Circular is extended by one month. The results for the quarter ending June 30, 2016 and September 30, 2016 may be submitted by September 14, 2016 and December 14, 2016 respectively.
- (ii) For the quarter ending June 30, 2016, Ind-AS compliant financial results for the corresponding quarter ended June 30, 2015 shall be provided. For the quarter ending September 30, 2016, Ind-AS compliant financial results for the corresponding year to date / quarter ended September 30, 2015 shall be provided. However, in such cases, limited review or audit of the same is not mandatory.
- (iii) For the quarter ending June 30, 2016, submission of Ind-AS compliant financial results for the preceding quarter and previous year ended March 31, 2016 is not mandatory. For the quarter ending September 30, 2016, submission of Ind-AS

compliant financial results and Balance Sheet for the previous year ended March 31, 2016 is not mandatory. However, in case the entities intend to submit these results, the same may be without limited review or audit.

- (iv) In such cases, the listed entities shall disclose with due prominence that the Ind-AS compliant financial results, pertaining to the relevant periods of the previous year as mentioned in (ii) and (iii) above, as applicable, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- (v) The format of Balance Sheet for the Half-Yearly ended September 30, 2016 shall be as per the format for Balance Sheet (excluding notes and detailed sub-classifications) as prescribed in Schedule III to the Companies Act, 2013.

2.6.2. For the quarter ending December 31, 2016:

- (i) The submission of Ind-AS compliant financial results for the previous year ended March 31, 2016 is not mandatory.
- (ii) In case a listed entity chooses to provide Ind-AS comparatives for the period mentioned above to facilitate comparison, the same shall be subjected to limited review or audit.

2.6.3. For all the aforementioned three quarters, disclosure of the line item - Reserves(excluding Revaluation Reserves), as per Balance sheet of the previous accounting year ended March 31, 2016, as prescribed in the existing formats for quarterly financial results is not mandatory.

2.6.4. In case the listed entity has subsidiaries / Joint Ventures / Associates, the entity may exercise the option under Regulation 33(3)(b)(i) of the Listing Regulations to submit quarterly/year-to-date consolidated financial results in the second quarter instead of the first quarter of the financial year and this option shall not be changed during the remaining part of the financial year.

2.7. For listed entities to which Ind AS Rules are applicable in subsequent phases (beginning from the Financial Year 2017-18, 2018-19 and 2019-20), the relaxations as mentioned in para 2.6 above shall *mutatis-mutandis* apply during their corresponding first year of Ind-AS implementation.

**Clarifications on issues with regard to Ind-AS implementation:**

2.8. The listed entities in order to comply with the requirements of paragraph 32 of Ind AS 101 – First time Adoption of Ind AS, shall provide a reconciliation of its equity and net profit / loss, in the following manner, for enabling the investors to understand the material adjustments to the Balance Sheet and Statement of Profit and Loss on account of transition from the previous Indian GAAP to Ind-AS:

- (i) Reconciliation of its equity for the previous year ended March 31, 2016, shall be provided while submitting the Audited Yearly Balance Sheet for the period ended March 31, 2017.

Reconciliation of its equity for the previous year ended March 31, 2016, shall be provided in case the listed entity intends to provide the same while submitting the Unaudited/Audited Ind-AS compliant Half-Yearly Balance Sheet for the period ended September 30, 2016.

- (ii) Reconciliation of its net profit / loss as mentioned in the Unaudited/Audited quarterly financial results shall be provided only for the corresponding quarter of the previous year.

2.9. A listed entity may historically have a year-end other than 31st day of March, and may now be required to prepare financial statements for a period longer or shorter than the normal 12 month period for coinciding with 31st day of March as prescribed under Section 2 (41) of the Companies Act, 2013. In such cases, the Ind-AS financial statements for various periods beginning from April 01, 2016, shall have comparative information for a shorter or longer period i.e. beginning from a date other than 1st of April 2015. The listed entity, in such cases, shall disclose a suitable note, with due prominence, that comparative amounts presented in the Quarterly / Half-yearly / Year to date / Annual financial results are not entirely comparable.

2.10. In case of any technical difficulty in the interpretation of any specific item in the formats or implementation of this circular while publishing the financial results, the listed entities shall be guided by the relevant provisions of the Ind-AS Rules / AS Rules and Schedule III to the Companies Act, 2013 and may make suitable modifications, as applicable. The listed entities shall also provide suitable explanations and clarifications, wherever felt necessary.

3. This Circular shall come into force with immediate effect and the contents of the circular dated November 30, 2015, shall stand modified to the extent stated under this circular.

4. The stock exchanges are advised to bring the provisions of this circular to the notice of listed entities and also to disseminate the same on its website.

5. This Circular is being issued in exercise of powers conferred under Section 11 and Section 11A of the SEBI Act, 1992 read with Regulation 33, Regulation 47, Regulation 101(2) and Regulation 102 of the Listing Regulations.
6. This circular is available on SEBI website at <http://www.sebi.gov.in> under the category "Circulars".

Yours faithfully,

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