

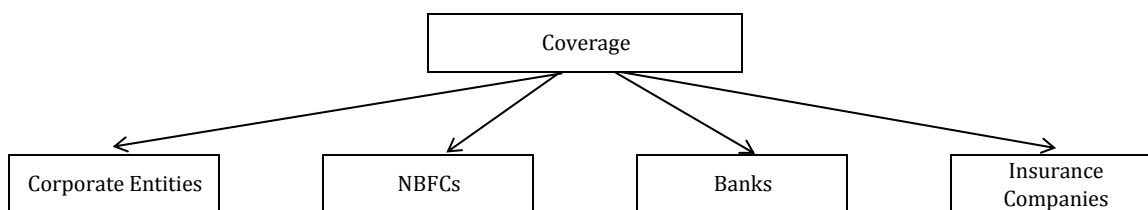
## Ind AS

As we have already obtained the understanding of the environment of Accounting, it is important for us to discuss developments related to accounting in India. Therefore we move on to understanding Ind AS and applicability thereof.

The Ministry of Corporate Affairs (MCA), in 2015, had notified the Companies (Indian Accounting Standards (IND AS)) Rules 2015, which stipulated the adoption and applicability of IND AS in a phased manner beginning from the Accounting period 2016-17. The MCA has since issued three Amendment Rules, one each in year 2016, 2017, and 2018 to amend the 2015 rules.

The IND AS are basically standards that have been harmonized with the IFRS to make reporting by Indian companies more globally accessible. Since Indian companies have a far wider global reach now as compared to earlier, the need to converge reporting standards with international standards was felt, which has led to the introduction of IND AS.

### Let's understand the applicability of Ind AS



*It means Ind AS are not applicable to Non Corporate Entities (Partnership Firms, Individuals, Trust, Co-operative societies)*

**MCA has notified a phase-wise convergence to IND AS from current accounting standards. IND AS shall be adopted by specific classes of companies based on their Net worth and listing status.**

<b>1. Application on Companies</b>		
Phase I	Voluntary application from 01-04-2015	Comparative Financial statements of FY 2014-15 should also be given
Phase II	Mandatory application from 01-04-2016	For, i) Listed Companies, whether Listed in India or outside India, having Net Worth not less than Rs 500 Crore ii) Unlisted Companies having Net Worth not less than Rs 500 Crore iii) Holding, Subsidiary, Associate or joint Venture of the above.
Phase III	Mandatory application from 01-04-2017	For, i) Listed Companies other than covered above ii) Unlisted Companies having Net Worth not less than Rs 250 Crore but up to Rs 500 Crore iii) Holding, Subsidiary, Associate or joint Venture of the above.
<i>What if a company is listed on SME Exchange?</i>		<b>Ind AS not applicable</b>
<i>What if a company voluntarily applied for 2015-16 although no mandatory requirement, and changed mind in 2016-17 not to apply?</i>		Once applicable, <b>always</b> applicable
<i>What if Holding Company is Indian Company and Subsidiary is a Foreign Company?</i>		Standalone Financial Statements would be in accordance with respective GAAPs but the Consolidated Financial Statement will be prepared in accordance with Ind AS.

## 2. Application on NBFCs

Phase I	Mandatory Application from 01-04-2018	For, i) Listed NBFCs, whether Listed in India or outside India, having Net Worth not less than Rs 500 Crore ii) Unlisted NBFCs having Net Worth not less than Rs 500 Crore iii) Holding, Subsidiary, Associate or joint Venture of the above.
Phase II	Mandatory Application from 01-04-2019	For, i) Listed NBFCs other than covered above ii) Unlisted NBFCs having Net Worth not less than Rs 250 Crore but up to Rs 500 Crore iii) Holding, Subsidiary, Associate or joint Venture of the above.

What if an NBFC want to voluntarily adopt Ind AS?	<b>Not allowed.</b>
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## 3. Application on Banking Companies

Mandatory application w.e.f. 01-04-2018	For <b>ALL</b> Commercial banks, with comparative Financial Statements of previous financial year.
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What if Bank is Regional Rural Bank or Co-operative bank?	Ind AS not applicable
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## 4. Application on Insurance Companies

Mandatory application w.e.f. 01-04-2020
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Yet we are about to understand the recurring term NET WORTH.

Our layman understanding will prevail mutatis-mutandis.

### Calculation of Net worth for the purpose of Applicability

Particulars	Rs
Paid up Capital	XXXX
All reserves created out of Profits (Except Revaluation reserve and Amalgamation reserve)	XXXX
Security Premium	XXXX
(-) Accumulated Losses	(XXXX)
(-) Deffered Revenue Expenditure	(XXXX)
<b>Net Worth</b>	<b>XXXX</b>

Since we've been through the applicability, it's time now to refer the list of notified Ind AS.

Ind AS	Description
Ind AS 101	First-time Adoption of Indian Accounting Standards
Ind AS 102	Share-based Payment
Ind AS 103	Business Combinations
Ind AS 104	Insurance Contracts
Ind AS 105	Non-current Assets Held for Sale and Discontinued Operations
Ind AS 106	Exploration for and Evaluation of Mineral Resources
Ind AS 107	Financial Instruments: Disclosures
Ind AS 108	Operating Segments
Ind AS 109	Financial Instruments
Ind AS 110	Consolidated Financial Statements
Ind AS 111	Joint Arrangements
Ind AS 112	Disclosure of Interests in Other Entities
Ind AS 113	Fair Value Measurement
Ind AS 114	Regulatory Deferral Accounts
Ind AS 115	Revenue from Contracts with Customers
Ind AS 116	Leases

Ind AS 1	Presentation of Financial Statements
Ind AS 2	Inventories
Ind AS 7	Statement of Cash Flows
Ind AS 8	Accounting Policies, Changes in Accounting Estimates and Errors
Ind AS 10	Events after the Reporting Period
Ind AS 12	Income Taxes
Ind AS 16	Property, Plant and Equipment
Ind AS 19	Employee Benefits
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance
Ind AS 21	The Effects of Changes in Foreign Exchange Rates
Ind AS 23	Borrowing Costs
Ind AS 24	Related Party Disclosures
Ind AS 27	Separate Financial Statements
Ind AS 28	Investments in Associates and Joint Ventures
Ind AS 29	Financial Reporting in Hyperinflationary Economies
Ind AS 32	Financial Instruments: Presentation
Ind AS 33	Earnings per Share
Ind AS 34	Interim Financial Reporting
Ind AS 36	Impairment of Assets
Ind AS 37	Provisions, Contingent Liabilities and Contingent Assets
Ind AS 38	Intangible Assets
Ind AS 40	Investment Property
Ind AS 41	Agriculture