

# Workshop on Indian Accounting Standards Converged with IFRS

**"First time adoption of IFRS-Latest Updates"**

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Hotel Park, New Delhi



**The Institute of Chartered Accountants of India**  
[set up under an Act of Parliament]

# INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 for the regulation of the profession of Chartered Accountants in India. During its more than six decades of existence, ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for its contribution in the fields of education, professional development, maintenance of high accounting, auditing and ethical standards. ICAI now is the second largest accounting body in the whole world.



The Institute of Chartered Accountants of India (ICAI) through its Accounting Standards Board (ASB) is formulating the Indian Accounting Standards converged with the IFRS. The need to have a uniform accounting language across the globe can never be overemphasized; worldwide there is a move to have common accounting language. Almost 120 countries such as countries of European Union, Australia and New Zealand currently require or permit the use of IFRSs in their countries. India has emerged as an economic superpower and is making rapid stride on the path of progress. The Indian economy which is poised to become one of the largest in the world has scripted an amazing story of stability and robust growth. In view of the benefits of convergence with IFRSs to the Indian economy, its investors, industry and the accounting professionals, the Ministry of Corporate Affairs, Government of India has also decided to implement the convergence with IFRS from the year 2011 in a phased manner.

The ICAI has undertaken the task of familiarizing its members, corporates and other stakeholders with such converged accounting standards. Being the directors of the company, you are the drivers of the growth path which your organization would be taking. ICAI through this workshop would like to introduce you to the nuances of first time adoption of IFRS.

## **Benefits of Convergence with IFRSs in Indian scenario**

- Saving in cost of capital for Indian entities raising capital abroad
- Saving in cost for such entities for not preparing separate set of financial statements
- Global opportunities for accounting professionals in India who can offer their services worldwide



Keeping in view the Indian conditions and circumstances, following major changes in the IFRS that result into carve-outs are being proposed in the corresponding Indian Accounting Standards being formulated to converge with IFRS.



### **Revenue Recognition in case of Real Estate Developers (IFRIC 15)**

It is proposed not to issue requirements corresponding to IFRIC 15 and to scope out the agreements for construction of real estate from AS 9 (Revised) corresponding to IAS 18 and to include the same in AS 7, Construction Contracts.

### **Accounting for Bargain Purchase (IFRS 3)**

IFRS 3 requires recognition of gain on bargain purchase (i.e. excess of value of net assets acquired over purchase consideration) in a business combination in profit or loss. It is proposed that such gain on bargain purchase should be recognised in capital reserve.

### **Use of uniform accounting policies in accounting for Investments in Associates AS 23 (Corresponding to IAS 28)**

IAS 28 requires preparation of investor's financial statements using uniform accounting policies. As the investor may not be able to influence the associate to change its accounting policies, it is proposed in the revised AS 23 that use of uniform accounting policies would be required 'unless impracticable to do so'.

### **Further issues to be discussed regarding important decisions relating to :**

- Recognition of gain on deterioration of own credit risk under AS 30, Financial Instruments: Recognition and Measurement (corresponding to IAS 39)
- Difference in reporting period of the associate and the investor in accounting for Investment in Associates, AS 23 (R) (corresponding to IAS 28)
- Accounting for Foreign Currency Convertible Bonds (FCCBs) AS 31, Financial Instruments: Presentation (corresponding to IAS 32)
- First-time Adoption of Indian Accounting Standards (Ind-AS) 41 (corresponding to IFRS 1)
  - Presentation of Comparatives
  - Cost of Property, Plant and Equipment on the Date of Transition
  - Cost of Non-current Assets Held for Sale and Discontinued Operations



- ★ **An exclusive opportunity to interact with standard setters and policy makers.**
- ★ **Learn about the latest developments in the Indian perspective from the top notch experts.**
- ★ **Understand implementation of Ind AS to seek industry specific solutions.**
- ★ **Limited seats to ensure focussed interaction with industry leaders.**



**"Please Rush Your Registration Form As Seats Are Limited"**

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**The Institute of Chartered Accountants of India**

**[set up under an Act of Parliament]**

**ICAI BHAWAN, I.P. Marg, New Delhi – 110 002**