



Bhavan's Vivekananda College

Of Science, Humanities and Commerce

Sainikpuri, Secunderabad – 500094

Autonomous College - Affiliated to Osmania University

(Accredited with 'A' grade by NAAC)

REPORT OF A FOUR DAY WORKSHOP ON IND AS

Held from 13-Nov-2019 to 16-Nov-2019

The Department of Commerce of Bhavan's Vivekananda College of Science, Humanities and Commerce organised a four-day workshop on "Indian Accounting Standards (Ind AS)" from 13th November 2019 to 16th 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. K. Sreelatha Reddy, Head, Department of the Commerce 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 has given the details of the technical sessions and the objectives of the workshop

CMA Lavanya, the chairperson for ICAI Hyderabad Chapter explained the profession and scope of Cost Accountants and how IFRS has the potential to streamline the world's compliance under one uniform code

The chief guest, Prof. K. V. Achalapathi's keynote address focussed on the practical application and relevance of Ind AS for global stakeholders and the importance of M. Com students in spearheading this change.

Day 1

Technical Session 1 by Prof. K. V. Achalapathi: Introduction to Accounting Standards

The session set the stage for specific applications of various Ind AS. He commenced the session with the meaning, objectives and need for standards. He also explained the evolution

of standards in line with the changing reporting climate, and the bodies that have been incorporated to uphold the practices prescribed by the standards. While discussing the various types of standards, he mentioned how it is difficult to streamline practices to set reporting under a uniform code as a standard. He then explained the importance of bodies such as IASB, IASC, IFRS Foundation, FASB etc in upholding the relevance of standards. His session continued with a note on IFRS and FASB and their need while examining their structure and how they offer interpretations. The standard setting climate in India and the role of IASB was an important part of the session. He aligned the steps involved in issuing standards with the difference between IFRS and Indian GAAP, and why integrating IFRS and Ind AS is required for a uniform global compliance framework.

Technical Session 2 by Dr. G. Naresh Reddy: Ind AS 1 to 11

The session elaborated cash flow, and the ways to divide activities into the prescribed three categories. He explored reporting requirements under each of those categories with specific focus on aspects like interest, dividend, tax, forex transactions and other non-cash transactions with examples. Under inventory, he analysed the applicability, scope and need for the standard. This was in respect to cost, valuation, exclusions and inclusions and the formulas that should be used. Estimation of net realisable value was an important contribution in this session along with the recognition and the disclosure requirements. Under changes in policies and reporting of events, the various definitions and the disclosures required were discussed. Under Income tax, he went into levy, liability, current and deferred tax. PPE was a study on carrying costs and depreciation rates. The session equipped the students with the knowledge for using the relevant Ind AS in the right situation.

Day 2

Technical Session 1 by CA Kavita: Ind AS 12, 16 and 17 and a Q&A session

She started with the intricacies of the three standards. The session included a brief description of the concepts of leasing, and lease accounting. She reviewed the requirements of lease accounting under Ind AS 16 – the various assets covered under lease, implications under lessor and lessee books. She also scrutinised the interpretation of the books of account to understand the maturity analysis, and sale and lease back transactions. Then she discussed Ind AS 12 where she talked about the items allowed and its computation under the standard in relation to levying, recognising and adjusting tax liability. The concepts of depreciation, impairment, disclosures and reporting were highlighted with a note that assets would only be excepted if some other standard permits using a different method of accounting. She tackled the latest amendments under the standard and how they impact disclosures and reporting.

Technical Session 2 by CMA Lavanya: Ind AS 19 to 21

The session started off with a brief explanation of P&L account, and the importance of knowing company acts and rules and how to read financial statements. Under employee benefits, she explained the types of benefits and how to choose the right fund. Talking about the calculations for retirement and actuarial valuations, she shed light on when to consider actuarial, and how to account for when we assume an employee will retire. She discussed the concept of “promise now, pay later.” Calculating present value of benefits, and recognising

the fair value is an important component when considering the amount in financial statements. She also talked about forex transactions and how to recognise a uniform currency for reporting. She explained the changes in the standard and how they impact accounting requirements. She spoke about the importance of IFRS as well, and how it serves as a common language across the world.

Day 3

Technical Session 1 by CMA Sravan Nemani: Ind AS 23 to 29

He elucidated the purpose of the standards in streamlining compliance. He explained the application of the accounting standards with an emphasis on the need for Ind AS. Under Ind AS 23, he studied the meaning of substantial period and the determination of long-term and short-term borrowings. In a session filled with humour that was becoming characteristic of him, he examined accounting of interest, trial runs, qualifying assets and accounting for all subsequent expenses as well as the technicalities of capitalisation, related party disclosures, and who constitutes related parties along with the objectives of the standard and who can't be a related party. Under Ind AS 27, reporting for associate, subsidiary or any other ventures was analysed. He mentioned that such accounting should still follow the 3 basic concepts of accounting. He linked recognising carrying costs and other accounting with related standards like 105, 113, 28 etc. Ind AS 28 focussed on investment in associate ventures, and the intentions behind setting those standards. He spoke about equity method and offered clarifications regarding holding along with its exception. Ind AS 29 discussed financial reporting in hyperinflation economies and restatement of non-monetary items and P&L items using GPI index.

Technical Session 2 by CA Sudhakar: Ind AS 110 to 115

He detailed the requirements under consolidated financial statements and the disclosures required under that: Joint arrangements, investments in associate enterprises, business venture combinations, preparation of separate financial statements and disclosure of interests in other entities. This session first helped students understand terms like parent and subsidiary companies, associate and joint ventures, business entities and substantial control. This aspect of joint entities, and the reporting requirements of such entities was also covered under Ind AS 111. With the foundations laid with respect to the terms required, it was easy for the participants to understand what the standard intended. These foundations were also useful when analysing reporting under associate entities, measuring fair value, regulatory deferral accounts and revenue from contracts with customers. Focus was placed on investor-investee relationships under joint ventures and associate entities. Under revenue from contracts, he emphasised that the core principle of this Standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also mentioned the contracts for which this standard would not apply. Apart from that, anecdotes about businessmen who did not education to become successful were talked about. PPP model was also introduced.

Day 4

Technical Session 1 by CA Sekkizhar Balasubramanian: Ind AS 32 to 41

His session was an extensive one, covering standards from 32 to 41. An overview of each of those standards was given to provide an understanding of them. Under the presentations of financial instruments, the types of instruments, and the presentation of each of them in the financial statements. EPS was an informative session because case studies, examples, computations, and disclosures had to be analysed to present an objective picture in the financial statements. The other important thing under consideration there was to present statements in the interim. When discussing this, the reasons for doing so, when such statements are required, and how to present them were touched upon. Impairment of assets was a particularly technical session, starting with the meaning of impairment. Accounting for that, calculation of such impairment, and identifying the carrying costs of such recovered assets were some of the highlighted topics. As for recognising provisions, identification of present and past obligations, outflow of resources embodying economic benefits, reliable estimates of the obligations, any contingent liabilities, restructuring provisions were also touched upon. Discussion of intangible assets was crisp in terms of the discussion and reporting requirements for amortisation and carrying cost. Hedge accounting was also crisp regarding when, how and why to hedge. The objective of investment property Standard is to prescribe the accounting treatment for investment property and related disclosure requirements. Ind AS 41 has introduced the concept of biological assets in India, which had no specific accounting literature for its recognition and measurement under the previous GAAP.

Technical Session 2 by CMA CA Zitendra Rao: Ind AS 101 to 109 and Q&A

The session started with explanation for these topics: First-time Adoption of Indian Accounting Standards, Share-based Payments, Business Combinations, Insurance Contract, Non-Current asset held for sale or group disposal, Exploration for and Evaluation of Mineral Resources, Financial Instruments: Disclosures, Operating Segments, Financial Instruments. It was a technical and informative session with wide practical implications for knowledge in the corporate world.

A total of 60 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.

We thank the management, resource personnel, faculty members of various colleges, and lecturers of Bhavan's college for completing the four-day workshop on Indian Accounting Standards successfully.

K. Srinivas
18/11/2019