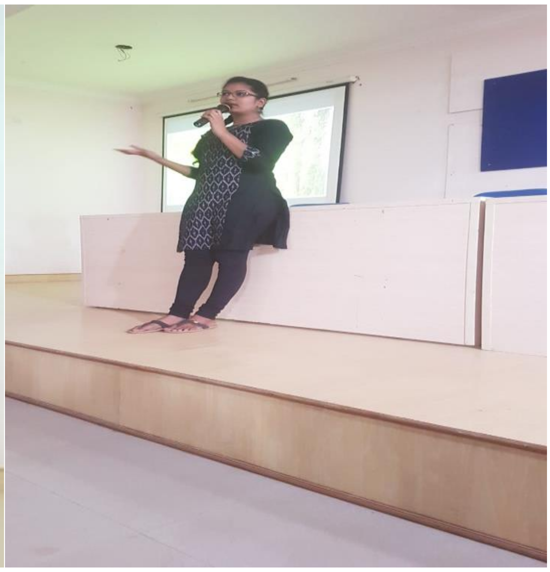
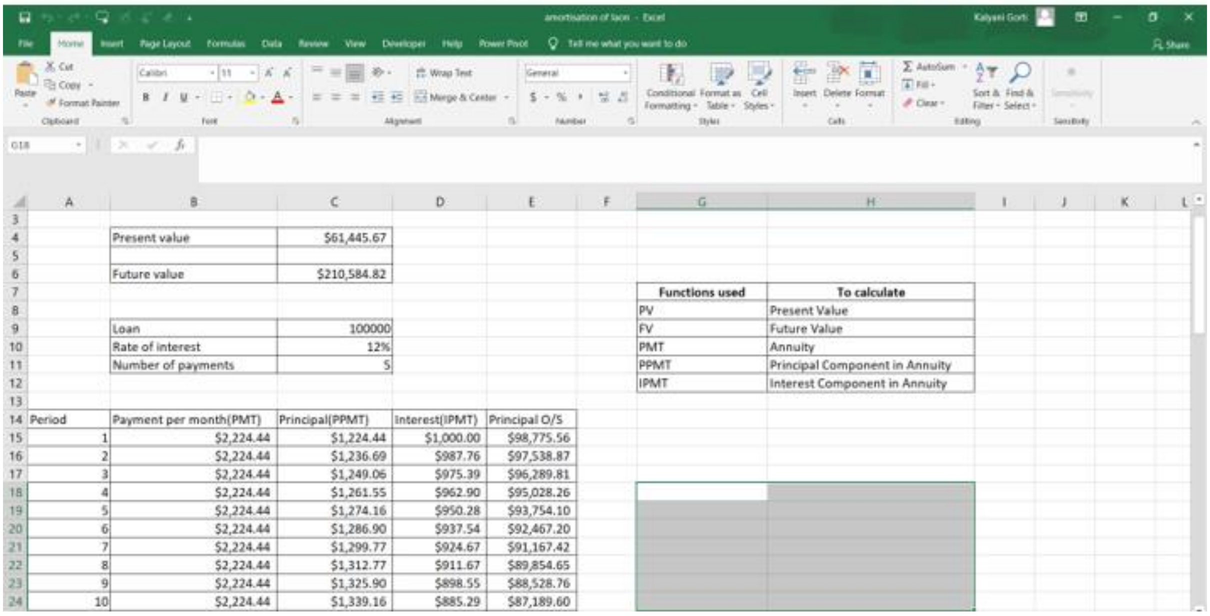
2019-2020 EMPLOYABILITY FINANCIAL ACCOUNTING II




Role & Functions of Forensic Accountant

Subject: Business Mathematics

Year : 2019-20

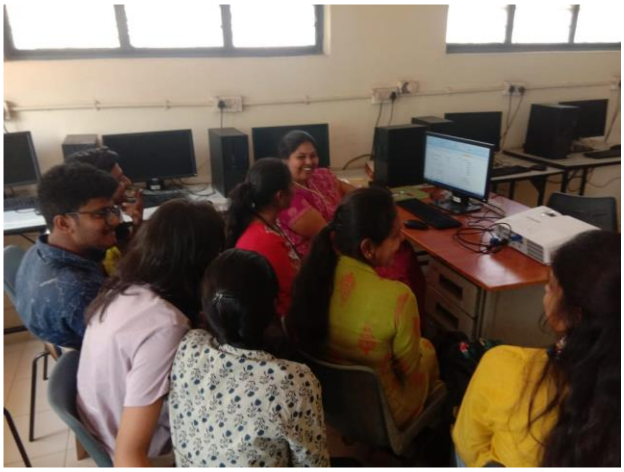


Present value	$61,445.67
Future value	$210,584.82

Loan	100000
Rate of interest	12%
Number of payments	5

Period	Payment per month(PMT)	Principal(PPMT)	Interest(IPMT)	Principal O/S
1	$2,224.44	$1,224.44	$1,000.00	$98,775.56
2	$2,224.44	$1,236.69	$987.76	$97,538.87
3	$2,224.44	$1,249.06	$975.39	$96,289.81
4	$2,224.44	$1,261.55	$962.90	$95,028.26
5	$2,224.44	$1,274.16	$950.28	$93,754.10
6	$2,224.44	$1,286.90	$937.54	$92,467.20
7	$2,224.44	$1,299.77	$924.67	$91,167.42
8	$2,224.44	$1,312.77	$911.67	$89,854.65
9	$2,224.44	$1,325.90	$898.55	$88,528.76
10	$2,224.44	$1,339.16	$885.29	$87,189.60

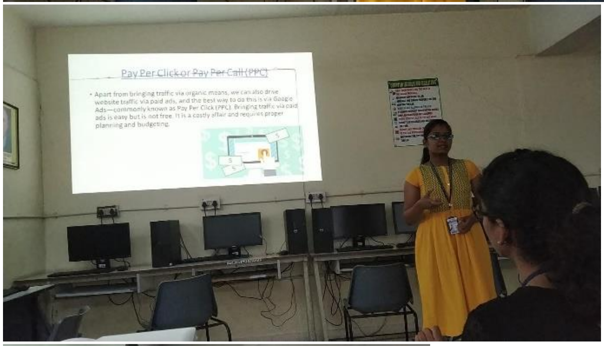
Functions used	To calculate
PV	Present Value
FV	Future Value
PMT	Annuity
PPMT	Principal Component in Annuity
IPMT	Interest Component in Annuity

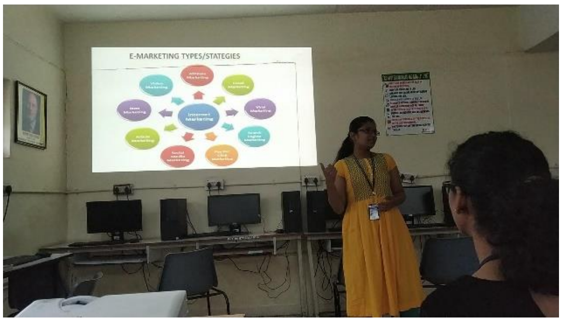


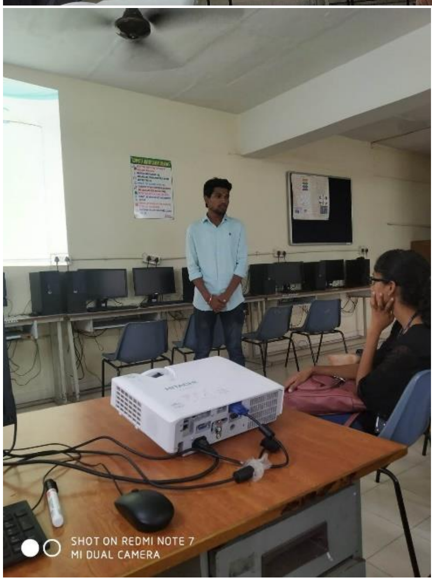
Students were taught to use various mathematical functions in excel. The concept sof mathematics of finance like Present value, Future Value, Amortization of loan, calculation of Depreciation were taught using Excel Functions. This would help the students for practical applications of the concepts learnt in business mathematics

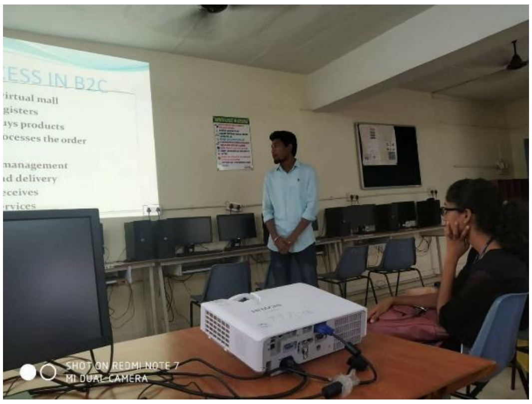
Subject: Ecommerce (MCom)

Year: 2019-20









Students of MCom Sem III have presented on various topics like EMarketing, types of Ecommerce like B2B, B2c etc during the academic year 2019-20 using **Power Point Presentation**

SEBI VISIT (2019-20)

The Department of Commerce has been organizing a one-day visit to SEBI, since 2015 to give an opportunity to the students to gain an insight about the functioning of SEBI as the"Regulatory Authority" in the capital markets. As a part of the programme, all students of B.Com II year (Reg, Comp & Hons) and M Com (I Sem) visited SEBI Regional office located in Hyderabad, in batches of 45 each, scheduled once a week.

The visit for the academic year 2019-20 was conducted during 22nd December 2019 to 06th February 2020, once a week from 10 am to 3 pm, with a batch of 45 students in each visit. The students were addressed by SEBI officials. During the visits, students got an awareness about the functioning of SEBI as a regulator of capital markets and facts on how different companies have to follow guidelines by SEBI and fines imposed and collected by SEBI for non-compliance of its guidelines. Students were also given details about the importance of savings and awareness about informed decision making before approaching capital markets. Thereafter, a session on online trading was organized for the students by the resource person from NSE office. This was very helpful for students to get a practical exposure about online trading. A total of 474 students were benefited out of this one-day programme.

Workshop 13-Nov-2019 to 16-Nov-2019

The Department of Commerce of Bhavan's Vivekananda College of Science, Humanities and Commerce organiseda four-day workshop on "Indian Accounting Standards (Ind AS)" from 13th November 2019 in association with the Institute of Cost Accountants of India. The workshop was inaugurated by Vice-Chairman Air cmde. (Retd.) J. L. N. Sastry as the patron, CMA Lavanya, chairperson, ICAI Hyderabad chapter as the guest of honour, Prof. (Retd.) K. V. Achalapathi as the chief guest, Principal Prof. Y. Ashok as the workshop chairman, and Dr. K. Sreelatha Reddy as the workshop convener.

Prof. Y. Ashok gave the welcome address at the inaugural ceremony. He appreciated the Department of Commerce for taking the initiative in organising workshops for various emerging issues. He also addressed the students stressing upon the importance of upgrading their knowledge in line with the changing global compliance frameworks.

Air cmde. (Retd.) J. L. N. Sastry highlighted the significance of staying true to our values while upgrading our knowledge in line with global standards.

Dr. Sreelatha Reddy, Head, Department of the Commerce continued and spoke about the changing compliance scenario and the increased role of skilled professionals because of the impact of IFRS and GAAP on companies across the world
The Coordinator, Dr. D. Sanjeeva Rao spoke about the program schedule and the objectives of the workshop



A total of 200 participants including students and faculty from various colleges have attended the four-day workshop, and made it a grand success. The colleges include RBVRR Women's College, MNR Degree and PG college, Kasturba Gandhi Degree and PG College, St. Ann's College for Women (Mehdipatnam), S. D. Signodia College (Old City), University College for Women, Badruka College of Commerce and Arts, and Telangana university.

Report on guest lecture on Perfect Interview (Resume and Interview skills)

Guest lecture by : Ms.Jigna Shah

The department of commerce has organised a guest lecture on "**Perfect Interview (Resume and Interview skills)** for B.Com III year Honours,Computers & Regulars given by **Jigna Shah** on 07/08/2019. She delivered the lecture explaining the importance of resume and made students aware about the skills to write and present the resume . She explained about important criterias which are to be taken care at the time of interview to the students. The session was very interactive, informative in nature and students were highly motivated.

Report on Guest Lecture

The Department of Commerce organised a guest lecture on “Cost Accounting Standards” for M.Com II year students on 16.07.2019.

The speaker of the lecture was “KVN.Lavanya” – Bachelor in Technology in Electronics and Communications from JNTU and a Cost & Management Accountant and has been an All India 7th rank holder (also first among girls) in CMA Inter. She is the First Lady Secretary, Vice Chairman and Chairman of Hyderabad Chapter of Cost Accountant

She focused on the Cost standards and its importance in costing and enlightened us on the job of a Cost Accountant.

The session was very interactive, informative and a good learning experience. Students participated in the discussions raised by the guest speaker.

Title: Introduction to Law and importance of Data Privacy

Date: 4/7/2019
Time: 10 AM to 11.15 AM
Venue: Room No. 71
Session taken by: H.J.T.Kaushik
No. of students attended: 180
Classes: BCom Final Year Students

Mr. H.J.T Kaushik has done his BA LLB and has been a law intern in many companies. He has served as a legal advisory too. Currently, he is working as a Legal Consultant at PWC Pvt Ltd.The session was mainly about Data Privacy and ways to protect one's data while dealing with social media platforms and search engines.

He started by speaking about Law and difference between Indian law and International law. He spoke about the difference between EU and SAARC and other associations as an example how the countries follow similar laws. He told us about how the social media platforms and search engines like google crome and other MNCs track our data and will know all our personal information such as our Name and surname, house address, IP address, email Id etc. He gave us insight about how such accesses (access to gallery, access to contacts, access to microphone,etc) are dangerous to us if those companies leak our data or sell our data to other companies, etc.

He told us that it is important to read the privacy policies of the applications we install in our mobile phones. He gave us information about what to do in case, if our private pictures leaked in certain websites and action to be taken under certain circumstances. The session was informative and resourceful.

Entrepreneurship development

Students presented ppts for ED subject for the academic year 2019-2020. The concept was briefly covered by the team and well explained .

Class: b.com 2d

Ankita nagra

Topics

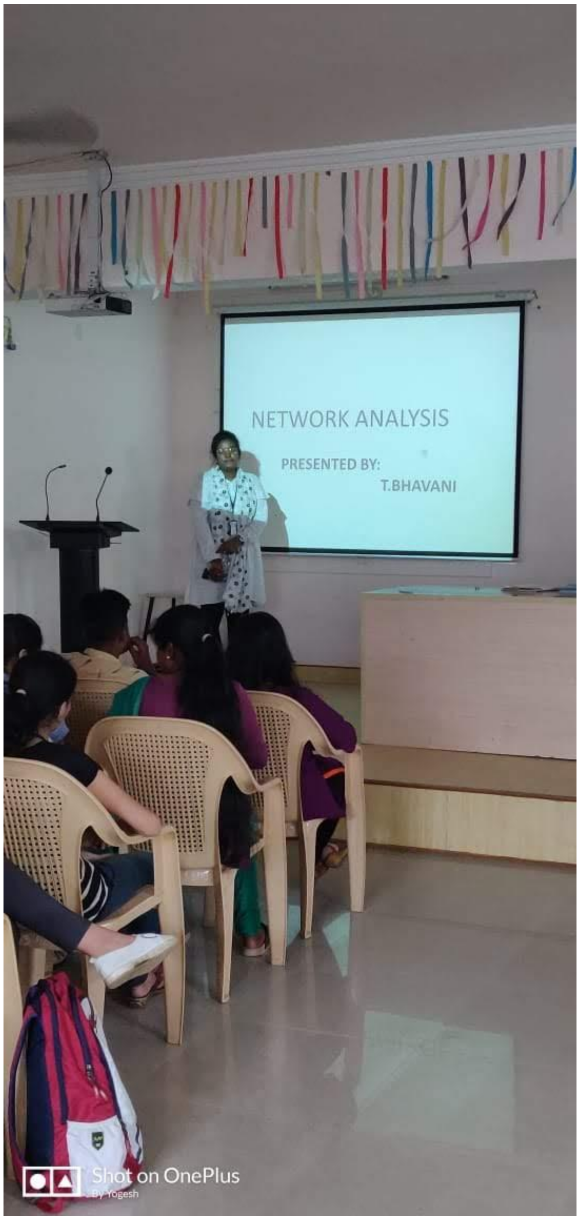
Entrepreneur

Edps

Nsic

Role of financial institutions


Functions of IFCI
Shot on OnePlus
By Yogesh

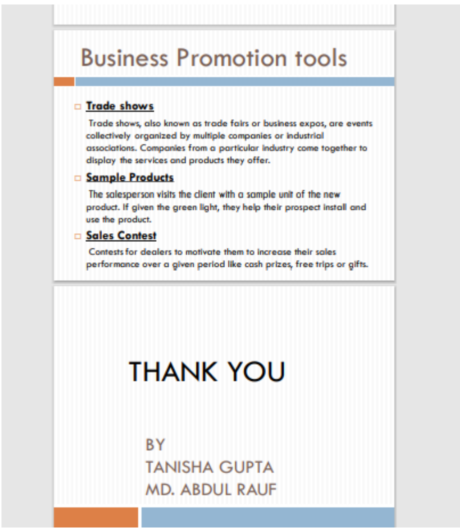

NETWORK ANALYSIS
PRESENTED BY:
T.BHAVANI
Shot on OnePlus

MIS-Presentation by students of B Com 2year honours(2019-20)

Students were assigned to give presentation on various topics of Management Information System.

Flipped classroom -15th Aug 2019 Bcom IIHon Marketing Management

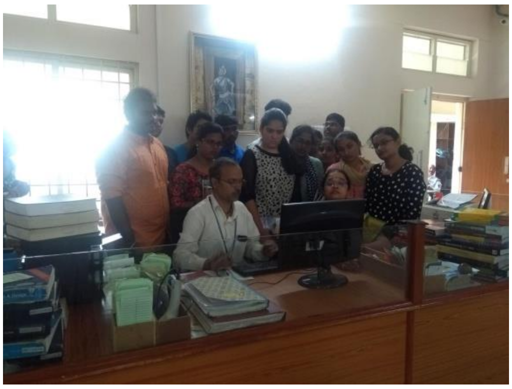
Capsule Review B.Com II Hon Marketing Management



Capsule Review Mcom Financial Services by Leena Reddy

Mcom Advanced Managerial Accounting by Sai Ram

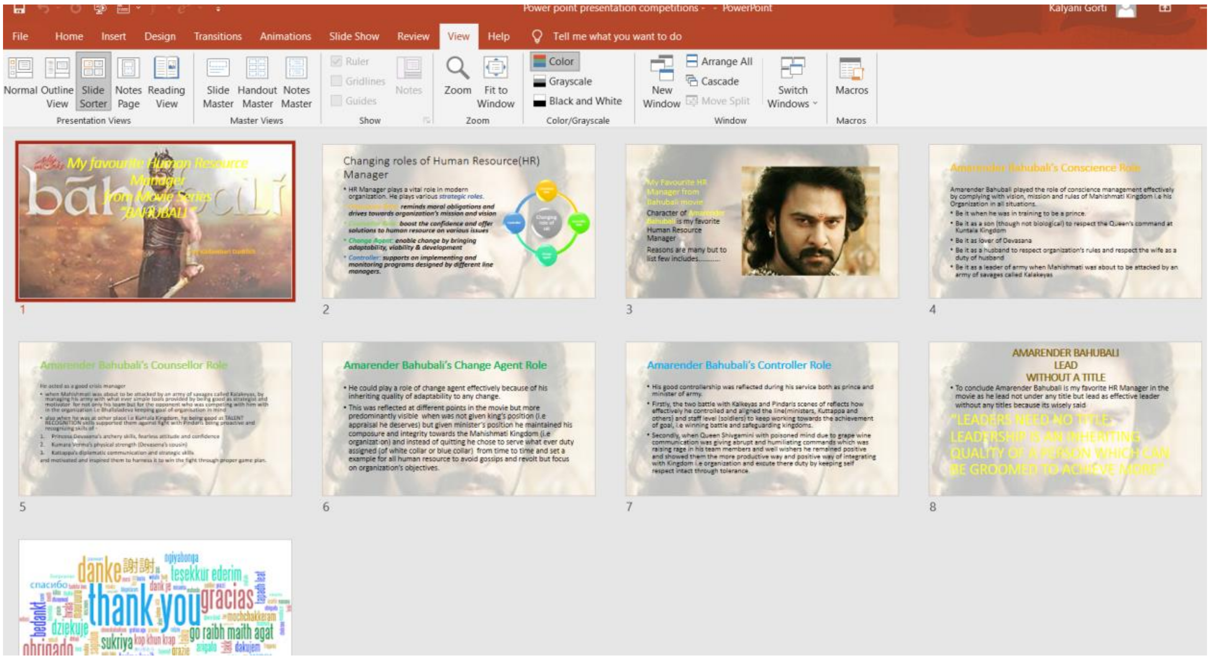
Library Mcom Advanced Managerial Accounting



Field Trip and Article Writing Mcom to Coimbatore for International Conference in Rathinam College

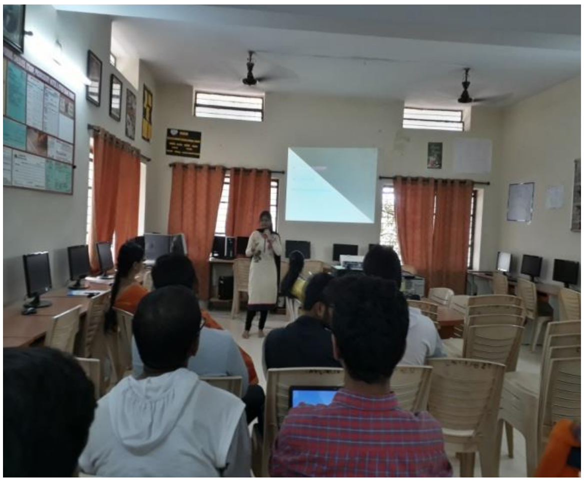
Mcom Financial Services SEBI Visit

Power Point Competitions in HRM by MCom Students



International Finance

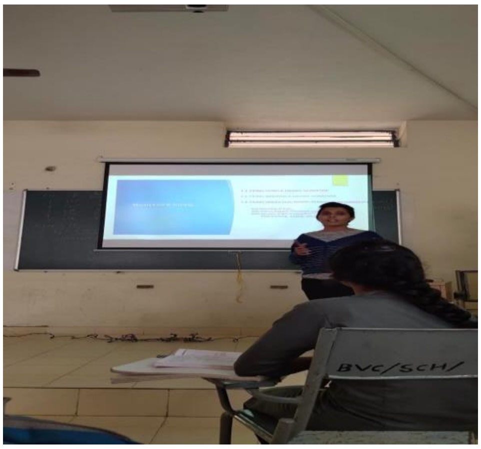
Marine Insurance **Bill of Lading**



Financing of Foreign Trade **Factoring and Forfaiting**

M.Com II year students have given presentations on Unit V topics related to Foreign Trade Financing. It was mandatory for all the students to give the presentations on the topics allotted below:

Income Tax I & II



Modes of Filing of Returns

Meaning of Self Assessment **Pan Card**

Notice of Demand **Filing of Returns u/s 139(1)**

Final year B.Com Computer Students gave presentations on Unit V topics related to Filing of Returns and Assessment Procedure. It was mandatory for all the students to give presentations on various topics which are as follows:

INCOME TAX-II

UNIT-V

ASSESSMENT PROCEDURE- TOPICS FOR PRESENTATION

FILING OF RETURNS

PAN- Who should have a PAN, Penalty for not having PAN

Transactions where PAN is necessary

Filing of returns u/s 139(1), Due dates for filing the returns, Compulsory filing

Filing of return by employee with his employer, Filing of return in computer media

Submission of returns through TRP's, Verification of return

Filing of returns in electronic form

Penalty for non-filing, Interest chargeable, Return of loss

Belated Returns, Consequences, Revised returns, Information to accompany the returns

Defective Returns, Rectification of defective returns

Prescribed forms for filing returns of income

ASSESSMENT PROCEDURE

Self-Assessment u/s 140A

Enquiry before assessment u/s 142(1)

Assessment on the basis of return filed- Summary Assessment u/s 143(1)

Assessment on the basis of Enquiry – Scrutiny Assessment u/s 143(2), Assessment after receiving evidence u/s 143(3)

Time limit for completion of Assessment, Remedy available, Adjustment of Tax

Best Judgement Assessment, Compulsory Best Judgement Assessment, Discretionary Best Judgement Assessment

Income escaping Assessment, Deemed cases, Issue of notice, Time Limit

Assessment in pursuance of order appeal

Provisions relating to rectification of mistake

Notice of demand, intimation of loss

Presentations by students for various concepts of Business Law and Company Law

Subject: Financial Services

Animated you tube video for Funding process of Venture Capitalists.

https://www.youtube.com/watch?v=677ZtSMr4-4

BUSINESS ETIQUETTES(GE)

Students were given a topic in Business etiquettes and do group discussion and finally present it in the class.

Role Play---Here the students were asked to perform a role play on the topic Board meetings .

Business ethics

Students presented role play for etiquette and table manners topic from the subject for the academic year 2019-2020. The concept was briefly covered by the team and well explained . the team also did the practical and live demo of the given topic

Class: b.com 2d

Ankita nagra

Topics

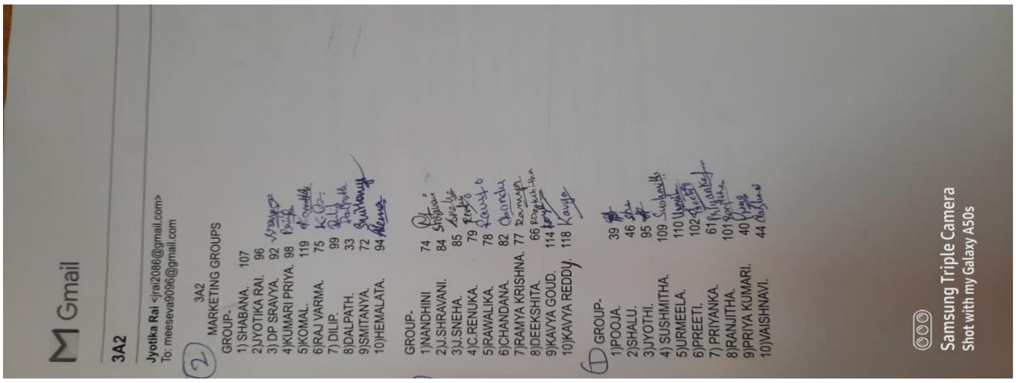
Table manners- breakfast- lunch with clients

handshake manners


OBJECTIVES
>Helps in planning and scheduling
>Minimization of cost
>Minimization of time
>Optimum utilization of resources
>Avoiding delays and interruptions
Shot on OnePlus
By Yogesh

PRINCIPLES OF MARKETING – 2019-2020

PPT by students on innovative product with 4P's of marketing


Gmail

3A2

Jyotika Rai <jrai2086@gmail.com>
To: meeseva9096@gmail.com

2

3A2
MARKETING GROUPS

GROUP-

1) SHABANA.	107
2)JYOTIKA RAI.	96
3) DP SRAVYA.	92
4)KUMARI PRIYA.	98
5)KOMAL.	119
6)RAJ VARMA.	75
7) DILIP.	99
8)DALPATH.	33
9)SMITANYA.	72
10)HEMALATA.	94

GROUP-

1)NANDHINI	74
2)J.SHRAVANI.	84
3)J.SNEHA.	85
4)C.RENUKA.	79
5)RAWALIKA.	78
6)CHANDANA.	82
7)RAMYA KRISHNA.	77
8)DEEKSHITA.	66
9)KAVYA GOUD.	114
10)KAVYA REDDY.	118

1

GROUP-

1)POOJA.	39
2)SHALU.	46
3)JYOTHI.	95
4) SUSHMITHA.	109
5)URMEELA.	110
6)PREETI.	102
7) PRIYANKA.	61
8)RANJITHA.	101
9)PRIYA KUMARI.	40
10)VAISHNAVI.	44

Samsung Triple Camera
Shot with my Galaxy A50s

HUMAN RESOURCE MANAGEMENT – 2019-2020

PPT by students on HR policies of select companies

PPT PRESENTATION ON HR POLICIES OF VARIOUS COMPANY'S

FROM-3A1 AND -3A2

NAME	COMPANY	SIGN
P.KANCHANA		P.Kanchana
G.SUCHITA	TCS	G.Suchita
NEHA		Neha
MAHATI		Mahati
DURGA	HUL HRM PLANNING PROCESS	Durga
SAGARIKA		[illegible]
Y.VAMSHI		Y.Vamshi
HARSHA	~~COGNIZANT~~ L&T Ltd	[illegible]
SRIHARI		Srihari
MADIHA		
SHALU	WIPRO	
POOJA		
KEERTHI		[illegible]
JADISH	TECH MAHINDRA	[illegible]
SNEENATH		Sreenath
M.VAISHNAVI	COCA COLA	M.Vaishnavi
R.NARESH		R. Naresh
J.SIREESHA		Sireesha
RENUKA	APPLE	
SHIVANI		
SANJEEV		[illegible]
AKASH	AMAZON	
YASHWANTH		
BHARAGAVI	KPMG	[illegible]
PRAVEEN		[illegible]
SNEHA	FACEBOOK	Sneha
SHRAVANI		[illegible]
RANJITHA		Ranjitha
VAISHNANI	GODREJ	Vaishnavi
PRIYA		Priya
RAMYA		Ramya+Avidha
DEEKSHITHA	FRANKLIN TEMPLETON	P.Deekshitha

	NAME	COMPANY	SIGN
	JYOTHIKA		[illegible]
13	RAWALIKA		Rawalika
	CHANDANA	INFOSYS	Chandana
	RENUKA		Renuka
14	URMILA		Urmila
	SUSHMITHA	GOOGLE	Sushmitha
	JYOTHI	IKEA	Jyothi
15	PREETHI	STATE STREET	[illegible]
	SHABANA		Shabana
16	MEENAKSHI	TOYATO	Meenu
	HEMALATHA		[illegible]
17	SMITHANYA	~~INDIGO AIRLINES~~ IKEA	
	GEETHA	IKEA	Geetha
18	DILIP		[illegible]
	DALPATH	JIO RELIANCE	Dalpath
	PRIYANKA		
19	KOMAL		Komal
	PRIYA	IBM	Priya
	SRAVYA		Sravya
20	Madiha	WIPRO	[illegible]
	Shalee	"	
	Pooja	"	
21	A. krishna Vamshi	IBM	A. Vamshi
	A. Nandhini	IBM	[illegible]
	K. Kavya Reddy	IBM	Kavya.
22.	Sanjeev —	Godrj	Sanjeev
	B. Srinath —	Godrj	Srinath
	Saivardhan —	Godrj	Saivardhan
	Niharika —	Godrj	Niharika
23	L. Kavya —	proformance Apparisal	Kavya

IND AS 102

SHARE BASED PAYMENTS

NAME: K. HIMA BINDU

ROLL NO:107219408028

IND AS 102

SHARE BASED PAYMENTS

OBJECTIVE

It is to specify the financial reporting by an entity when it undertakes a share-based payment transaction.

SCOPE

Apply this Standard in accounting for all share-based payment transactions, whether or not the entity can identify specifically some or all of the goods or services received, including:

1. Equity-settled share-based payment transactions,
2. Cash-settled share-based payment transactions, and
3. Transactions in which the entity receives or acquires goods or services and the terms of the arrangement provide either the entity or the supplier of those goods or services with a choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, except as noted in para 3A–6.

KEY TERMS

1. Cash settled share-based payment transaction
2. Employees and others
3. Grant Date
4. Share based payment arrangement
5. Vest
6. Equity Settle

KEY DEFINITIONS

Cash-settled share-based payment transaction: A share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity.

RECOGNITION

- Recognise the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received.
- Recognise a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.
- When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they shall be recognised as expenses.

Equity-settled share-based payment transactions:

Overview:

- Measure the goods or services received, and the corresponding increase in equity, directly, at the FV of the goods or services received, unless that FV cannot be estimated reliably.
- If the entity cannot estimate reliably the FV of the goods or services received, measure their value, and the corresponding increase in equity, indirectly, by reference to the FV of the equity instruments granted.

Cash-settled share-based payment transaction:

Measure the goods or services acquired and the liability incurred at the FV of the liability.

Share-based payment transaction with cash alternatives:

For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the entity shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or other assets, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.

MODIFICATIONS, CANCELLATIONS, AND SETTLEMENTS

The determination of whether a change in terms and conditions has an effect on the amount recognised depends on whether the fair value of the new instruments is greater than the fair value of the original instruments (both determined at the modification date).

DISCLOSURE

Disclose information that enables users of the FS to understand the nature and extent of share-based payment arrangements that existed during the period.

SEMINAR

ON

IND AS 113

NAME:- GALI AMIT KUMAR

ROLLNO:-107219408025

IND AS 113
FAIR VALUE MEASUREMENT

OBJECTIVE-

(1) To determine Fair Value

(2) To set out a single Ind AS framework for measuring fair value

(3) To require disclosures with respect to fair value measurements

SCOPE-

This Ind AS applies when another Ind AS requires or permits FV measurements or disclosures about FV measurements.

KEY TERMS-

- Fair value
- Active market
- Exit price
- Most advantageous market
- Principal market
- Highest and best use

KEY DEFINITIONS-

Fair Value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

Active market: An active market is a market that routinely experiences high transaction volumes.

Exit price: It is the price that a seller would receive in exchange for the sale of an asset or would pay to transfer a liability.

Most advantageous market: The market that maximises the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs.

principle market: A principal market is that market having the greatest volume and activity level for the sale of certain assets or liabilities.

Highest and best use: The reasonable, probable and legal use of vacant land or an improved property .Under the concept of highest and best use, fair value is determined based on the price at which an asset could theoretically be employed in its highest and best use, rather than the use in which the asset is currently employed.

FAIR VALUE HIERARCHY-

The hierarchy categorises the inputs used in valuation techniques into three levels.

Level 1 inputs:

These are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

(E.g. Quoted prices for an equity security on the BSE/ NSE).

Level 2 inputs:

These are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(E.g. Interest Rates and yield curves, implied volatilities etc.)

Level 3 inputs:

These are unobservable inputs for the asset or liability.

inputs that reflect management's own assumptions about the assumptions that a market participant would make

(E.g. Projected cash flows used to value a business or non-controlling interest in an unlisted entity)

MEASUREMENT-

Fair value measurement approach:

The objective of fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability.

FV measurement requires an entity to determine:

- particular asset or liability
- valuation premise
- principal (or most advantageous) market
- valuation technique(s)

VALUATION TECHNIQUES-

Three widely used valuation techniques are:

Market approach– uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities (e.g. A business)

Cost approach– reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost)

Income approach– converts future amounts (cash flows or income and expenses) to a single current (discounted) amount, reflecting current market expectations about those future amounts.

DISCLOSURE

Disclose information that helps users of FS assess both of the following:

(1) For assets and liabilities that are measured at FV on a recurring or non-recurring basis in the BS after initial recognition, the valuation techniques and inputs used to develop those measurements

(2) For FV measurements using significant unobservable inputs (level 3), the effect of the measurements on P/L or OCI for the

SEMINAR

IND-AS-108

OPERATING SEGMENTS

Name: Umesh Kumar Singh
Roll No: 10721940803 6
Course: M.com 1st year

OPERATING SEGMENTS (IND AS-108)

INTRODUCTION

In today's global economy, most entities produce and market a variety of products and services and also operate in many geographical areas of the world. Each of the products and geographical areas are naturally subject to different rates of profitability, risks and opportunity and so on. It is therefore essential for key management personnel to be aware of the risks and return involved in each geographical area and for each products/service. This information will enable the key management personnel to make appropriate decisions regarding the utilization of the entity's resources.
This information will enable the users of the financial statements to:

- ➢ Understand the entity's past performance better
- ➢ Assess the entity's risk and return better
- ➢ Make more informed judgement about the entity as a whole

OBJECTIVE

Basic objective of Ind AS-108 is that an entity should disclose information to enable users of its financial statements to evaluate the nature and financial effects of the type of business activities in which it engages and the economics environments in which it operates.

Ind AS-108 on segmental reporting (operating segments), the emphasis has shifted in disclosing segmental information (for external reporting purposes), based in internal reporting within the entity to its chief operating decision maker (CODM)

SCOPE

➢ This Accounting Standard shall apply to companies to which Indian Accounting Standards (Ind ASs) notified under the companies Act apply.

➢ If a financial report contains both the consolidated financial statements of a parent that is within the scope of this Indian Accounting Standard as well as the parent's separate financial statements, segments information is required only in the consolidated financial statements.

What is operating segment?

Operating segments are components of an entity that engages in business activities from which it may earn revenues and incur expenses about which separate financial information is available that is evaluated regularly by the **chief operating decision maker** (CODM) in deciding how to allocate resources and in assessing performance

Determining reportable segments

Ins AS-108 adopts a management approach to determine operating segments. An entity must report separate information about each operating segment that:
Has been identified as meeting the definition of an operating segment and Segment total 10% or more of

A) Total Revenue (internal and external) of all operating segments or
B) Profit of all segments not reporting a loss or
C) All segments in loss if greater or
D) Assets of all operating segments.

At least 75% of the entity's total external revenue must be reported by the operating segment identified. Whereas this is not case, additional segments must be identified (even if they do not meet the 10% thresholds).

AGGREGATION

To or more operating segments may be aggregated if the segments have similar economic characteristics and the segments are similar in each of the following respects:

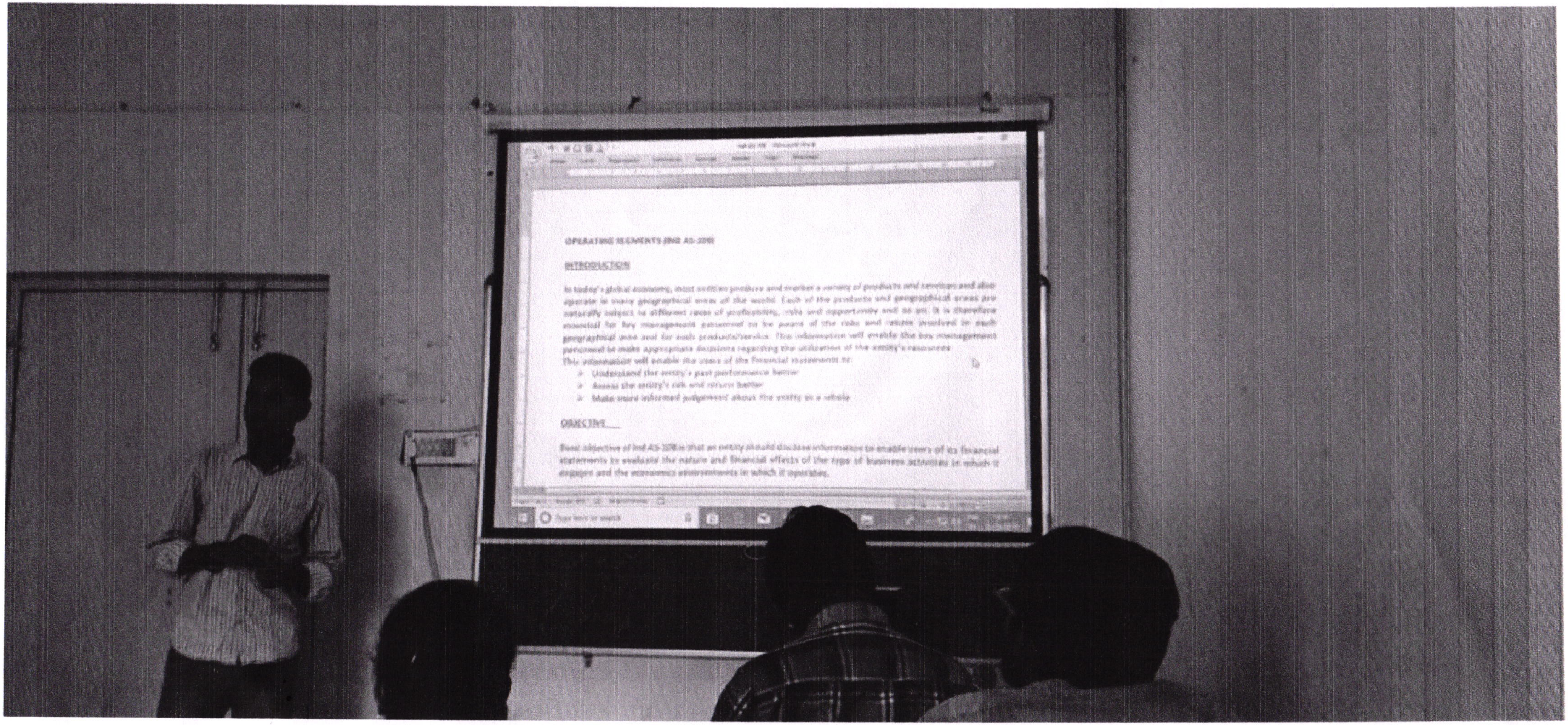
- The nature of the products or services
- The nature of the production process
- The type or class of customer for their products or services
- The methods used to distribute their products or provide their services and
- If allocable, the nature of the regulatory environment

DISCLOSURE

➢ An entity shall disclose information to enable users of its financial statements to evaluate the **nature and financial effects** of the business activities in which it engages and the **economic environments** in which it operates.

➢ An entity shall also disclose the following for each period for which a statement of profit and loss is presented.

➢ The disclosure of total assets and liabilities are only required if such information is regularly reported to the chief operating decision maker.


INTRODUCTION
OBJECTIVE

IND AS 103

BUSINESS COMBINATIONS

BY: G.HEMA LATHA

ROLL NO:107119408026

Ind AS 103

Business Combinations

Objective

To improve the relevance, reliability and comparability of the information that a reporting entity provides in its FS about a business combination and its effects.

Scope

Ind AS 103 must be applied when accounting for business combinations, but does not apply to:

- The formation of a joint venture.
- The acquisition of an asset or group of assets that is not a business, although general guidance is provided on how such transactions should be accounted for.
- Acquisitions by an investment entity of a subsidiary that is required to be measured at FVTPL under Ind AS 10.

Key terms

1. Business combination
2. Business
3. Acquirer
4. Acquiree
5. Acquisition date
6. Non-controlling interest

Key definitions

1. **Business Combination:**A transaction or other event in which an acquirer obtains control of one or more businesses.

   Transactions sometimes referred to as ‘true mergers’ or ‘mergers of equals’ are also business combinations as that term is used in this Ind AS.

2. **Acquiree:** The business or businesses that the acquirer obtains control of in a business combination.
3. **Acquirer:** The entity that obtains control of the acquire.
4. **Acquisition date:**The date on which the acquirer obtains control of the acquiree.

Determining whether a transaction is a business combination

An entity shall determine whether a transaction or other event is a business combination by applying the definition in this Ind AS, which requires that the assets acquired and liabilities assumed constitute a business

If the assets acquired are not a business, the reporting entity shall account for the transaction or other event as an asset acquisition.

Method of accounting for business combinations

Acquisition method

The acquisition method is used for all business combinations.

Steps in applying the acquisition method are:

1. Identification of the 'acquirer'
2. Determination of the 'acquisition date'
3. Recognition and measurement of the identifiable assets acquired, the liabilities assumed and any NCI in the acquire.
4. Recognition and measurement of goodwill or a gain from a bargain purchase.

Identifying an acquirer

For each business combination, one of the combining entities shall be identified as the acquirer.

Acquisition date

The acquirer shall identify the acquisition date – the date on which it obtains control of the acquiree.

Acquired assets and liabilities

Ind AS 103 establishes the following principles in relation to the recognition and measurement of items arising in a business combination:

- **Recognition principle:** Identifiable assets acquired, liabilities assumed, and NCI in the acquiree, are recognised separately from goodwill.

- **Measurement principle:** All assets acquired and liabilities assumed in a business combination are measured at acquisition-date FV.

Goodwill

Goodwill is measured as the difference between:

- The aggregate of

    a. the value of the consideration transferred (generally at FV),
    b. the amount of any NCI, and
    c. in a business combination achieved in stages, the acquisition-date FV of the acquirer's previously-held equity interest in the acquiree, and

- The net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

This can be written in simplified equation form as follows:

Goodwill = Consideration + Amount of NCI + FV previous equity interests -Net assets recognized

If the difference above is negative, the resulting gain is a bargain purchase in profit or loss, which may arise in circumstances such as a forced seller acting under compulsion.

Choice in the measurement of NCI:

This standard allows an accounting policy choice, available on a transaction by transaction basis, to measure NCI either at:

- Fair value (also called the full goodwill method), or

- The NCI'S proportionate share of net assets of the acquiree.

Measurement period

If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the business combination is accounted for using provisional amounts. Adjustments to provisional amounts, and the recognition of newly identified asset and liabilities, must be made within the 'measurement period' where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date.

Related transactions and subsequent accounting

General principles:

The recognition and measurement of assets and liabilities arising in a business combination after the initial accounting for the business combination is dealt with under other relevant standards.

Contingent consideration:

Contingent consideration must be measured at FV at the time of the business combination and is taken into account in the determination of goodwill. If the amount of contingent consideration changes as a result of a post-acquisition event, accounting for the change in consideration depends on whether the additional consideration is classified as an equity instrument or an asset or liability.

Disclosure

- The acquirer is required to disclose information that enables users of its FS to evaluate the nature and financial effect of a business combination that occurs either during the current reporting period or after the end of the period but before the FS are authorised for issue.
- The acquirer should disclose information that enable users of its FS to evaluate the financial effects of adjustments recognised in the current reporting period that relate to business combination that occurs in the period or previous reporting periods.

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IND AS : 24 (Related Party Disclosure)

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Xavale

IND AS 24

RELATED PARTY DISCLOSURES

OBJECTIVE :

Its objective Is to ensure that an entity's FS contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been effected by the existence of related parties and by transactions and outstanding balances with such parties.

SCOPE :

Application of standard :

- Identifying related party relationships and transactions.
- Identifying outstanding balances including commitments between an entity and its related parties.
- Identifying the circumstances in which disclosure of the items in (a) & (b) is required – and

Determining the disclosures to be made about those items.

KEY TERMS :

1. Related party
2. Related party transaction
3. Key management personnel (KMP)
4. Close members of the family of a person

KEY DEFINITIONS :

1.RELATED PARTY :

-A person or entity that is related to the entity preparing its affairs (referred to as the 'reporting entity').

A person or a close member of that persons family is related to a reporting entity if that person-

1. Has control or joint control of the reporting entity;
2. Has significant influence over the reporting entity; or
3. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions applies-

- The entity and the reporting entity are members of the same group (each parent,subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or JV of the other entity (or of a member of a group of which the other entity is the member).
- Both entities are JV of the same third party.
- One entity is JV of a third entity and the other entity is an associate of the third entity.

- The entity is a post employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself is such a plan,the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by a person identified (a).
- A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity(or of a parent of the entity).
- The entity , or any member of a group of which it is a part provides key ,management personnel services to the reporting entity or to the parent of the reporting entity.

The Following Are Not Related :

- Two entities simply because they have a director or key manager in common
- Two venturers who share joint control over a joint venture
- Providers of finance, trade unions, public utilities, and departments and agencies of a government that doesnot control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity
- A customer, supplier, franchiser, distributor, or general agent with whom an entity transacts a significant volume of business merely by virtue the resulting economic dependence.

2.RELATED PARTY TRANSACTIONS :

-A related party transaction is a transaction that takes place between two parties that who hold a pre-existing connection prior to the transaction.

3.KEY MANAGERIAL PERSONNEL :

Key managerial personnel are people who have authority and responsibility for planning, directing and controlling the activities of the reporting enterprise.

4.CLOSE MEMBERS OF THE FAMILY OF A PERSON :

Close member of a persons family are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity, and include (a) that person's childern and spouse or domestic partner.(b) children of that person's spouse or domestic partner.(c) Dependence of that Person or that person's spouse or domestic partner.

<u>DISCLOSURES</u> :

1.RELATED PARTY:

Relation between parents and subsidiaries- regardless of whether there have been transactions between them, disclose the name of its parent and the ultimate controlling party.

2.**KMP**:

Disclose KMP compensation in total and for each following catogeries

- Short term employee benefits
- Post employee benefits
- Other long term benefits
- Termination benefits
- Share based payment benefits

- If an entity obtains kmp services from a management entity do not disclose the compensation paid or payable by the management entity to the management entity's employees or directors.
- Disclose the amount incurred by the entity for the provision of kmp services that are provided by the separate management entity.

3. Related party transactions:

Disclose the nature of the related party relationship as well as information about transactions and outstanding balances.

SEMINAR

ON

IND AS 111

JOINT ARRANGEMENTS

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BY

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CLASS: M.COM 1st Year

COLLEGE: BHAVAN'S

IND AS 111

JOINT ARRANGEMENTS

OBJECTIVE

is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly.

MEETING THE OBJECTIVE

It defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

SCOPE

Is applied by all entities that are a party to a joint arrangement.

KEY TERMS

1. Joint Arrangement
2. Joint Control
3. Joint Operation
4. Joint Operator
5. Joint Venture
6. Separate Vehicle

KEY DEFINITIONS

Joint arrangement: An arrangement of which two or more parties have joint control.

Joint Control: The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint Operation: A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint Venture: A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Joint Venturer: A party to a joint venture that has joint control of that joint venture.

Separate Vehicle: A separately identifiable financial structure, including separate legal entities or entities recognised by statute, regardless of whether those entities have a legal personality.

JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which two or more parties have joint control.

A joint arrangement has the following characteristics:

- the parties are bound by a contractual arrangement, and
- the contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

JOINT CONTROL

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

TYPES OF JOINT ARRANGEMENTS

Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

CLASSIFICATION

- The classification of joint arrangements requires the parties to assess their rights and obligations arising from the arrangement.
- When making that assessment, an entity shall consider the following:
    1. the structure of the joint arrangement.
    2. when the joint arrangement is structured through a separate vehicle:
        - the legal form of the separate vehicle;
        - the terms of the contractual arrangement;
        - when relevant, other facts and circumstances.

FINANCIAL STATEMENTS OF PARTIES TO A JOINT ARRANGEMENT

Joint Operations:

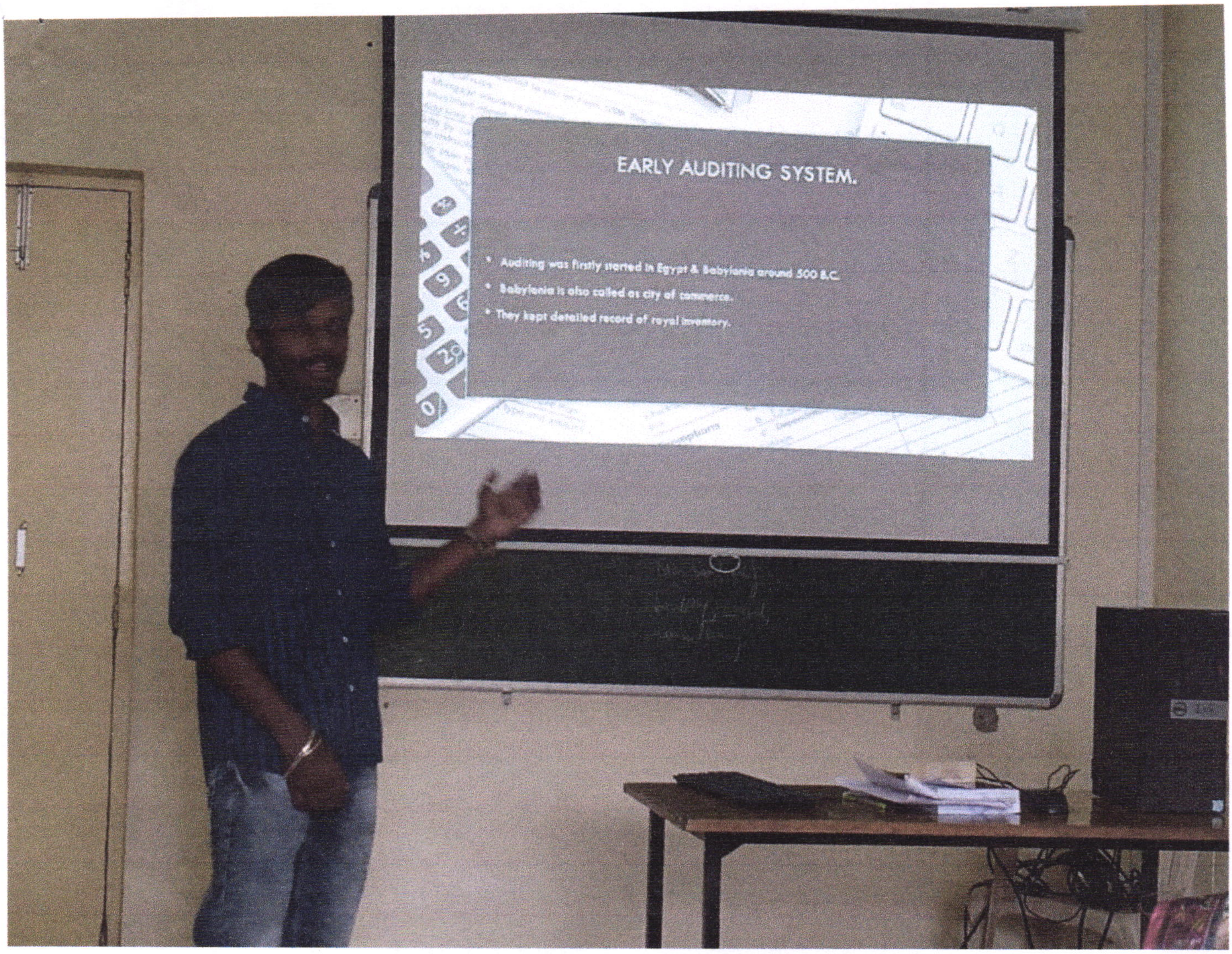
A joint operator shall recognise in relation to its interest in a joint operation:

-
    1. its assets including its share of any assets held jointly;
    2. its liabilities including its share of any liabilities incurred jointly;
    3. its revenue from the sale of its share of the output arising from the joint operation;
    4. its share of the revenue from the sale of the output by the joint operation; and
    5. its expenses, including its share of any expenses incurred jointly.

Joint Ventures:

A joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with Ind AS 28, Investments in Associates and Joint Ventures, unless the entity is exempted from applying the equity method as specified in that standard.

Separate Financial Statements:


EARLY AUDITING SYSTEM.
• Auditing was firstly started in Egypt & Babylonia around 500 B.C.
• Babylonia is also called as city of commerce.
• They kept detailed record of royal inventory.

In its separate financial statements, a joint operator or joint venturer, shall account for its interest in:

- 1. a joint operation in accordance with paragraphs 20–22;
  2. a joint venture in accordance with paragraph 10 of Ind AS 27, Separate Financial Statements.

In its separate financial statements, a party that participates in, but does not have joint control of a joint arrangement shall account for its interest in:

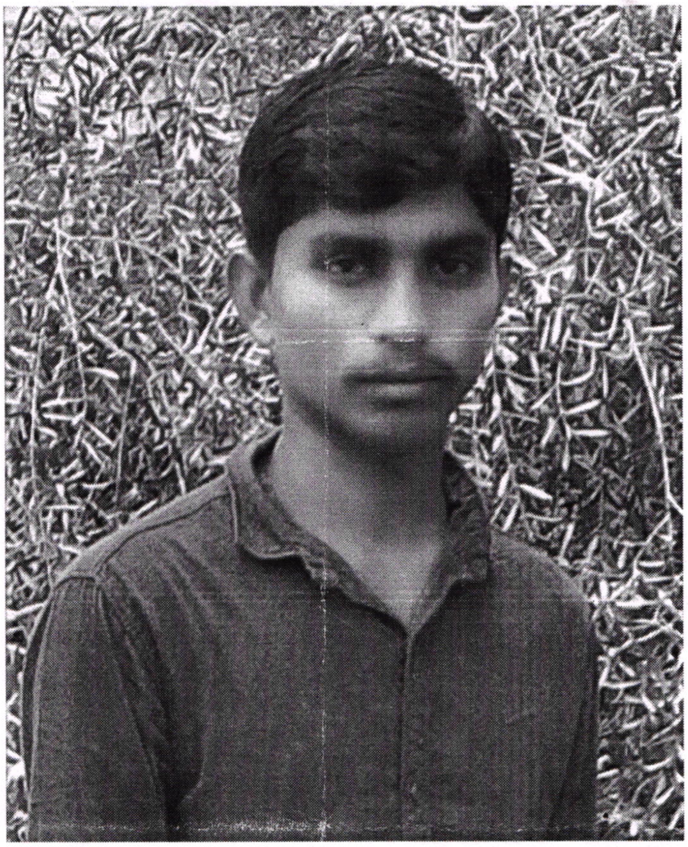
- 1. a joint operation in accordance with paragraph 23;
  2. a joint venture in accordance with Ind AS 109, unless the entity has significant influence over the joint venture, in which case it shall apply paragraph 10 of Ind AS 27.

In Joint operations is required to organise in relation to its Interest in the Joint operation both in consolidated / seperate FS.

- Assets and liabilities including those held Jointly should be recorded CFS/SFS.

Revenue / Expenses incurred Jointly should be recorded in CFS/SFS.

In case of Joint venture in consolidated FS Equity method has to be applied. and in SFS cost method or Ind 109 to be applied,



IND AS 38 INTANGIBLE ASSETS

M. PRUDVI VIVEKANAND

IND AS 38

INTANGIBLE ASSETS

OBJECTIVE:

Is to prescribe the accounting treatment for intangible assets that are not dealt with specifically in another Ind AS. The Standard requires an entity to recognise an intangible asset if, and only if, certain criteria are met. The Standard also specifies how to measure the carrying amount of intangible assets and requires certain disclosures regarding intangible assets.

SCOPE:

Applies to all intangible assets except:

- Financial instruments
- Exploration and evaluation assets
- Expenditure on the development and extraction of minerals, oil, natural gas, and similar resources
- Insurance contracts
- Intangible assets covered by another Ind AS.

KEY TERMS:

1. Intangible asset
2. Impairment loss
3. Amortization
4. Research
5. Residual value
6. Useful life

KEY DEFINITIONS:

Intangible asset: An identifiable non-monetary asset without physical substance

Monetary assets: Money held and assets to be received in fixed or determinable amounts of money.

RECOGNITION:

Recognition criteria

Recognise an intangible asset (at cost) if, and only if:

- The cost of the asset can be measured reliably.
- It is probable that the future economic benefits that are attributable to the asset will flow to the entity; and

Business combinations

Cost of IA which is acquired in a Business Combination is treated as **fair value** at the acquisition date. If an asset acquired in a business combination is separable or arises from contractual or other legal rights, sufficient information exists to measure reliably the fair value of the asset.

Cost of Intangible asset is treated as Fair value at acquisition date.

Reinstatement

The Standard also prohibits an entity from subsequently reinstating as an intangible asset, at a later date, an expenditure that was originally charged to expense.

RESEARCH AND DEVELOPMENT COSTS:

- Charge all research cost to expense.
- Development costs are capitalised only if all of the following pointers are demonstrated by the entity:
    - Technical and commercial feasibility of the asset for sale or use have been established
    - Intention to complete the IA and use or sell it
    - Ability to use or sell the IA
    - How the intangible asset will generate probable future economic benefits?
    - Availability of adequate technical, financial and other resources to complete the development and to use or sell the IA
    - Ability to measure reliably the expenditure attributable to the IA during its development.
- If an entity cannot distinguish the research phase from the development phase, the entity treats the expenditure for that project as if it were incurred in the research phase only.

INTERNALLY GENERATED BRANDS, MASTHEADS, PUBLISHING TITLES, CUSTOMER LISTS...

...and items similar in substance that are internally generated should not be recognised as Intangible assets.

EXPENDITURE ON AN INTANGIBLE ITEM THAT WAS INITIALLY RECOGNISED AS AN EXPENSE SHALL NOT BE RECOGNISED AS PART OF THE COST OF IA AT A LATER DATE

INITIAL MEASUREMENT:

Intangible assets are initially measured at cost.

MEASUREMENT SUBSEQUENT TO ACQUISITION:

Choose either the cost model or the revaluation model for each class of intangible asset.

The items within a class of intangible assets are revalued simultaneously.

COST MODEL:
After initial recognition intangible assets should be carried at cost less accumulated amortisation and impairment losses.

REVALUATION MODEL:
Intangible assets may be carried at a revalued amount being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. FV shall be measured by reference to an active market. Such active markets are expected to be uncommon for intangible assets. Examples where they might exist:

- Taxi licences
- Fishing licences
- Production quotas

Revaluation increases are recognised in OCI and accumulated in the "revaluation surplus" within equity except to the extent that it reverses a revaluation decrease previously recognised in profit and loss.

Intangible asset with a finite useful life is amortised.

USEFUL LIFE:
The accounting for an intangible asset is based on its useful life.

- Intangible asset with a finite useful life is amortised and
- Intangible asset with an indefinite useful life is not.

INTANGIBLE ASSETS WITH FINITE USEFUL LIVES:
The depreciable amount of an IA with a finite useful life shall be allocated on a systematic basis over its useful life.

- The amortisation method should reflect the pattern of benefits.
- If the pattern cannot be determined, amortise by the straight line method.
- The amortisation charge is recognised in profit or loss unless this or another Standard permits or requires it to be included in the carrying amount of another asset.

There is a rebuttable presumption that, an amortisation method that is based on the revenue generated by an activity that includes the use of an IA is inappropriate.

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES:
An intangible asset with an indefinite useful life should not be amortised.

Test an Intangible asset with an indefinite useful life for impairment by comparing its recoverable amount with its carrying amount:

1. Annually, and
2. Whenever there is an indication that the IA may be impaired.

RETIREMENT & DISPOSAL:

An IA shall be derecognised:

1. ON disposal; or
2. When no future economic benefits are expected from its use or disposal.

DISCLOSURE:

For each class of intangible asset, disclose:

- Useful life or amortisation rate
- Amortisation method
- Gross carrying amount and accumulated amortisation
- Line items of SOPL in which amortisation is included
- Reconciliation of the carrying amount at the beginning and the end of the period
- Basis for determining that an intangible has an indefinite life
- Description and carrying amount of individually material intangible assets
- Certain special disclosures about intangible assets acquired by way of government grants
- Information about intangible assets whose title is restricted
- Contractual commitments to acquire intangible assets

Additional disclosures are required about:

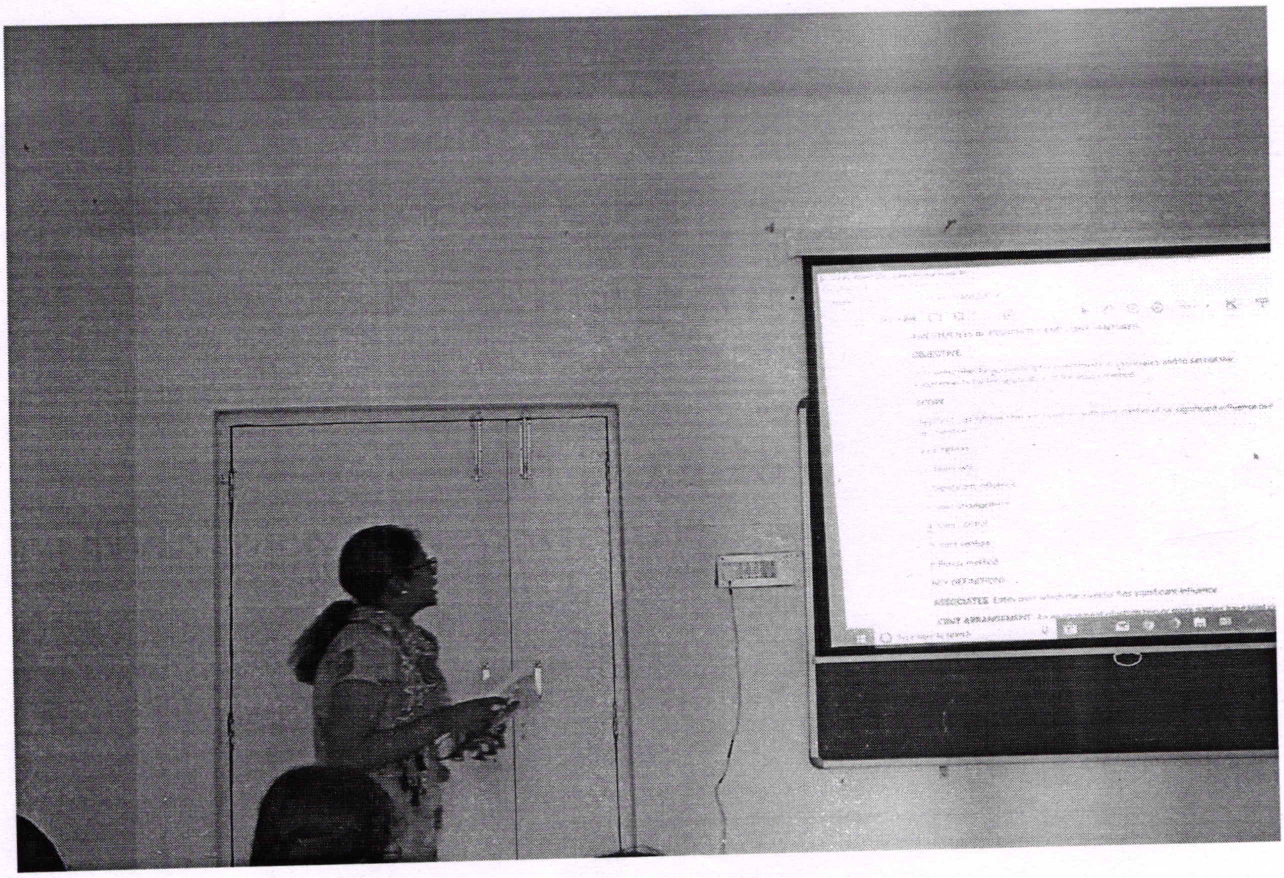
- Intangible assets carried at revalued amounts
- The amount of research and development expenditure recognised as an expense in the current period.

SEMINAR

ON

IND AS 28

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES



BY

B. NIKITHA

1072-19-408-022

IND AS 28

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

OBJECTIVE

Is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method.

SCOPE

Applies to all entities that are investors with joint control of, or significant influence over, an investee.

KEY TERMS

1. Associate

2.Significant influence

3.Joint arrangement

4.Joint control

5.Joint venture

6.Equity method

KEY DEFINITIONS

ASSOCIATES: Entity over which the investor has significant influence.

JOINT ARRANGEMENT: An arrangement of which two or more parties have joint control.

A joint arrangement has the following characteristics: -

- the parties are bound by a contractual arrangement
- and the contractual arrangement gives two or more of those parties joint control.

A joint arrangement is either a joint operation or a joint venture.

SIGNIFICANT INFLUENCE: The power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

If entity holds voting power in investee

20% or more — Entity has SIGNIFICANT INFLUENCE

Less than 20% – presumed that: Entity does not have significant influence (unless clearly demonstrated otherwise)

The existence of significant influence by an entity is usually evidenced in one or more of the following ways:

- Representation on the board of directors
- Participation in the policy-making process,
- Material transactions
- Interchange of managerial personnel;

JOINT CONTROL: it is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

JOINT VENTURE :A joint venture is an arrangement in which two or more parties agree to pool their resources for the purpose of a specific task or transaction.

EQUITY METHOd :- whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

- **Basic principle:** Investment in Associates or JV is initially recognized at cost and the carrying amount is increased / decreased to recognise the investors share of the profit or loss after the date of acquisition, which is recognized in Investors Profit or Loss.
- **Distributions and other adjustments to carrying amount**: Distributions received from an investee- reduce the carrying amount of the investment.

APPLICATION OF EQUITY METHOD:

- Exemptions from applying the equity method: if the entity is a parent that is exempt from preparing CFS or if the given conditions are satisfied.
- Classification as held for sale: Apply Ind AS 105 to Investment that meets the criteria to be classified as held for sale. Apply Ind AS 28 to any Retained portion of an investment that has not been classified as held for sale.
- Discontinue the equity method: from the date when its investment ceases to be an associates, or JV. If an investment in an associates becomes an investment in a JV or vice versa, continue to apply the equity method and do not remeasure the retained interest.
- Equity method procedures: The most recent available FS of the associates or JV are used by the entity in applying the equity method. The entitys FS shall be prepared using uniform accounting policies for like transactions and events in similar circumstances unless, in case of associates, it is impracticable to do so.
- Separate financial statements: An investment in an associates or a JV should be accounted for in the entitys separate FS in accordance with para 10 of Ind AS 27

IND AS 16

PROPERTY, PLANT & EQUIPMENT (PPE)

IND AS 16 deals with Accounting & depreciation of property, plant and equipment which were covered by Accounting Standard 10 (Accounting for Fixed Assets) & AS 6 (Depreciation Accounting).

OBJECTIVE

1. It is to prescribe the accounting treatment for PPE.

2. The principal issues are the recognition of assets, the determination of their carrying amounts, and the depreciation charges and impairment losses to be recognised in relation to them.

SCOPE

Applied in the accounting for PPE.

Ind AS 2 (Inventories)

Non-applicability: Ind AS 105(Revenue from Contracts with Customers)

Ind AS 41(Agriculture)

Ind AS 106(*Exploration for and Evaluation of Mineral Resources*).

Key Terms:-

Plant, Property and Equipment (PPE)

Plant, Property and Equipment (PPE) are 'Tangible items' which are held for use in production of goods, rendering of services, administrative use, and rental purpose and are expected to be used in more than one period. It does not include assets held for sale.

Depreciable amount:It is the cost of an asset, or other amount substituted for cost less its residual value.

Carrying amount:Amount at which an asset is recognized after deducting any accumulated depreciation and impairment loss.

Cost:Amount of cash or its equivalents paid or fair value of the other consideration given to acquire the asset at the time of acquisition or construction.

Depreciation:It is systematic allocation of depreciable amount over its useful life.

Residual value:Estimated amount that an entity would obtain after disposal of an asset after deducting the cost of disposal if any.

Recognition:Items of PPE should be recognised as assets when:

1. It is probable that the future economic benefits associated with the asset will flow to the entity, and
2. The cost of the asset can be measured reliably.
3. Spares parts, standby equipment and servicing equipment recognized as PPE only if same meet above criteria.

4. Judgment to be exercised in determining the unit of measurement for recognition.

Measurement:-

Cost incurred initially to acquire or construct a PPE item:

1. Purchase price, including import duties and non refundable taxes
2. Deduct discounts received
3. Add directly attributable costs
4. Add Initial estimates of ARO (Asset Restoration Obligation which are is the unavoidable costs to be incurred for removing / dismantling of the asset and restoring the site on which it is located.
5. Add borrowing costs in case of qualifying assets (in accordance with Ind AS 23 Borrowing costs)

Costs which must not be included:

- Costs of opening a new facility
- Costs of introducing a new product or service, including advertising and promotional costs
- Cost of relocation and staff training
- Administration and other general overheads

Exchange transactions:

Where one asset exchanged for another non monetary asset or in a combination of monetary and non-monetary asset, entity to determine if the transaction has economic substance.

Economic substance exists if:

- Risk, timing and amount of cash flows of asset received is different from those of asset transferred.
- Entity specific value of its operations changes as a result of such exchange
- The above differences are significant relative to the fair value of assets exchanged

Revaluation Model:

1. Asset is revalued amount which is the he fair value on date of revaluation less any subsequent accumulated depreciation and impairment losses.
2. If an PPE item is revalued, the entire class of that PPE is revalued with sufficient regularity (judgment).
3. If asset's carrying amount is increase, the increase to be taken to P&L to the extent of previously recognized losses and balance shall be recognized in OCI and accumulated in Equity under Revaluation Surplus.
4. Decrease in carrying amount – debit Revaluation Surplus to extent recognized earlier, balance, if any, to be taken to Profit and Loss account.

Subsequent Costs: Costs of day-to-day servicing of PPE items (e.g. costs of labor and consumables and other small parts used in routine repair and maintenance). Such costs are expenses as and when incurred.

If PPE item requires regular replacement (relining of furnaces, cost for fulfilling condition to continuing the operation of PPE, e.g. airplanes) such cost is recognized as PPE if recognition criteria is met. The carrying amount of the replaced item/ past service cost is derecognized.

Depreciation:

1. All items of PPE with a finite useful life are depreciated.
2. Allocated on a systematic basis over the useful life of the asset
3. Depreciable amount determined after deducting residual value from the cost of an asset.

4. Residual value and useful life of an asset to be reviewed at least at each financial year, and if the estimates change, same to be accounted in accordance with Ind AS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*

Determination of Useful Life:Factors to be considered:

- Expected usage of asset
- Expected physical wear and tear
- Technical or commercial obsolescence arising from changes / improvements in production or changes in market demand for products produced
- Legal / similar limits on use of assets, e.g. expiry of related leases.

Matter of judgment based on entity's experience with similar assets

Land and buildings are accounted for separately even if acquired together.

Derecognition:

On disposal.

When no future economic benefits are expected to accrued from its use or disposal.

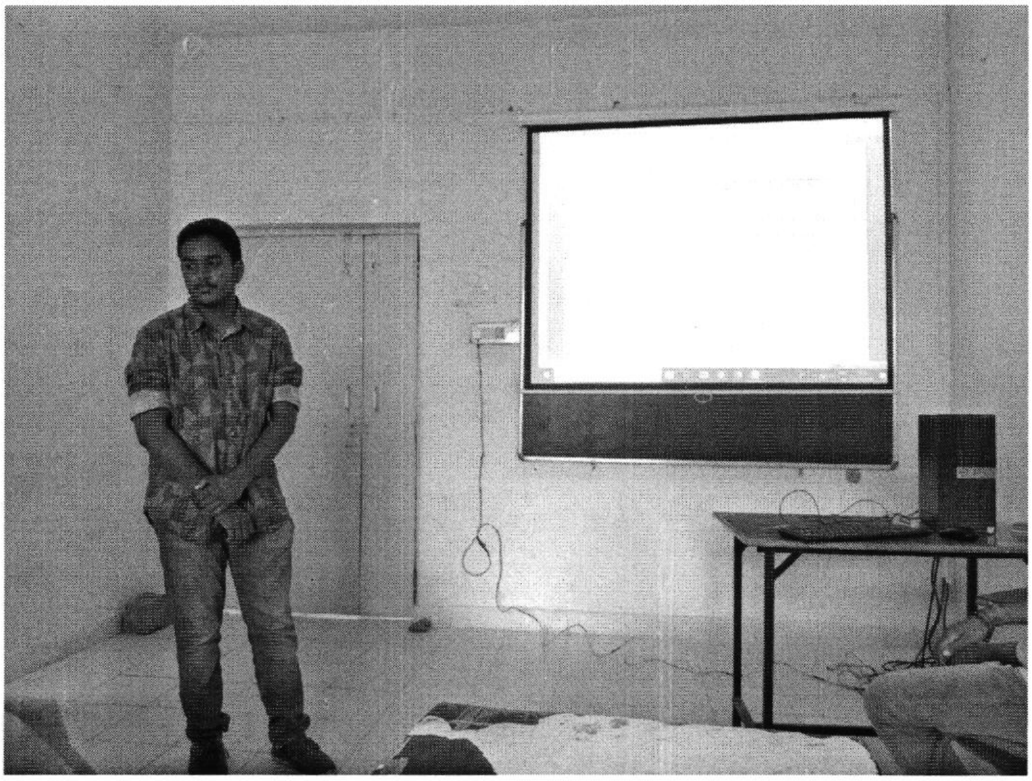
Gain or loss (difference between sale proceeds and carrying value) on such derecognition to be included in the Profit and Loss account

Gains not to be classified as revenue

Disclosures:

1. Measurement basis
2. Depreciation methods used
3. Useful live or depreciation rates
4. Gross carrying amount and accumulated depreciation at beginning and end of period.
5. Reconciliation of carrying amount at beginning and at end showing:
    - Additions
    - Assets classified as held for sale
    - Acquisitions through business combinations
    - Re-valution increases / decreases
    - Impairment losses recognised or reversed
    - Depreciation
    - Net exchange difference arising on translation of FS from function currency into a different presentation currency
    - Other changes
    - Existence and restriction on titles
6. Expenditure recognized in course of its construction

7. Contractual commitments
8. Compensation for impairment, if not disclosed separately.
9. Effective date of revaluation
10. Whether independent valuer was involved
11. For each class of PPE, the carrying amount, if assets had been carried under cost model
12. Revaluation surplus, indicating change for period and restrictions on distribution.



DONE BY: SHEEN PAUL PS

ROLL NO: 31

M.COM. I'ST SEMESTER

IND AS 105

Non Current Assets Held for Sale And Discontinued Operations

By: Yamuna P

Roll no: 107219408038

M.Com 1st year

NON-CURRENT ASSETS HELD FOR SALE AND
DISCONTINUED OPERATIONS

Objective:

to specify the accounting for assets held for sale, and the presentation and disclosure of discontinued operations.

Scope:

1. Classification and presentation requirements apply to all recognized non-current assets and to all disposal groups.
2. Measurement requirements apply to all recognised non-current assets and disposal groups, except for those assets i.e.

*deferred tax assets

*assets from employee benefits

*financial assets

*investment property at FV model

*non- current assets at FV costs to sell

*contractual rights-insurance contracts

Key terms:

1. Disposal Group
2. Discontinued Operations
3. Cash Generating Unit
4. Value in use

Key Definations:

1. Disposal group: A disposal group is a cluster of assets and liabilities that are intended to be sold off or disposed of in some other way as part of a single transaction.

2. Discontinued Operations:

A component of an entity that either has been disposed of or is classified as held for sale and:

1. Represents a separate major line of

business or geographical area of operations,

2. Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

3.Is a subsidiary acquired exclusively with a view to resale.

3.Cash generating unit:A cash-generating unit is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets. The concept is used by the international financial reporting standards in the determination of asset impairment.

4. value in use:

Value-in-use is the net present value (NPV) of a cash flow or
other benefits that an asset generates for

a specific owner under a specific use.

CLASSIFICATION OF NCA (OR DISPOSAL GROUPS) AS HELD FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS

A NCA should be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

CRITERIA TO BE FULFILLED TO CLASSIFY AN ASSET AS HELD FOR SALE

1. Asset must be available for immediate sale
2. The sale must be highly probable i.e.
-Management must be committed to sell the asset
-There must be active programme to identify buyer
3. The asset must be actively marketed for sale
4. Sale price to be reasonable compared to its current FV
5. Sale expected to occur within 1 year from date of classification
6. Changes to this plan should be unlikely
Probability of shareholders' approval (if required in the jurisdiction) should be considered.

MEASUREMENT

1. NCA or disposal group classified as held for sale (or held for distribution to owners) to be measured at the lower of its carrying amount and fair value less costs to sell (or costs to distribute).
2. Newly acquired asset meets the criteria to be classified as held for sale, on initial recognition to be measured at the lower of its carrying amount had it not been so classified (for example, cost) and fair value less costs to sell.
3. Asset acquired as part of a business combination, to be measured at fair value less costs to sell.

IMPAIRMENT

1.Recognise an impairment loss for any initial or subsequent write-down of the asset to FV less costs to sell.
2.A NCA should not be depreciated (or amortised) while it is classified as held for sale or while it is part of a disposal group. Interest and other expenses to be recognised

CHANGES TO A PLAN OF SALE

If an asset has been classified as held for sale, but the above criteria are no longer met, the asset (or disposal group) should be ceased to be classified as held for sale.

PRESENTATION & DISCLOSURE

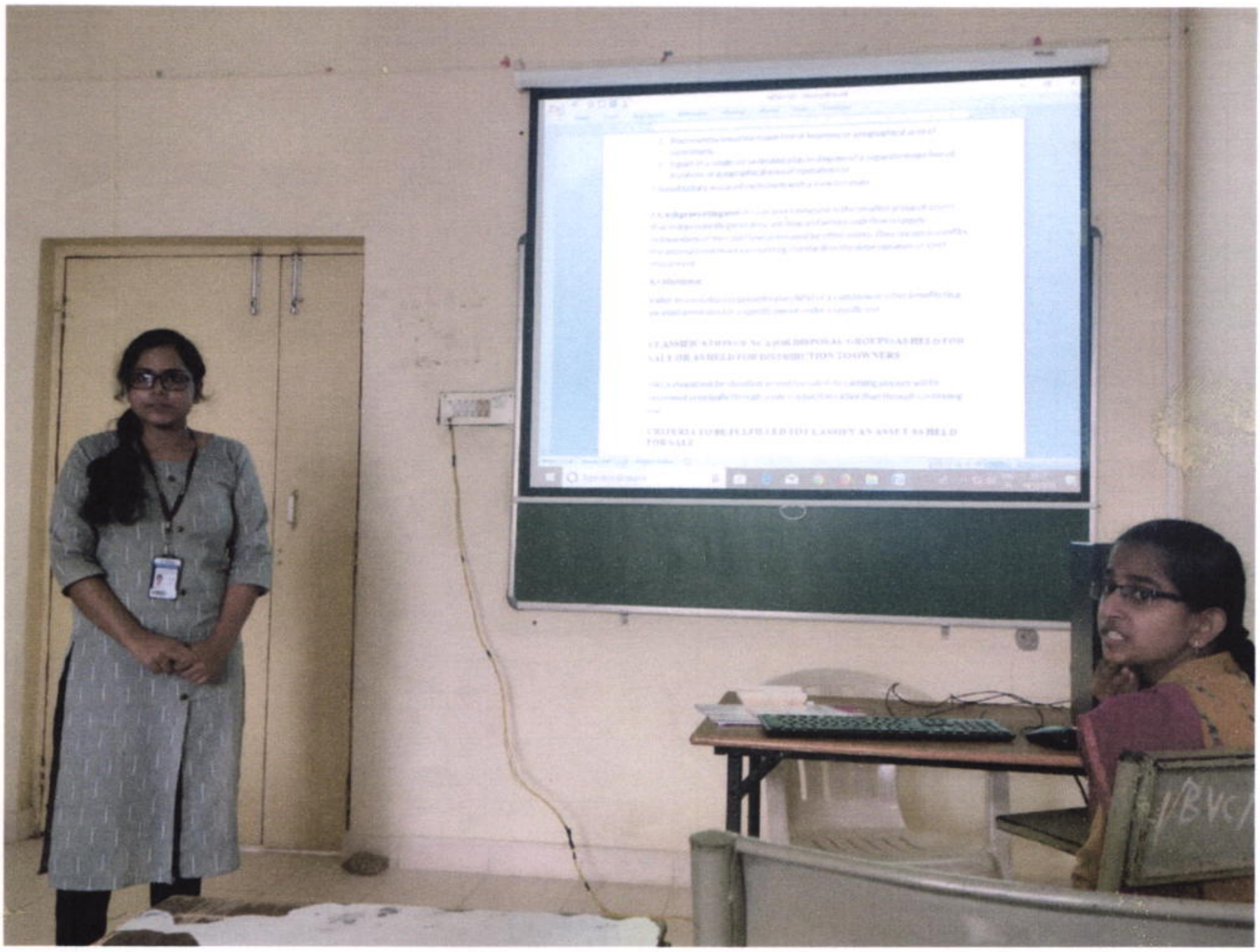
1. Present and disclose information that enables users of the FS to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups).
2. Present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the BS. Same is the case for liabilities of a disposal group classified as held for sale.

ADDITIONAL DISCLOSURES

- Description of the non-current asset or disposal group
- Description of facts and circumstances of the sale (disposal) and the expected timing
- Impairment losses and reversals, if any, and where in the statement of comprehensive income they are

recognised.

.If applicable, the reportable segment in which the non-current asset (or disposal group) is presented in accordance with Ind AS 108.



IND AS 33

EARNINGS PER SHARE

BY: MOHAMMADI BEGUM

ROLL NO:107119408014

(SUMMARY) IND AS 33
EARNINGS PER SHARE

OBJECTIVE

This standard prescribes the principles for determination and presentation of EPS. If an entity discloses the EPS, then it should be calculated in accordance with this standard. If an entity presents both CFS and SFS then EPS shall be presented in both FS.

SCOPE

An entity that discloses earnings per share shall calculate and disclose earnings per share in accordance with this Standard

KEY TERMS

1. Antidilution
2. Dilution
3. Contingent Share Agreement
4. Contingently issuable ordinary shares
5. Ordinary Share
6. Potential Ordinary Share
7. Options, warrants and their equivalents
8. Put options

KEY DEFINITIONS

1. Antidilution : is an increase in earnings per share or a reduction in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions.

2. Dilution: is a reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised, or that ordinary shares are issued upon the satisfaction of specified conditions.

3. Contingently issuable ordinary shares: are an ordinary shares issuable for little or no cash or other consideration upon the satisfaction of specified conditions.

4. Ordinary share: is an equity instrument that is subordinate to all other classes of equity instruments.

5. Potential ordinary share: is a financial instrument or other contract that may entitle its holder to ordinary share. For example:

- ❖ Convertible instruments
- ❖ Share options and warrants
- ❖ Share purchase plants
- ❖ Share which will be issued subject to certain conditions being met.

6. Options warrants and their equivalents: are financial instruments that give the holder the right to purchase ordinary shares.

7. put options: an ordinary shares are contract that give the holder the right to sell ordinary shares at a specified price for a given period

MEASUREMENT

A. Basic Earnings per Share

B. Diluted Earnings per Share

A. BASIC EARNINGS PER SHARE

$$EPS = \frac{\text{Profit or loss attributable to ordinary equity holders of the parent entity}}{\text{Weighted average number of ordinary shares outstanding during the period}}$$

Earnings:

- Where any item of income or expense which is otherwise required to be recognised in profit or loss in accordance with Ind AS is debited or credited to securities premium account/other reserves, the amount in respect thereof shall be deducted from profit/ loss from continuing operations for the purpose of calculating basic EPS.

- After tax amount of preference dividend on cumulative preference shares should be deducted irrespective of declaration of dividend.
- Any original issue discount or premium on increasing rate preference shares is amortised to retained earnings using the effective interest method and treated as a preference dividend for the purposes of calculating earnings per share

Shares:

- For the purpose of calculating basic earnings per share, the number of ordinary shares shall be the weighted average number of ordinary shares outstanding during the period.
- Contingently issuable shares are treated as outstanding and are included in the calculation of basic earnings per share only from the date when all necessary conditions are satisfied.
- The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.
- In a capitalisation or bonus issue or a share split, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented

B. DILUTED EARNINGS PER SHARE

- OCI result will not be used to calculate EPS.
- Adjust profit or loss attributable to ordinary equity holders of the parent entity
- Profit or loss is increased by the after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares and is adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares
- The weighted average number of ordinary shares outstanding is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Earnings:

- Adjust after tax effect of potential ordinary shares of dividend, interest, other changes in income and expenses
  - The conversion of potential ordinary shares may lead to consequential changes in income or expenses.

Shares:

- The number of ordinary shares shall be the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Dilutive potential ordinary share:

- Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations
- For the purpose of calculating diluted earnings per share, an entity shall assume the exercise of dilutive options and warrants of the entity. The assumed proceeds from these instruments shall be regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the period.
- The dilutive effect of convertible instruments shall be reflected in diluted EPS.
- As in the calculation of basic earnings per share, contingently issuable ordinary shares are treated as outstanding and included in the calculation of diluted earnings per share if the conditions are satisfied.
- When an entity has issued a contract that may be settled in ordinary shares or cash at the entity's option, the entity shall presume that the contract will be settled in ordinary shares, and the resulting potential ordinary shares shall be included in diluted earnings per share if the effect is dilutive.
- For contracts that may be settled in ordinary shares or cash at the holder's option, the more dilutive of cash settlement and share settlement shall be used in calculating diluted earnings per share.
- Contracts such as purchased put options and purchased call options (ie options held by the entity on its own ordinary shares) are not included in the calculation of diluted earnings per share because including them would be antidilutive.
- Contracts that require the entity to repurchase its own shares, such as written put options and forward purchase contracts, are reflected in the calculation of diluted earnings per share if the effect is dilutive

RETROSPECTIVE ADJUSTMENTS

If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively.

PRESENTATION

- An entity shall present basic and diluted earnings per share with equal prominence for all periods presented.
- An entity shall present basic and diluted earnings per share, even if the amounts are negative.

DISCLOSURES

- The amounts used as the numerators in calculating basic and diluted earnings per share.
- The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.
- Instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented.

IND AS 104

INSURANCE CONTRACTS

BY: P . SHIVANI

ROLL NO:107119408030

IND AS 104

INSURANCE CONTRACTS

OBJECTIVE:

It is to specify the financial reporting for insurance contracts by any entity that issues such contracts.

Scope:

Application of this standard:

1. Insurance contracts (including reinsurance contracts) that it issues and reinsurance contracts that it holds.

2. Financial instruments that it issues with a discretionary participation feature (para 35).

This IND AS does not address other aspects of accounting by insurers, such as accounting for financial assets held by insurers and financial liabilities issued by insurers.

Embedded derivatives:

An insurer need not account for an embedded derivative separately at fair value if the embedded derivative meets the definition of an insurance contract.

Unbundling of deposit component:

Requires an insurer to unbundle (that is, to account separately for) deposit components of some insurance contracts, to avoid the omission of assets and liabilities from its balance sheet.

KEY TERMS:

1. Insurance contract

2 .Deposit component

3. Discretionary participation feature

4. Cedant

KEY DEFINATIONS:

Insurance contract: A contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

Insurer: The party that has an obligation under an insurance contract to compensate a policyholder if an insured event occurs.

RECOGNITION AND MEASUREMENT:

Liability adequacy test:

An insurer should assess at the end of each reporting period whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts.

If that assessment shows that the carrying amount of its insurance liabilities (less related deferred acquisition costs and related intangible assets) is inadequate in the light of the estimated future cash flows, the entire deficiency shall be recognised in profit or loss.

Changes in accounting policies:

An insurer may change its accounting policies for insurance contracts if, and only if, the change makes the FS more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs.

Re-measuring insurance liabilities:

An insurer is permitted to change its accounting policies so that it re-measures designated insurance liabilities to reflect current market interest rates and recognises changes in those liabilities in profit or loss.

Prudence:

An insurer need not change its accounting policies for insurance contracts to eliminate excessive prudence.

Future investment margins:

There is a rebuttable presumption that an insurer's FS will become less relevant and reliable if it introduces an accounting policy that reflects future investment margins in the measurement of insurance contracts.

DISCLOSURE:

An insurer should disclose information that identifies and explains the amounts in its FS arising from insurance contracts.

OVERVIEW ON IND AS 41 AGRICULTURE

By BH KN Shashank

Objective:-

The objective of IAS 41 is to establish standards of accounting for agricultural activity – the management of the biological transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets).

Scope:-

IAS 41 applies to biological assets with the exception of bearer plants, agricultural produce at the point of harvest, and government grants related to these biological assets.

It does not apply to

a) land related to agricultural activity,
b) intangible assets related to agricultural activity,
c) government grants related to bearer plants,
d) bearer plants.

However, it does apply to produce growing on bearer plants.

Note: Bearer plants were excluded from the scope of IAS 41 by *Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)*, which applies to annual periods beginning on or after 1 January 2016.

OVERVIEW ON IND AS 41 AGRICULTURE

Key definitions:-

[IAS 41.5]

Biological asset	A living animal or plant
Bearer plant*	A Living plant that: 1. is used in the production or supply of agricultural produce 2. is expected to bear produce for more than one period, and 3. has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Eg : Tea bushes and grape wines
Agricultural produce	The harvested product from biological assets
Costs to sell	The incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes

OVERVIEW ON IND AS 41 AGRICULTURE

Example:

Biological Asset	Agricultural Produce	Products that are resulted of processing after harvest
Sheep	Wool	Carpet
Dairy	Milk	Cattle
Sugarcane	Harvested Cane	Sugar
Cotton Plants	Harvested Cotton	Thread, clothes.

Recognition of assets:-

- ❖ Entities are required to recognize a biological asset or agricultural produce only when all the following conditions are satisfied.

  1. The entity controls the asset as the result of past events.
  2. It is probable that future economic benefits associated with the asset will flow to the entity and
  3. The fair value or the cost of the asset can be measured reliably.

- ❖ Initial recognition will occur at the point of purchase or when biological assets are generated from existing assets such as calves from livestock.

OVERVIEW ON IND AS 41 AGRICULTURE

- ❖ Agricultural produce that is attached to a biological asset such as wool to sheep and grapes to vine is not recognized separately until the point of harvest.

Measurement:-

- ❖ Biological asset: Fair value - cost to sell.
- ❖ Agricultural Produce: Fair value – cost to sell at initial recognition but later i.e., after harvest they are valued as per IND AS [2].
- ❖ Biological Assets is valued at fair value less cost to sell at the end of every financial year. Any change in the value is recognized in profit and loss account.

Government grants:-

Unconditional government grants received in respect of biological assets measured at fair value less costs to sell are recognized in profit or loss when the grant becomes receivable. [IAS 41.34]

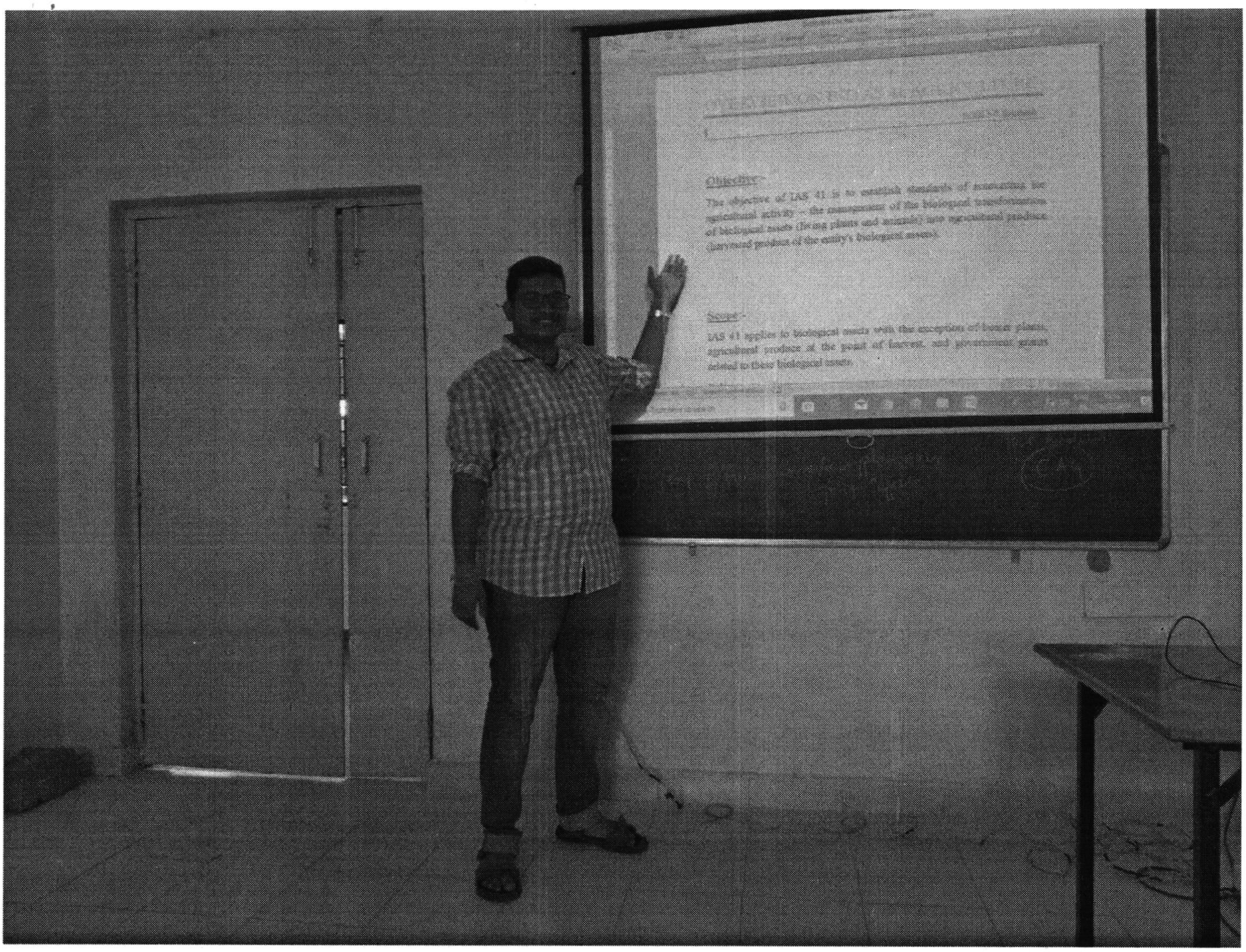
If such a grant is conditional (including where the grant requires an entity not to engage in certain agricultural activity), the entity recognizes the grant in profit or loss only when the conditions have been met. [IAS 41.35]

OVERVIEW ON IND AS 41 AGRICULTURE

Disclosure:-

- Description of biological assets and activities.
- Gains and losses recognized during the period.
- Reconciliation of changes in biological assets.
- Restricted assets, commitments and risk managements strategies.
- Additional disclosures when fair value cannot be measures reliably.
- Government grants.

THANK YOU


Objective :-
Scope :-

IND AS 106

EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

BY:

J. Aruna

Roll NO: 1072-19-408007

A. Anitha

Roll NO: 1072-19-408-001

(SUMMARY) IND AS 106

EXPLORATION FOR AND EVALUATIONOFMINERAL RESOURCES

OBJECTIVE:

Is to specify the financial reporting for the exploration for and evaluation of mineral resources.

SCOPES:

Applies to exploration and evaluation expenditures that it incurs.

KEY TERMS:

1. Exploration and evaluation assets (EEA)
2. Exploration and evaluation expenditures
3. Exploration for and evaluation of mineral resources

KEY DEFINITION:

Exploration and evaluation expenditures: Expenditures incurred by an entity in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

MEASURMENT AT RECOGNITION:

EEA shall be measured at cost.

PRESENTATION:

Classification:

Classify EEA as Tangible or Intangible

Reclassification:

An EEA shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

EEA shall be assessed for impairment, and any impairment loss recognised, before reclassification.

IMPAIRMENT:

EEA shall be assessed for impairment when facts and circumstances suggest that its carrying amount may exceed its recoverable amount.

Facts indicating impairment:

Following facts indicate that entity should test the assets for impairment:

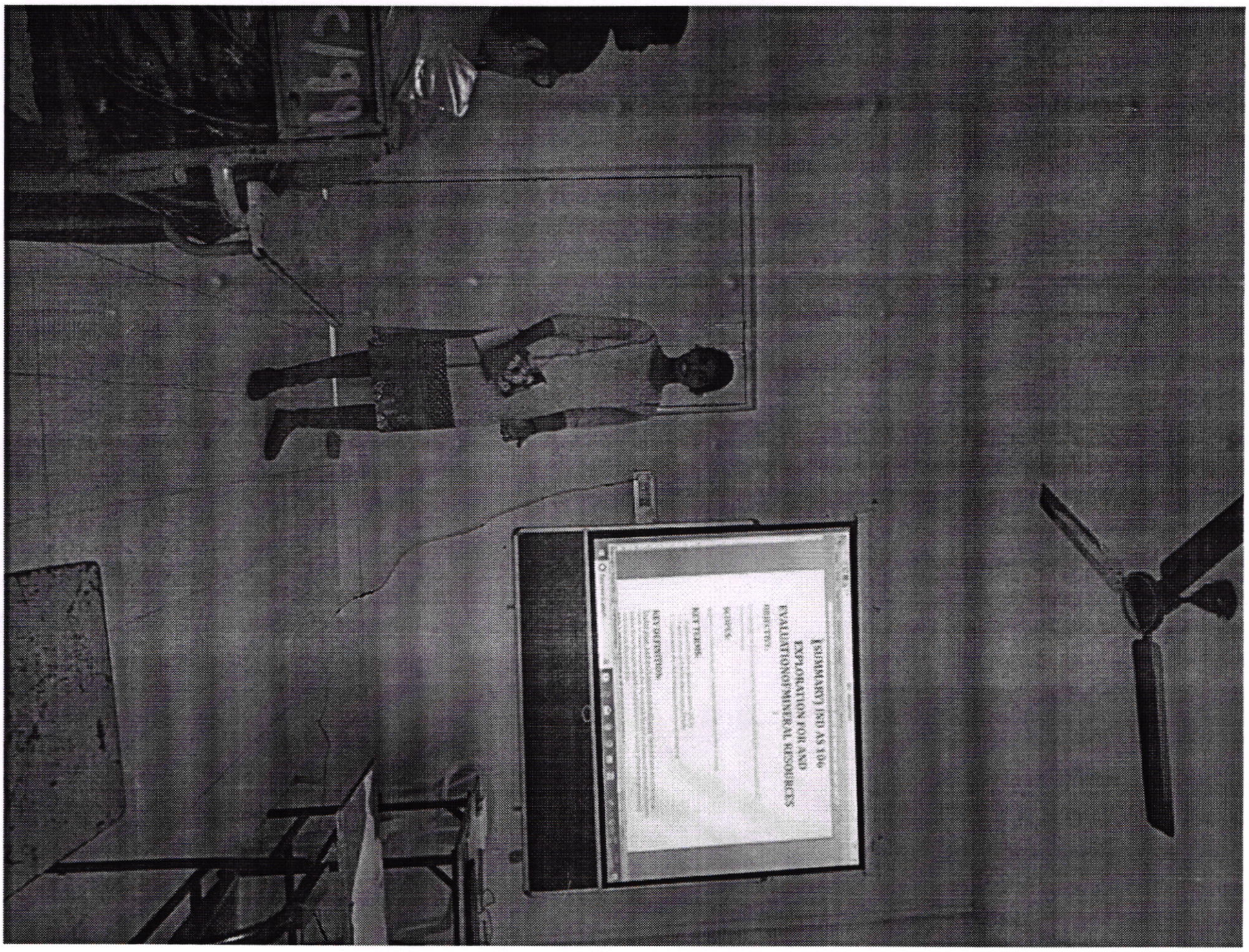
1. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
2. Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
3. Exploration for & evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
4. Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the EEA is unlikely to be recovered in full from successful development or by sale.

Any impairment loss is recognised as an expense in accordance with Ind AS 36.

DISCLOSURE:

- Disclose information that identifies the amounts recognised in FS arising from the exploration for and evaluation of mineral resources.
- Disclose:

1. Accounting policies for exploration and evaluation expenditures including the recognition of EEA.
2. Amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.


[SUMMARY] IND AS 106
EXPLORATION FOR AND
EVALUATIONOFMINERAL RESOURCES

SEMINAR ON

IND AS 40

INVESTMENT PROPERTY

OBJECTIVE

Is to prescribe accounting treatment for Investment property and related disclosure requirements

SCOPE

- Applicable in the recognition, measurement and disclosure of investment property.
- The Standard applies to the measurement in a lessee's financial statements of investment property held under a finance lease and to the measurement in the lessor's financial statements of investment property leased out under an operating lease.

NON APPLICABILITY

It is not applicable to the following standards

1. Ind AS 41 Agriculture
2. Ind AS 16 Property, Plant and Equipment

KEY TERMS

We have two key terms under this standard

1. Investment property
2. Owner-occupied property

KEY DEFINITIONS

1) Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

i. Use in the production or supply of goods or services or for administrative purposes; or

ii. Sale in the ordinary course of business.

2) Owner-occupied property

It is a property held (by the owner or by the lessee under finance lease) for use in the production or supply of goods or services or for administrative purposes. One of the distinguishing characteristics of investment property (compared to owner-occupied property) is that it generates cash flows that are largely independent from other assets held by an entity. Owner-occupied property is accounted for under Ind AS-16, Property, Plant and Equipment.

RECOGNITION

Investment property should be recognised as an asset when it is probable that the future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be reliably measured

INITIAL MEASUREMENT

Investment property is initially measured at cost, including transaction costs. Such cost should not include start-up costs, abnormal waste, or operating losses incurred before the investment property achieves the planned level of occupancy

MEASUREMENT SUBSEQUENT TO INITIAL RECOGNITION

- An entity shall also measure subsequently after initial recognition all its investment property at cost.
- The investment properties shall be carried in balance sheet at its cost less any accumulated depreciation and any accumulated impairment losses.
- The standard requires all entities to measure the fair value of investment property, for the purpose of disclosure even though they are required to follow cost model

TRANSFERS TO OR FROM INVESTMENT PROPERTY CLASSIFICATION

SITUATION	TRANSFER	
	FROM	TO
Commencement of owner-occupation	Investment property	Owner-occupied property
Commencement of development with a view to sale	Investment property	Inventories
End of owner-occupation	Owner-occupied property	Investment property
Commencement of an operating lease to another party	Inventories	Investment property

DISPOSAL

- An investment property should be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.
- The gain or loss on disposal should be calculated as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognised in profit or loss in the period of disposal.
- Compensation from third parties is recognised when it becomes receivable

DISCLOSURE

Disclosures apply in addition to those in Ind AS 17.

- Accounting policy for measurement of investment property
- If classification is difficult, the criteria to distinguish investment property from owner-occupied property and from property held for sale
- The extent to which the fair value of investment property is based on a valuation by a qualified independent valuer; if there has been no such valuation, that fact must be disclosed.
- The amounts recognised in profit or loss for:

• Rental income from investment property

• Direct operating expenses arising from investment property that generated rental income during the period

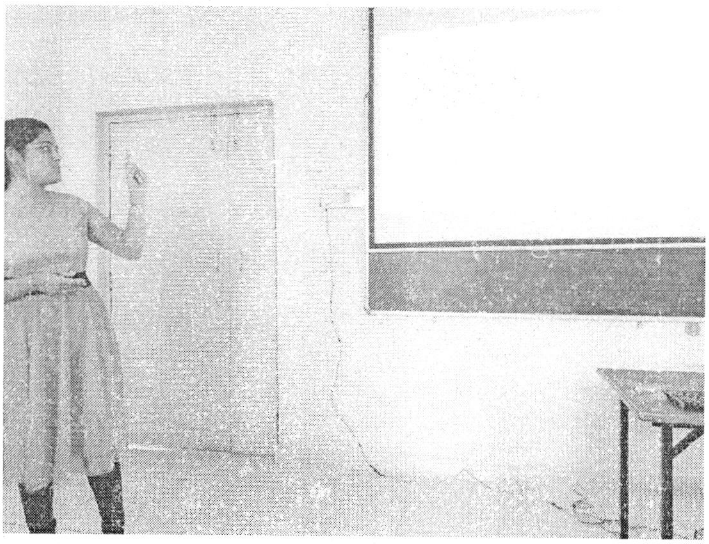
• Direct operating expenses arising from investment property that did not generate rental income during the period

• Restrictions on the realisability of investment property or the remittance of income and proceeds of disposal

• Contractual obligations to purchase, construct, or develop investment property or for repairs, maintenance or enhancements.

ADDITIONAL DISCLOSURES

- The depreciation methods used
- The useful lives or the depreciation rates used
- The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period
- A reconciliation of the carrying amount of investment property at the beginning and end of the period.
- The fair value of investment property. If the fair value of an item of investment property cannot be measured reliably, additional disclosures are required.



BY

VANDITA JAIN

107219408037

IND AS 112 DISCLOSURE OF

INTEREST IN OTHER ENTITIES

C.CHAKRAPANI

ROLL NO: 004

(SUMMARY) IND AS 112

DISCLOSURE OF INTEREST IN OTHER ENTITIES

OBJECTIVE: is to require an entity to disclose information that enables users of its financial statements to evaluate:

1. The nature of, and risks associated with, its interests in other entities; and
2. The effects of those interests on its financial position, financial performance and cash flows.

MEETING THE OBJECTIVE

To meet the objective : The significant judgments and assumptions it has made in determining:

1. The nature of its interest in another entity or arrangement;
2. The type of joint arrangement in which it has an interest;
3. That it meets the definition of an investment entity, if applicable; and
   Information about its interests in:
4. Subsidiaries;
5. Arrangements and associates; and
6. Structured entities that are not controlled by the entity (unconsolidated structured entities)

SCOPE: Applied by an entity that has an interest in any of the following:

1. Subsidiaries
2. Joint arrangements (i.e. joint operations or joint ventures)
3. Associates
4. Unconsolidated structured entities.

Non-Application:

1. Employee Benefits
2. Separate FS
3. Financial Instruments

However, an entity applies this Ind AS:

1. Ind AS 28, Investments in Associates and JV
2. Interest is an interest in an unconsolidated structured entity

KEY TERMS

1. Income from a structured entity
2. Interest in another entity

KEY DEFINITIONS

Income from a structured entity: For the purpose of this Ind AS, income from a structured entity includes, but is not limited to, recurring and non-recurring fees, interest, dividends, gains or losses on the remeasurement or derecognition of interests in structured entities and gains or losses from the transfer of assets and liabilities to the structured entity.

DISCLOSURES

Significant judgments and assumptions:

Disclose information about significant judgments and assumptions made in determining:

1. That the entity has control of another entity;
2. That it has joint control of an arrangement or significant influence over another entity; and
3. The type of joint arrangement when the arrangement has been structured through a separate vehicle.

Interests in subsidiaries:

Disclose information that enables users of CFS

1. To understand:
- The composition of the group; and
- The interest that NCIs have in the group's activities and cash flows; and
2. to evaluate:
1. The nature and extent of significant restrictions on its ability to access or use assets, and settle liabilities, of the group;
2. The nature of, and changes in, the risks associated with its interests in consolidated structured entities;
3. The consequences of changes in its ownership interest in a subsidiary that do not result in a loss of control;
4. And the consequences of losing control of a subsidiary during the reporting period.

Interests in unconsolidated subsidiaries:

An investment entity that is required to apply the exception to consolidation and instead account for its investment in a subsidiary at FVTPL should disclose that fact.

Interests in joint arrangements and associates:

Disclose information that enables users of FS to evaluate:

1. The nature, extent and financial effects of its interests in joint arrangements and associates, including the nature and effects of its contractual relationship with the other investors with joint control of, or Significant influence over, joint arrangements and association;
2. The nature of, and changes in, the risks associated with its interests in JV and associates.

Interests in unconsolidated structured entities:

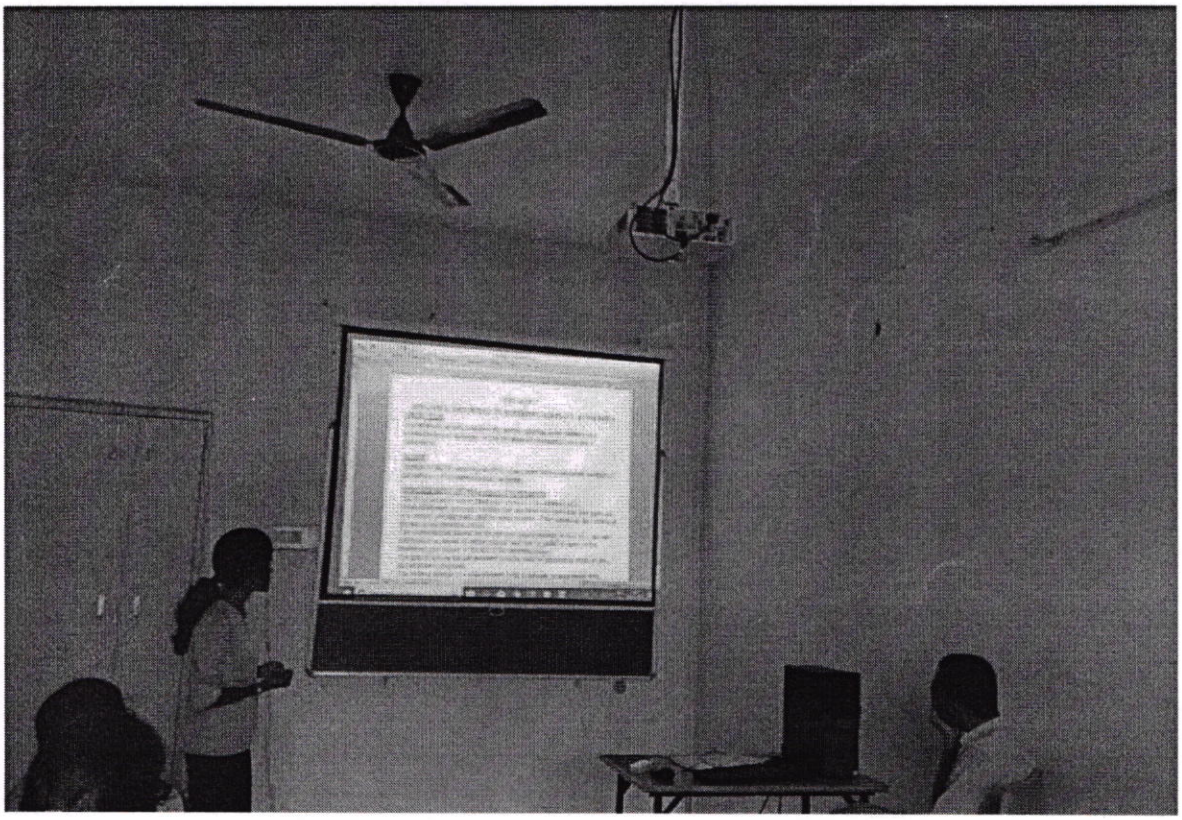
Disclose information that enables users of FS:

1. To understand the nature and extent of its interests in unconsolidated structured entities; and
2. To evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities

B.Shirisha

Ind As: 29-Financial Reporting in

Hyperinflationary Economies



Kavali

IND AS 29

FINANCIAL REPORTING IN HYPERINFLATIONARY ECONOMIES

OBJECTIVE

is to establish specific standards for entities reporting in the currency of a hyperinflationary economy, so that the financial information provided is meaningful.

SCOPE

Applied to the FS, including the CFS, of any entity whose functional currency is the currency of a hyperinflationary economy.

RESTATEMENT OF FINANCIAL STATEMENTS

- The FS of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on a historical cost approach or a current cost approach, shall be stated in terms of the measuring unit current at the end of the reporting period.
- The corresponding figures for the previous period required by Ind AS 1 and any information in respect of earlier periods shall also be stated in terms of the measuring unit current at the end of the reporting period.
- The gain or loss on the net monetary position shall be included in profit or loss and separately disclosed.
- The restated amount of a non-monetary item is reduced, in accordance with appropriate Ind ASs, when it exceeds its the recoverable amount.
- The Standard does not establish an absolute rate at which hyperinflation is deemed to arise, but allows judgement as to when restatement of FS becomes necessary. Characteristics of the economic environment of a country which indicate the existence of hyperinflation include:

1. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
2. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
3. Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
4. Interest rates, wages, and prices are linked to a price index; and
5. The cumulative inflation rate over three years' approaches, or exceeds, 100%.

ECONOMIES CEASING TO BE HYPERINFLATIONARY

When an economy ceases to be hyperinflationary and an entity discontinues the preparation and presentation of FS in accordance with this Ind AS, it should treat the amounts expressed in the measuring unit current at the end of the previous reporting period as the basis for the carrying amounts in its subsequent FS.

DISCLOSURE

- Gain or loss on monetary items.
- The fact that FS and other prior period data have been restated for changes in the general purchasing power of the reporting currency.
- Whether the FS are based on an historical cost or current cost approach.
- Identity and level of the price index at the balance sheet date and moves during the current and previous reporting period.

SEMINAR

IND-AS – 23

BORROWING COST

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IND-AS 23 BORROWING COST

* Core Principles
* Scope
* Key terms
* Key definition
* Recognition
* Measurement
* Disclosure

CORE PRINCIPLES :-

* Borrowing cost that are directly Attributable to the acquisition Construction (or) Production of Qualifying Asset from part of the Cost of that Assets.

* Other borrowing Costs are recognised as an Expense.

SCOPE :-

* An Entity Shall apply this Standard in Accounting for Borrowing Costs.
* foreign loans should also apply this Standard.

EXCLUSIONS :

* This Standards does not deal with the Actual (or) imputed Cost of Equity, including Prefered capital not Classified as a liability.

* An entity is not required to apply the Standard to borrowing Cost directly attributable to the acquisition, Construction (or) Production of :-

a. A qualifying asset measured at fair value, for example :- a biological - asset

b. Inventories that are manufactured (or) Otherwise produced, in large quantities on a repetitive basis.

KEY DEFINITIONS

→ **BORROWING COST :-**

Borrowing Costs are interest and other costs that an entity incurs in connection with the borrowing of funds

→ **QUALIFYING ASSET :-**

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use (or) sales.

MEASUREMENT :-

* If funds are borrowed specifically, the amount of borrowing cost eligible for capitalization are the actual borrowing costs incurred on that borrowing less any investment income on the temporary investment of any excess borrowings not yet used.

* If funds are borrowed generally, the amount of borrowing costs eligible for capitalization are determined by applying a capitalization rate (weighted average of borrowing cost applicable to the general borrowings) to the expenditure on that asset.

* The amount of the borrowing costs capitalized during the period cannot exceed the amount of borrowing costs during the period.

RECOGNITION :-

* An entity shall capitalize borrowing costs that are directly attributable to the acquisition, construction (or) production of a qualifying asset as part of the cost of that assets.

* An entity shall recognize other borrowing costs as an expenses in the period in which it incurs them. Other borrowing costs are recognized as an expense when incurred.

COMMENCEMENT OF CAPITALISATION :-

* An entity shall begin capitalizing borrowing costs as part of the the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the entity first meets all of the following 3 conditions:-

a. it incurs expenditures for the asset;

b. it incurs borrowing costs; and

c. it undertakes activities that are necessary to prepare the asset for its intended use (or) sale.

DISCLOSURE :-

* An entity shall disclose :-

a. The amount of borrowing costs capitalized during the period; and

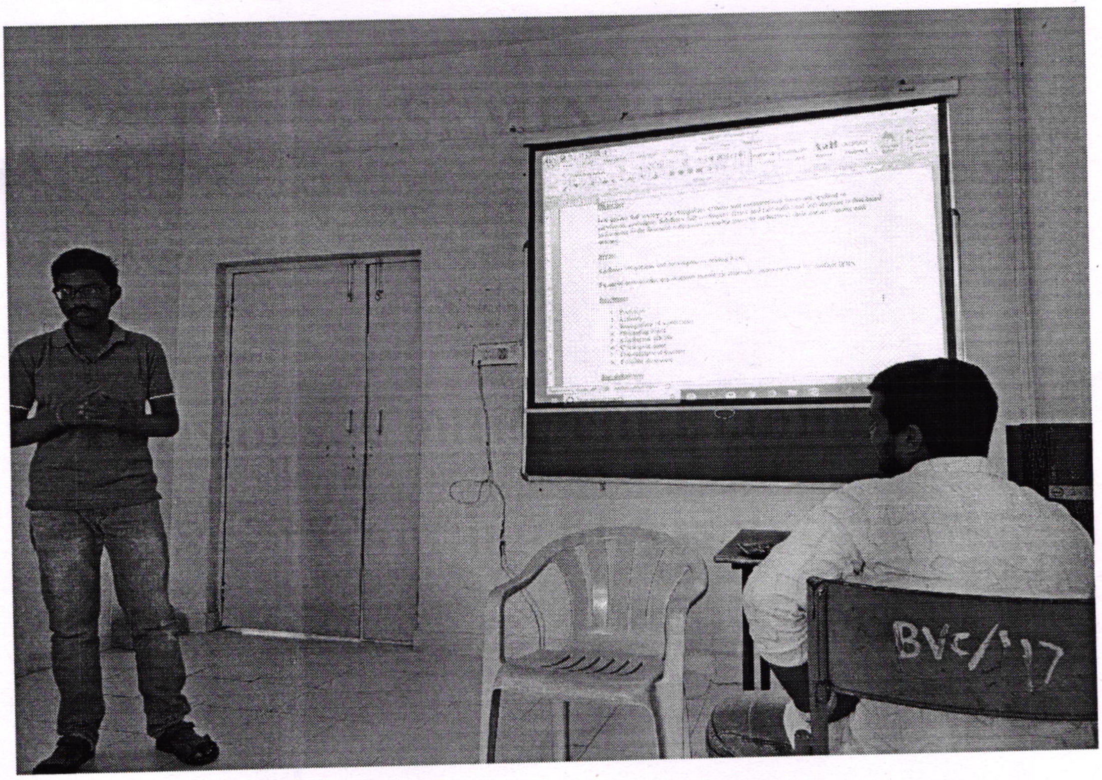
b. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization.

SEMINAR

ON

IND AS 37

Provisions, Contingent Liabilities and Contingent Assets



BY

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1072-19-408-015

Ind AS 37

Provisions, Contingent Liabilities and Contingent Assets

Objective

Is to ensure that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to the financial statements to enable users to understand their nature, timing and amount.

Scope

Excludes obligations and contingencies arising from:

Financial instruments, non-onerous executory contracts, items covered by another IFRS.

Key terms

1. Provision
2. Liability
3. Recognition of a provision
4. Obligating event
5. Contingent liability
6. Contingent asset
7. Constructive obligation
8. Possible obligation

Key definitions

Provision: Liability of *uncertain* Timing or Amount

Contingent asset: A possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Recognition

A provision shall be recognised when:

Entity has a present obligation as a result of a past event; Probability that an outflow of resources embodying economic benefits will be required to settle the obligation; & Reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision shall be recognised.

Contingent liabilities

Do not recognise contingent liabilities – but should disclose them, unless the possibility of an outflow of economic resources is remote.

Contingent assets

Contingent assets should not be recognised – but should be disclosed where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Measurement of provisions

The amount recognised as a provision should be the best estimate of the expenditure required to settle the present obligation at the end of reporting period.

Review and adjust provisions at each balance sheet date. If an outflow no longer probable, provision is reversed.

Use of provisions

Provision shall be used only for expenditures for which the provision was originally recognised.

Restructurings

It is- sale or termination of a line of business, closure of business locations, changes in management structure, fundamental reorganisations.

Disclosures

For each class of provision- opening & closing balance, additions, used amounts (i.e. incurred and charged against the provision), unused amounts reversed, or changes in discount rate,

Comparative information is not required.

For each class of provision, a brief description of: nature, timing, uncertainties, assumptions, reimbursement, if any.

IND AS 109

Financial Instruments

Meaning:- a financial instrument is any contract that gives rise to financial asset to one entity and financial liability or equity to other entity

Difference between financial liability and equity

FL if there is contract obligation on the issuer to deliver cash or other financial asset to the holder

EI is any contract that evidences a residual interest in the asset of entity after deducting al liabilities

Definition

FA:- Any asset that is

Cash

Equity instrument

A contractual right

To receive cash or another fa from another entity

To exchange fa and fl with another entity under conditions those are potentially favourable to the entity

Example

Trade receivable, cash receivable, notes receivable, lease receivable, borrowing receivable.

Which are exempted;-

PPE, inventory, leased assets, income tax, intangible assets

FL

Any obligation that is contractual obligation to

Deliver cash or another asset to other entity

Exchange FA or FA with another entity under condition that are potentially unfavourab entity

Derivative

The value derives from the underlying asset and held for sale in market for requirement of money

1. Value changes in response to underlying items i.e, value changes in response to change in commodity price , interest rates etc
2. No initial net investment or very low investment
3. It is settle at future date

Type of derivatives

Forwards:- the forward contract are the contracts to purchase or sell a specific quantity of a financial instruments with delivery or settlement on pre agreed future date.

Eg

Mr A agreed to sell the asset worth 10 lacs to Mr Y on future date

Here price is fixed and date is fixed

Trading at over the counter

Futures

Are similar to forwards

Trading at stock exchanges

Options

Writer of option have obligation to buying the asset and holder as a right not to obligation to exchange

Embedded derivative

An embedded derivative is component of a hybrid contract that also includes a non-derivative host.

Eg:- A company with $as its functional currency buys a raw material for use in production from UK company that has £ as its functional currency. The transaction is denominated in €.as this is not functional currency of either party to transaction an embedded derivative is used in contract

Functional currency of buying country $

Functional currency of selling country £

Transaction currency is € (embedded derivative)

Classification

Business model

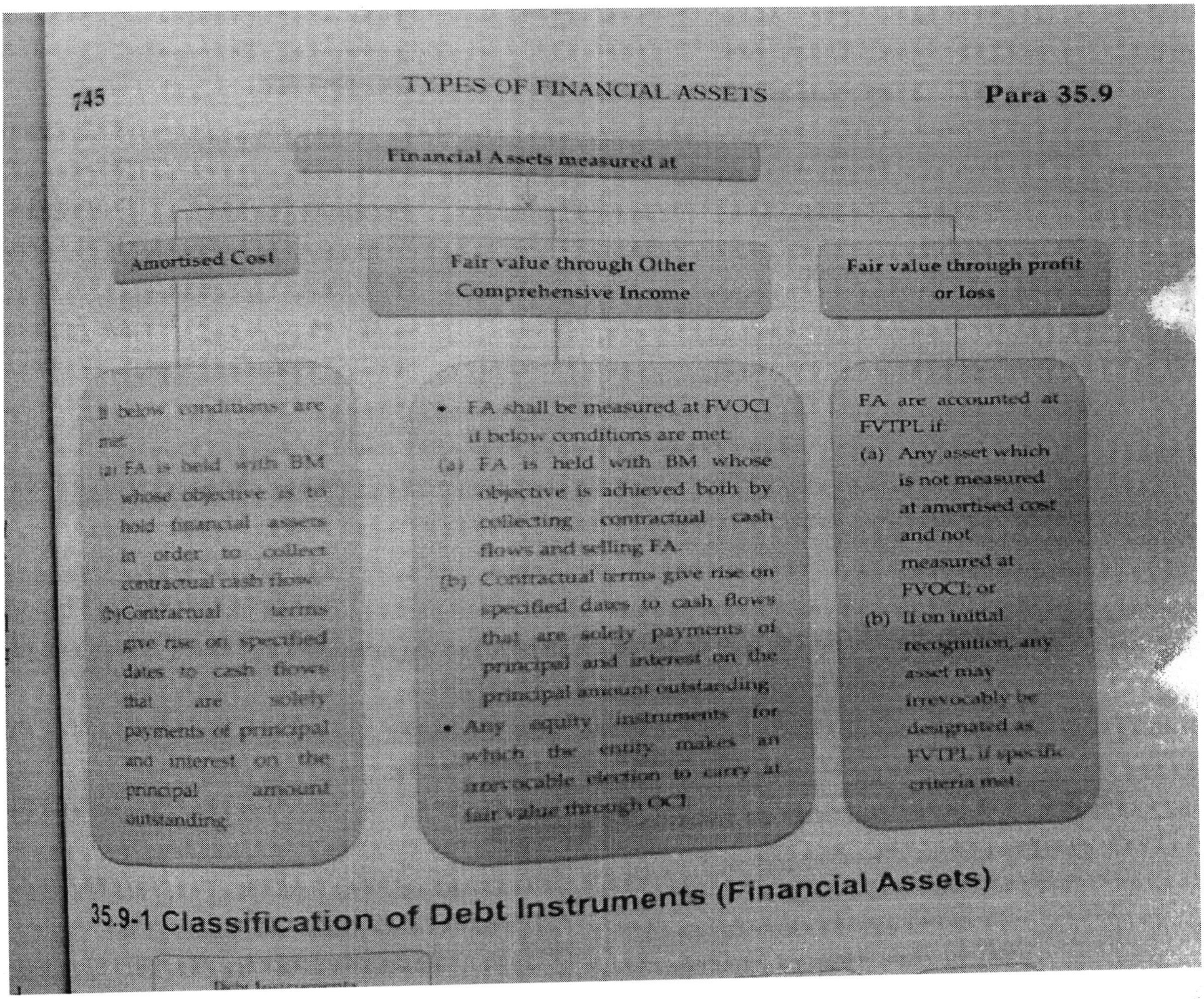
The fa, fl that are Held for collect the money, held for sale and held collect and sale is called bm

Contractual cash flow

It is cash flow with principle and interest at future specified date

Measurement of FA FL

Initial measured at fair value +- transportation cost



Financial Assets measured at

Amortised Cost

If below conditions are met:

(a) FA is held with BM whose objective is to hold financial assets in order to collect contractual cash flow.

(b) Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through Other Comprehensive Income

- FA shall be measured at FVOCI if below conditions are met:

(a) FA is held with BM whose objective is achieved both by collecting contractual cash flows and selling FA.

(b) Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Any equity instruments for which the entity makes an irrevocable election to carry at fair value through OCI.

Fair value through profit or loss

FA are accounted at FVTPL if:

(a) Any asset which is not measured at amortised cost and not measured at FVOCI; or

(b) If on initial recognition, any asset may irrevocably be designated as FVTPL if specific criteria met.

35.9-1 Classification of Debt Instruments (Financial Assets)

Impairment loss

An impairment loss is a recognized reduction in the carrying amount of an asset that is triggered by a decline in its fair value. When the fair value of an asset declines below its carrying amount, the difference is written off. Carrying amount is the acquisition cost of an asset, less any subsequent depreciation and impairment charges.

Hedging instruments (hi)

A hedged item can be a recognized asset or liability, an unrecognized firm commitment, a Forecast transaction or a net investment in a foreign operation. The hedged item can be a single item or a group of items which are reliably measurable or probable.

SEMINAR

ON

IND AS 111

JOINT ARRANGEMENTS

BY

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IND AS 107

FINANCIAL INSTRUMENTS: DISCLOSURES

BY: E. KRISHNA PRIYA

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IND AS 107

FINANCIAL INSTRUMENTS: DISCLOSURES

OBJECTIVE:

It is to require entities to provide disclosures in their FS that enable users to evaluate:

The significance of financial instruments for the entity's financial position and performance; and

The nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks

SCOPE:

Exceptions to the scope: This IND AS shall be applied by all entities to all types of financial instruments, except

1.Those interests in subsidiaries, associates or JV

2. Employers rights and obligations arising from employee benefit plans.

3. Insurance contracts.

4. Financial instruments, contracts and obligations under share-based payment transactions.

5. Instruments that are required to be classified as equity instruments.

Application:

Applies to Recognised and Unrecognised financial instruments

Recognised = Financial instruments that are within the scope of Ind AS 109

Unrecognised = Financial instruments outside the scope of Ind AS 109, but within the scope of this IND AS.

DISCLOSURE REQUIREMENTS OF IND AS 107:

Certain other disclosures are required by class of financial instrument. For those disclosures an entity must group its financial instruments into classes of similar instruments as appropriate to the nature of the information presented.

Information about the significance of financial instruments:

Balance sheet:

Disclose the significance of financial instruments for an entity's financial position and performance. This includes disclosures for each of the following categories:

- Financial assets & liabilities measured at FVTPL, showing separately those held for trading and those designated at initial recognition.
- financial assets & liabilities measured at amortised cost.

Statement of profit or loss:

Items of income, expense, gains, and losses, with separate disclosure of gains and losses from:

- financial assets & liabilities measured at FVTPL, showing separately those held for trading and those designated at initial recognition.
- financial assets & liabilities measured at amortised cost.

Nature and extent of exposure to risks arising from financial instruments:

Disclose information that enables users of FS to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period.

Qualitative disclosures – The qualitative disclosures describe:

- Risk exposures for each type of financial instrument
- Management's objectives, policies, and processes for managing those risks
- Changes from the prior period

Quantitative disclosures –

The quantitative disclosures provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's. These disclosures include:

- Summary quantitative data about exposure to each risk at the reporting date
- Disclosures about credit risk, liquidity risk, and market risk and how these risks are managed as further described below.

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation.

Disclosures about credit risk include:

- Maximum amount of exposure (before deducting the value of collateral), description of collateral.
- Information about collateral or other credit enhancements obtained or called.

Liquidity risk:

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities.

Disclosures about liquidity risk include:

- A maturity analysis of financial liabilities
- Description of approach to risk management

Market risk:

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks.

Disclosures about market risk include:

- A sensitivity analysis of each type of market risk to which the entity is exposed
- If an entity prepares a sensitivity analysis such as value-at-risk that reflects interdependencies of market risk, it may disclose that analysis instead of a separate sensitivity analysis for each type of market risk
- Additional information if the sensitivity analysis is not representative of the entity's risk exposure.

Transfers of financial assets:

Disclose information that enables users of its FS:

- To understand the relationship between transferred financial assets that are not derecognised in their entirely and the associated liabilities; and
- To evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.

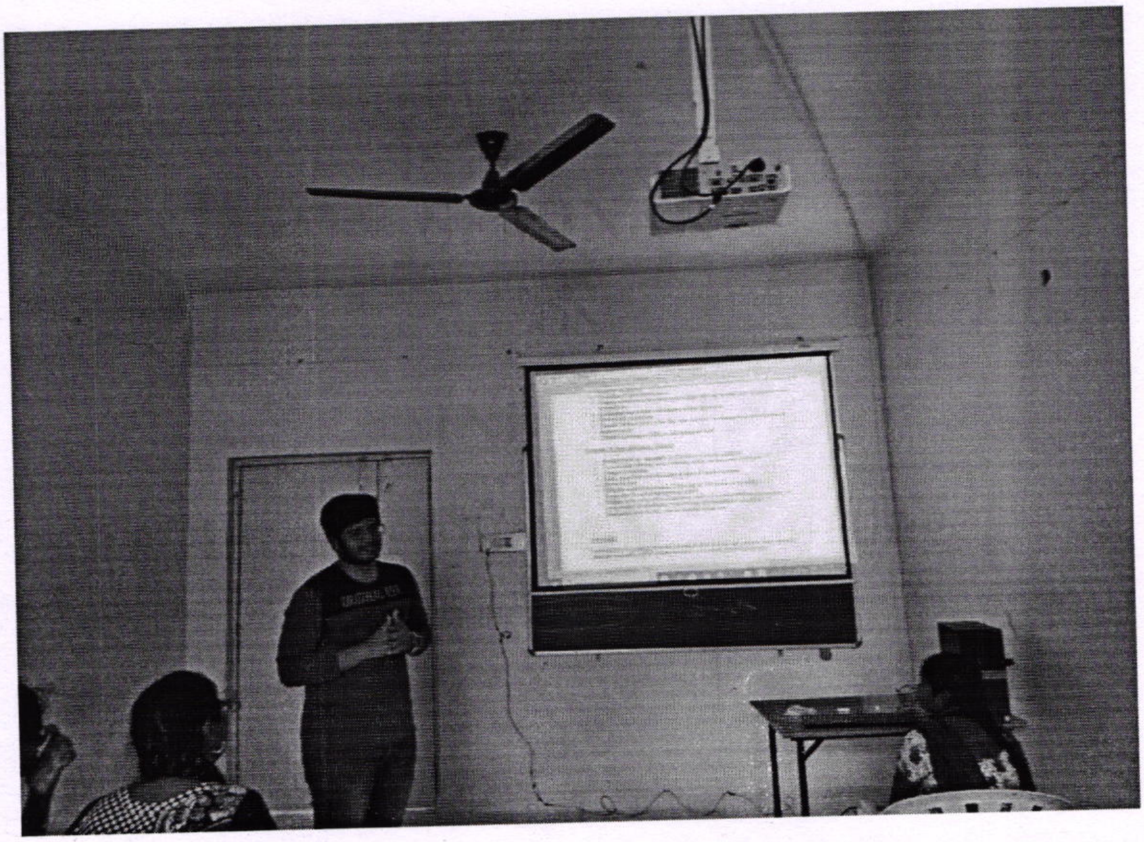

Information about the significance of financial instruments:
Balance sheet:
Disclose the significance of financial instruments for an entity's financial position and performance. This includes disclosures for each of the following categories:
Financial assets & liabilities measured at FVTPL, showing separately those held for trading and those designated at initial recognition
financial assets & liabilities measured at amortised cost
Statement of profit or loss:
BVC/SCH/57

SEMINAR

ON

IND AS 34

Interim Financial Reporting



BY

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1072-19-408-023

Ind AS 34

Interim Financial Reporting

Objective

To prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed FS for an interim period.

Scope

This Standard applies if an entity is required or elects to publish an interim financial report in accordance with Ind AS.

Ind AS 34 does not mandate:

- Which entities should publish interim financial reports,
- How frequently, or
- How soon after the end of an interim period should the interim financial reports be published.

Key Terms

1. Interim period
2. Interim financial report

Key Definitions

Interim period: a financial reporting period shorter than a full financial year.

Exemptions:

1. When an entity is incorporated in the middle of the year and its Financial Statements are ending on 31st March of every year then the first Financial Statements which are prepared at the end of the year will be less than 12 months and it is not called as an Interim Financial Statement, it is a Complete Financial Statement for that particular year.
2. When an entity changes its Financial Reporting Period from 31st March to 31st December for the subsequent years then the year in which the changes occur has the period which is less than 12 months and it is said to be the Complete Financial Statement for the particular year.

Interim financial report: a financial report containing either; Complete set of FS or Set of Condensed FS.

Minimum components of an interim financial report

A complete set of FS – Form and content of which should be in conformity to the requirements of Ind AS 1 PRESENTATION OF FINANCIAL STATEMENTS**OR**

A condensed set of FS – Should include, at a minimum,

1. Each of the headings and subtotals that were included in its most recent annual FS and
2. The selected explanatory notes.

Additional line items or notes shall be included if their omission would make the condensed interim FS misleading.

Significant Events & Transactions

The interim financial report should include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period.

Examples of events and transactions for which disclosures are required if they are significant

- Write-down of inventories
- Recognition or reversal of an impairment loss
- Reversal of provision for the costs of restructuring
- Acquisitions and disposals of PPE
- Commitments for the purchase of PPE
- Litigation settlements
- Corrections of prior period errors
- Changes in business or economic circumstances affecting the fair value of financial assets and liabilities
- Unremedied loan defaults and breaches of loan agreements
- Related party transactions
- Transfers between levels of the 'fair value hierarchy' or changes in the classification of financial assets
- Changes in contingent liabilities and contingent assets.

Examples of other disclosures required

- Explanation of any seasonality or cyclicality of interim operations
- Unusual items affecting assets, liabilities, equity, net income or cash flows
- Changes in estimates
- Issues, repurchases and repayment of debt and equity securities
- Dividends paid
- Particular segment information (where Ind AS 108 applies to the entity)
- Events after the end of the reporting period
- Changes in the composition of the entity, such as business combinations, obtaining or losing control of subsidiaries, restructurings and discontinued operations
- Disclosures about the fair value of financial instruments.

Materiality

In deciding how to recognize, measure & classify, or disclose an item for interim financial reporting purposes, materiality shall be assessed in relation to the interim period financial data.

Disclosure in annual financial statements

If there is a significant change in an estimate made in interim period, then disclose nature and amount of that change in annual FS.

Measurement

Measurements for interim reporting purposes should be made on a year-to-date basis, so that the frequency of the entity's reporting does not affect the measurement of its annual results.

Several important measurement points:

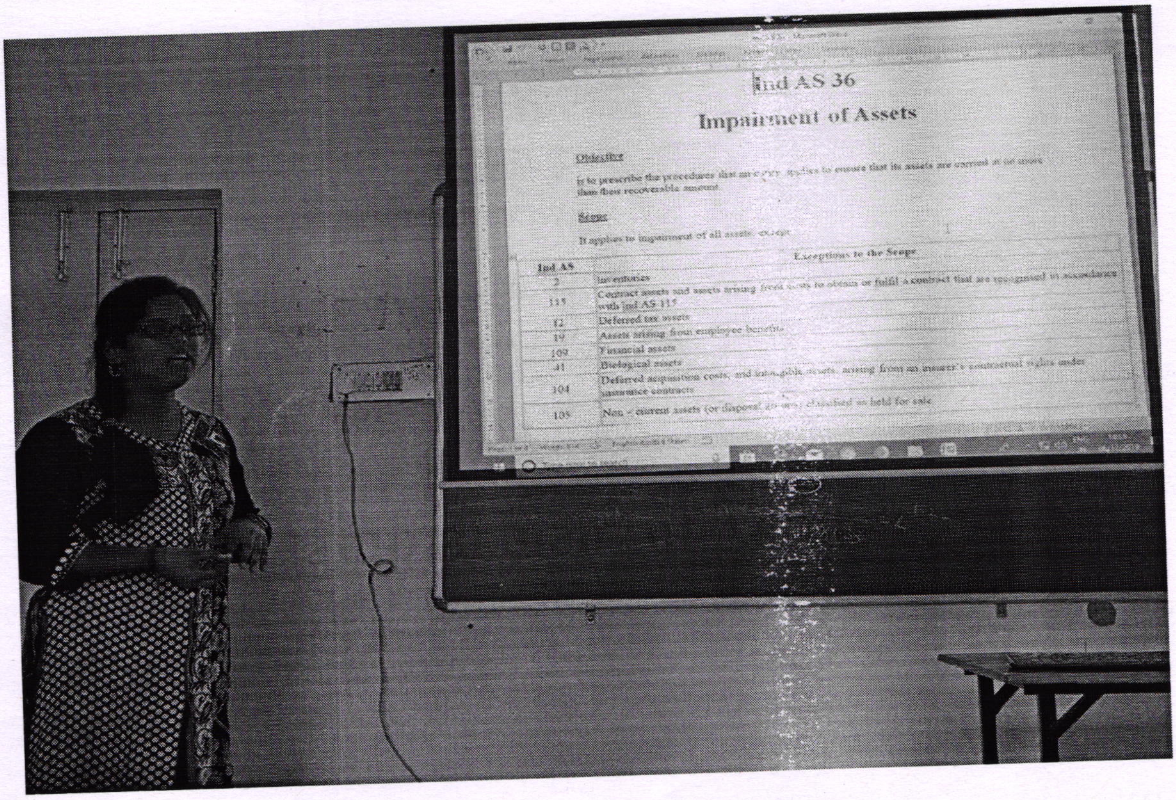
- Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.
- Revenues that are received seasonally, cyclically, or occasionally within a financial year shall not be anticipated or deferred as of an interim date if anticipation or deferral would not be appropriate at the end of the entity's financial year.
- Costs that are incurred unevenly during an entity's financial year shall be anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

SEMINAR

ON

IND AS 36

Impairment of Assets



Kamala

BY

V. VIJAYA SREE

1072-19-408-019

Ind AS 36

Impairment of Assets

Objective

is to prescribe the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount.

Scope

It applies to impairment of all assets, except:

Ind AS	Exceptions to the Scope
2	Inventories
115	Contract assets and assets arising from costs to obtain or fulfil a contract that are recognised in accordance with Ind AS 115
12	Deferred tax assets
19	Assets arising from employee benefits
109	Financial assets
41	Biological assets
104	Deferred acquisition costs, and intangible assets, arising from an insurer's contractual rights under insurance contracts
105	Non – current assets (or disposal groups) classified as held for sale

Key Terms

1. Carrying amount
2. Recoverable amount
3. Cash generating unit
4. Impairment Loss
5. Value in use
6. Fair Value

Key Definitions

- Impairment loss: the amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount
- Carrying amount: Amount at which an asset is recognised after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon.
- Value in use: Present Value of the future cash flows expected to be derived from an asset or Cash Generating Unit.
- Cash-generating unit: The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Identifying an asset that may be impaired

An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired (i.e. its carrying amount exceeds its recoverable amount).

The most recent detailed calculation of recoverable amount made in a preceding period may be used in the impairment test for that asset in the current period:

- An intangible asset with an indefinite useful life
- An intangible asset not yet available for use
- Goodwill acquired in a business combination

An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

Indications of impairment

External Sources:

- Asset's value declines
- Negative changes in technology, markets, economy, or laws
- Increases in market interest rates
- Net assets of the company higher than market capitalisation

Internal Sources:

- Obsolescence or physical damage.
- Asset is idle, part of a restructuring or held for disposal.
- Worse economic performance than expected

Dividend from subsidiary, JV or associate.

- The carrying amount (of investment) is higher than the carrying amount of the investee's assets, OR
- A dividend exceeds the total comprehensive income of the investee.

Determining recoverable amount

- Fair Value (-) cost of disposal OR Value in Use is more than Carrying Amount, then the asset is not impaired.
- Fair Value (-) cost of disposal cannot be determined, Recoverable amount = Value in Use
- For assets to be disposed of, recoverable amount is Fair Value (-) costs of disposal.

Fair value less costs of disposal

- Costs of disposal, other than those that have been recognised as liabilities, are deducted in measuring fair value less costs of disposal.
- Examples of such costs are legal costs, stamp duty and similar transaction taxes, costs of removing the asset, and direct incremental costs to bring an asset into condition for its sale.

Value in use

The following elements shall be reflected in the calculation of an asset's value in use:

- Estimate of the future cash flows the entity expects to derive from the asset;
- Expectations about possible variations in the amount or timing of those future cash flows;
- The time value of money, represented by the current market risk-free rate of interest;
- The price for bearing the uncertainty inherent in the asset; and
- Other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the entity expects to derive from the asset.

Discount Rate

In measuring value in use, the discount rate used should be the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Cash-generating units

- If there is indication that asset may be impaired – Recoverable Amount estimated for the individual asset.
- If not possible to estimate Recoverable Amount – determine Recoverable Amount of asset's Cash Generating Unit.

Testing cash-generating units with goodwill for impairment

Cash Generating Unit to which goodwill has been allocated should be tested for impairment annually

Recoverable Amt. > Carrying Amount → unit & Good will allocated regarded as not impaired

Carrying Amount > Recoverable Amt. → Recognise impairment loss

The carrying amount of an asset should not be reduced below the highest of:

- Its fair value less costs of disposal (if measurable)
- Its value in use (if measurable)
- Zero

If the preceding rule is applied, further allocation of the impairment loss is made pro rata to the other assets of the unit (group of units).

Disclosures

Disclose for each class of assets:

- Amount of impairment losses (& reversals)recognised in Profit and loss during the period and the line item(s) of the Statement of Profit and Loss in which those impairment losses are included (or reversed).
- Amount of impairment losses (& reversals) on revalued assets recognised in Other Comprehensive Income during the period.