

Here are **five key modifications** that could be considered in **Ind AS 118** to address the expected difficulties faced by stakeholders:

1. Simplification of Disclosure Requirements

- Reduce the volume of required disclosures related to **management-defined performance measures (MPMs)** by allowing materiality-based exemptions.
- Instead of requiring all MPMs in a single note, allow their inclusion in relevant sections of financial statements for easier readability.

2. Flexibility in Expense Classification

- Allow entities to continue using **either nature or function-based classification**, without the additional requirement to disclose disaggregated amounts for depreciation, amortization, employee benefits, and impairment losses.
- Provide clear guidelines on when a **mixed presentation** (both nature and function) is acceptable.

3. More Transition Time and Implementation Support

- Considering the **structural changes in profit or loss presentation**, extend the transition period beyond April 1, 2027.
- Issue detailed **implementation guidance and industry-specific examples** to help companies adapt smoothly.

4. Optional Subtotals for Profit or Loss

- Make the presentation of "Profit or Loss Before Financing and Income Taxes" an **optional** subtotal rather than a mandatory one.
- Allow industry-specific modifications, especially for financial institutions where **investing and financing activities are intertwined**.

5. Alignment with IFRS 18 to Reduce Compliance Burden

- Ensure **consistency with IFRS 18** to avoid major reconciliation issues for multinational companies.
- Allow companies to present profit or loss in **either a single or two-statement approach**, as per IFRS 18, rather than mandating a single approach.