## Corporate Reporting

B.Com. Hons. in Accounting Semester-VI

Course Code: BCOMHACCC601, Course: CC-13

## Notes on Ind AS

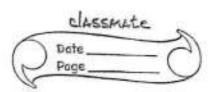
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## Ind. AS 108 (operating Segments) In today's global economy, most entities preoduce and market or voviety of product and survices and also operate in man, geographical areas of the world. Each of the products and geographical wear are naturally subject to different rales of profitability, risk and oppositunities and so on. It is . therefore, necessary to do segment reporting to be aware of the rustes and petiven involved in each geographical awar and for each product. This information will enable to make appropriate decisions regarding the utilisator of entity's revenue. This Ind As deals with providing segments information and to establish principles for reporting financial information by segment ( segment-wise). This information will enable the users of the financial statements to: I Understand the entity's past information. 2) Assess the entity's risk and return 3) Take more informed decisions. Scope: - This Accounting Standard shall apply to companies to which Indian Accounty Stendards ( Ind. AS) notified under Companie

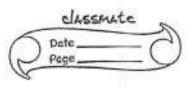
Exiteria of Identifying Operating Sogments: Information on an operating segment should be separately reported if -1) Reported revenue (External and Inter Segment) is 10% or more of the combined revenue of all operating segments. 2) The absolute amount of the segments supported profit or loss is 10% or more of the greater a) The combined responded prestit of all operating segment that did not respond as b) The combined loss of all operating segmente that reported a loss. 3) The segments' assets over 10%, or more of the combined assets of all operating segment Two or Norw operating segments may be combined caggregated; and reported as one if certain conditions are satisfied. After the aggregation process described above, if the total external revenues reported by operating segments constitutes less than 75% of the entity's revenue, adolitional operating segments must be identified until at least 75% of the entity's revenue is included in reportable segments.



( rage
Ind As 36 Accounting for 'Impairment of Assets'
Impairment of Assets mean weakening in value
of assots. An asset is said to be impaired when carrying amount of asset is more than its recoverable amount.
are shown in the balance sheet inc. generally
at cost less accumulated depreciation or amortisate and accumulated impairment losses
Recoverable Amount of an asset is higher of
i) fair value less cost of disposal  ii) value -in use i.e., estimated feture cash
flow arising from use of asset + Residual
V .

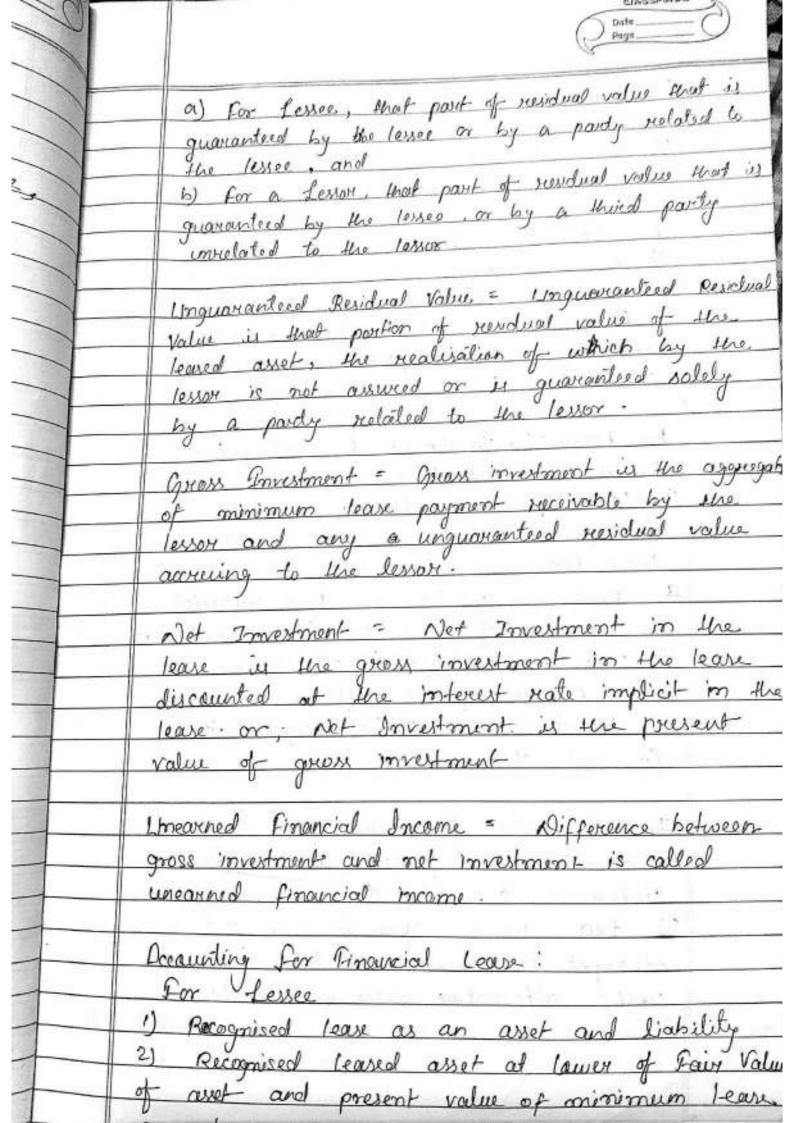
Scope of Ind As 36:	
This standard is applicable in accounting for the	
This standard is applicable in accounting for the impairment of all assots other than	
1) Inventories ( As covered in Ind As 2)	
2) Contract Assets ( Ind As 115)	
3) Deferred Par Assets ( Ind As 12)	
4) Assets avising from Employee's Benefits (and A	5 19
Biological Assets (and As (41)	
) Financial Assets (Ind As 109)	

7	
M	7) Non-Convert Assels classified as Held for
/ - <sup>*</sup>	7) Non- Cover Harris
1.	Und as 105)  Ond As 105)  Deffeved Acquisition Cost and Intengible  8) Deffeved Acquisition Cost and Intengible  1000  1
kı -	8) Defferoised Acquisition (Ost accombracts (Ind As. Assets arising from insurance combracts (Ind As.
ar	Hissers activity
m	Carryin. and AS 362
- 0>	
A- Ans	Fair value is the price that would be.
ai	received to sell an asset or to party paid
'c	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
T	franciculous between mances f
c-[	the measurement date
fe	
F Q	What is Impairment loss ?
a Ams	Impairment loss is the amount by which
T- H	e coverying arround of an asset exceeds
j+	s recoverable amount.
( a)	
- 1 -	tow is an asset identified for impairment?
- Ams A	n entity shall arress at the end of
- ea	ch repording period weather there is
_ au	y indication that an asset may be
)m	paired. For indication, the entity shall
Con	rider the following:
9 (1)	xternal Sources of information -
	) Significant decline in market value mo
(6)	Significant changes in technology,
	and lock committee in technology,
	partet, economic or legal environment
	thich adversely affect an entity.
	snoreau in trarlet Interest pates
- 1	deate of Roturn
	Herformation -
(a)	Obsolescence of or physical damage of
	I or physical damage of



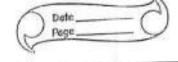
	b) Significant Changes in use of an asset with
	c) Internal paperting indicating & worse
	conomic performance of an arret than experted.
	111) Investment in a Subsidiary, Joint Venture or Associates -
	a) Carrying mount of investment is > Councing
	mount of investee's net assets (including goodus  b) Dividend > Total Comprehensive income of
	investee
	Isvespective of upother there is an indication
	of at impairment, an entity is required to test following items for impairment at least annually
	a) Interregible assets with an indeprove useful sig
	b) Intangible assots not yet available for use c) Goodwill acquired in a business combination
	for impairment.
40	what is a Cash Generating Unit (C.O.11)?
ns	C.G. H is the smallest identificable group of
	assets that generates each inflows that are
	other assets or groups of assets.
-	other assets or groups of assets.
-	
- 11	

+	a team that is cancellable only i
	a) Upon the occavance of some scomete
	confingencies
	b) with permission of the lessoit,
	c) If the level entered into a new lea
1	for the same or an equivalent asset
-	with the same lesson or
	d) Upon payment by the lesses of south as additional amount
	Minimum Leave Ruyment = Minimum leave
-	payments are the payments over the loan
-	terrors that the lence is required to make
	excluding, contingent sent, cost for services
	and toxes to be paid by a ree and
	reimbursed to the lesson.
	Minimum leave Payment from the veewpoint
	of lesson = rayment provinced to be
- 4	as stowed above to all in the
24	January value guaranteed to the ferra
	i) the lessee
	ii) A party related to the lessee
	iii) A party unrelated to the lenor
1	t2.1.0 0
	Payment or stated to Lessee ?
	The state of the s
	must guaranteed by the series or any
	amount guaranteed by the series or any
	Guaranteed Residual Value (G.R.V) = .
1	for les Guaranted Residual Value in





3) Leave payments allocated between france charges and reduction of liability.
4) Depreciation of
systematic basis.
for lesson 1) Recognised as receivables at an amount
to mot investment
21 paramise france income, based on pawing
reflecting a constant periodic rate of return
on leave
4. 1
For Accounting Droatment of Operating Leax
In the booles of lesses
1) Leave payments shall be recognised as
on expense on straight line havis over
leave term unlers either:
a) Another systematic basis that reflects
time polition of used benefit is available or
6) Payment structured to merecure in line
with expected general integration.
2) leased Asset will a be recognised in
financial statements.
In the books of Lenon:
I fesson shall present and in financial
Statement - according to mature of axit
2) Leave income shall be recognised
straight line bosis over leave term



## and Ps 24 Related Pourty Disclosures

& Business bianiacleons between related porties do not have the features and character of the arms length transaction. It affects the volume and decision of one entity for the benefit of a an other entities. Related parily relationships may have an effect on profit on lose and financial position of an entity. Related paulies may also enter into transactions that unrelated would not. It is required to disclose, the redated party beausactions for proper undoustanding of financial permaner performance and financial position of an entity # Related Party means any party that controls or can significantly influence the management or operating policies of the company during the reporting period. The critoria for related party relationsly are are follows:

1) Control ii) Common Control iii) Sornt Control iv) Significant Influence

Objective:

The objective of the standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the parribelity that its financial position by the existence of related parties and by transactions and substanding balances, including commitments, with such parties.

Definitions: Related farety = A person or entity that is responsible its financial statements. Key Management Personnel (=K.M.P) = Persons having authority and responsibility for planning, directing and combrolling the activities of the entity, directly or indirectly including any director Close Member of the family = Those family members who may be expected to influence or be influenced by and includes: a) That person's children and spoure. brother, sister, father and mother.

b) Dependents of that person or that

Related Party A) For Individual person or a close member of that person's family is related to a repositing entity if that i) has control or joint control over the reporting entity ii) has significant influence over the reporting personnel of the reporting entity or of or parent of the reporting entity. An entity is related to a reporting entity i) The cality and the reporting entity are members of the same group ( which means that each powerd, subsidiary and fellow subsidiary is related to the others) ii) One entity is an associate or joint venter of the other earlity iii) both enlities are the joint ventures of the same third partly third entity and other entity is an associate of the third entity by a person or close member of that persons family.

A	Who are not related parties ?  I) Two entities simply because they have a director or other member of
	1) Para antition simply because levery
	have a director or other momber of
	kmp in common
	2) a I work south simply by
	virtue. They share joint control of a
- 11	Think was filled
-	3) Suppliers, customers, distributors etc.  1) Providers of finance, trade unions,  government departments atc.
1	Droviders of tomance, trade univers,
	government departments ofc.
	O Company
A	Disclosures
_	Disclosives shall be made separately for
-	each of the following categories
	1) The covered
_ /	Subsidiavios
	Entitios with joint control or significant
	is the energy
0	Desociates
1 6	). Joint ventures in which the entity
	a or vontaron
11	ntity or its parent and other reduted"
10	neity or its parent and other reduted"
1	ravilies '
1	15-0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1
(A)	reclosures to be mede for
1	Related party transactions:  Nature of redated party relationship.
au	d amount of transactions
(11)	Amount of all later
)7	Amount of outstanding balances cluding commetments for example
	waxanters and for example
iny	Preoxision for doubtful debts would !
	dolors trolors

	amount of autstanding balances
	N) Expenses recognised during the period in
	we spect of bad a
	B) Key Mounagement Personnel (KTIP):
	11 O Lite ON CONT
	. La trill ALINTIA CALLS
	a) Chart - term employee
	b) that employment being
	O) Other long-ferm benefits
	d) Termination benefits
1	e) Shave - based pryments
1	Government - Related Sofifics
+	A reporting entity is excorpt from the disclosur
+	requirements in relation to related porty
+	requirements in succession of
+	transactions with :
+	i) A government that how control or joint
#	control or significant influence over the
1	reporting entity; and
#	ii) Another entity that is a related party
1	because, the same government had control,
$\parallel$	joint control or significant influence over
1	point control or significant influence over both the reporting enitity on other entity
1	However, reporting entity shall access
:	i) The neume of the government and the
	mature of the government and the
	ii) formal information to undurstand the effect
	of Leolated newly Deausactions
1	as the notive of and amount of individual
1	· ·
П	

Ind As 37 Provisions, Contingent Liabilities
and Contingent Assets
Coaltrage
Objective = The objective of this standard is to ensure that appropriate recognition and measurement bases are
in de la proposite reconsil
is to ensure that appropriate
exiteria and measurement bases are
000000000000000000000000000000000000000
and contingent axiets and that sufficient
1 120 1 11 2 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
The state of the s
nature, timing and amount
Scope: Applicable to all entities in
accounting for provisions, contingent
leabilities and contingent asset except
a) Executory Contracts other than onerous
contracte
b) Those covered by mother istandards
for example Ind As 12, Ind As 17,
Ind ns 19, Ind As 109, Ind As 104
Definitions:
Priorision: A provision is a liability of uncertain timing and amount
uncertain timing and amount

5	Date	-
)	Page	-

Obligating Event: On event that creates a legal or constructive obligation that results in an entity having no realistic, alternative to settling that obligation

Legal obligation = Obligation arising from tegal obligation or other operation of law

Contingent Liability of antingent liability is and A passible obligation that nesults from past events, where existence will be confirmed only by the occurance or non-occurance of one or more uncertain future events not wholly in the control of the entity; or the control of the entity; or events that is not recognised because if is not present obligations that arises from past events that is not recognised because if is not probable that an autiflow of resources embodying economic benefits will be required to sollly the obligation or the amount of obligation cannot be measured peliably

Contingent Assets = A possible asset shat results from part events, whose existence will be confirme only by the occurance or non-accurance of one or more uncertain future events not wholly in the control of the entity

costs of meeting the obligation under the contract exceed the economic benefits expected to be received under it

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Recognition
Provisions
Provisions are recognised when:  Provisions are recognised when:
a) The entity has a present legal or
constructive obligation as a result of
part event.
part event.  b) It is probable that an outflow of
acompanic benefit will be
the obligation; and
a) a mileal le ditimate cari
the amount of the obligation
the autour of
Contract diabelita
Contingent Liabilities are not recognised
b) A contingent liability is disclosed to
A contragent wastery as out How of
unless the possibility of an outflow of
e resources embodying economic benefits
is remote.
c) They are assessed continually to
determine whother an outflow of resources
has became probable. If it becomes
puobable, then punisions will be
recognised at financial elatiments.
Contingent Assets
a) contingent Assets are not recognised
b) A contingent asset is disclosed where
an inflow of economic benefits is predouble
c) contingent assets are assessed continuously
In case, it has become intually certain
H GOLD THE TOTAL OF THE POST O

1	the asset and the related income are recognised
-	Measurement.
a	o aced Ectimate.
	1) Busisions are measured of the based estimate
_	of the expenditure required to settle the present
	obligation at the end of responding period.  In determining the based estimate, the related
2	In determining the based estimate, the related
	viels and uncertainties wie sales 1710 acrount
3)	Gains from future events that may affect the
	amount required to settle the proviobligation
	are reflected in the amount of provision
	where I there is sufficient objective evidence
	that they will occur
y)	Gains from the expected disposal of assets
(	vee not taken into overount in measuring the
11	Provision
	accorde terminal territory have to be
6	Pime Value of Money
	There the effect of time value of money is
	naterial, the amount of provision is the prese
	alue of the expenditures expected to be required
	settle une obligation. Are dis.
	No otherwise is wiseful all the form
c)	Reimbursement
11	Reimbursements from third parties for some a
a	U expidentiones required to settle or provises
	re recognised only when it is virtually
1	enfair that the neimbursement will be never
	The reimbursement is treated as a sepera
1	usef which shall not exceed the amount of
	he provision
II.	

Ind As 38 Intempible Asset Objective: Objective of this and As is to prescribe the accounting treatment for intangible assets that is not dealt with specifically in another standard Scope: A this Ind As is applicable in accounting for intengible assets, except following; which prescribe accounting for specific type of inlangible Financial Assets (Ind As 32) Exploration for an evaluation of mineral resources (Ind AS 106) Income Paixes (Ind AS 12) (Ind As 2) V) Construction Contract ( and As 11) Employee Benefit (Ind AS 19) VII) Genduill acquired in Business Combination (Ind AS 103) viii) Intangible Assets classified as held for sale (Ind As 105)

Intangible Asset - As per and he so, Intengible Assets are identifiable, non monetary assets without physical substance. Identificable Assels - Asset is identificable if i) Capable of being separated and sold, licensed, treated, brainsferred are exchanged a separately, i) Arise from contractual or other logal rights A Recognition and Measurement A) Separate Acquisition B) Acquired in Business Combination () Government Grant D) Internally Contrated Goodwill E) Internally Generated Internatible Asset F) Exchange of Assets A) Separate Acquisation An intangible asset shall be recognised if and only if conomic benefits that are attributable to the ii) The cost of the arete cour be measured Initial Measurement On intangible asset shall be measured initially Rocognition of Costs in the carrying amount of is in the condition necessary for it to be capable of mountains in the mouner intended by maneight

	B) Acquired in Business Combination
T SCHEE	If an intangince asset is arguered in a
	business combination, the cost of that
	intangible assot is its fair value at
	the acquisalism date.
	Acquirer recognises goodwell separately.
	irosespective of whether the arguries and
	Herognised it before business combination
	Total Sylvies 11
	C) Government Grant
	Initially sucognised at fair value
	D) Onlawally Course to a Producted
	D) Internally Generated Geoduill
	Internally Generated Goodwill is not to
	be recognised as it is not identifiable
T	reesource that can be measured recliably
	at cost.
*	E) Internally Generaled Intengible Asset =
4	Research and Development
4	ntangible asset needs whe niterially generated
	intergible asset needs we criteria of
	recognition, on entity classiftes the
	generation of the asset in two-
	3) Research Phase
	1) Development Phase
	D. Research Phase - No intangible asset
- Land	arising from research shall be recognised.
	Expanditure on various of the form
	Expenditure on research shall be recognised
	as an expense when it is meweed.
	An entity cannot domonstrate most
Towns to the	on intangible assets exists that will
- 11	/ Wat wall

Therefore, this expenditure is recognised as an
expense.
ii) Development Phase - Capitalised
Capitalised if all criteria are met -
1) Technical Greasibility of completion of
MHONOJINO WARF
2) Intention to complete.
3) Ability to use or sell the intereptate asset
4) Adequate technical, financial and other
Dephable tuture economic benefit
6) Expenditure measured reliably
(1) Grahama + Assala
Cost of such on intengible asset is measured at
fair value unless the fair value of neither the
asset received or now the asset given up is
reliably measurable.
It entity is able to measure releably to
truit value of either the anet received or asset
given up then fair value of airet given up is
used to measure cost unless fair value of asset
received is more clearly evident
Of acquired asset not measured at four
value, it is to be measured at conveying amou
of auset given up.
Recognition of Expenses
Recognistion of Expenses  1) Expenditure on intangible item shall be.
recognised as an expense when it is incurre
unloss.
I) It forms part of the cost of intangible ause
that made the normation exiteria. or

	ii) The item is argured in a personnied
, 1	combination and cannot be recognised
K-1	as an intangible asset of the amount
a_~	as an intangina back of the amount
a_	the case, it forms part of the amount successived as goodwill at the acquisition
n—	sucognised as goodwist as
	date
,	' 1 01 00
B)	Expenditure initially recognised as an
a	expenditure metaling conjugation at a conjugation of a
ζ	later date.
I	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	Subsequent Measurement
(	Subsequery Treasurer
-4-	
_4-	1
(0)	Cost Mode! (B) Revaluation model
	The intangible asset
4	shall be cavoired at
2	1to cost less any
.4	accumulated amortisation
	and impairment losses
(B)	Revaluation Model:
56.11	1) An intangible asset shall be carried
	of the a manufacture of the state of
	at the a revalued amount, being its
×	fair value at the date of revaluation less
·	any subsequent accumulated amortisation
	and Impairment losses
	for active value seteremented by referring
	to active mand of M
	to active market. It mo there is no
-   a	tive market, cost model will be used.