

**Insights into Ind AS 1 "Presentation of Financial Statements"**

Presentation at the Ind AS Workshop organized by **SIRC of ICAI** on 2 March 2017

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**Components of Financial Statements**

- Balance Sheet
- Statement of profit or loss
- Cash Flow Statement
- Statement of Changes in Equity
- Notes on accounts

**FS – Overall considerations**

**Financial Statements**

- Fair presentation
- Going concern
- Accrual basis of accounting
- Materiality and aggregation
- Offsetting
- Consistency of presentation
- Comparative information
- Compliance with Ind AS

**Balance Sheet**

Assets	Liabilities
<ul style="list-style-type: none"> <li>• Non current assets</li> <li>• Current Assets</li> </ul>	<ul style="list-style-type: none"> <li>• Non Current Liabilities</li> <li>• Current Liabilities</li> <li>• Equity</li> </ul>

Format specified by Schedule III to the Companies Act 2013

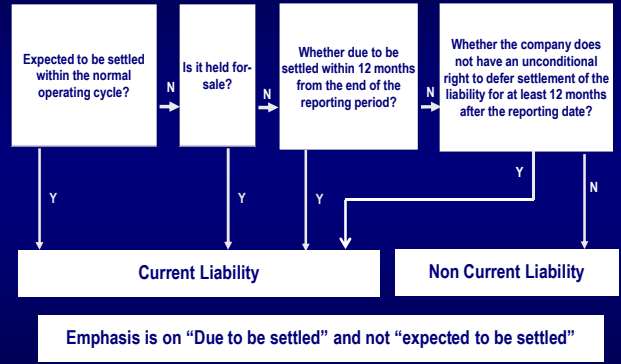
## Current Assets

4 benchmarks for assessment

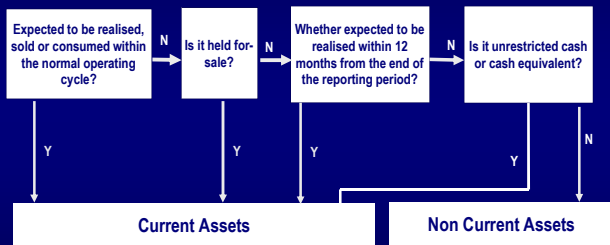
Only 3 benchmarks for assets not falling under the normal operating cycle

Any one of the benchmark needs to be satisfied

## Current Liabilities – Decision Tree



## Current Assets – Decision Tree



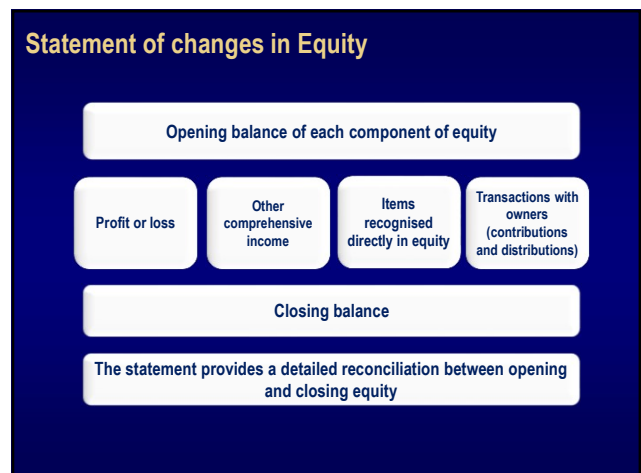
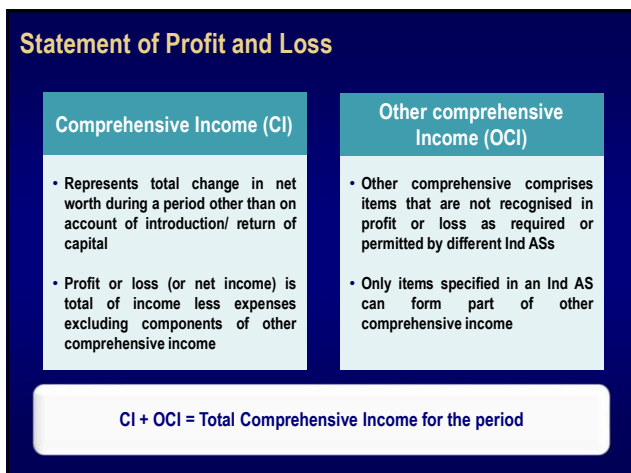
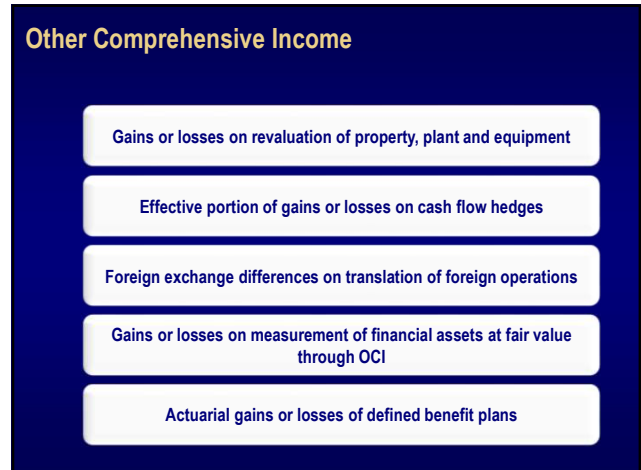
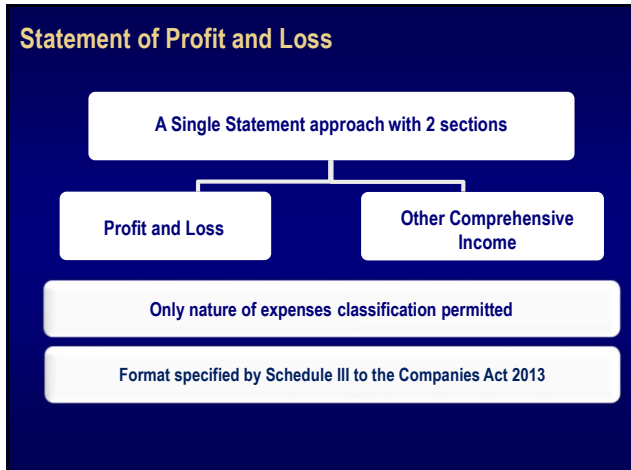
## Check Point

Understanding the clients' business is important for asset classification

Asset classification depends on the intention of the management but should be demonstrated

"Expected to be realised" from management perspective, whether any audit procedures to be performed?

"Expected to be realised" to be tested from the point of view of the preparer



## Notes on accounts

Basis of preparation and significant accounting policies

Explicit and unreserved statement of compliance with Ind ASs

Management judgements in applying accounting policies

Key assumptions and their source

Supporting information required by Ind AS for items presented in the financial statements

Dividends

Other disclosures



## Comparatives

Numerical - Comparatives should be presented for at least one previous period

Narrative - Comparative information shall also be presented for narrative and descriptive information where needed

Thank you



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