



**INDIAN
ACCOUNTING
STANDARDS**



Indian Accounting Standards (Ind AS) are issued by Accounting Standard Board to converge Indian GAAP with International Financial Accounting Standards (IFRS). Their objective is to remove variations in the treatment of several accounting aspects and to bring about standardisation in presentation. On 2 January 2015, the Press Information Bureau, Government of India, Ministry of Corporate Affairs (MCA) issued a note outlining the various phases in which Indian Accounting Standards converged with IFRS (Ind AS) is proposed to be implemented in India, for Companies other than Banking Companies, Insurance Companies and NBFCs. Consequently, the companies will need to convert their accounts from Indian GAAP to IFRS.

Roadmap to implementation:

Financial year	Applicable to
2016-2017	Companies (listed and unlisted) whose net worth is equal to or greater than 500 crore INR
2017-2018	Unlisted companies whose net worth is equal to or greater than 250 crore INR and all listed companies
2018-2019 and onwards	When a company's net worth becomes greater than 250 crore INR
2015-2016 and later	Entities, not under the mandatory roadmap, may later voluntarily adopt Ind AS

Whenever a company gets covered under the roadmap, Ind AS becomes mandatory, its holding, subsidiary, associate and joint venture companies will also have to adopt Ind AS (irrespective of their net worth). Moreover, Ind AS will apply to both consolidated as well as standalone financial statements of a company. While overseas subsidiary, associate or joint venture companies are not required to prepare standalone financial statements under Ind AS, they will need to prepare Ind AS adjusted financial information to enable consolidation by the Indian parent. Presently, insurance companies, banking companies and nonbanking finance companies (NBFCs) are not required to apply Ind AS. The Ind AS rules are silent when these companies are subsidiaries, associates or joint ventures of a parent covered under the roadmap. It appears that these companies will need to report Ind AS adjusted financial information to enable consolidation by the parent. In case of conflict between Ind AS and the law, the provisions of law will prevail and financial statements are to be prepared in compliance with the law.

Principles of Ind AS

The entities' general purpose financial statements give information about performance, position and cash flow that is useful to a range of users in making financial decisions. These users include shareholders, creditors, employees and the general public.

A complete set of financial statements under Ind AS includes the following:

Balance sheet at the end of the period

Statement of profit and loss for the period

Statement of changes in equity for the period

Statement of cash flows for the period; notes, comprising a summary of significant accounting policies and other explanatory information

Comparative financial information in respect of the preceding period as specified

Balance sheet as at the beginning of the preceding period

When an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements having an impact on the balance sheet as at the beginning of the preceding period.

Difference between IFRS and Ind AS

India has chosen a path of International Financial Reporting Standards (IFRS) convergence rather than adoption. Hence, Ind AS are primarily based on the IFRS issued by the International Accounting Standards Board (IASB). However, there are certain carve-outs from the IFRS. There are also certain general differences between Ind AS and IFRS:

The transitional provisions given in each of the standards under IFRS have not been given in Ind AS, since all transitional provisions related to Ind AS, 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.

Different terminology is used in Ind AS when compared to IFRS, 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'.

List of Ind AS

Following is the list of Ind AS issued by Accounting Standard Board

1. Ind AS 101- Deals with First-time Adoption of Indian Accounting Standards
2. Ind AS 102- Deals with Share based Payment
3. Ind AS 103- Deals with Business Combinations
4. Ind AS 104- Deals with Insurance Contracts
5. Ind AS 105- Deals with Non-current Assets Held for Sale and Discontinued Operations
6. Ind AS 106- Deals with Exploration for and Evaluation of Mineral Resources
7. Ind AS 107- Deals with Financial Instruments: Disclosures
8. Ind AS 108- Deals with Operating Segments
9. Ind AS 1- Deals with Presentation of Financial Statements

10. Ind AS 2- Deals with Inventories
11. Ind AS 7- Deals with Statement of Cash Flows
12. Ind AS 8- Deals with Accounting Policies, Changes in Accounting Estimates and Errors
13. Ind AS 10- Deals with Events after the Reporting Period
14. Ind AS 11- Deals with Construction Contracts
15. Ind AS 12- Deals with Income Taxes
16. Ind AS 16- Deals with Property, Plant and Equipment
17. Ind AS 17- Deals with Leases
18. Ind AS 18- Deals with Revenue
19. Ind AS 19- Deals with Employee Benefits
20. Ind AS 20- Deals with Accounting for Government Grants and Disclosure of Government Assistance
21. Ind AS 21- Deals with The Effects of Changes in Foreign Exchange Rates
22. Ind AS 23- Deals with Borrowing Costs
23. Ind AS 24- Deals with Related Party Disclosures
24. Ind AS 27- Deals with Consolidated and Separate Financial Statements
25. Ind AS 28- Deals with Investments in Associates
26. Ind AS 29- Deals with Financial Reporting in Hyperinflationary Economies

27. Ind AS 31- Deals with Interests in Joint Ventures
28. Ind AS 32- Deals with Financial Instruments: Presentation
29. Ind AS 33- Deals with Earnings per Share
30. Ind AS 34- Deals with Interim Financial Reporting
31. Ind AS 36- Deals with Impairment of Assets
32. Ind AS 37- Deals with Provisions, Contingent Liabilities and Contingent Assets
33. Ind AS 38- Deals with Intangible Assets
34. Ind AS 39- Deals with Financial Instruments: Recognition and Measurement
35. Ind AS 40- Deals with Investment Property



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