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A Study of GAAP, IFRS &; Indian Accounting Standard: A Comprehensive Study

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Abstract – The Institute of Chartered Accountants of India (ICAI) declared its proposal to introduce IFRS in India with effect from 1 April 2011. Guidelines would have a huge effect on capital markets, but scholars and stakeholders know very little about these criteria. Several countries in Europe have already switched to IFRS since 2005. They are aware of India along with IFRS in the student curriculum. Understanding the Indian Commonly Agreed Accounting Principles (GAAP) and IFRS criteria is an essential necessity individual generation. Consequently, by researching the understanding of IFRS within Indian business undergraduates, the objectives of this research is to provide a comprehensive analysis to assess the level of preparation and implementation of accounting standards. It also assist management educational institutions in their decision-making on the adoption of IFRS in the Indian Accounting Curriculum. According to the empirical results of the analysis, the implementation of GAAP, IFRS and IND AS depends mainly on the need and interest to understand the topic.

Key Words: GAAP, IFRS, INDIAN ACCOUNTING STANDARD and Financial Accounting.

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1. INTRODUCTION

Company and financial transactions are reported and listed in the accounting system. So long so societies are engaged in commercial or centralized governance structures, reporting processes, accounting and accounting instruments are in use. The old fiscal records of clay tables from Egypt and Mesopotamia, which date back to 3300 to 2000 BCE, Some of archaeologists also found some of the oldest known records. Historians believe that there was a need to document trade and economic transactions as the key reasons behind the creation of writing systems. Throughout the 13th century, as the Medieval Europe progressed towards a monetary system, merchants relied on bookkeeping to supervise many parallel transactions funded through bank credit. The two-entry accounting method was developed in 1458 by Benedetto Cotrugli and revolutionized by the accounting system. Double entry is a process that requires the debit and credit entry of transactions. Italian Math and Franciscan Monk Luca Bartolomes Pacioli developed a record keeping system using a Document and Report.Pacioli was born in Tuscany in 1445, today he was known as the father of bookkeeping and accounting. In 1494 Summa de Arithmetica, Geometria, Proportioniet, Proportionalita, contains a 27-page book-keeping treatise, "The Collectioning of Arithmetic, Geometry, Proportionality and Proportionality." One chapter of his book “Computing and Scriptures specifics.” ("Information of Calculations and Recordings"), on record keeping, was turned into a text and a method of teaching on certain topics, and was one of the first to feature in the Background Print of Gutenberg. The chapter told the readers of the usage of newspapers and headlines: account of assets, receivable, inventories, liabilities, mortgage, income & expenditures. One of Pacioli's pupils was the poet and inventor, Leonardo da Vinci. Near mates were Pacioli and Vinci. Pacioli's De Divina Proportione ('of Divine Proportion') manuscript was illustrated by Da Vinci, and da Vinci was taught by Pacioli in perspective and proportionality mathematics.

The first technical associations for accountants were established in Scotland in 1854, beginning with the Edinburgh Society of Competent and the Glasgow School for Accountants and Accountants. A royal warrant was created for the development of organisations. As businesses grew, the need for good disclosure diminished and the market and financial processes soon became an important part of the business. Members of these organisations were called "chartered accountants." Chartered accountant organizations have now been formed across the globe. In US during 1887, the American Public Accountants Certified Institute was set up. Initial statements for both internal and external players have an immense significance. We are basically a business report card. Therefore, it is critical for them not to disclose false information or control themselves. And we have a basis for this oversight in the accounting principles (AS).

***Accounting Standards** (AS)*

Accounting requirements (AS) are key official records. Their key aim is to ensure transparent, reliable, compatible and comparable accounts. This is achieved by standardizing national / economic accounting practices and standards. Therefore, if all businesses obey such accounting principles, their expenses must be reported likewise. The AS is issued either by the Government, through an accounting firm or through a regulatory authority. Released by the Indian Charters Accountants Institute of India (ICAI). The Indian Accounting Standards.Accounting standards address four significant accountability issues, namely

- Recognition of financial operations
- Calculation of financial transactions
- Presentation of financial results in a fair manner
- Disclosure of company needs to ensure shareholders are not misguided

1.1 Formulation of Accounting Standards in India

Accounting is often viewed as a business language, since its financial position is conveyed to others. And like all languages, the same is true here, with some syntax and grammar rules. The Accounting Standards (AS) are these guidelines with respect to accounting. It constitutes the system of accounting and reporting rules and regulations in a country. Let's look at the main aims of these standards development.

- Enhancement of financial statements transparency is the main objective. Knowing that they must meet guidelines, the consumers will count on them. The financial statements must be made. They know that the businesses cannot have grave consequences if they do not comply with these requirements.
- Comparability is then open. Inter-company and intra-firm comparisons would be possible according to these criteria. It helps us to track the company's success and market place.
- It will also include a set of accounting policies which include the required criteria for disclosure and the valuation methods used for different financial transactions.

Benefits of Accounting Standards

In the field of accounting, accounting principles are the governing body. This means there is no false information that is given to prospective investors. Have a look at AS's advantages.

- Attains Uniformity in Accounting
- Improves Reliability of Financial Statements
- Prevents Frauds and Accounting Manipulations
- Assists Auditors
- Comparability
- Determining Managerial Accountability

1.1 Limits of Accounting Standards

Accounting practices also have a range of drawbacks. The regulatory bodies are continuing to update the requirements to limit those limitations.

- Selection between different Alternatives
- Restricted Scope

2. A COMPREHENSIVE STUDY OF ACCOUNTING STANDARDS

GAAP

The widely recognized accounting ethics (GAAP) refer to the accounting rules, criteria, and procedures for the Particular Set of Financial Accounting Criteria Board (FASB).GAAP is expected to be practiced by public corporations in the U.S. when recording their accounts. The GAAP is a blend of the authoritative (policy board) principles and the generally recognized documentation and reporting methods. The GAAP aims at enhancing the transparency, accuracy and comparability of financial information communication. US rule requires all publicly traded firms, and any publicly disclosing organization, the International Financial Reporting Standards (IFRS) are established by the International Accounting Standards Board (IASB) to comply with the principles and procedures of GAAP. The IFRS governs accounting standards in the European Union, and in a variety of countries in Latin America and Asia. GAAP can be contrasted to non-GAAP financial reporting pro forma accounting. Internationally, international financial reporting standards (IFRS) are referred to as GAAP equivalent in the United States. About 120 countries, including the European Union (EU), are governed by IFRS.

The Major Tenets of GAAP

These 10 principles will enable you to keep in mind the GAAP system's key mission and direction.

- Principle of Regularity
- Principle of Consistency
- Principle of Sincerity Theory
- Principle of technical consistency

- Non-compensation principle theory

Olden times of GAAP

Generally accepted standards of accounting were ultimately largely developed as the answer to the stock market crash from 1929 and to the subsequent Great Depression that were at least partially triggered by some publicly traded corporations' lower-pronged financial reporting practices. The government began working with qualified accounting associations to create consistent and acceptable financial reporting standards and practices. Without regulatory requirements, businesses will be able to request financial reports in the most suitable manner. Carte blanche, to depict the fiscal situation of a corporation in the perfect light, might easily deceive investors. The Great Depression of 1929 was largely due to inaccurate and misleading advertising practices by corporations. The financial crisis triggered several years of hard work for millions of Americans. In addition, the federal government has set the ethical and precise reporting requirements for the financial details along with qualified accounting associations.

Recommendations of GAAP

According to the GAAP, the federal government must file financial reports but they are not responsible for generating and sustaining them. Instead, a few independent boards work to update these standards to represent changing corporate practices and emerging businesses. For instance, among the most recent developments in private companies are goodwill and rate swap requirements. Below is a summary of the GAAP pronouncements governing boards, General According to established accounting standards, GAAP Value ensures that reporting by generally understood means, processes and procedures is consistent and transparent. The accuracy of the presentation of the financial reports from the GAAP allows the interpretation of monetary reports by investors and others (such as an executive board) and the contrast of one company's monetary reports with that of other business. GAAP aims also to improve transparency for not-for-profit and public agencies by requiring them to report their accounts openly and honestly. In short, GAAP is intended to make easieron the way to read and appreciate the details contained in the documents and ensure Precise financial statements delivery precise financial statements delivery.

Applications in Financial Analysis

A clear understanding is necessary of accounting principles for the financial analysts who conduct valuation research and financial modelling. While this is important, financial models focus more on cash flow and economic value, as other than cash tax measurement, which are not substantially influenced by accounting principles.

Alternatives to GAAP

GAAP is the collection of standards and practices in the US, but what about other countries? The International Financial Reporting Standards (IFRS) regulated by the IASB are the alternative in most countries to the United States. Since the two systems have different standards, rules and guidelines, IFRS and GAAP work for the integration of both systems.

Difference Among GAAP To Non-GAAP

The following table shows gross profits, net revenues and adjusted revenues per share for the fiscal years 2014 and 2015 of Pegasystems Incorporated. "Net revenue" reflects the gross income of the companies, minus revenues and administrative costs as well as taxes and other costs. The total value and expenditures is "net profits." 'Share income reduced' represents the amount of money the corporation receives from an outstanding common stock investment and accounts for dilution instruments like bonds, options and convertible assets.

The distinction between GAAP and non-GAAP data is evident in its disclosure. costs changes, equity-based compensation payments, the redemption of acquired assets and other technical features that influence its current financial results. The company notes that the GAAP statistics vary. The organization is of the opinion that presentations of A comprehensive overview of its past performance can be provided by both GAAP and non-GAAP data

Limitations of GAAP

- GAAP is not detailed, but it aims to reduce cases of incorrect reporting. The issues of companies outside the reach of the GAAP can also be faced depending on their scale, classification, position and global presence.

- Often, The GAAP tends to be following the financial reporting strategy of "one size fits all," but it cannot do much to alleviate the variety of multiple industries. State and state governments, for example have struggled because of their specific environment with implementing GAAP. This led to new ideas on GAAP hierarchy that will make these government institutions more welcoming. Small businesses have also had trouble enforcing GAAP. Such criteria can be too complicated to satisfy.They can be expensive in terms of their accounting responsibilities and recruitment to generate GAAP reports. In conjunction with the Business Council, the FASB has revised the GAAP by supplying individual businesses with guidelines and alternatives.

2.4 Overview of each GAAP

Many changes to these accounting principles have been made over the course of time. The Boards of Directors were also updated. The Financial Accounts Standard Board (FASB) is actually governed by the GAAP accounting rules, but also has powers of compliance of the Securities and Exchange Commission (SEC). GAAP covers a range of subjects including the analysis of revenue, expenditures, assets and liabilities financial statements, shareholdings, foreign currencies. For order to understand the GAAP, the ten GAAP standards need to be understood.

Ten main GAAP standards are discussed hereafter;

- Single Entity Principle
- Monetary Unit Principle
- Specific Time Period Principle
- Recognition Principle
- Going Concern Principle
- Full Disclosure Principle
- Matching Principle
- Principle of Materiality
- Principle of Conservative Accounting
- Historical Cost Principle

3. INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The IFRS sets out joint rules to ensure that financial reporting across the world is consistent, exact and comparable. IFRS shall be published by the International Accounting Standards Council. This defines business governance and reporting, explains the forms of transactions and other activities of financial importance. IFRS. IFRS was developed to communicate the accountabilities of companies and their financial statements between companies and countries.

IFRS outlines accounting principles, procedures and documentation, and supports companies and investors in responsible financial evaluations and decisions. To promote the global economy's sustainability, prosperity, or long-term stability, the IFRS Foundation is committed to ensuring transparency, accountability, and efficiency for world capital markets. The company would benefit from IFRS as investors will be more likely to invest money in a business if the operating practices of the business are clear. The United States has been using broadly accepted standards of accounting in 120 countries and in Asia and South America, including the EU and other nations, since March 2018.The US Securities and Exchange Commission (SEC) has announced that its plan to amend US financial statements by IFRS data will not be moved under the International Financial Reporting Standard but will continue to be checked. Some claim, however, that global implementation of IFRS saves money on duplicated reporting and international research costs and comparison of firms. GAAP was referred to as a "gold standard" accounting. The IFRS, which are replaced by the IFRS, are also confused by the IAS. The International Accounting Standards Board (IASB) replaced the IASC in 2001. The IASC was published between 1973 and 2000.

Standard IFRS Requirements

A broad array of accounting practices are covered by IFRS. IFRS sets compulsory guidelines for all areas of industrial activity.

- Statement of Financial Position: The balance sheet is also known. The IFRS affects the reporting of the balance sheet components.
- Comprehensive income statement: it may be in the form of a statement or it can be split into a benefit and loss statement and other income statement, like property and equipment.
- Report of Capital Change: this document sometimes referred to as the declaration of retained income records a change in revenue or benefit in the Business during the specific financial year.
- Cash Flow Statement: This report summarizes the financial transactions in the Business over that time, which distinguishes cash flow between sales, investment and finance.

An organization must also include a description of its accounting practices in addition to these specific reports. The new report also reveals improvements in income and loss, along with the previous report. All each of its subsidiary companies a parent company must produce separate accounts reports.

Specific features

The key features in IFRS are as follows:

- Fair submissions and compliance with IFRS: Fair submissions provide a clear explanation of the results of the transactions, other activities and circumstances in accordance with the provisions of the IFRS program and the criteria for the recognition of assets, liabilities and income and expenses. [25]
- Subject: Financial statements shall be made on a continuing basis unless the

management wishes to liquidate either of them.

- Offsetting: offsetting is typically prohibited under IFRS [29] But, where specific conditions have been met, certain standards allow for reimbursement (such as accounting for IAS19 Defined Value Liabilities [30] and net recording of late tax liabilities and deferred tax assets under IAS 12[31]).

- Reporting frequency: IFRS specifies that a complete statement set is submitted at least annually.[32] However, the listed undertakings also typically issue interim financial statements (compliant with full IFRS accounting) which are submitted in compliance with IAS 34 Interim financial reporting.

- Comparative information: IFRS allows entities to request comparative data for all sums reported in the financial statements for the prior year. In addition, if it is appropriate to understand the current year's financial statements, comparative descriptions should also be given for narrative and succinct information[33] The IAS standard requires supplementary financial statements (also known as the Third Statement), in which an company retrospectively implements or changes an accounting policy. For example, this was done when IAS 19 was modified (as of 1 January 2013) or when standardized specifications were implemented for new IFRS 10-11-12 (for European Union companies from 1 January 2013 to 2014).

- Coherence of submission: Unless otherwise specified, IFRS requires that items in financial statements must be reported and listed from time to time;

IFRS cash flow analyses are shown as follows:

- Operating cash flows

- Investing cash flows

- Cash flow finance

Objective and utility

- IFRS was designed to develop a common accounts language to enable companies and accounts for each country to be understood from business to business.

- IFRS is good both for businesses and clients because customers are more likely to invest in a business if they have clear and successful operating practices.

- The IFRS is defined the IFRS Foundation, an independent body of the International Accounting Standards Council which provides updates on standards, perspectives and guidelines.

Effect of adoption IFRS

Several researchers have researched the effects of adopting IFRS and controversies on the impacts of adopting IFRS alone. One research, for example, uses data from 26 countries to determine the economic impact of compulsory introduction of IFRS.It shows that while market liquidity increases by the time IFRS is implemented, it is uncertain if IFRS mandates are the primary explanation for market effects that have been observed on average. The findings can also be explained by client reporting rewards, compliance, and improved comparability of financial results.

List of IFRS with effective dates

Table 1: Standards for International Financial Reporting

Declaration	Issued	Effective date
IFRS 1First time universal reporting requirements have been introduced		
Initial problem	2003	First IFRS reporting cycles from 1 January 2004 or later
Modification of the IFRS 6	Upgrade 2005	Annual cycles from 1 January 2006 or later
Regulation o n investment expense for t he first time	Upgrade May 2008	Annual cycles commencing 1 January 2009 or subsequent
Revised and reorganized	Upgrade Nov 2008	Annual cycles from 1 July 2009 or after
Small IFRS exemption 7 First-time adopters disclosures	Upgrade Jan 2010	Yearly cycles Starting and following 1 July 2010
Yearly changes for IFRSs as a result of May 2010	May 2010	Cycles starting or ending on 1 January 2011
Replace "set dates" by "day for the change of IFRSs" for certain exceptions	Dec 2010	Yearly cycles starting and finishing 1 July 2011
More protection	Dec 2010	Yearly cycles starting and

high deflation for companies		following 1 July 2011
Lower interest rate adjustments to loans during IFRS conversion	March 2012	Yearly cycles starting or finishing 1 Jan 2013
Changes from the 2009-2011 period of annual adjustments	May 2012	Yearly intervals starting or ending 1 Jan 2013
Changes due to the duration 2011-2013 annual adjustments (meaning successful IFRSs)	Dec 2013	Amendment to the inference basis only
Annual Changes 2014-2016 (removal of short-term exemptions) amendments Process	Dec 2016	Post-10 January 2018 cycles of annual
Payment dependent on IFRS 2Share		
Original problem	2004	Annual cycles from 1 January 2005 or later
Constitution on vesting and termination conditions	Upgrade 2008	Annual cycles commencing or following 1 July 2009
Modifications going to result in April 2009 IFRS annual updates	April 2009	Yearly terms commencing 1 July 2009 or after
Changes to the accounts for Group cash sharing payments	June 2009	Annual duration of 1 January 2010 or beyond
Changes resulting from the 2010-2012 period of yearly adjustments (definition of 'basis of investment')	Dec 2013	Yearly cycles beginning or finishing on 1 July 2014
Amendment	June 2016	Annual intervals

to explain shares-based payment transaction description and measurements		starting or finishing 1 January 2018
Combinations of IFRS 3Business		
Original problem	2004	After 31 March 2004 Market combinations
Complete info. analysis of the use of the purchasing process	Upgrade 2008	Yearly changes to IFRSs arising from May 2010.
Yearly IFRS updates after May 2010.	May 2010	Yearly cycles from 1 July 2010 or after
Changes arising from the 2010–2012 Period of Annual Adjustments (contingent accounting)	Dec 2013	Annual cycles from 1 July 2014 or beyond
Modifications arising from the 2011-2013 period of yearly changes	Dec 2013	Yearly cycles starting and following 1 July 2014
Modifications resulting from the 2015–2017 period of annual changes (remeasure of widely held concern)	Dec 2017	Annual cycles from 1 January 2019 or later
Modifications to explain company concept	Oct 2018	Company combinations on andat the start of or at 1 January 2020 of the first annual reporting periodThe acquisition date
IFRS 4*Contracts for insurance*		
Initial problem	2004	Annual cycles from 1 January 2005 or beyond
Amendment of arrangements for financial guarantees	Revised 2005	Annual cycles commencing 1 January 2006 or subsequent

Modifications on IFRS 4 and IFRS 9 interaction	Sep 2016	When IFRS 9 first applies, an individual that opts to retroactively apply the overlay approach to qualifying financial assets. For annual cycles starting on and after 1 Jan 2018, an organization decides to implement the delay method.
IFRS 5Non-current sales and disconnection of properties		
Initial Problem	2004	Yearly intervals from or after 1 January 2005
Annual changes to IFRSs as a result of May 2008	Revised May 2008	Annual cycles commencing 1 July 2009 or later
Constitution to IFRS Annual Changes starting from April 2009	April 2009	Annual cycles from 1 January 2010 or beyond
Annual changes to IFRSs as a result of September 2014.	Sep 2014	Yearly cycles beginning or finishing 1 January 2016
IFRS 7Instruments of Finance: Discoveries		
Initial Problem	2004	Yearly cycles from or to 1 January 2007
7 Instruments of Finance tool: Divulgations		
Initial Problem	2005	Yearly cycles from 1 January 2007 or beyond
Changes to improve market value and declarations of liquidity danger	Revised March 2009	Yearly cycles from 1 January 2009 or later
Annual changes to IFRSs stemming from May 2010.	May 2010	Annual cycles from 1 January 2011 or later
Modification of benefit and liability offsetting	Oct 2010	Yearly intervals from or after 1 July 2011
Modifications on duty and asset provisions	Dec 2011	Yearly and transitional phases commencing or following the first of January 2013
IFRS 9 compulsory pause and alteration of change communications	Dec 2011	Annual intervals starting or ending January 1, 2015 (IFRS 9 has subsequently been deleted and is subject to IFRS 9)
Further hedge accounting divulgations (and subsequent changes) as a consequence of incorporating the hedge accounting chapter in IFRS 9	Nov2013	Pertains to IFRS 9 (IFRS 9, along with the hedge portion, had no compulsory effective date at that updated version of IFRS 9 problem date, shown below)
Annual Amendments to IFRSs as of September 2014	Sep 2014	Annual cycles commencing 1 January 2016 or later
Amendments in relation to the IBOR law on pre-replacement matters	Sep 2019	Annual cycles commencing or following 1 January 2020
IFRS 8 Segment processes		
Initial problem	2006	Annual cycles from 1 January 2009 or later
Amendments to the annual IFRS changes as of April 2009	April 2009	Annual cycles from 1 January 2010 or after
Modifications arising from the 2010-2012 annual changes process (section restructuring, section reconciliation)	Dec 2013	Annual cycles from 1 July 2014 or beyond
IFRS 9Financial methods		
First problem (description	Nov 2009	Yearly terms commencing and

and calculation of financial assets)		ending on 1 Jan 2013 (date after which the requirements were postponed and later removed), although the relevant initial implementation date is before 1 February 2015, which will be replaced by IFRS 9 (2014))
Reissue to provide grading, calculating and integrating current derecognition criteria Financial liabilities	Oct 2010	Cycles starting on or around 1 Jan2013 (dates are postponed and withdrawn). IFRS 9 (2014), which is replaced by this edition of the standard, will remain available for implementation where the applicable original request date is prior to 1st February 2015)
IFRS 9 compulsory pause and alteration of change communications	Dec 2011	That regular cycles beginning on 1 Jan 2015 or later (the standard is then withdrawn, but is still available if a particular date is prior to 1 February 2015), replacing IFRS 9 standard edition of the above.
Reissues to include a chapter of hedge accounts and allow the early implementation of requirements to apply 'private credit' profits or failures in market value tax responsibility in other detailed incomes, without the early application of the other criteria under	Nov 2013	no any closing date date is set and subsequently amended from the appropriate effective date to delete IFRS 9(2010) and IFRS 9(2009), allows for a date of effective opening but requires any Being available for use version of the standard. Note: replaced by IFRS 9 in 2014 (2013). IFRS 9 in 2013.

IFRS 9;		
Finalized version with classification and calculation criteria, deficiency, total hedge and derecognition.	July 2014	Note: IFRS 9 (2014), replaces IFRS 9 (2009), IFRS 9(2010) and IFRS 9 (2013), but the applicability of those requirements remains subject to the applicable implementation date before 1 Feb 2015 Efficient on or after 1 Jan2018 for annual periods.
Changes to IFRS 4 and IFRS 9 contact	see under IFRS 4	
Amendments of insufficient provisions for prepayment functions and tax responsibility changes	Oct 2017	Yearly duration of 1 January 2020 or later
Modifications in the sense of IBOR reform on pre-replacement matters	Sep 2019	Annual cycles from 1 January 2019 or beyond
Consolidated Financial Statements IFRS 10		
Initial problem	May 2011	Yearly intervals from and among 1 January 2013
Temporary rule changes	June 2012	Yearly cycles commencing 1 January 2013 or beyond
Investment company amendments	Oct 2012	Each year cycles starting or finishing 1 January 2014
Changes to the sale or commitment between an individual and its partner or joint venture	Sep 2014	Periods that persisted or continued indefinitely after 1 January2016 (see below)
Modifications to the execution of the consolidation	Dec 2014	Annual cycles from 1 January 2016 or beyond
Modifications postponing the September 2014	Dec 2015	Straight now

effective date		
Joint Agreements IFRS 11		
Initial Problem	May 2011	Yearly intervals from andamong 1 Jan 2013
Temporary rule changes	June 2012	Yearly cycles commencing 1 January 2013 or beyond
Modifications on the reporting of the acquisitions of the general business value	May 2014	Yearly cycles starting or finishing 1 January 2016
Modifications resulting from the 2015–2017 period of annual changes (remeasure of previously held interest)	Dec 2017	Annual cycles commencing 1 January 2019 or later
IFRS 12Interest divulgation in other institutions		
Initial problem	May 2011	Yearly intervals from or until 1 January 2013
Transitional policy amendments	June 2012	Yearly intervals from or around 1 January 2013
Investment company amendments	Oct 2012	Yearly cycles starting or finishing 1 January 2014
Modifications to the exemption from the restructuring	Dec 2014	Yearly cycles starting or finishing 1 January 2016
Changes to the 2014–2016 period of annual updates (clarification scope)	Dec 2016	Yearly cycles from 1 January 2017 or later
IFRS 13Measurement of equal value		
Initial problem	May 2011	Yearly terms from or around 1 January 2013
Modifications resulting from the 2010–2012 period of annual adjustments	Dec 2013	Provisions focused only on assumptions
(short-term statements and payables)		
Annual change period in 2011-2013 (portfolio exemption structure in paragraph 52)	Dec 2013	Cycles of the year starting on or after 1 July 2014
IFRS 14Accounts for Administrative Deferment		
Initial problem	Jan 2014	Applied to the An individual's first reported IFRS financial report for the year starting and ending on 1 January 2016.
Income from Customer Contracts IFRS 15		
Initial problem	May 2014	The first IFRS annual declarations of an individual shall apply for the period starting on or after 1 January 2017 2018 (see below).
Modifications to delay to 1 January 2018 the effective date	Sep 2015	Cycles from or beyond 1 January 2018
IFRS 15 clarifications	April 2016	Waves of the year from or after 1 January 2018
IFRS 16Leases		
Initial problem	Jan 2016	Cycles starting on or after 1 January 2019
Contracts for IFRS 17		
Initial problem	May 2017	1 January 2021 annual term of commencement or end

IFRS 1 — First-time Adoption of International Financial Reporting Standards

IFRS 1

The IFRSs will be applied for the first time in order to prepare their general financial statements and to set out how the first International Financial Reporting Standards will be enforced. IFRS 1 Specific exemptions are given by IFRS from the general requirement that all IFRS shall be complied with at the end of the first reporting period. A consolidation version of IFRS 1 introduced in November 2008 if any company's original IFRS accounts are in effect for a period commencing on or after 1 July 2009.

IFRS 2 — Share-based Payment

IFRs 2 Share-based payment shall allow an entity to recognize in its financial statements, including transactions to be settled in cash with employees or other parties, other assets or equity instruments, share-based payment transactions (sayable shares or share options or share enhanced company appreciation rights). Specific conditions are used for equity-settled and cash-settled share payment transactions, and for those with a cash or equity instruments option.

IFRS 3 — Business Combinations

IFRS 3 Business Combinations describes the accounts when a corporation is managed (e.g. takeover or merger) by an acquirer. The 'acquisition process,' which usually includes the acquisition of assents and the calculation of labialise in their equal values on the acquisition date, are accounted for in this business combination.In January 2008, a updated version of IFRS 3 is applicable to business combinations in the first annual cycle of an company starting at or after 1 July 2009.

The table below summarizes some of the key differences in IFRS 3 (2008) and IFRS 3 (2004) accounting for combinations. The table doesn't look exhaustive.

Area	Supervision of the improvements in a high degree
Transaction price	In good will estimates, transaction costs, including legal Charges could not be included, stamps fees or equivalent
Goodwill estimate	The prepayment interest is based on market value or profits (transaction by transaction), only on the basis of the right to measure non-controlled value at the purchase date.
Eventual consideration (for example, profit-outs)	Fair value accounting on the day of the purchase does never gratitude and are paid for separately
Payments arise from company combinations	New specific guidelines on separating payments from the settlement of the pre-existing relationships for replacement share payment awards (contracts, legal cases etc) that result in non-recognized deferred taxes no longer influencing goodwill for subsequent steps.
Identifying and assessing	Exclusion on "reliable estimation" current pay manuals on assets and properties that are not intended for usage
Estate shifts	Buys or sales of minority interest in a company have a fair estimation of the retained ownership and recovery of assets only as a result of loss of control over equity

IFRS 4 — Insurance Contracts

In few exceptions, IFRS 4 insurance contracts shall apply to all insurance contracts (even reinsurance contracts) issued by an entity and to reinsurance contracts retained by an entity. The standard offers a temporary exemption from the IASB's extensive insurance contract programme, which includes the requirement that the IAS8 Accounting policies be considered, adjustments to accounting assumptions and errors when choosing insurance contract accounting policies In March 2004, IFRS 4 refers to the annual cycles that commence from or after 1 January 2005. IFRS 4 refers. As of 1 Janaury 2021 IFRS 4 is substituted for IFRS 17.

IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations

IFRS 5 Non-current sales and retired assets demonstrate how non-current assets are kept for sale to (or delegated to) proprietors. Furthermore, non-depreciated selling assets (or categories of sales, calculated on a lower carrying sum and lower transaction costs at a fair value) are listed separately in the statement of financial condition. Detailed statements are also provided for stopped activities and disposal of non-current properties.

IFRS 6 — Exploration for and Evaluation of Mineral Resources

IFRS 6 Mineral resource exploration and evaluation will require organizations implementing the norm to apply first the exploration and evaluation asset accounting policies established before IFRSs were adopted. It also amends the screening and evaluation properties deficiency testing by introducing various deficiency indices and the possibility of calculating the carrier total at an aggregate level (not more than one segment).In December 2004, IFRS 6 is issued and refers to annual periods starting or ending on 1 January 2006.

IFRS 7 — Financial Instruments: Disclosures

IFRS 7 Financial Instruments: Reports include the qualitative and quantitative disclosure of information on the value of the financial instruments to the business and the nature and extent of the risks presented by such financial instruments. Detailed reports are provided in respect of the transferred financial assets and a number of other items. IFRS 7 was originally published in August 2005 and shall refer to annual terms on or after 1 January 2007.

IFRS 8 — Operating Segments

In order to provide information concerning their operating segments, products and services, geographical areas in which they operate and their key customers, the operating segments of IFRS 8 include certain types of entities (mainly those that are publically traded securities). Information is based on internal management data, both in operating segment identification and segment information assessment. Information is based on internal management reporting. In the duration from or after January 1, 2009, IFRS 8 was released in November 2006.

IFRS 9 — Financial Instruments

The IASB replaces the Financial Instruments of IAS 39: Identification and Evaluation issued July 24, 2014. The standard includes standards for recognition and estimation, default, detection and general hedge accounting. The IASB has completed its project to replace IAS 39 in each process and added it to the standard. The 2014 edition of IFRS 9 supersedes the previous versions and is compulsory for periods starting on or after 1 January 2018 with approved early adoption (subject to local approval requirements). The preceding IFRS 9 versions can be adopted at an early stage for a limited time if not already provided that the applicable date is before 1 February 2015. Since this method has been separated from IFRS 9 due to the long-term nature of the macro hedging project currently in the discussion paper, IFRS9 does not adjust for the fair value hedge accounting requirements of the portfolio for rate risk In April 2014 IASB released a discussion paper on dynamic risk management, an Annual Portfolio Revaluations to Macro Hedging. Via April 2014. Consequently, the exception in IAS 39 for fair value hedging continues to apply to the exposure of an interest rate portfolio to financial assets or liabilities.

IFRS 10 — Consolidated Financial Statements

IFRS 10 Criteria to integrate the entities controlled by the preparation and filing of the consolidated financial statements formed by the companies. Regulation needs the ability to control these revenues through an investor's strength, access, or rights to variable returns. IFRS 10 was introduced in May 2011 and is effective for the 1 January 2013 annual period.

IFRS 11 — Joint Arrangements

IFRS 11 Joint Agreements define the bookkeeping of companies which together control the arrangement. Joint control consists of the negotiated power sharing and joint management agreements are known as a Joint Partnership (which represents a share of net assets and the equity paid for) or a Joint Undertaking (which represents the rights to assets and liability obligations). In May 2011, IFRS 11 has been released for annual reports beginning on or after 1 January 2013.

IFRS 12 — Disclosure of Interests in Other Entities

IFRS 12 Interest Divulgation in Other Entities is a consolidated divulgation requirement which requires a variety of information about the interest of an entity in subsidiaries, cooperative agreements, alliances and unconsolidated 'structured entities.' Divulgations are viewed as a set of goals, including comprehensive information on achieving certain goals. In May 2011 IFRS 12 was issued and is valid for annual periods commencing or following 1 January 2013.

IFRS 13 — Fair Value Measurement

IFRS 13 Fair value measure is applicable to IFRSs requiring or authorizing fair value measurements or disclosures, which provides a specific IFRS calculation method requiring fair value disclosure. The standard defines fair value based on the notion of 'exit price' and uses the notion of 'fair value hierarchy' which leads to a market-based metric rather than the individual. IFRS 13 was initially published in May 2011 and applies to the annual periods starting on or after 1 January 2013.

IFRS 14 — Regulatory Deferral Accounts

IFRS 14 Regulatory deferral accounts require an organization that is the first to implement the International Financial Reporting Standards, both in its initial implementation and in its future financial statements, to proceed with some specific modifications to the "regulatory deferment account balance" in compliance with the previous GAAP. The balances of the regulatory deferment account and the movement therein shall be set out separately and detailed statements are included in the financial condition and loss or benefit statement and other general income. Originally published in January 2014, IFRS 14 applies for a period starting in or after 1 January 2016 to the first annual IFRS financial statements of a corporation.

IFRS 15

Income from Consumer Contracts Summary IFRS 15 describes how and when an IFRS reporter should calculate revenues and allow those entities to communicate more informatively and accurately to users of the financial statements. The norm requires a simple, five-step model of theory that can be applied to all client contracts.

IFRS 16 — Leases

IFRS 16 stated the identification, calculation, application, and disclosure of leases by an IFRS reporter. The norm sets out a single leaser accounting model which requires leasers to recognize all leases of property and liabilities, except for a 12-month or less term of lease or for a poor value of the base property. Lessor's approach to leasing remains largely unchanged from its predecessor, IAS 17. Lessees also identify leases in operational or financing. This refers to annual reporting periods from or after 1 January 2019. IFRS 16 was released in January 2016.

IFRS 17 — Insurance Contracts

Within the context of the regulation, IFRS 17 sets out guidelines for the identification, assessment, presentation and disclosure of insurance contracts. IFRS 17 seeks to ensure that an agency offers details on the related contracts faithfully. Such information provides the consumers of financial statements with the basis for determining the financial condition, financial performance and cash flows of the company through insurance contracts. IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021.

4. INDIAN ACCOUNTING STANDARDS

The Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act 2013, have been formulated keeping the Indian economic & legal climate in mind and with a view to converge with IFRS Standards, as provided by and copyright of which is kept by the IFRS Foundation. Notwithstanding anything found in the above para, Ind AS notified under the Companies Act 2013 are regulated by the provisions of Indian Copyright Act, 1957 and the copyright in Ind AS vests in Government of India. Indian Accounting Standard (abbreviated as Ind-AS) is A standard of accounting adopted by companies in India and published in 1977 under the guidance of the Board of Accounting Standards (ASB). The ASB is a body, which consists of government officials, academics and other qualified bodies, under the Institute of Chartered Accountants of India (ICAI) ICAI, ASSOCHAM, CII, FICCI, etc. members.In addition to the International Financial Reporting Standards (IFRS), the Ind AS are called and numbered. Such requirements are recommended to the Department of Corporate Affairs (MCA) by the National Financial Reporting Authority. The accounting requirements for companies in India must be specified by MCA. As of today, MCA has told 41 Indi AS. This shall apply voluntarily and on a compulsory basis for companies for fiscal year 2015-16 and from 2016-17.Within the basis of international consensus, the regulators must inform the banks, insurance firms etc separately of the date of implementation of Ind-AS. In February 2015, the ICDS (ICAI) as the world's leading accounting body founded the ASB on 21 April 1976 with the main objective of formulating accounting standards to harmonize various accounting policies.

Conversation in IFRS

Ind AS – Indian accounting principles that have converged with the IFRS have now become a reality. A historical and landmark shift is the transition from Indian GAAP to Indian AS. Fact, from 2016 onwards, IFRS is expected to dominate India's accounting landscape. The implementation of these criteria was delayed and, for a number of reasons, the adoption process was once postponed in 2011. However, this time it should be introduced without any justification under the Updated Roadmap because approximately 150 countries in their economies have already adopted IFRS. A comprehensive strategic review, a detailed step-by-step plan, coordinated resources with training, an efficient project management and the smooth integration of various changes in normal business operations would all be needed for successful Ind AS implementation. Finally, the Ind AS implementation exercise must develop reliable processes such that relevant information continues to be given long after completing the conversion exercise. Irrespective of various challenges, adoption of IFRS in India has significantly changed the contents of corporate financial statements as a result of:

- More refined measurements of performance and state of affairs, and
- Enhanced disclosures leading to greater transparency.

Objective of Ind AS

The purpose of this Ind AS consists in ensuring that the first Ind AS financial statements of an company and its interim financial reports contain high quality information for the duration covered by these financial statements:

(a) Is transparent for users and comparable over all periods presented;

(b) Provides a suitable starting point for accounting in accordance with Indian Accounting Standards (Ind ass); and

(c) Can be generated at a cost that does not exceed the benefits.

Utility of Ind AS

Utility of Indian AS

An entity shall apply this Ind AS in:

(a) its first Ind AS financial statements; and

(b) each interim financial report, if any, that it presents in accordance with Ind AS 34, Interim Financial Reporting, for part of the period covered by its first Ind AS financial statements.

In accordance with the Ind ASs published by the Companies Act of 13 December 2013 and made an clear and unreserved declaration on the Ind ASs' enforcement in such financial statements, an entity's first Ind AS financial statements are the first financial statements in which an Ind ASs is taken up. This Ind AS does not apply to changes in an Ind AS entity's accounting policies. The topic of these changes is:

(a) Requirements on changes in accounting policies in Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors; and

(b) Specific transitional requirements in other Ind ASs.

Roadmap of Ind AS given by MCA

The MCA has informed the Companies' Rules on 30 March 2016 (amendment) including a route map for the introduction of the Non-Banking Financial Companies (nbfcs) Industry Accounting Standards (Ind AS).

For the first and the second stages, the nbfcs shall be obligated to observe Ind AS step by step, from the accounting periods commencing on or after 1 April 2018. This circulary confirms the timeline stated in a press release of 18 January 2016 for the implementation of Ind AS by nbfcs.

List of Ind AS	
List of Indian Accounting Standards	
Ind As No.	**Name of Indian Accounting Standard**
Ind AS 101	
Ind AS 102	Share Based Payment
Ind AS 103	Business Combination
Ind AS 104	**Insurance Contracts**
Ind AS 105	Non-Current Assets Held for Sale and Discontinued Operations
Ind AS 106	Exploration for and Evaluation of Mineral Resources
Ind AS 107	Financial Instruments: Disclosures
Ind AS 108	Operating Segments
Ind AS 109	Financial Instruments
Ind AS 110	Consolidated Financial Statements
Ind AS 111	Joint Arrangements
Ind AS 112	Disclosure of Interests in Other Entities
Ind AS 113	Fair Value Measurement
Ind AS 114	Regulatory Deferral Accounts
Ind AS 115	Revenue from Contracts with Customers(Applicable from April 2018)
Ind AS 116	Leases (Applicable from April 2019)
Ind AS 1	Presentation of Financial Statements
Ind AS 2	Inventories
Ind AS 7	Statement of Cash Flows
Ind AS 8	Accounting Policies, Changes in Accounting Estimates and Errors
Ind AS 10	Events occurring after Reporting Period
Ind AS 11	Construction Contracts (Omitted by the Companies (Indian Accounting Standards) Amendment Rules, 2018)
Ind AS 12	Income Taxes
Ind AS 16	Property, Plant and Equipment
Ind AS 17	Leases (Omitted by the Companies (Indian Accounting Standards) Amendment Rules, 2019)
Ind AS 18	Revenue (Omitted by the Companies (Indian Accounting Standards) Amendment Rules, 2018)
Ind AS 19	Employee Benefits
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance
Ind AS 21	The Effects of Changes in Foreign Exchange Rates
Ind AS 23	Borrowing Costs
Ind AS 24	Related Party Disclosures
Ind AS 27	Separate Financial Statements
Ind AS 28	Investments in Associates and Joint Ventures
Ind AS 29	Financial Reporting in Hyper inflationary Economies
Ind AS 32	Financial Instruments: Presentation
Ind AS 33	Earnings per Share
Ind AS 34	Interim Financial Reporting
Ind AS 36	Impairment of Assets
Ind AS 37	Provisions, Contingent Liabilities and Contingent Assets
Ind AS 38	Intangible Assets
Ind AS 40	Investment Property
Ind AS 41	Agriculture

Difference of GAAP/IFRS/IND AS

IFRS vs. American Standards

There are differences between the IFRS and the General Accounting Principles (GAAP) of other countries which affect the measurement of a financial ratio. For example, IFRS is not so rigid in terms of revenue classification, and encourages businesses to disclose sales faster, which means there could be a higher amount of revenue than GAAP's balance sheet under this framework. In other words, if a business invests construction money or investment for the future, it does not always have to be identified as expense (can be capitalised), for example. IFRS is not subject to a different cost criterion. The definition of the inventory is another distinction between IFRS and GAAP. There are two ways to track this, firstly from the beginning (FIFO) and lastly from the beginning (LIFO). FIFO means that the newest stock is sold out before the older stock has been sold, LIFO means that the newest stock is the first one to be sold. IFRS forbids LIFO, while American standards and other standards allow free use by participants.

Dissimilarityof IFRS and GAAP

Many causes state that the main dissimilarity of GAAP and IFRS reportage standards is the quantity of rules behind the values. Rendering to Scott Taub at Compliance Week, this is true that GAAP ethics are administered by comprehensive rules and procedures than IFRS. But, mutually sets of standards are in place to confirm that certified public accountant remain honest on the work. The subsequent is a look at the requirement when reportage in the GAAP ethicsas against the IFRS standards.

5. CONCLUSION AND DISCUSSION

Businesses and, in particular, accounting professionals will ultimately benefit from the constructive integration of GAAP, IFRS and IND AS. A constructive approach to inclusion would improve the credibility and popularity of schools – both with learners and potential employers. In addition, there will be a fierce competition for academics with understanding of these accounting Standard and expertise in incorporating GAAP IFRS and AS into the system in the future seasons. Until incorporating GAAP and IFRS into the accounting profession, the instructors must acquire the required knowledge, beginning with some background knowledge on the search for and trend towards international financial reporting standards. The incorporation of IFRS into the Accounting Curriculum must be properly handled. Placing IFRS modules in the Accounting Curriculum involves special preparation to ensure effective learning. Objectives should be clearly defined and defined. Prior to the implementation of IFRS, three main questions should be answered: the need to incorporate IFRS; the degree of integration and the optimum model of implementation.

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