

# CA FINAL FINANCIAL REPORTING

NEW COURSE



Notebook style **multicoloured**  
Book penned by CA SJ



# *Sure Shot Notes*

*Simple and Undiluted Concept Book*

**F.A.S.T.**  
first attempt success tutorials



***CA Final FR***

# ***SureShot*** ***Notes***

**Author : CA.Sarthak Niraj Jain**



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## FINANCIAL REPORTING

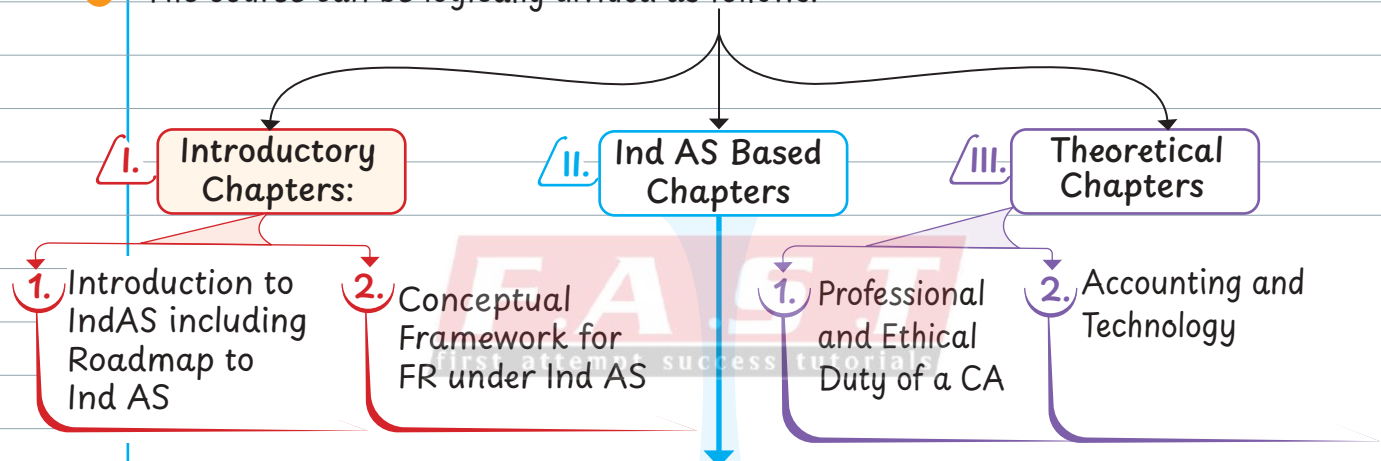
**/ (1) / Relevant for Students : CA FINAL / CMA FINAL**

**/ (2) / Coverage**

Book covers all Ind AS, excepts certain Ind AS that have been **excluded** from syllabus (**IndAS 29, 104, 106 and 114**). It also covers other chapters like Introduction to Ind AS, Conceptual Framework, Accounting and Technology, Ethics, have been included.

**/ (3) / Course Overview:**

- The ICAI study material divides the course in a total of 17 Chapters (with multiple units under several chapters), grouped in 5 modules.
- The course can be logically divided as follows:



1. **Financial Instruments -**  
Ind AS 32, 107 and 109
2. **Share Based Payments -** Ind AS 102
3. **Business Combination -** Ind AS 103
4. **Consolidated Financial Statements -**  
Ind AS 27, 28, 110, 111, and 112
5. **Assets Related -**  
Ind AS 2, 16, 23, 36, 38, 40, 105 and 116
6. **Revenue Related -** Ind AS 115
7. **Liabilities and Income / Expense Related-**  
Ind AS 12, 19, 21 and 37

8. **Presentation Related -**  
Ind AS 1, 7 and 34 and Division II of Schedule III to the Companies Act, 2013
9. **Measurement Related -**  
Ind AS 8, 10 and 113
10. **Disclosures Related -**  
Ind AS 24, 33 and 108
11. **Other IndAS -** Ind AS 20, and 41
12. **First Time Adoption -** Ind AS 101
13. **Analysis of FS**

\* Syllabus also includes comparison of few Ind AS with AS.



(5)

**Exam Pattern:**

- ▶ 70 Marks Descriptive questions, 30 marks MCQ (15 MCQs of 2 mark each with one correct answer and no negative marking)
- ▶ **Time Duration:** 3 hours + 15 minutes reading time

(6)

**How to write answers to Descriptive Questions**

**Start with the end in the mind: Is FR a Descriptive Paper or Numerical one?**

Good question to answer at the beginning! Usually a descriptive question in exam requires student to give one or more of the following in their answers:

‘Computation’, or ‘Accounting treatment’, ‘Accounting entries’, ‘Reporting’, ‘Advise’, ‘Analyze’, ‘Recommend’, ‘Explain’

Where some of these terms mean the same, some have different expectations, summarised below. (These are base on ICAI Suggested Answers)

Question Demands	How to Solve	Whether Explanation needed?	Whether JE needed?
<b>Calculate, Compute, Determine</b>	Just numerical based solution needed. One line explanation may be needed where accounting is conditional like substantial modification of CF, computation of weighted average tax rate, etc.	No	No
<b>Accounting Entries</b>	Provide JE with narrations.	No	Yes
<b>How to present in FS / Prepare Report</b>	<ul style="list-style-type: none"> <li>• ‘As per Ind AS’ explanation needed.</li> <li>• BS / SPL Extract given</li> </ul>	Yes, if relevant	No
<b>Give Opinion / Advise Accounting treatment / Analyze and Recommend / Discuss</b>	<ul style="list-style-type: none"> <li>• Brief treatment as per IndAS with FACTS - EXPLANATION-ACCOUNTING.</li> <li>• ‘IndAS states....’ if relevant be given</li> <li>• Correct Accounting treatment to be given.</li> <li>• No JE needed (Advise accounting treatment is not like give accounting entries)</li> </ul>	Yes, if relevant	No
<b>Explain, Evaluate &amp; Explain</b>	<ul style="list-style-type: none"> <li>• Explanation given like ‘As per IndAS ...’ needed.</li> <li>• Accounting treatment suggested.</li> <li>• No JE needed</li> </ul>	Yes, if relevant	No

**Legend :** JE - Journal Entries

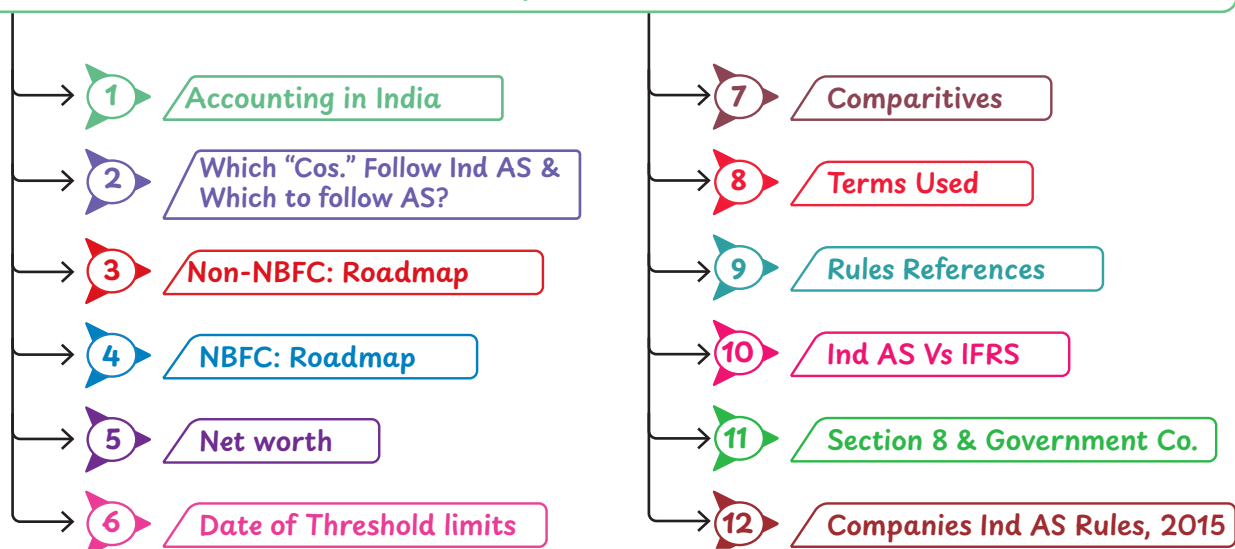
## Intro

## Introduction to Ind AS

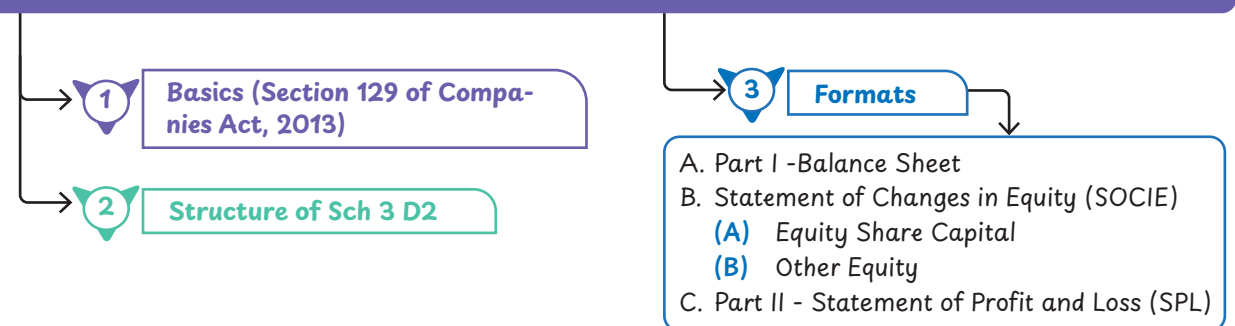
## INDEX

## Applicability of Ind AS (Roadmap)

[Based on Companies (Ind AS) Rules, 2015]



## Schedule III - Division II: Ind AS based FS and Guidance Note



## Student Notes

# Applicability of Ind AS (Roadmap)

[Based on Companies (Ind AS) Rules, 2015]

1.

## Accounting in India

### Based on standards of accounting

#### Indian AS or Ind AS

Issued by MCA ICAI

Applicable only on companies

#### AS

Issued by MCA

Applicable on companies

Issued by ICAI

Applicable on non-corporate entities, LLPs, Partnership, Prop, Trust, Society etc.

2.

## Which "Cos." Follow Ind AS & Which to follow AS?

(a) Bank or Insurance Co. - Follow AS only (not Ind AS)

(b) Mutual Fund - Ind AS only

(c) Others to follow AS, unless covered under Ind AS:

→ Non-NBFC ← Phase wise applicability

→ NBFC ← Phase wise applicability

### Current status: Mandatory applicability on

- > All LISTED Cos,
- > Unlisted Cos with NW  $\geq$  250 crores
- > and their H/S/JV/A

3.

## Non-NBFC: Roadmap

01

A/cing period commencing on or after

1.4.2015 → Voluntarily

1.4.2016 → Mandatorily -

- a) Listed or unlisted with net worth  $\geq$  500 crore seen on 31st March of any preceding FY starting from 31.03.2014
- b) And → H/S/JV/A of above Cos.\*

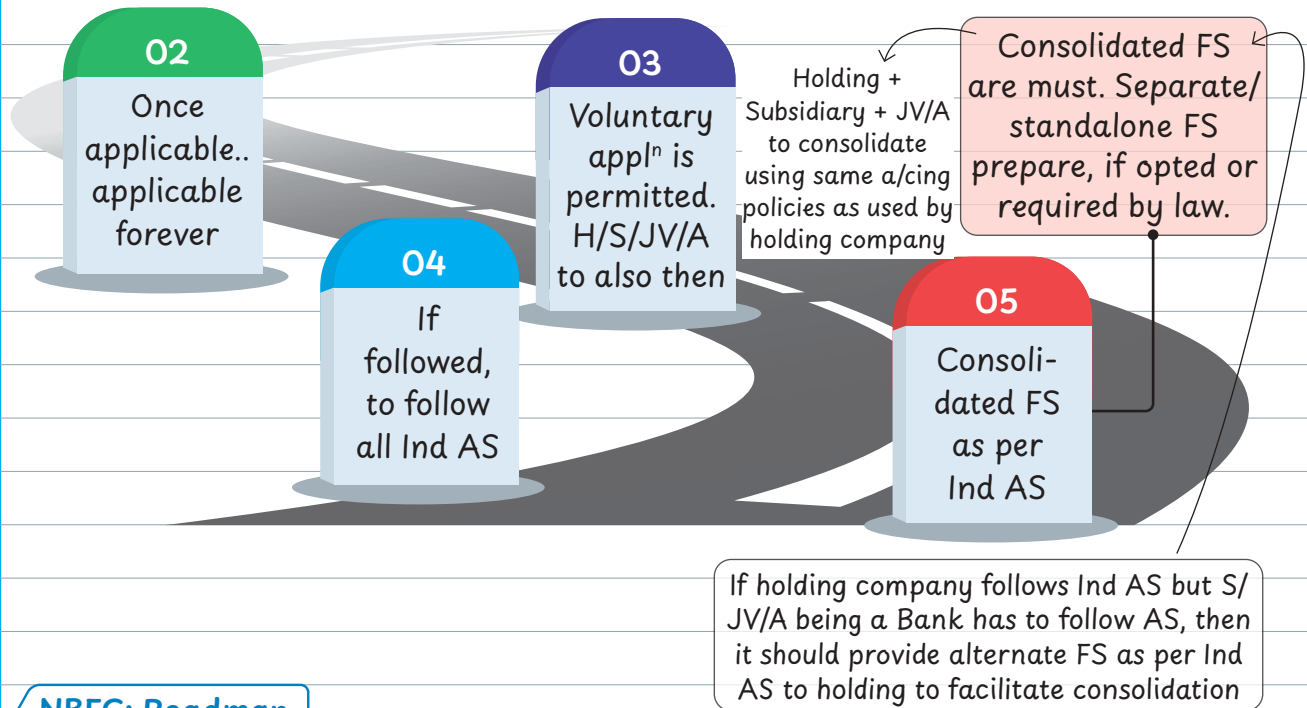
1.4.2017 → Mandatorily -

- a) Listed Cos. (irrespective of NW) or
- b) Unlisted cos. with NW  $\geq$  250 crore.
- c) And → H/S/JV/A of above Cos.\*

\* Excl. Bank/Insurance/NBFC

Why Study old road map now?

Ans. Part of ICAI-SM also asked in May-2024



4.

**NBFC: Roadmap**

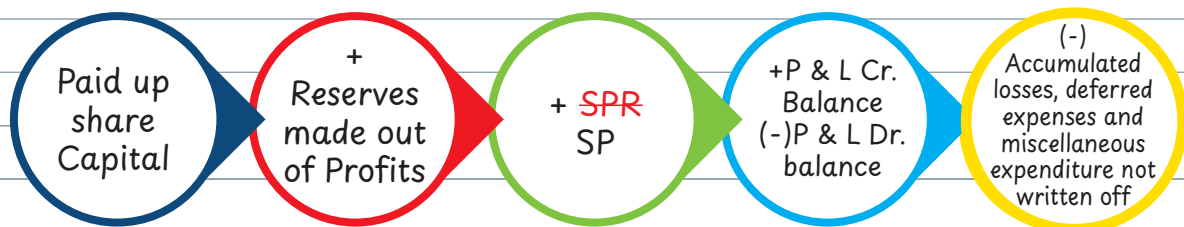
Same provisions as non-NBFC except:

(a) **Applicability deferred by 2 years**

(means NW 31.3.2016 से check means  $NW \geq 500$  cr... Ind AS from 1.4.18 but listed or  $NW \geq 250$  cr < 500 cr... from 1.4.19 and accordingly H/S/JV/A to also follow.

(b) **No voluntary application permitted for NBFC.**

5.

**Net worth** (Section 2 (57) of Companies Act, 2013): (as per audited BS)

- **Includes :** ESC, PSC, GR, P&L (cr), ESOS Reserves, Capital Grants forming part of net worth
- **Excludes:** Revaluation Reserve, Capital Reserve on Amalgamation, Write back of Depreciation

**Net worth is to be checked on last day of preceding F.Y. as per its audited Standalone FS (but not before 31.03.14 / for NBFC - 31.03.16)**



6.

### Date of Threshold limits

- NW - 31 March of P.Y. (Starting 31.3.14 non NBFC/31.3.16 for NBFC)
  - H/S/JV/A
  - Listing
- } Any point of time

7.

### Comparatives

**Ind AS 101:** First Time Adoption states, when a co. is covered under Ind AS it should also restate its comparative figures and present it as per Ind AS.

8.

### Terms Used

	Defined	How?
(a) Listing	Cos. (Ind AS) Rules, 2015	See point (1)
(b) NW	As per S.2(57) of CA 13	Given earlier
(c) H/S/JV/A	As defined in S.2 of CA 13	As per Cos. Act
(d) NBFC	Cos (Ind AS) Rules, 2015	RBI classified NBFC + Specified other cos. under rules treated as NBFC for Ind AS applicability see point (2)

#### (1) Listing:



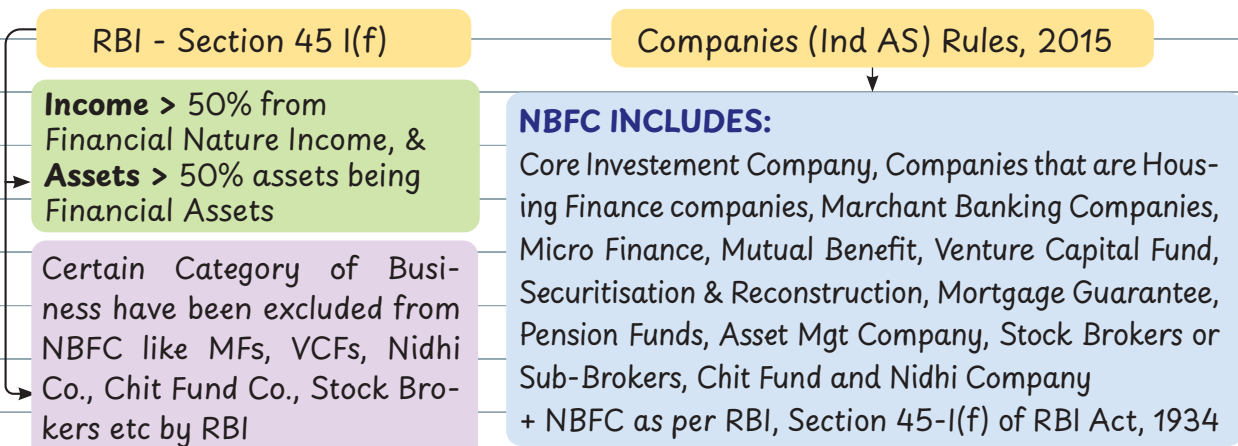
(i) Listed or to be listed (i.e. Application filed for listing but listing is pending on Recognised stock exchange)

(ii) Outside India

(iii) Debt or Equity (i.e. Debentures or Equity Shares)

**Excludes:** Companies listed on SME & ITP without Initial Public offer. (ITP - Institutional Trading Platform now known as Innovator's Growth Platform)

#### (2) NBFC's: As per:



9.

## Rules References

- (i) Ind AS applies on Cos. covered under limits given under rule 4 of Cos. (Indian AS Rules, 2015 (CIAR))
- (ii) Cos. not covered under Ind AS to follow AS - Rule 3 of CIAR, 2014
- (iii) AS followed as specified Cos.(AS) Rules, 2021

But ICAI module still quotes 2006 hence striker के sol<sup>n</sup> also mention 2006.



# Exam में लिखना →

As per Cos. (AS) Rules, 2006 revised & reissued as Co. (AS) Rules, 2021.

10.

## Ind AS Vs IFRS

(a) Convergence or Conversion?

Answer - Convergence

(b) **Carve In/Outs: Are Ind AS 100% as per IFRS?**

No, there are differences that can be categorised in 3 parts

1. Terminology Changes
2. Restriction of Options given in IFRS
3. Conceptually different from IFRS
4. Add-ons in Ind AS

Differences not leading to carve-outs

CARVE-OUTs

CARVE-INS

(c) **Numbering**

IASB → IAS 1 to 41 → Ind AS 1 to 41  
 IASB → IFRS 1 to 17 → Ind AS 101 to 117

(d) IFRS interpretations → IFRIC } Incorporated in  
 IAS interpretations → SIC } Ind AS itself.

11.



Govt. Co./S. 8. Cos. also until be covered in Ind AS Roadmap

## Student Notes

\_\_\_\_\_

\_\_\_\_\_

12.

**Companies Ind AS Rules, 2015 to be quoted in answers**

List out the entities which were covered under Phase I & II under the Companies (Indian Accounting Standards) Rules 2015 as notified by the MCA along with the specific date of coverage with its exclusions, if any. **[May-2024]**

**Ans.**

MCA has notified the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, it has notified 39 Ind AS and has laid down mandatory Ind AS transition roadmap for companies and non-banking finance companies excluding banking companies and insurance companies under following two phases:

**→ Phase I**

Following companies were covered under Phase I for accounting periods beginning on or after 1st April 2016, with the comparatives for the periods ending on 31st March 2016:

- a** > companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of rupees five hundred crore or more;
- b** > companies other than those covered by sub-clause (a) above and having net worth of rupees five hundred crore or more;
- c** > holding, subsidiary, joint venture or associate companies of companies covered by sub-clause (a) and sub-clause (b) as mentioned above.

**→ Phase II**

Following companies were covered under Phase II for accounting periods beginning on or after 1st April 2017, with the comparatives for the periods ending on 31st March 2017:

- a** > companies whose equity or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees five hundred crore;
- b** > companies other than those covered in sub-clause (a) above i.e. unlisted companies having net worth of rupees two hundred and fifty crore or more but less than rupees five hundred crore.
- c** > holding, subsidiary, joint venture or associate companies of companies covered by sub-clause (a) and sub-clause (b) as mentioned above.

**→ Exclusions:**

The roadmap shall not be applicable to companies whose securities are listed or are in the process of being listed on SME or ITP without initial public offering in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.


Ind AS would not be applicable to companies other than listed companies whose net worth is less than ₹ 250 Crores and they will continue to follow AS. However, they can voluntarily adopt Ind AS any time.

**SJ  
Tips!**

**In ans when we mention a co. is required to prepare FS as per Ind AS from....  
Mention also with comparitives**

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by CA. SARTHAK JAIN

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