Accounting Standards

IPCC GROUP 1 BY SHIVAKSH SOMANI

ISSUES WHICH DEAL BY ACCOUNTING STANDARDS (AS)

- Recognition of Event and Transaction
- Measurement of event and Transaction
- Presentation of Event and Transaction in that manner that user understand easily
- Disclosure Requirements

LEVEL 1 ENTITY

- Any Entity, whose Equity and Debt Securities are listed or in process of listing on any stock exchange in India or outside India.
- Banks, Financial Institution or entities carrying insurance business.
- Commercial, industrial and business reporting entity, whose turnover is exceed 50 crore in immediately preceding accounting year.
- Commercial, industrial and business reporting entity, whose borrowing is exceed 10 crore at any time in immediately preceding accounting year.
- Holding and Subsidiary of above company.

LEVEL 2 ENTITY

- Commercial, industrial and business reporting entity, whose turnover is exceed 10 crore but not exceed 50 crore in immediately preceding financial year.
- Commercial, industrial and business reporting entity, whose borrowing is exceed 1 crore but not exceed 10 crore at any time in immediately preceding financial year.
- Holding and subsidiary company of the above company.

LEVEL 3 ENTITY

- OTHER THAN LEVEL 1 AND LEVEL 2 ENTITY

OTHER INFORMATION

- AS divided in two parts – Group 1 and Group 2
- AS are written Statement issued by ICAI from time to time.
- AS are nothing, but regulation, rules, assumption and way of doing the work so there is standardisation.
- In India ICAI formed ASB (Accounting Standard Board) in 1977 which is responsible for bringing AS in India.

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- We have 32 AS till date.
- Today more than 140 Countries have adopted International Financial Reporting Standards (IFRS) as there global Standards.
- In India we have developed new Accounting Standards named as IND_AS.
- Which are conversed version of IFRS as per the Requirement of India.
- They are recommended from 1/4/2015 and mandatory from 1/4/2016