CA - FINAL

FINANCIAL REPORTING

(Including AS, INDAS, IFRS)

BY

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Corporate Trainer of IFRS

About the Faculty: CA. Praveen Tawania is a practicing Chartered Accountant and a faculty member, teaching subjects of Accounting, Financial Reporting, AS/IFRS for CA and CWA & CS in Northern Region of the Country. He has also been teaching at various Institutes, Universities and conducting training on whole range of management consultancy services including IFRS, XBRL, Valuations, Foreign Collaborations and Joint Ventures, Taxation, Specialized Audits, ERM, Risk Advisory and Corporate Training services.

He is a regular contributor in the various online forums for CA's and CA Students. His contribution is also lies to the "KRN Foundation" for the benefit of Society. He is an author of several text books and his course notes are perhaps the most sought after by the students' community. His students have been consistently delivering best results over the years. His highly successful students keep sending him great wishes for the impact he has made on their career. Some of the testimonials from students have been displayed on our link. www.facebook.com/praveentawania

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VALUE ADDED STATEMENT

OVERVIEW

- In this context, UK has given the concept called **Enterprise Concept** or **Enterprise Theory.** As per enterprise concept, Profit is calculated for:

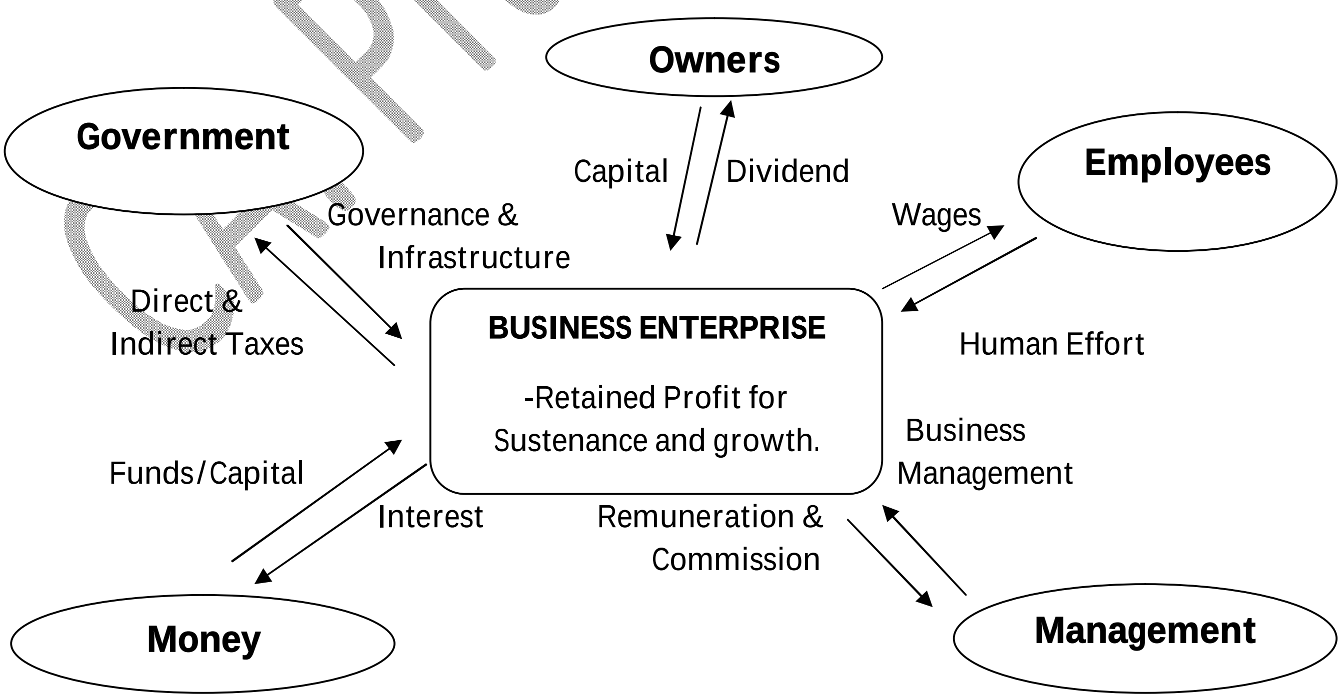
  Employees   Directors   Government   Providers of Long Term Finance
  Shareholders   Entity (Company)

- Such Profit is called "Value Added".

'Value Added - VA' – Creation of Wealth

1. VA is the wealth a reporting entity has been able to create through the collective effort of **capital**, **management** and **employees.**
2. VA is the market price of the output of an enterprise less the price of the goods and services acquired by transfer from other firms.
3. VA can provide a useful measure in gauging performance and activity of the reporting entity.

Gross Value Added of a Manufacturing Company		
Sales	XXX	
Add: Royalty and Other Direct Income (e.g. Sale of Scrap)	XXX	
Less: Materials and Services used	XXX	XXX
Value Added by Trading Activities		**XXX**
Add: Investment Income	XXX	
Add/Less: Extraordinary Items	XXX	XXX
Gross Value Added		**XXX**



VALUE ADDED STATEMENT		
Sales		XXX
Less: Cost of Bought in Material and Services (COBMS):		
Operating Cost	XX	
Excise Duty	XX	
Interest on Bank Overdraft	XX	XXX
Value Added by Manufacturing and Trading Activities		XXX
Add: Other Income		XXX
Total Value Added/GVA		**XXX**

<u>All Expenses (Direct or Indirect) Except:</u>

Employees Contribution. Directors Contribution. Taxes (Government). Interest on Long Term Finance. Dividend/Shareholder Charges. Any Reserve. Depreciation.

Application Statement		
	Amount	**%**
To Employees as Salaries, Wages, etc.	XXX	XX
To Directors	XXX	XX
To Government as Taxes, Duties, etc.	XXX	XX
To Financiers as Interest on Borrowings	XXX	XX
To Shareholders as Dividends	XXX	XX
To Retained Earnings Including Depreciation, Reserve	XXX	XX
Total	**XXX**	**XX**

<u>Employees</u> include Permanent, Temporary Workers, White Collar, Casual Labors etc.

<u>Employee Expenses</u> includes Perquisite, Staff Welfare, and Official Travelling etc.

Auditors are not employees.

<u>Directors</u> include WTD, PTD, MD, Executive Directors, Non-executive directors.

Directors Sitting Fees is an expense.

<u>Government Taxes</u>:

Recoverable – Excise Duty, Service Tax, VAT etc. These taxes are ***not contribution*** towards government since they are recoverable.

Irrecoverable – Income Tax, Wealth Tax, House Tax, Cess, Local Tax etc. These taxes are ***applicable*** towards government since they are not recoverable.

Provision for Deferred Tax Liability is considered as application towards entity not for government.

<u>Providers of finance</u> mean long term finance. Debentures are considered as long term finance.

<u>Shareholders</u> means equity and preference shareholder. All Dividend will be included.

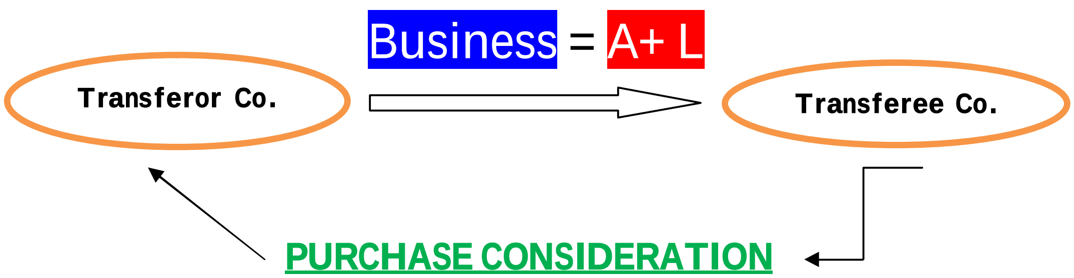
Towards entity include all reserves generated during the year. Retained earning during the year is also application towards entity.

GVA = Sales – Cost of Bought in material and services

NVA = GVA – Depreciation

Retained Earnings = Sales – COBM – Depreciation – Wages – Interest – Tax – Dividend

AMALGAMATION



Old Co.	New Co.
Amalgamating Co.	Amalgamated Co.
Vendor Co.	Vendee Co.

Types of Amalgamation	⌗ NATURE OF MERGER ⌗ NATURE OF PURCHASE
Conditions for nature of merger	⌗ **ALL** the assets and liabilities are transferred; ⌗ Shareholders holding **NOT LESS THAN 90%** of the face value of the **EQUITY SHARES** of the transferor company become shareholders of transferee company; ⌗ The **CONSIDERATION** is discharged by the issue of **EQUITY SHARES** in the transferee company **except** cash in case of fractional shares; ⌗ The **BUSINESS** of the Transferor Company is intended to be **CARRIED ON**; & ⌗ **NO ADJUSTMENT** to be made to the **book values** of the assets and liabilities except to ensure uniformity of accounting policies.
METHODS FOLLOWED	NATURE OF **MERGER** -- **Pooling of Interests method**. NATURE OF **PURCHASE** -- **Purchase method**

Pooling of interests is a method of accounting for amalgamations

- the object of which is to account for the amalgamation as
- if the separate businesses of the amalgamating companies
- were intended to be continued by the transferee company.

Accordingly, only minimal changes are made in aggregating the individual financial statements of the amalgamating companies.

Pooling Of Interests Method	The assets, liabilities and reserves are **recorded at their existing carrying amounts**; **Uniform** set of **accounting policies** is adopted; The difference between the share capital issued and the share capital of the transferor company should be **adjusted in reserves**; ***Note***:- *POIM are those amalgamations where there is a genuine pooling not merely of the assets and liabilities of the amalgamating companies but also of the shareholders' interests and of the businesses of these companies.*
Purchase Method	The **assets & liabilities** are **recorded either at existing carrying values or by allocating the consideration on the basis of Fair values** on the date of amalgamation. The reserves of the transferor company, other than the statutory reserves, should **not be included** in the financial statements of the transferee company. **CONSIDERATION** - Securities – Equity Shares/Preference Shares - Cash - Other assets In determining the value of the consideration, an assessment is made of the fair value of its elements. **If Consideration > Net Asset value, GOODWILL** **Consideration < Net Asset value, CAPITAL RESERVE**

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FINANCIAL REPORTING
(including AS, IndAS and IFRS)
Fee: 3,500/-

For First 50 Students, then 6,000/-

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[Awarded by K.V. Chandramouli Memorial Prize from ICAI]

Exclusive for Nov-13 & Dec-13 Attempt

DAYS	TIMING	COMPLETION
MWF + Sunday	7 am to 10 am	4 Months ITO/Laxmi Ngr
SAT/SUN	5.45 to 8.45 pm	4 Months ITO/Laxmi Ngr

Special Features:

- Module covered 100% syllabus of CA Final/CWA Final.
- All concepts in Module is updated as per Revised Schedule VI and AS.
- Complete coverage of IND AS and IFRS.

For Registration contact: GENIUS INSTITUTE OF COMMERCE

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