

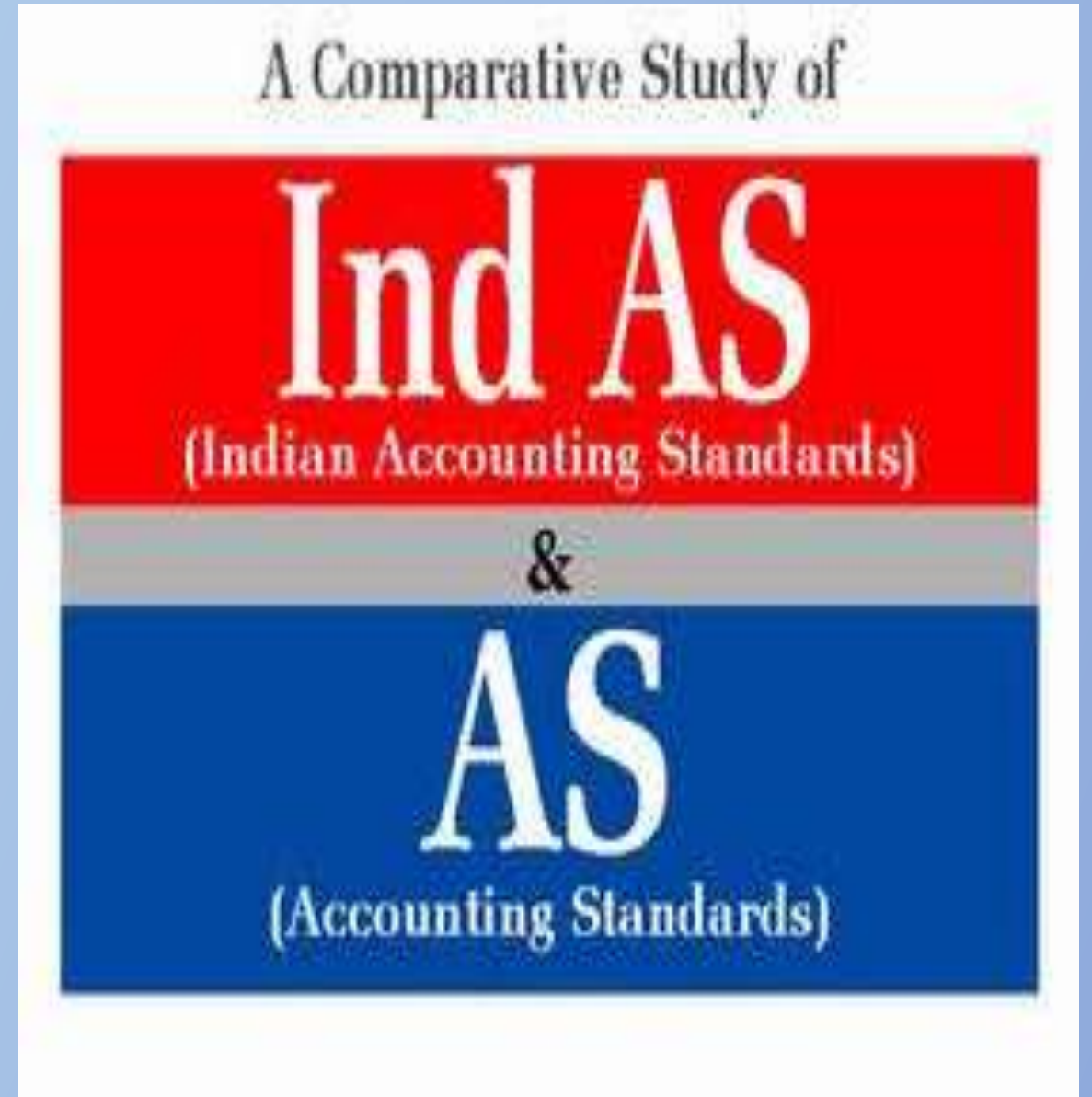
IND AS – IFRS



HOW IS INDIA MEETING GLOBAL REPORTING STANDARDS

Higher Emphasis on:

- Fair Value Accounting
- Substance Over Form
- Disclosure



IND AS 1

Presentation of Financial Statements

- Explicit statement in Financial Statements of compliance with all the IND AS.
- Provides criteria for classification
- Prohibits presentation of an item as extra-ordinary item
- Financial statements to include statement of changes in equity.

AS 1

Disclosure of Accounting Policies

- No such requirements.
- Such bifurcation is not required.
- No such prohibition
- No such requirement.

IND AS 10

Events occurring after the reporting period

- Material non-adjusting events are required to be disclosed in financial statements.
- Dividend proposed and declared after the reporting period is required to be disclosed in notes in financial statements.

AS 4

Contingencies and events occurring after the balance sheet date

- Requires the same to be disclosed in the report of approving authority.
- The same is required to be adjusted in financial statements

IND AS 12

Income taxes

- Based on balance sheet approach
- Current and deferred tax are recognized as income or an expense except to the extent they are recognized in OCI or in equity.
- The concept of virtual certainty doesn't exist on IND AS 12

AS 22

Taxes on Income

- Based on income statement approach
- Does not specifically deal with this aspect.
- Explains virtual certainty supported by convincing evidence

IND AS 16

Plant, Property and Equipment

- Lays down a criteria for recognition.
- Initial costs as well as subsequent costs are evaluated on the same recognition principles.
- Component approach.

AS 10 & AS 6

Accounting for Fixed Assets and Depreciation Accounting

- Doesn't lay down any specific recognition criteria.
- Subsequent expenditure is capitalized only if the previously assessed standards have exceeded.
- Doesn't specifically deal with this.

CARVE OUTS

- ✓IND AS 101, First time adoption of Indian Accounting Standards
- ✓IND AS 103, Business Combinations
- ✓IND AS 17, Leases
- ✓IND AS 32, Financial Instruments : Presentation
- ✓IND AS 40, Investment Property
- ✓IND AS 20, Accounting for Government Grants and Disclosure of Government Assistance
- ✓IND AS 27, Separate Financial Statements
- ✓IND AS 28, Investments in Associates and Joint Ventures
- ✓IND AS 1, Presentation of Financial Statements
- ✓IND AS 7, Statement of Cash Flows

IND AS 101, First time adoption of Indian Accounting Standards

- Principles of Recognition
- Principles of De-recognition
- Principles of Reclassification
- Measurement Principles

1. IND AS 101, First time adoption of Indian Accounting Standards – Carve outs

- Carrying values of PPE, Investment property and intangible assets at deemed costs
- Long term foreign currency monetary items
- Intangible assets arising from service concession arrangements

2. IND AS 1, Presentation of Financial Statements


- Classification of long term loan arrangements when there is a breach of material provisions

3. IND AS 17, Leases

- Accounting for an operating lease expense on a straight line basis where escalation represents general inflation

4. IND AS 20, Accounting for Government Grants and Disclosure of Government Assistance

- No option to present grants as a deduction from cost of assets

A hand is holding a white, drawstring-style sack. The word "GRANT" is printed in blue capital letters on the front of the sack. The background is a clear blue sky with some light clouds. The hand holding the sack is wearing a grey sleeve.

GRANT

5. IND AS 103, Business Combinations

- Business combinations of entities under common control - IND AS 103 (Appendix C).
- Recognition of gains on bargain purchases – paragraph 36 of IND AS 103 requires such gains to be recognised in other comprehensive income.

Thank

you

By,

Swathi PS

