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Ind AS and Accounting Standards – Latest Development

- 1. What is Ind AS?**
- 2. Why there is a need to have one**
- 3. Are we late in catching the bus?**

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4. Specifics

- (a) Explicit statement of compliance**
- (b) Statement of changes in equity**
- (c) Statement of other comprehensive income**
- (d) Classification of long-term loan arrangement, breach and its consequences**
- (e) Bank overdraft in CFS**
- (f) Extra ordinary item**

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- (g) Sale of shares of subsidiary**
 - **No loss of control**
 - **Loss of control**
- (h) Functional currency and reporting currency**
- (i) Accounting policies**
- (j) Prior period items, errors (fraud)**
- (k) Non-adjusting event – disclosure**
- (l) Proposed dividend**

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- (m) Income approach vs Balance Sheet approach**
- (n) PPE – More than one period, FEB**
- (o) Subsequent **Expenditure** in PPE**
- (q) Major spare parts, inspections**
- (r) Component approach**
- (s) Cost of dismantling**

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- (t) Review of residual value, useful life**
- (u) Change in (accounting) depreciation method**
- (v) Government Grant being non-monetary**
- (w) Exchange difference – Para 46A**
- (x) Disclosure of capitalisation rate in the case of borrowing cost.**
- (y) Co-associates, co-ventures as related party**

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(z) Case study

S.No.	Property	Does it meet definition of Investment Property	Which Ind AS is Applicable
1.	Owned by a Company and leased out under an Operating Lease	Yes	Ind AS 40
2.	Held Under Finance Lease and Leased out under an Operating Lease	Yes	Ind AS 40
3.	Held under Finance Lease and Leased out under Finance Lease	No	Ind AS 17

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(z) Case study

S.No.	Property	Does it meet definition of Investment Property	Which Ind AS is Applicable
4.	Property acquired with a view for development and resale	No	Ind AS 2
5.	Property developed on behalf of 3rd party	No	Ind AS 11
6.	Property partly owner occupied and partly leased out under Operating Lease	Depends	Ind AS 16 Ind AS 40

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(z) Case study

S.No.	Property	Does it meet definition of Investment Property	Which Ind AS is Applicable
7.	Land held for currently undetermined use	Yes	Ind AS 40
8.	Property occupied by Employees paying rent at less than market rate	No	Ind AS 16

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(z) Case study

S.No.	Property	Does it meet definition of Investment Property	Which Ind AS is Applicable
9.	Investment Property held for sale	No	Ind AS 105
10.	Existing Investment Property that is being redeveloped for continued use as Investment Property	Yes	Ind AS 40

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S. No.	Property	Transfer from to
1.	Office space previously rented to a third party, now the entity would use for its own	Investment Property to Owner Occupied
2.	Real Estate Company had a building given on rent for residential purpose. After 8 years the Company decides to build Commercial complex to sell	Investment Property to Inventory
3.	Building used as corporate office was vacated for an office in a better location	Owner Occupied to Investment Property
4.	Real Estate Company decides not to sell a building and give it on operating lease to a third party	Inventory to Investment Property

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Others - New

- **Share based payment**
- **Business combination**
- **Insurance Contract**
- **Non current asset held for sale and discontinued operations**
- **Exploration for and evaluation of mineral resources**
- **Operating segments**

and many more to come

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Thank you

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