



2022
Edition

Commercial's

I GAAP

(Accounting Standards)

A PRACTICAL APPROACH

Includes

- Lucid commentary with Conceptual Explanations & Examples
- Includes analysis of all applicable Guidance Notes
- Includes all amendments till 31st July, 2022 including latest amendments to Schedule III
- Includes detailed commentary on recent amendments to Schedule III
- Includes Illustrative Financial Statements based on Accounting Standards for Corporates and for Non-corporate entities

CA (Dr.) Anand J Banka

Assisted by

CA Bhaskar Iyer & CA Jeenal Porwal Jain

 **taxsutra**
realtime informational edge

Commercial Law Publishers (India) Pvt. Ltd.



WITH THE BLESSING OF MATA VAISHNO DEVI

Published

By

COMMERCIAL LAW PUBLISHERS (INDIA) PVT. LTD.

HEAD OFFICE: 4239/1, SHAKAHAR BHAWAN,
ANSARI ROAD, DARYA GANJ, NEW DELHI- 110002

Phones: 43502007, 43502008, 43011562, 43452009

e-mail: commercialhouse@yahoo.co.in

naveen.commercialhouse@gmail.com

Website: commerciallawpublishers.com

PRICE : Rs. 1995/-

Edition, 2022

ISBN: 978-93-5603-027-5

© RESERVED WITH THE AUTHOR

PUBLISHING RIGHTS RESERVED WITH THE PUBLISHERS

Co-Publisher

Realtime Taxsutra Services Pvt. Ltd., Pune

Digital Publishing Rights vest with the co-publisher

Printed at

Sai Printo Pack Pvt. Ltd.

Despite every effort taken to avoid any error or omission, there may still be chances for such errors and omissions to have crept in inadvertently. This book is sold with the understanding that neither the author/ editors nor the publishers shall be responsible for any damage or loss in whatever manner, consequent to any action taken on the basis of the contents of this book, caused to any person, whether a purchaser or not. No part of this book may either be copied or reproduced in any form or any manner whatsoever without the prior written permission of the author/editors and publishers.

All Disputes subject to Delhi Jurisdiction.

Dedicated to

My father

Late CA. Jagdishkumar R. Banka

It's his memory that drives me forward...

Preface

History of Accounting in India has been an interesting one. Formulation of Accounting Standards in India started with the constitution of the Accounting Standards Board (ASB) by the Institute of Chartered Accountants of India (ICAI) in April 1977. It issued the first Accounting Standard (AS) i.e. AS 1 Disclosure of Accounting Policies in 1979. Thereafter, over the years, the ICAI issued / revised various other accounting standards – today there being 28 effective standards. However, most of these standards were issued/ revised in last 2 decades.

Issuance/ Revision of Accounting Standards in large numbers in recent times, both in India and globally, display how the accounting world is adapting to the changing needs of the business world. Changes to the accounting standards also bring with it, issues in its interpretations. To assist in implementation of these Standards, the ICAI issues Guidance Notes and Technical guides that provide guidance to its members on accounting issues not specifically covered by the existing accounting standards. A large number of these publications have been issued in last decade.

In this continuously evolving accounting world, professionals sometimes face difficulty in understanding and therefore complying with the changing guidance on accounting. To ease the understanding, I have tried to compile all the relevant documents available on accounting along with a detailed explanation of the accounting standards. Further, the book contains a comparison of the Accounting Standards (AS) with the Indian Accounting Standards (Ind AS). I believe that this book will be useful to the readers in understanding the accounting requirements and so also will help them in resolving their accounting queries.

Acknowledgements

I would like to acknowledge and place on record my sincere appreciation for CA Bhaskar Iyer and CA. Jeenal Porwal Jain for assisting me in authoring a book of this nature.

I would like to express my heart-felt gratitude to all the professional colleagues who have supported me in all these years in my professional endeavors, CA Nilesh Vikamsey, CA Sanjeev Maheshwari, CA Parag Rawal, CA Sudhir Soni, CA Arvind Sethi, CA Pankaj Chadha, CA Sandip Khetan, CA Jigar Parikh, CA Paul Alvares, CA Sunil Talati, CA Aniket Talati, CA Sunil Sharma, CA Manoj Daga, CA Purushottam Nyati, CA Bharat Shah, CA Alok Garg, CA Arun Kumar GR, CA Anup Agarwal, CA Nitin Gupta, CA Ajay Goel and CA Anupam Kumar.

This book would not have been possible without the blessings of my grandparents Late Shri Radheshyam Banka and Late Smt. Bhagwatidevi Banka, my father Late CA. Jagdishkumar Banka and support of my family Smt. Uma Banka, Shri. Prem Bhartia, Smt. Sarita Bhartia

and Shri. Ashish Banka. I would like to thank my loving wife Purnima for being understanding and supportive of my madness. I would also like to apologise to Ayaansh for the precious little time that I could not spend with him. **Special thanks** to Nimish Asher, Nilesh Bharkhada, Anil Agarwal, Neha Tushar Agrawal, Shraddha Banka, Madhur Rahul Bansal, Disha Akhilesh Agarwal, Ayush Bhartia, Sonal Bhartia, and Bhavna Madhav Kachchawa.

I am delighted to present my book **I GAAP (Accounting Standards) – A Practical Approach** and would request the readers to send their valuable feedback for improvements at anand.bank@gmail.com.

Gurugram
10th August, 2022

CA (Dr.) Anand J Banka

About the Author – CA. (Dr.) Anand J Banka



CA (Dr.) Anand Banka is a Fellow Member of ICAI and holds a PhD in Finance.

Anand has over 14 years of experience of accounting and audit, especially in International Financial Reporting Standards (IFRS)/Indian Accounting Standards (Ind AS) domain. His experience includes implementing IFRS/Ind AS in companies across sectors. He has been involved in the accounting standard setting process, both Ind AS and AS, with the ICAI.

He is also a prolific speaker with seminars across various countries on IFRS, Indian Accounting Standards, Companies Act, etc.

Other notable achievements and contributions include:

- He was awarded '**Silver shield**' by the ICAI International Research Awards 2021 for research paper in accounting category
- He is recipient of the 'Young Achiever Award, 2020' presented by the prestigious Indian Achievers' Forum
- He has Authored the books "Ind AS Simplified", "Comprehensive Guide to Ind AS Implementation" and "Comprehensive Guide to Indian GAAP"
- He is a Special Invitee on the Accounting Standards Board (ASB) of the ICAI
- He is one of the best rated faculties for the Certificate Course on IFRS/Ind AS of ICAI, across India, Nepal and UAE
- He has been an "Asian-Oceanian Standard-Setters Group (AOSSG)" Trainer in Nepal for the Nepal IFRS Centre of Excellence
- He has been a Coordinator and Faculty for 'National Mission on Education' of Ministry of Human Resource Development (MHRD, Govt. of India) for Implementation of Accounting Standards in Educational Institutes like IITs and IIMs
- He has been Subject Editor for books on financial accounting and reporting
- He has penned several articles that have appeared in professional publications like Bombay Chartered Accountants' Journal (BCAJ) and WIRC Reference Manual

About the Team



CA Bhaskar Iyer is a chartered accountant and holds a certificate on IFRS issued by the Institute of Chartered Accountants of India. He is a partner at M/s Talati and Talati LLP, Chartered Accountants, heading audit and assurance services and Ind AS advisory and implementation.

Bhaskar has over 20 years of experience having worked at Senior Positions - Finance and Accounts in sectors like shipping and logistics and ITES. Before joining M/s Talati and Talati LLP, was a partner at M/s Pujara Iyer and Associates chartered accountants handling audits and assurance services and also advising clients on bank finances.

Bhaskar is a speaker on IFRS/IND AS at programs/courses at the WIRC-ICAI and study circles of the ICAI. Also, he has conducted sessions on Ind AS in other professional firms and corporate entities.

He has co-authored books on Indian GAAP titled “Comprehensive Guide to INDIAN GAAP” in December 2015, and on Ind AS titled “Ind AS – Simplified with Illustrations, Extracts and Disclosure Checklists” in March 2016 and an updated version in March 2020.



CA Jeenal Porwal Jain is an Associate Member of the Institute of Chartered Accountants of India (ICAI) and has completed the ‘Company Secretary’ course from the Institute of Company Secretaries of India (ICSI). She also holds a ‘Bachelor of Commerce’ degree from Savitribai Phule Pune University and a ‘Diploma in International Financial Reporting (DipIFR)’ from ACCA (UK).

Jeenal possesses 6+ years of experience in accounting and auditing, in the Indian GAAP, Indian Accounting Standards (Ind AS) and US GAAP domain. She has led/worked on statutory audits, tax audits, audits of internal financial controls, accounting advisory services, group reporting assignments and internal audits; of entities ranging in size from small entrepreneurial businesses to large multinational corporations. She has also delivered trainings on audit methodology and audit tools.

During her professional journey, Jeenal has performed extensive research and assisted accounting experts in articulating various technical documents viz. 400 Frequently Asked Questions (FAQs) on complex Ind AS issues, Industry-wise Ind AS impact analysis reports, thought leadership on 50+ Schedule III and CARO matters, model formats for Schedule III disclosures, illustrative Ind AS and Indian GAAP financial statements, industry-wise ratios & analysis, summaries/analysis of EAC opinions, Guidance Notes and Exposure Drafts issued by ICAI, key differences between Ind AS, IFRS & Indian GAAP, etc.

Jeenal has also contributed to the academic journey of CA and ACCA students, by curating 1100+ case study-based practice questions, drafting 60+ mock test papers and evaluating 700+ answer sheets; w.r.t the subject of auditing.

Contents at a Glance

<i>Preface</i>	<i>v</i>
<i>About the Author – CA. (Dr.) Anand J Banka</i>	<i>vii</i>
<i>About the Team</i>	<i>ix</i>
<i>About Taxsutra</i>	<i>xi</i>
<i>Detailed Contents</i>	<i>xvii</i>

Division 1

Introduction and Applicability of Accounting Standards

Chapter 1	Introduction	1.3
------------------	---------------------------	------------

Division 2

Accounting Standards – Analysed

Accounting Standard (AS) 1 Disclosure of Accounting Policies	2.3
Accounting Standard (AS) 2 Inventories	2.9
Accounting Standard (AS) 3 Cash Flow Statements	2.22
Accounting Standard (AS) 4 Contingencies and Events Occurring after Balance Sheet Date	2.40
Accounting Standard (AS) 5 Net Profit or Net Loss for the Period, Prior Period Items and Changes in Accounting Policies	2.47
Accounting Standard (AS) 7 Construction Contracts	2.58
Accounting Standard (AS) 9 Revenue Recognition	2.71
Accounting Standard (AS) 10 Property Plant and Equipment	2.88
Accounting Standard (AS) 11 the Effects of Changes in Foreign Exchange Rates	2.110
Accounting Standard (AS) 12 Accounting for Government Grants	2.135
Accounting Standard (AS) 13 Investments	2.145
Accounting Standard (AS) 14 Accounting for Amalgamations	2.157
Accounting Standard (AS) 15 Employee Benefits	2.166
Accounting Standard (AS) 16 Borrowing Costs	2.209
Accounting Standard (AS) 17 Segment Reporting	2.218
Accounting Standard (AS) 18 Related Party Disclosures	2.241
Accounting Standard (AS) 19 Leases	2.255

Accounting Stanadrd (AS) 20 Earnings Per Share (EPS)	2.274
Accounting Standard (AS) 21 Consolidated Financial Statements	2.293
Accounting Standard (AS) 22 Taxes Income	2.305
Accounting Standard (AS) 23 Accounting for Investments in Associates in Consolidated Financial Statements	2.323
Accounting Standard (AS) 24 Discontinuing Operations	2.335
Accounting Standard (AS) 25 Interim Financial Reporting	2.347
Accounting Standard (AS) 26 Intangible Assets	2.364
Accounting Standard (AS) 27 Financial Reporting of Interests in Joint Ventures	2.385
Accounting Standard (AS) 28 Impairment of Assets	2.397
Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets	2.429

Division 3

Guidance Notes – Analysed

Analysis of Guidance note on Accrual Basis of Accounting	3.3
Analysis of Guidance note on Accounting for Expenditure on Corporate Social Responsibility Activities	3.8
Analysis of Guidance note on Accounting for Corporate Dividend Tax	3.16
Accounting by Schools	3.18
Analysis Guidance note on Accounting for Credit Available in Respect of Minimum Alternative Tax (MAT) under The Income-Tax Act, 1961	3.33
Analysis of Guidance note on Turnover in Case of Contractors	3.36
Guidance note on Combined and Carve-Out Financial Statements	3.38
Analysis of Guidance note on Applicability of as 25 to Interim Financial Results	3.42
Analysis of Application Guide on the Provisions of Schedule II to the Companies Act, 2013 3.43	
Accounting by E-Commerce Entities	3.50
Measurement of income Tax Expense for Interim Financial Reporting	3.60
Accounting Treatment of Bullion (GOLD) Borrowing and Lending Transactions	3.66
Analysis of Guidance note on Accounting for Self-generated Certified Emission Reductions (CERS)	3.81
Guidance note on Real Estate Transactions (Revised 2012)	3.85
Accounting for Share-Based Payments	3.91
Accounting for Rate Regulated Activities	3.134

Contents at a Glance

Accounting for Derivative Contracts	3.142
Accounting for Oil and Gas Producing Activities	3.165
Analysis of Guidance note on Terms Used in Financial Statements	3.177
Analysis of the Guidance Note on Accounting and Auditing of Political Parties	3.181
Analysis of Technical Guide on Accounting Issues in the Retail Sector	3.197
Analysis of Technical Guide on Accounting for Not-For-Profit Organisation.....	3.209
Analysis of Technical Guide on Accounting for Special Economic Zones (SEZS) Development Activities	3.230

Division 4
Schedule III – Analysed

Amendments to Schedule III – w.e.f. April 01, 2021	4.3
--	-----

Division 5
Illustrative Financial
Statements – Corporate

Illustrative Financials Statements	5.3
--	-----

Division 6
Illustrative Financial Statements – Non-Corporate Entities

Model Financial Statements Non Corporate Entities.....	6.3
--	-----

Detailed Contents

<i>Preface</i>	<i>v</i>
<i>About the Author – CA. (Dr.) Anand J Banka</i>	<i>vii</i>
<i>About the Team</i>	<i>ix</i>
<i>About Taxsutra</i>	<i>xi</i>
<i>Contents at a Glance</i>	<i>xiii</i>

Division 1

Introduction and Applicability of Accounting Standards

Chapter 1 Introduction	1.3
-------------------------------------	------------

Division 2

Accounting Standards – Analysed

ACCOUNTING STANDARD (AS) 1 DISCLOSURE OF ACCOUNTING POLICIES	2.3
1. Introduction	2.3
2. Fundamental accounting assumptions	2.3
3. Nature of accounting policies.....	2.4
4. Considerations in the selection of accounting policies	2.4
5. Disclosure of accounting policies.....	2.5
6. Compliance to ASs and consistency of accounting policies in preparation of financial statements -Companies Act, 2013.....	2.5
7. Opinions	2.6
8. Comparative analysis of AS and IND AS.....	2.7
ACCOUNTING STANDARD (AS) 2 INVENTORIES	2.9
A. Introduction	2.9
B. Scope	2.9
C. Definitions	2.10
D. Measurement of inventories	2.11
E. Cost formulas:.....	2.12
F. Techniques for measurement of cost	2.13
G. Net realisable value.....	2.13
H. Disclosure	2.14

I.	Comparative analysis – AS 2 and Ind AS 2	2.16
J.	Opinions	2.17
ACCOUNTING STANDARD (AS) 3 CASH FLOW STATEMENTS		2.22
A.	Introduction	2.22
B.	Applicability of the standard	2.22
C.	Definitions	2.23
D.	Presentation of cash flow statement	2.24
E.	Reporting cash flows on net basis	2.27
F.	Other aspects – cash flow statements	2.27
G.	Disclosure	2.30
H.	Opinions	2.31
I.	Requirement to prepare cash flow statement under the Companies Act, 2013.....	2.32
J.	Comparative analysis of Accounting Standard (AS) 3 vis-à-vis IND AS 7.....	2.37
ACCOUNTING STANDARD (AS) 4 CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE		2.40
A.	Introduction	2.40
B.	Contingencies.....	2.40
C.	Events occurring balance sheet date.....	2.42
D.	Disclosure	2.44
E.	Opinions	2.44
F.	Comparative analysis of AS 4 vis-à-vis IND AS 10	2.45
ACCOUNTING STANDARD (AS) 5 NET PROFIT OR NET LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES		2.47
A.	Introduction	2.47
B.	Definitions	2.47
C.	Net profit or net loss for the period	2.48
D.	Prior period items.....	2.49
E.	Accounting estimates.....	2.50
F.	Accounting policies.....	2.52
G.	Opinions	2.54
H.	Comparative analysis of AS 5 vis-à-vis Ind AS 8.....	2.56

ACCOUNTING STANDARD (AS) 7 CONSTRUCTION CONTRACTS.....	2.58
Introduction	2.58
Construction contracts.....	2.58
Classification of construction contracts.....	2.59
Combining and segmenting construction contracts.....	2.59
Measurement and recognition	2.60
Disclosure	2.65
Opinions	2.69
Comparative analysis of AS 7 vis-à-vis Ind AS 115.....	2.69
ACCOUNTING STANDARD (AS) 9 REVENUE RECOGNITION.....	2.71
A. Introduction	2.71
B. Revenue	2.71
C. Types of revenue	2.72
D. Disclosure	2.77
E. Opinions	2.80
F. Comparative analysis AS 9 vis-à-vis Ind AS 115	2.86
ACCOUNTING STANDARD (AS) 10 PROPERTY PLANT AND EQUIPMENT	2.88
A. Introduction	2.88
B. Scope	2.88
C. Definitions	2.88
D. Recognition criteria	2.90
E. Initial measurement	2.91
F. Subsequent measurement	2.93
G. Depreciation.....	2.95
H. Changes in existing decommissioning, restoration and other liabilities.....	2.97
I. Retirement and held for disposal'	2.98
J. De-recognition	2.98
K. Disclosure	2.98
L. Opinions	2.103
M. Comparative analysis AS 10 vis-à-vis Ind AS 16	2.109
ACCOUNTING STANDARD (AS) 11 THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES	2.110
A. Introduction	2.110
B. Scope	2.110

C.	Definitions	2.111
D.	Foreign currency transactions	2.113
E.	Financial statements of foreign operation.....	2.116
F.	Forward contracts	2.124
G.	Transitional provisions.....	2.126
H.	Disclosures	2.128
I.	Opinions	2.128
J.	Comparative analysis: AS 11 vis-à-vis Ind AS 21	2.132

ACCOUNTING STANDARD (AS) 12 ACCOUNTING FOR GOVERNMENT GRANTS 2.135

A.	Introduction	2.135
B.	Government grants - meaning.....	2.135
C.	The recognition criteria for government grants.....	2.135
D.	The accounting treatment	2.136
E.	Measurement and presentation of government grants in the financial statements.....	2.137
F.	Refund of government grants.....	2.139
G.	Disclosures	2.140
H.	Opinions	2.140
I.	Comparative analysis of accounting standard (AS) 12 and indian accounting standard (Ind AS) 20 relating to government grants	2.142

ACCOUNTING STANDARD (AS) 13 INVESTMENTS.....2.145

A.	Introduction	2.145
B.	Definitions	2.145
C.	Classification of investments	2.146
D.	Cost of investments.....	2.146
E.	Carrying amount of investments	2.147
F.	Reclassification of investments.....	2.148
G.	Investment properties.....	2.148
H.	Disposal of investments	2.149
I.	Disclosures as per as 13 in the financial statements	2.149
J.	Opinions	2.150
K.	Schedule iii to the Companies Act, 2013	2.152

ACCOUNTING STANDARD (AS) 14 ACCOUNTING FOR AMALGAMATIONS.....	2.157
A. Introduction	2.157
B. Definitions	2.157
C. Types of amalgamation	2.158
D. Consideration.....	2.160
E. Treatment of reserves specified in a scheme of amalgamation	2.161
F. Amalgamation after the balance sheet date.....	2.161
G. Disclosure	2.162
H. Opinions	2.162
I. Comparative analysis: AS 14 vis-à-vis Ind AS 103	2.163
ACCOUNTING STANDARD (AS) 15 EMPLOYEE BENEFITS	2.166
1. Introduction	2.166
2. Short-term employee benefits.....	2.167
3. Post-employment benefits.....	2.171
4. Post-employment benefits: Defined contribution plans	2.176
5. Post-employment benefits: Defined benefit plans.....	2.177
6. Other long-term employee benefits	2.198
7. Termination benefits	2.200
8. Disclosure Schedule III- Division I to the Companies Act, 2013	2.201
9. Comparative analysis: AS 15 and IND AS 19.....	2.207
ACCOUNTING STANDARD (AS) 16 BORROWING COSTS	2.209
Introduction	2.209
Definitions.....	2.209
Recognition	2.211
Borrowing costs eligible for capitalisation.....	2.211
Commencement, suspension and cessation of capitalisation of borrowing costs	2.213
Disclosure	2.216
Opinions	2.216
ACCOUNTING STANDARD (AS) 17 SEGMENT REPORTING.....	2.218
1. Introduction – Objective and scope	2.218
2. Important features of AS 17 ‘Segment Reporting’	2.219
3. Key terms.....	2.219
4. Identification of business and geographical segments	2.223

5.	Primary and secondary segment reporting formats	2.224
6.	Reportable segments	2.227
7.	Segment accounting policies.....	2.228
8.	Flow chart – Segment definition decision tree	2.229
9.	Example	2.230
10.	Disclosure	2.231
11.	Comparative analysis of AS 17 and IND AS 108	2.238
ACCOUNTING STANDARD (AS) 18 RELATED PARTY DISCLOSURES.....		2.241
A.	Introduction	2.241
B.	Need for related party disclosures.....	2.241
C.	Scope	2.242
D.	Definitions	2.243
E.	Related party relationships as dealt with by the standard	2.248
F.	Disclosure	2.251
G.	Comparative differences: AS 18 vis-à-vis Ind AS 24	2.253
ACCOUNTING STANDARD (AS) 19 LEASES.....		2.255
A.	Introduction and scope.....	2.255
B.	Definitions	2.255
C.	Classification	2.257
D.	Financial statements of the lessee	2.259
E.	Financial statements of the lessor	2.261
F.	Sale and lease back transaction	2.265
G.	Disclosures	2.267
H.	Opinions	2.269
I.	Comparative analysis: AS 19 vis-à-vis Ind AS 116	2.272
ACCOUNTING STANADRD (AS) 20 EARNINGS PER SHARE (EPS).....		2.274
A.	Introduction	2.274
B.	Definition.....	2.274
C.	Presentation.....	2.275
D.	Measurement	2.275
E.	Re-statement.....	2.289
F.	Disclosures	2.290
G.	Opinions	2.290
H.	Comparative analysis of AS 20 vis-à-vis Ind AS 33.....	2.291

ACCOUNTING STANDARD (AS) 21 CONSOLIDATED FINANCIAL STATEMENTS	2.293
A. Objective and scope	2.293
B. Definitions	2.293
C. Consolidated financial statements	2.294
D. Consolidation procedures	2.297
E. Disclosures	2.300
F. Opinions	2.303
G. Comparative analysis - AS 21 and Ind AS 110	2.303
ACCOUNTING STANDARD (AS) 22 INCOME TAXES	2.305
1. Introduction	2.305
2. Key terms.....	2.305
3. Timing differences and permanent differences	2.306
4. Measurement – Current tax and deferred tax	2.307
5. Presentation and disclosure	2.310
6. Specific issues related to deferred tax	2.311
7. Specific issues relating to taxes on incomes.....	2.318
8. Comparative analysis – AS and IND AS.....	2.321
ACCOUNTING STANDARD (AS) 23 ACCOUNTING FOR INVESTMENTS IN ASSOCIATES IN CONSOLIDATED FINANCIAL STATEMENTS.....	2.323
A. Objective and scope	2.323
B. Definitions	2.323
C. Accounting for investments in an associate in the consolidated financial statements of the investor:	2.324
D. Equity method - application	2.325
E. Disclosure	2.332
F. Opinions	2.333
G. Comparative analysis – AS 23 vis-à-vis Ind AS 28	2.333
ACCOUNTING STANDARD (AS) 24 DISCONTINUING OPERATIONS	2.335
1. Introduction	2.335
2. Discontinuing operation: Meaning.....	2.335
3. Initial disclosure event.....	2.337
4. Recognition and measurement.....	2.337
5. Presentation and disclosure	2.337
6. Illustrations	2.340

ACCOUNTING STANDARD (AS) 25 INTERIM FINANCIAL REPORTING	2.347
1. Introduction	2.347
2. Form and content of an interim financial report.....	2.347
3. Periods for which interim financial statements are required to be presented	2.350
4. Recognition and measurement.....	2.352
5. Other aspects.....	2.354
6. Transitional provisions.....	2.355
7. Comparative analysis AS and IND AS.....	2.355
8. Illustrative format of condensed financial statements for an enterprise other than a bank.....	2.357
9. Illustrative Format of Condensed Financial Statements for a Bank	2.360
ACCOUNTING STANDARD (AS) 26 INTANGIBLE ASSETS	2.364
A. Objective and scope	2.364
B. Definitions	2.364
C. Intangible assets – features	2.365
D. Recognition	2.367
E. Measurement	2.368
F. Internally generated intangible assets.....	2.370
G. Expenditure on intangible asset recognised as expense	2.373
H. Measurement subsequent to initial recognition.....	2.373
I. Amortisation	2.374
J. Recoverability of carrying amounts – impairment losses.....	2.377
K. Retirements and disposals	2.377
L. Disclosures	2.377
M. Illustrative example – web site costs (Illustration A of AS 26 not forming part of the accounting standard).....	2.381
N. comparative analysis AS 26 vis-à-vis Ind AS 38	2.384
ACCOUNTING STANDARD (AS) 27 FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURES.....	2.385
Introduction	2.385
Objective and scope	2.385
Definitions	2.385
Joint ventures.....	2.386
Disclosure	2.394

Opinions	2.394
Comparative analysis – AS 27 and Ind AS 111	2.395
ACCOUNTING STANDARD (AS) 28 IMPAIRMENT OF ASSETS	2.397
Introduction	2.397
Scope	2.397
Definition.....	2.398
Impairment	2.400
Opinions	2.423
ACCOUNTING STANDARD (AS) 29 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS.....	2.429
A. Introduction	2.429
B. Definition.....	2.430
C. Provisions	2.430
D. Contingent liabilities and contingent assets	2.435
E. Restructuring	2.437
F. Opinions	2.441
G. Disclosures	2.445
H. Transitional provisions.....	2.446
I. Schedule iii of The Companies Act 2013, presentation	2.446
J. Comparative analysis of AS 29 vis-à-vis Ind AS 37	2.448

Division 3

Guidance Notes – Analysed

ANALYSIS OF GUIDANCE NOTE ON ACCRUAL BASIS OF ACCOUNTING	3.3
I. Introduction	3.3
II. Preparation of financial statements on accrual basis of accounting.....	3.3
III. Accrual basis of accounting	3.4
IV. Application of accrual basis of accounting	3.5
V. Change in the basis of accounting	3.7
VI. Auditor’s responsibility.....	3.7
ANALYSIS OF GUIDANCE NOTE ON ACCOUNTING FOR EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES.....	3.8
Introduction	3.8
Recognition and measurement of CSR expenditure in Financial Statements	3.8

Issues	3.10
Basis for Conclusion:.....	3.10
Recognition of income earned from csr projects/ programmes or during the course of conduct of csr activities.....	3.11
Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 - notification dated 22nd January, 2021)	3.11
ANALYSIS OF GUIDANCE NOTE ON ACCOUNTING FOR CORPORATE DIVIDEND TAX.....	3.16
1. Introduction	3.16
2. Changes made by The Finance Act, 2020.....	3.16
3. Accounting for corporate dividend tax.....	3.16
4. Disclosure and presentation of corporate dividend tax in the financial statements.....	3.17
ACCOUNTING BY SCHOOLS.....	3.18
Background.....	3.18
Accounting Framework for Schools	3.18
Recognition and Measurement Principles	3.19
Income	3.19
Grants-in-Aid and Donations - Recognition and Measurement	3.25
Assets	3.28
Liabilities	3.28
Books of Account to be kept by a School	3.29
Formats of Financial Statements	3.29
Fund Based Accounting	3.30
Disclosures	3.31
Related Party Disclosures	3.32
ANALYSIS GUIDANCE NOTE ON ACCOUNTING FOR CREDIT AVAILABLE IN RESPECT OF MINIMUM ALTERNATIVE TAX (MAT) UNDER THE INCOME-TAX ACT, 1961.....	3.33
Introduction	3.33
The features of MAT credit:.....	3.33
ANALYSIS OF GUIDANCE NOTE ON TURNOVER IN CASE OF CONTRACTORS.....	3.36
Introduction	3.36

GUIDANCE NOTE ON COMBINED AND CARVE-OUT FINANCIAL STATEMENTS	3.38
Objective and scope	3.38
Meanings	3.38
ANALYSIS OF GUIDANCE NOTE ON APPLICABILITY OF AS 25 TO INTERIM FINANCIAL RESULTS	3.42
ANALYSIS OF APPLICATION GUIDE ON THE PROVISIONS OF SCHEDULE II TO THE COMPANIES ACT, 2013	3.43
Introduction	3.43
ACCOUNTING BY E-COMMERCE ENTITIES	3.50
Background:	3.50
MEASUREMENT OF INCOME TAX EXPENSE FOR INTERIM FINANCIAL REPORTING	3.60
Background:	3.60
Measurement of income taxes:	3.60
ACCOUNTING TREATMENT OF BULLION (GOLD) BORROWING AND LENDING TRANSACTIONS	3.66
Background:	3.66
Scope:	3.67
The Transaction:	3.68
Accounting issues – in the books of Nominated Indian Banks:	3.69
ANALYSIS OF GUIDANCE NOTE ON ACCOUNTING FOR SELF-GENERATED CERTIFIED EMISSION REDUCTIONS (CERs)	3.81
Background	3.81
GUIDANCE NOTE ON REAL ESTATE TRANSACTIONS (REVISED 2012)	3.85
Background	3.85
Accounting for Real Estate Transactions	3.85
Conditions that decide ‘delivery of goods’ vs. ‘construction contracts’	3.86
Application of principles of AS 9 in respect of sale of goods to a real estate project	3.86
Application of Percentage Completion Method	3.87
Accounting for Sale of Land or Plots	3.89
Transferable Development Rights	3.89
Transactions with Multiple Elements	3.90
Disclosure	3.90

ACCOUNTING FOR SHARE-BASED PAYMENTS	3.91
Background.....	3.91
Types of share-based payments.....	3.93
ACCOUNTING FOR RATE REGULATED ACTIVITIES	3.134
Background.....	3.134
Methods and Process of Rate Regulation	3.134
Scope	3.136
Accounting issues arising from Rate Regulation.....	3.136
Regulatory assets.....	3.137
Regulatory liabilities.....	3.137
Nature of regulatory assets and regulatory liabilities.....	3.137
Recognition	3.138
Measurement	3.139
Impairment	3.139
De-recognition.....	3.139
Presentation	3.139
Disclosures	3.140
Effective date.....	3.141
Transition	3.141
ACCOUNTING FOR DERIVATIVE CONTRACTS.....	3.142
Background.....	3.142
Objective.....	3.143
Scope	3.143
Definitions.....	3.144
Key Accounting Principles	3.145
Synthetic Accounting not permitted	3.146
Recognition of derivatives on the balance sheet at fair value.....	3.146
Hedge Accounting	3.146
Need for hedge accounting.....	3.147
Types of hedge accounting	3.148
Fair value hedge accounting model.....	3.148
Cash flow hedge accounting model	3.151
Net investment hedging.....	3.154
Formal documentation at inception	3.155

Detailed Contents

Hedge effectiveness testing and measurement of ineffectiveness	3.156
Termination of hedge accounting/reclassification of hedge reserves.....	3.157
Interest Rate Benchmark Reform (IRBR)	3.159
Disclosures -	3.160
Changes in the basis for determining the contractual cash flows of a financial asset or financial liability designated in hedging relationship as a result of IRBR	3.161
Accounting for qualifying hedging relationships	3.161
Transitional provisions.....	3.164
ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES	3.165
Background.....	3.165
Scope	3.165
Classification of Activities and Related Costs.....	3.168
Exploration and evaluation costs.....	3.169
Development costs	3.169
Production costs	3.170
Accounting for Acquisition, Exploration and Development Costs.....	3.170
Application of Successful Efforts Method (Recommended)	3.171
Depreciation (Depletion).....	3.172
Application of Full Cost Method	3.172
Accounting for Abandonment Costs.....	3.173
Impairment of Assets.....	3.174
Disposal of Interest	3.174
Accounting for Side-Tracking Expenditure.....	3.175
Accounting for Carried Interest	3.175
Changes in Accounting Policies.....	3.176
Disclosure	3.176
ANALYSIS OF GUIDANCE NOTE ON TERMS USED IN FINANCIAL STATEMENTS	3.177
ANALYSIS OF THE GUIDANCE NOTE ON ACCOUNTING AND AUDITING OF POLITICAL PARTIES	3.181
1. Accounting Framework for Political Parties	3.181
2. Initial Recognition	3.181
3. Measurement	3.181
4. Presentation and disclosure	3.181

ANALYSIS OF TECHNICAL GUIDE ON ACCOUNTING ISSUES IN THE RETAIL SECTOR	3.197
Background.....	3.197
Complex Accounting Areas.....	3.197
ANALYSIS OF TECHNICAL GUIDE ON ACCOUNTING FOR NOT-FOR- PROFIT ORGANISATION	3.209
Introduction	3.209
Scope	3.209
Key definitions.....	3.209
Accounting framework of NPOs	3.210
Recognition and measurement principles	3.212
Books of accounts to be maintained by an NPO.....	3.218
Formats of financial statements	3.219
Fund based accounting.....	3.219
ANALYSIS OF TECHNICAL GUIDE ON ACCOUNTING FOR SPECIAL ECONOMIC ZONES (SEZs) DEVELOPMENT ACTIVITIES.....	3.230
Background.....	3.230
Objective.....	3.230
Definitions.....	3.230
Accounting.....	3.231
Accounting for Activities Performed after Notification of SEZ.....	3.232
Accounting for Costs of Rehabilitation and Resettlement (R&R)	3.233
Accounting for Revenue in the financial statements of the SEZ developer.....	3.234
Accounting for Revenue from Operation and Maintenance (O&M) of Infrastructure Facilities	3.236

Division 4

Schedule III – Analysed

AMENDMENTS TO SCHEDULE III – W.E.F. APRIL 01, 2021.....	4.3
Theme 1: Capital Work-in-progress (CWIP) and Intangible assets under development.....	4.13
Theme 2: Promoter's Shareholding.....	4.18
Theme 3: Borrowings	4.20
Theme 4: Trade Receivables	4.37
Theme 5: Trade Payables	4.41

Detailed Contents

Theme 6:	Relationship with Struck off Companies.....	4.45
Theme 7:	Loans and Advances	4.50
Theme 8:	Immovable Properties and Benami Properties.....	4.56
Theme 9:	Corporate Social Responsibility.....	4.66
Theme 10:	Ratios	4.74
Theme 11:	Undisclosed Income	4.82
Theme 12:	Details of Crypto Currency or Virtual Currency.....	4.86

Division 5
Illustrative Financial
Statements – Corporate

ILLUSTRATIVE FINANCIALS STATEMENTS	5.3
--	-----

Division 6
Illustrative Financial Statements - Non-Corporate Entities

MODEL FINANCIAL STATEMENTS NON CORPORATE ENTITIES.....	6.3
--	-----

I GAAP

(Indian Accounting Standards)

A PRACTICAL APPROACH



CA (Dr.) Anand Banka is a Fellow Member of ICAI and holds a PhD in Finance.

Anand has over 14 years of experience of accounting and audit, especially in International Financial Reporting Standards (IFRS)/ Indian Accounting Standards (Ind AS) domain. His experience includes implementing IFRS/ Ind AS in companies across sectors. He has been involved in the accounting standard setting process, both Ind AS and AS, with the ICAI.

He is also a prolific speaker with seminars across various countries on IFRS, Indian Accounting Standards, Companies Act, etc.

Other notable achievements and contributions include:

- He was awarded 'Silver shield' by the ICAI International Research Awards 2021 for research paper in accounting category
- He is recipient of the 'Young Achiever Award, 2020' presented by the prestigious Indian Achievers' Forum
- He has Authored the books "Ind AS Simplified", "Comprehensive Guide to Ind AS Implementation" and "Comprehensive Guide to Indian GAAP"
- He is a Special Invitee on the Accounting Standards Board (ASB) of the ICAI
- He is one of the best rated faculties for the Certificate Course on IFRS/ Ind AS of ICAI, across India, Nepal and UAE
- He has been an "Asian-Oceanian Standard-Setters Group (AOSSG)" Trainer in Nepal for the Nepal IFRS Centre of Excellence
- He has been a Coordinator and Faculty for 'National Mission on Education' of Ministry of Human Resource Development (MHRD, Govt. of India) for Implementation of Accounting Standards in Educational Institutes like IITs and IIMs
- He has been Subject Editor for books on financial accounting and reporting
- He has penned several articles that have appeared in professional publications like Bombay Chartered Accountants' Journal (BCAJ) and WIRC Reference Manual

Commercial Law Publishers (India) Pvt. Ltd.

Head Office: 4239/1, Ansari Road, Darya Ganj, New Delhi-110002

Phones: 4350 2007, 4301 1562, 4350 2008, 4345 2009

Email: commercialhouse@yahoo.co.in • naveen.commercialhouse@gmail.com

Website: www.commerciallawpublishers.com

Price: ₹1995/-

ISBN 978-93-5603-027-5



Special Combo Offer : Ind AS Simplified Price Rs. 3295

I GAAP – A Practical Approach Price Rs. 1995

Total Price : Rs. ~~3290~~

Buy Combo pack @ Rs. 4795/-