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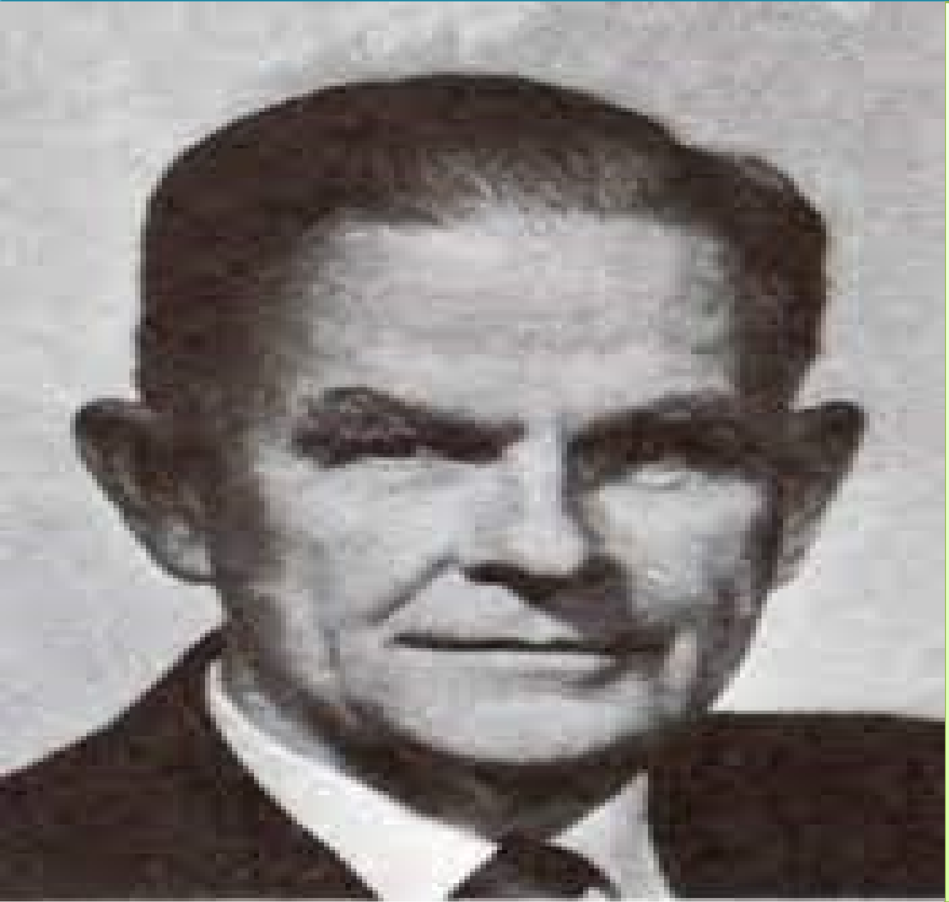
Accounting standard

Accounting standards (ASs) are written policy documents issued by expert accounting body or by government or any other regulatory body. Accounting Standards cover the aspects of recognition, measurements, presentation and disclosure of accounting transactions in the financial statements. These are set in the form of general principles and left to the professional judgment for application.

Accounting standard



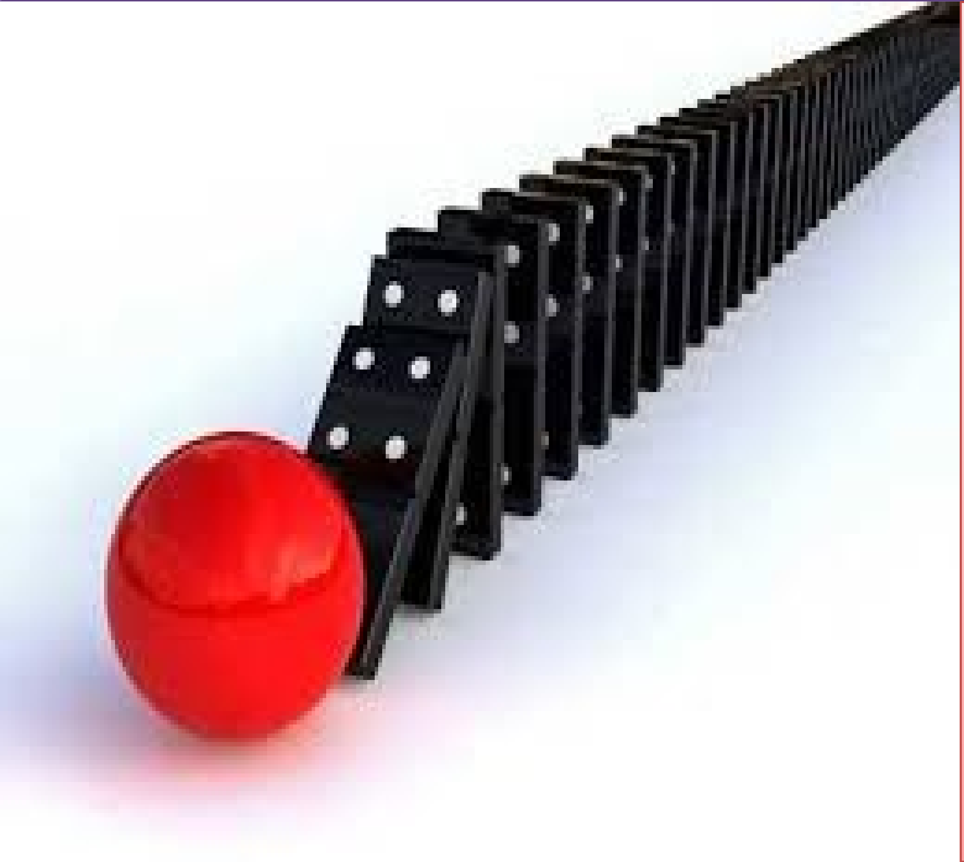
According to **Eric. L. Kohler** "A code of conduct impose on accountant by custom, law or professional body"

Nature / characteristics of Accounting standard

(1) Code or Yardstick or Benchmark

Accounting standards prescribe a model ***code or yardstick or benchmark*** *of accounting policies and practices for the guidance of the accountants as to how transactions and events are to be presented and disclose in the financial statements.*

(2) Eliminate or remove the effect of several or various accounting policies and practices



*Accounting standards **eliminate or remove the effect of several or various accounting policies and practices** so that financial statements of different firms become comparable.*

(3) Suitable Accounting Method

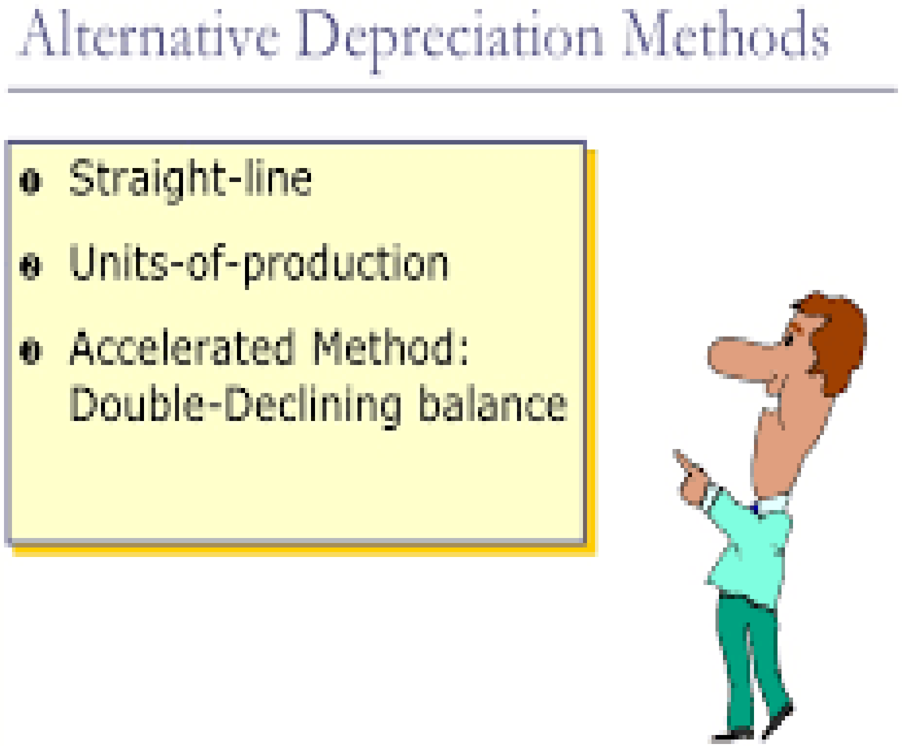
- Cash basis
- Accrual
- Hybrid

*Accounting standards provide the most **suitable accounting method** to solve one or more problems. For example, the accounting standard on revenue recognition enables the accountant to solve the problem of the realization of revenue by suggesting sale as the main criterion.*

(4) Communicate to the users

Accounting standards clearly ***communicate to the users*** *of the financial information the basis on which financial statements have been prepared. For example how the fixed assets and current assets have been valued; how the cash from operating activities, investment activities and financial activities has been arrived at.*

(5) Better alternative method of recording the business transaction



There is no doubt that accounting standard limit the scope of discretion by the accountants in presenting financial information through profit and loss account and the balance sheet. However if the accountant feel that there is a ***better alternative method of recording the business transaction,*** *he can adopt that method, provide he will disclose the deviation or departure as a footnote to the financial statements.*

Need/objective / purpose for Accounting Standards

(1) Dissemination of timely and useful financial information

*It helps in **dissemination of timely and useful financial information** to all Stakeholders and users.*

(2) Provide a set of standard accounting policies

It helps to ***provide a set of standard accounting policies****, valuation norms and disclosure requirement.*

(3) Ensures disclosures of accounting principles and treatments

It ***ensures disclosures of accounting principles and treatments,*** *where important information is not otherwise statutorily required to be disclosed.*

(4) Helps to reduce or totally eliminate

*It **helps to reduce or totally eliminate,** accounting alternatives, thereby it leads to better inter-firm and intra-firm comparison of Financial Statements.*

(5) Reduces scope of creative accounting

*It **reduces scope of creative accounting**, i.e. twisting of accounting policies to produce Financial Statement favourable to a particular interest group.*

SIGNIFICANCE OF ACCOUNTING STANDARD

Easy intra –firm and inter-firm comparability

*As the same accounting methods and polices are adopted in the preparation and presentation of financial statements., accounting standard facilitate or help in comparing the financial statements of various years of the same enterprise (**intra-firm)** and among various enterprises in the same industry(**inter-firm)**. Thus, accounting standards are helpful in intra-firm comparison of operating result and financial position.*

(2) Reliability and Credibility

Accounting information is used by various groups of persons which include investors, creditors, lender, trade unions, management, government officials etc. The use of accounting standards creates a sense of confidence among the users of accounting information.

(3) True and fair view of financial position

In order to present a true and fair view of the financial position for users of accounting information, it is necessary to use accounting standards.

(4) Improve the quality of financial reporting

Accounting Standards improve the quality of financial reporting in the sense that financial reports are prepared using not only standard formats but also easily understandable common terms with same meaning attached to them.

(5) Reduction in alternative accounting practices

*Accounting standards reduce or bring down the number of alternative accounting practices for recording and presenting the business transaction. For example, accounting standard on depreciation accounting (AS-6) limit the number of depreciation methods. Similarly, Accounting standard (**AS-2):** valuation of inventories, limits the choice of inventory valuations.*

(6) Efficiency of Management

Accounting standard are very helpful in assessing or evaluating the efficiency of management in respect of liquidity , profitability ,solvency , debtors turnover, sales turnover and so on.

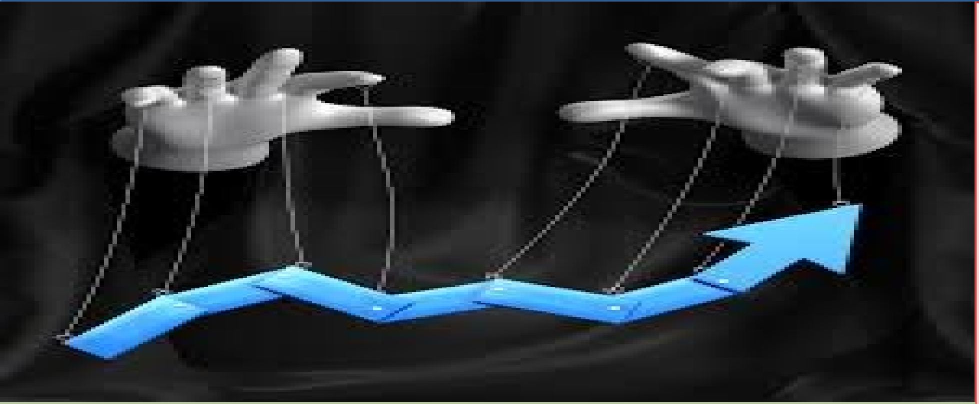
(7) Useful to accountant and auditors

The uses of accounting standards reduce the work of the accountants and auditors since they have to work within a definite accounting framework.

(8) Value of accounting information

Accounting standard provide a definite structure of accounting framework by giving definition of accounting terms or standard rules for valuation and measurements etc.

(9) Reduction of manipulation and frauds



The use or adoption of accounting standards has minimized, to a large extent, manipulation, frauds and use of appropriate accounting policies in the preparation of financial statements.

(10) Resolving conflict of financial statement

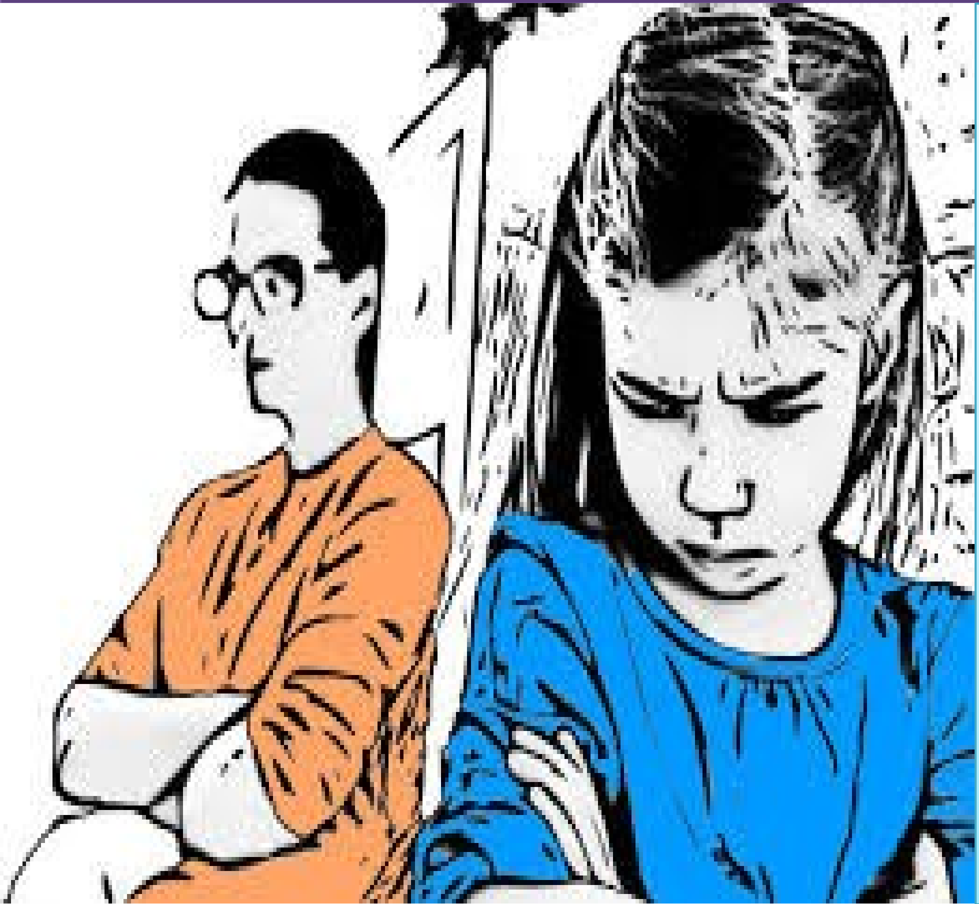
In a number of cases, there is conflict of interest amongst various users of the financial information. Accounting standard helpful resolving such a conflict of interest because financial statements prepare on the basis of accounting standard or uniform accounting standard practices are acceptable to all groups of users of accounting standard.

Limitation of Accounting Standards

(1) Restrict initiative

Since Accounting Standards are mandatory in nature they restrict initiative for better presentation and disclosure.

(2) Rigid in nature



Accounting Standards are rigid in nature. They restrain the accountants from using a more suitable alternative solution to a particular problem.

(3) Based on historical costs

Accounting Standard are based on historical cost concept. Assets are shown in the balance sheet at historical cot and such as depreciation are also charged on such historical cost. it is for this reason that IFRS introduced wherein the assets and liabilities are required to be shown at current or fair value as at the date of Balance sheet.

(4) Obstruct the judgment of auditors

Accounting Standards obstruct the judgement of the auditors as the standards are mandatory.

Difference between Accounting concepts and Accounting standards

Points of difference	Accounting concepts	Accounting standards
1.Writing	Accounting concept are not codified. They are usually accepted methods of recoding and reporting of accounting standard	Accounting standards are codified statements for recording of transaction and predation of financial statements.
2. issued by whom	They are usually not issued by the professional accounting bodies or by the government.	Accounting standards are issued by the professional accounting such as institute of Chartered Accountant of India or by the government.
3.General Statements	Accounting concepts are general rules for recording of transactions and preparation of financial statements.	Accounting standards deal with specific area of accounting such as inventory valuation, depreciation, valuation of fixed assets, revenue recognition, amalgamation, cash flow statement.
4.Discretion	An accounting concept allows more discretion to an accountant. For example: there are a number of methods of inventory valuation, including LIFO method.	An accounting concept restricts the discretion of an accountant. For example: LIFO method is not allowed in India as per AS-2.
5.Legal recognition	Accounting concepts are not legally recognized.	Accounting standards are have been legally recognised by the government. The companies Act, 2013 provides for this.
6. Uniformity	The financial statements prepared on the basis of accounting concepts usually give different results of the operations of the	There is possibility of uniformity in case of accounting standards if the various countries adopt the same accounting standard.

PROCEDURE OF ISSUE OF ACCOUNTING STANDARD IN INDIA

*Recognizing the need to harmonize or narrow down or reduce the number of alternative accounting policies and practices. The institute of chartered Accountant of India **(ICAI)** constitutes an **Accounting standard Board (ASB) on April 21, 1977**. The main function of ASB is to formulate the accounting standards from time to time and then they are issued by the council of ICAI. While formulating the accounting standards, ASB will take into consideration the applicable laws, customs, usages and requirements of business enterprises. ICAI is member of International Accounting standards Boards **(IASB)** and ASB gives due consideration to international Accountings and try to integrate them, to the extent possible, in the light of practices revealing in India. Broadly, the following procedure is adopted for issuing Accounting Standards:*

PROCEDURE OF ISSUE OF ACCOUNTING STANDARD IN INDIA

(i) ASB determines the main areas or subject in which accounting standards are required.

(ii) In the selection of specific subjects and preparation of accounting standards, ASB is assisted by study groups. In the formation of study groups, provision is made for wide participation by the members of ICAI and others concerned with the subject.

(iii) ASB will also hold dialogue or talk with representatives of Government, public sector undertakings, industry and other organisations for knowing their views.

(iv) Based on the discussions with interested parties to the subject of the standard, and **exposure draft** of the proposed standard will be prepared.

The draft would normally include:

(a) Objectives of the standard

(b) Scope of the standard

(c) Definitions of the terms used in the standard

(d) Recognition of the measurement principles, wherever applicable (e.g. **valuation of inventories, valuation of fixed assets etc.**)

(e) Presentation and disclosure requirements. ASB will consider the preliminary draft and if any revision is required, ASB will refer the same to the study Group.

PROCEDURE OF ISSUE OF ACCOUNTING STANDARD IN INDIA

(v) ASB will circulate the Draft of the proposed standards to the council members of ICAI and other specified bodies such as Department of Corporate Affairs **(DCA)** comptroller and Auditor General of India (CAG), Central Board of Direct Taxes **(CBDT)**, RBI, ICWA, ICSI, SEBI etc.

(vi) ASB will hold a meeting with the representatives of specified bodies [**as listed above (v)]** to ascertain their views on the draft of the proposed Accounting standards. On the basis of the comments received, ASB will finalize the Exposure Draft of the proposed accounting standard.

(vii) **The Exposure Draft** will be issued for comments by members of the ICAI and public. The Exposure Draft will specifically be sent to specific bodies [**as listed above (v)],** stock exchange and other interested groups as appropriate.

(viii) After taking into consideration the comments received, the draft of the proposed standard will be finalized by ASB and **submitted to the council of the ICAI**.

(ix) Once these standards are approved by the **council of ICAI**, these will be sent to **National Advisory Committee on Accounting Standards (NACAS)**. On approval the same will need to be notified in the official gazette. **It means the same** procedure would be followed as is being done in the case of existing accounting standards (AS)

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board are called Generally Accepted Accounting Principles (GAAP). These are the common set of accounting principles, standards and procedures that companies use to compile their financial statements. GAAP are a combination of standards (set by policy boards) and simply the commonly accepted ways of recording and reporting accounting information. GAAP is to be followed by companies so that investors have a optimum level of consistency in the financial statements they use when analyzing companies for investment purposes. GAAP cover such aspects like revenue recognition, balance sheet item classification and outstanding share measurements.

Characteristics /features of GAAP

(1) To ensure uniformity

Accounting principles have been developed to ensure uniformity and easy understanding of the accounting information or financial statements.

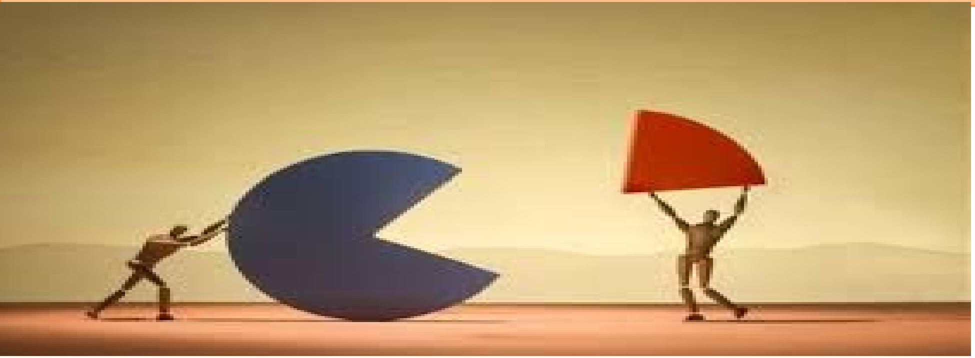
(2) Simple guidelines

Accounting principle is manmade and flexible. They are not rigid and universally applicable like the principle of physical science like physics chemistry and other natural sciences. Accounting principles are not laboratory tested principle. They are simple guidelines based on experience, usage and observations over a period of time.

(3) No Final Statements

Accounting principles are not final statements and thus not static. They are modified from time to time in view of the changes in government policies, changes in business practices and requirements of the users of accounting information.

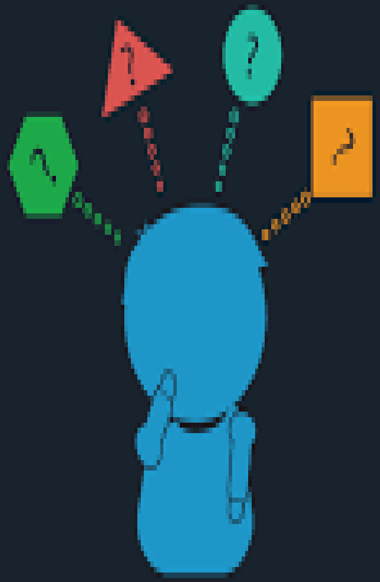
(4) **Relevance ,Objectivity** and **Feasibility**



The general acceptance of accountancy principle depends upon how well they meet the three criteria or conditions of (a) ***relevance*** *(b)* ***objectivity*** *(c)* ***feasibility.***

Limitation of GAAP

(1) Use of alternative policies and practices



GAAP allow the use of large number of alternative policies and practices for the same item. Different enterprise may adopt different accounting policies for the same transaction or an enterprise may follow different accounting policies for the same item over different accounting periods such as inventory valuation, charging depreciation etc. Due to this, the financial statements become inconsistent and incomparable

(2) Adhere to historical accounting

GAAP are based on the principle of historical accounting, As such, they have failed to ensure maintenance of capital of the enterprise in real terms due to change in economic condition such as inflation. For example, deprecation based on historical costs will be charged against revenues at current prices.

(3) Use of personal judgments

GAAP allow the use of personal judgments in the application of various accounting principles. For example, matching concept require the matching of revenue and expenses of an accounting period. For this purpose it is necessary to decide whether and expenditure is capital or revenue or deferred revenue expenditure. And element of personal judgments is involve in deciding the same.

(4) Lack of index of GAAP

There are no such index concepts or postulates on which all the accountants have agreed. There is difference of opinions among accountants about GAAP. Hence, there is neither an index of GAAP nor a concern is forced to make use of such principle

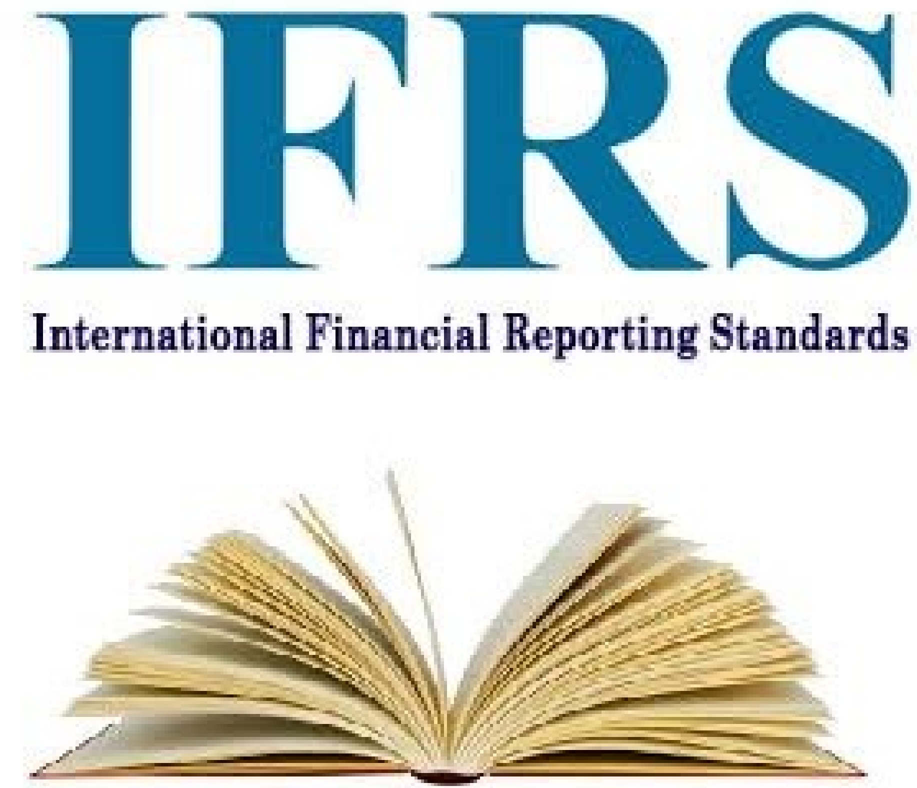
(5) Internal conflict

Various principles are in conflict with one another. For example, the conventional of prudence require that all anticipated losses should be recorded but all anticipated gains should be ignored. As a result, profit and loss account discloses lower profits in comparison to actual profit and balance sheet will disclose understatement of assets and overstatements of liabilities. It results in creation of secret reserves which is in direct conflict with the principle of full disclosure.

Difference between GAAP and Accounting standards

Points of difference	GAAP	Accounting standards
1. List	Different enterprise adopts different accounting policies. There is no single list of GAAP which are applicable to all enterprise and in all circumstances.	There is a specific list of accounting standard s applicable to all enterprises and in all circumstances.
2. Established	GAAP are established by customs, or usage or general agreement.	Accounting standards are established by law
3. treatments	GAAP provide a number of alternative treatment of the same items such as inventory valuation , deprecation charge etc.	Accounting standards provides solution to specific issue.
4.personal judgments	Personal judgment or individual bias plays a crucial role in the preparation of GAAP.	Personal judgment or individual bias has no role in the adoption of an accounting standard.
5. uniformity	GAAP do not ensure uniformity in the preparation and presentation of financial statements.	Accounting standards ensure uniformity in the statements by removing the effects of diverse accounting policies.

International financial reporting standards (IFRS)



IFRS *is a set of accounting standards, that is, a series of pronouncements (opinions) issued by international Accounting standard board explaining how different types of business transaction and events should be reported in financial statements. It also includes guidelines and interpretation approved by IASB.*

The term IFRS refers to the International financial reporting standards issued by international accounting standard Board (IASB). IFRS also cover a wide range of international accounting standard (IAS) issued by international accounting standard committee (IASC). International accounting standard (IAS) requires financial statement to comply with all requirements of IFRS. The number of IFRS issued so far is 13.

Thus, GAAP is being replaced by the use of International financial reporting standards (IFRS). IFRS is being used increasingly by companies throughout the world. The extent and manner of this varies from county to country. In some parts of the world, such as parts of Africa and the Caribbean, IFRS has fully replaced GAAP.

Features of International financial reporting standards (IFRS)

(1) Principles Based

*IFRSs are **principles based** accounting standard as compared to rule-based (i.e. Indian Accounting Standards) accounting standard. It means that the companies have to report the essence of each small transaction which is to be finally audited and approved.*

(2) Clear And Simple

IFRSs are drafted in a lucid ***(clear and simple)*** *language and are easy to understand and apply.*

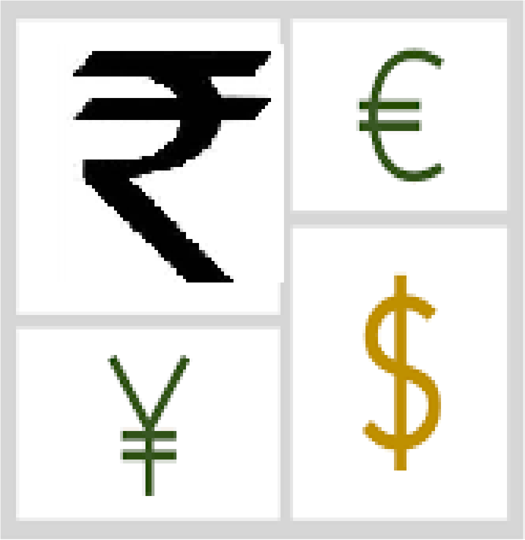
(3) Economic Substance rather than their legal form

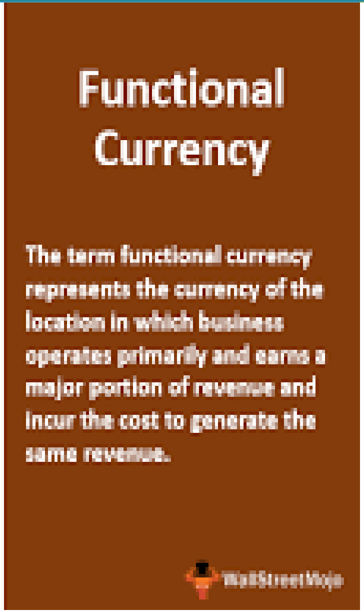
IFRSs emphasis that the treatments of various transactions should be based on their **economic substance rather than their legal form**. For instance, in a hire purchase transaction, the hire purchaser can record the hire purchase asset at its total cost rather than its installment actually paid.

(4) current cost system

Under the IFRSs, the ***historical cost*** *concept of recording the fixed assets has been replaced by* ***current cost system*** *for a more accurate and realistic financial position of the business enterprise.*

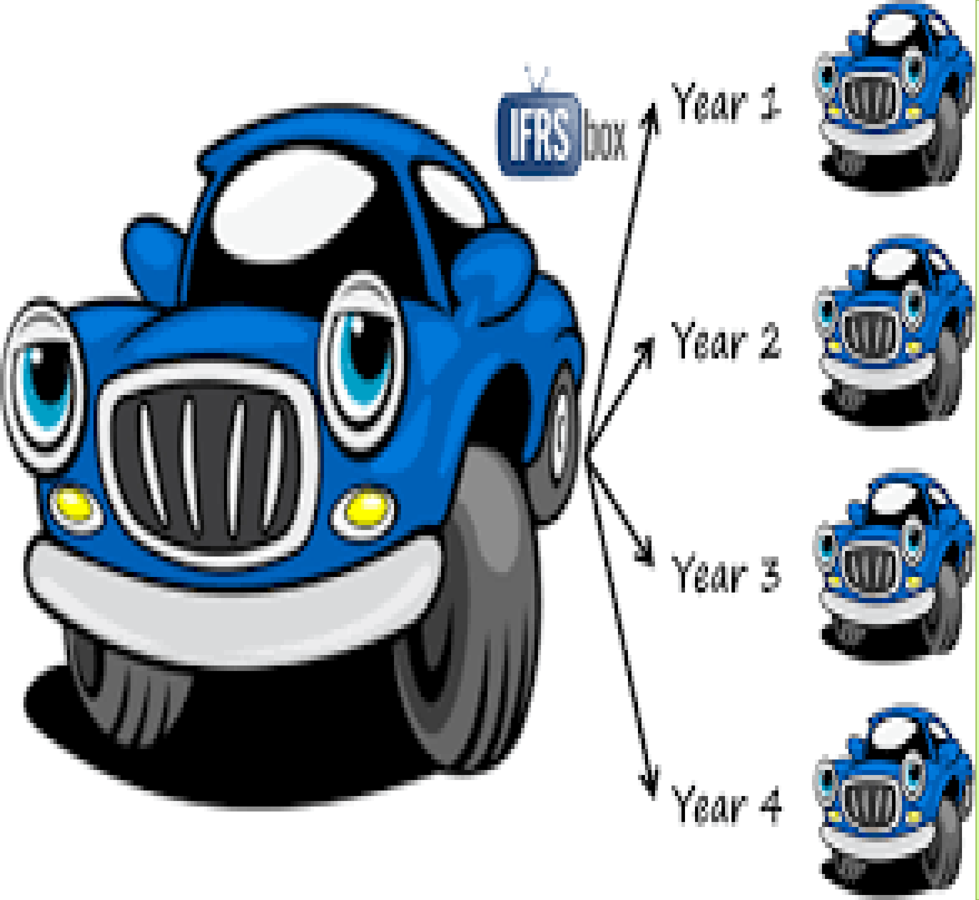
(5) Functional Currency





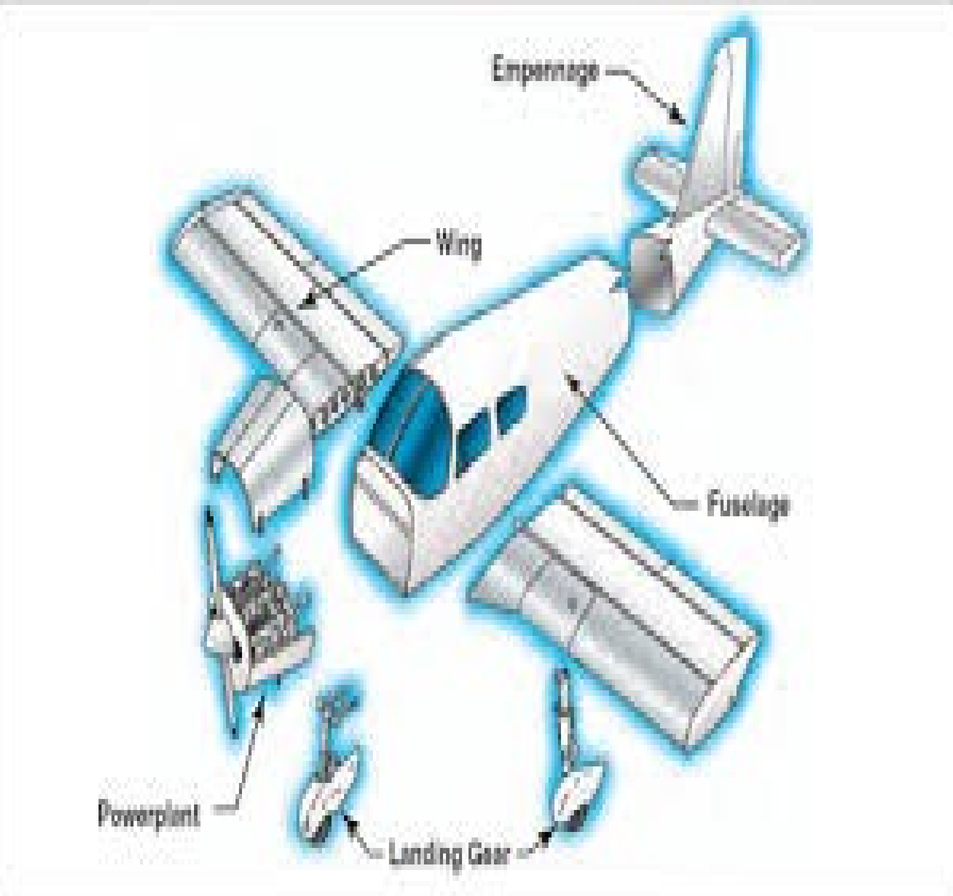
*Under IFRSs the assets, liabilities, revenues and expenses are reported not in local currency but in its **functional currency**, it means the currency of the place or environment where the entity the asset operates which may be different from the local currency of the country.*

(6) Useful life of the assets to be reassessed



*Under IFRSs the **useful life of the assets** has to be **reassessed** or computed again and again until the asset is actually removed from the books of accounts*

(7) COMPONENT ACCOUNTING



*IFRSs make it compulsory or mandatory to adopt **component Accounting**. The accountant has to maintain a separate record of cost of a significant component of equipment in relation to its total cost and charge depreciation separately. It means that the depreciation expense is not calculated simply on the total value of an asset but on the cost of important parts of the equipment or asset. For example, in the case of a Railway coach, the deprecation may be calculated separately for its wheels and the main body of the coach respectively.*

Need for International financial reporting standards (IFRS)

(1) Easy access to global or international capital markets

In order to mobilize or raised more capital for growth or expansion, companies have to look beyond the boundaries of their respective countries. Foreign investor rely on IFRSs compliance financial statements. In fact a financial reporting system of global standards is a prerequisite (necessary condition) for attracting foreign investors in the country.

(2) Low cost of raising funds aboard

At present the companies have to prepared two set of financial statements – one set based on local GAAPs or standards and another set of financial statements on the basis of conversion to US GAAP or U.K. GAAPs , as the case may be.

(3) Easy comparison

The adoption of IFRSs brings companies or business entities on an international common platform and would increase uniformity in accounting principles. The uniformity in accounting and disclosure standards will enable all stakeholders or users of accounting information to understand easily the performance of various business entities and makes comparisons across industries and countries.

(4) True and fair valuation

The terms fair value issued to estimate the values at which the asset could be sold in the market. Many multinational corporation or companies failed in the past ***e.g. Enron*** *and are still failing because of erroneous or incorrect valuation of their assets and liabilities.*

(5) Increase trust and reliance

Adoption or implementation of IFRSs in different countries including India would lead to increased trust and reliance placed by investors, financial analysts and other users of accounting information in financial statements of the companies.

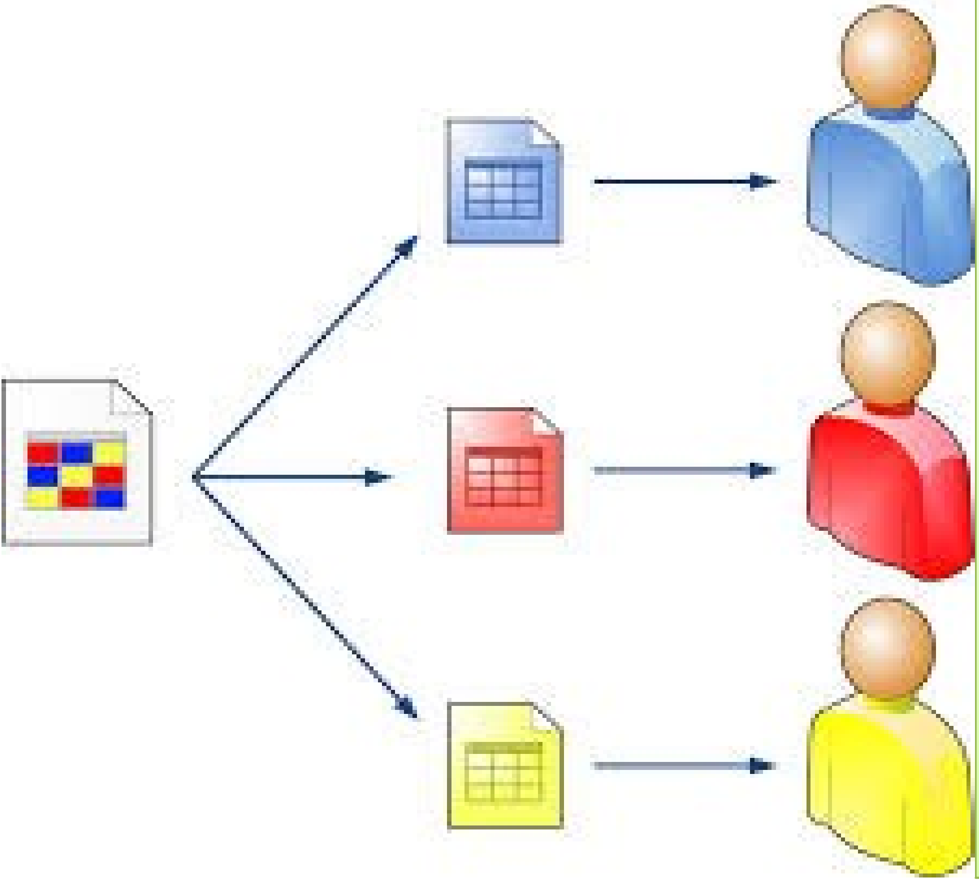
(6) Better quality of financial reporting

The adoption of IFRSs would result in uniformity in accounting information and it would automatically result in better quality of financial reporting. The rational of IFRSs is to improve the quality of financial reporting.

(7) Difficult to commit fraud

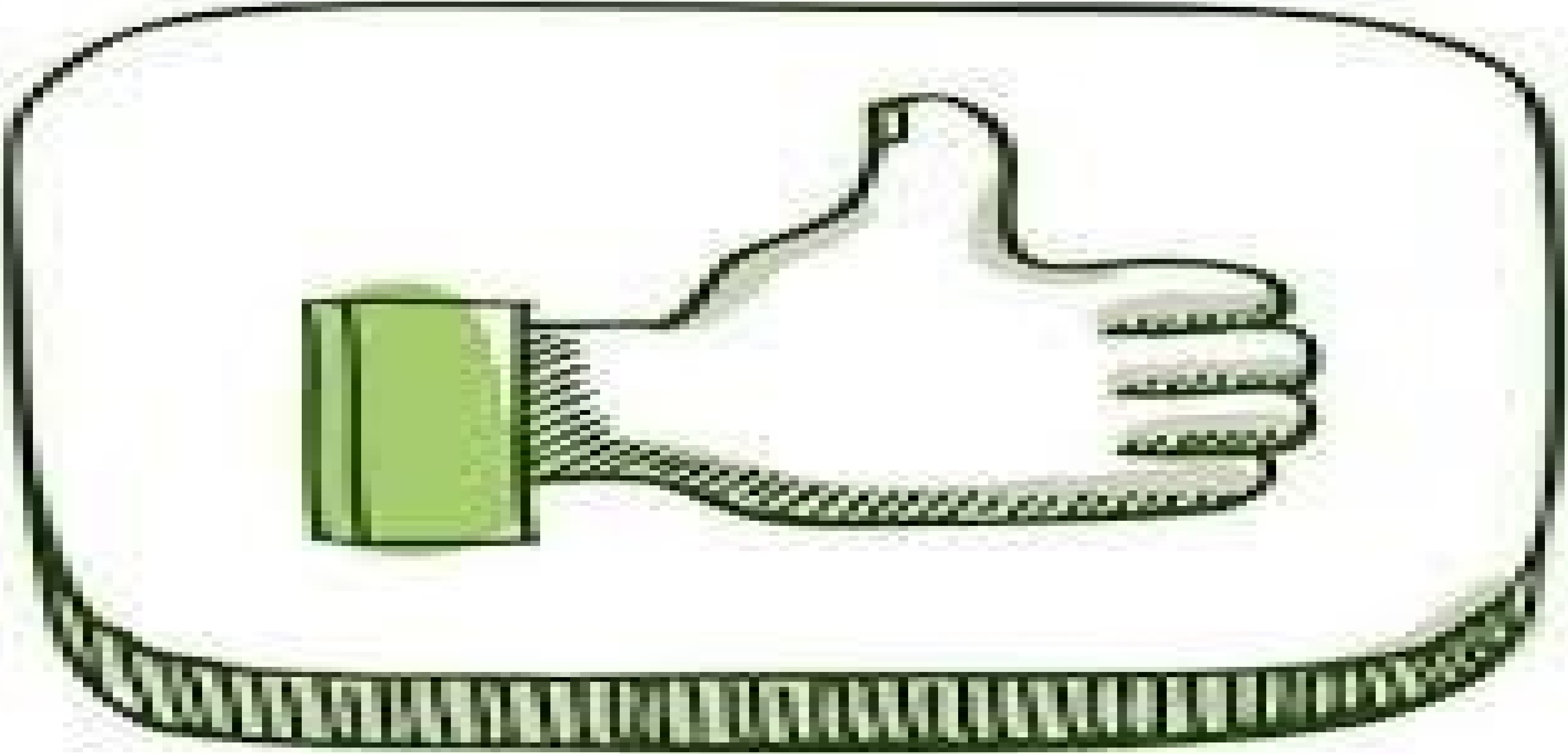
Traditional rule based system of accounting has many loopholes which make it easy to commit frauds . The major example is that to U.S. multinational company. Enron wherein it was possible to commit all frauds they wanted to by citing their own rules for recording the transaction and by following minimum technical requirements. On the other hand , the IFRSs require the companies to report the essence of each minute or smallest transaction which is to be finally audited and approved.

(8) No multiple reporting



At present the companies located in different countries have to prepare a dual or double set of financial statements for external reporting , i.e. one set of financial statements for use in the home country and the other set for the foreign country where it has also business interest or where it operate. But if IFRSs are implementing, it would eliminate this multiple reporting.

Benefits of IFRS



(1) Helpful to enterprise operating globally

Entities having business operations in different countries will face problems of consolidated of financial statements if they prepare their financial statements according to the standards prevailing in different countries. IFRS unify the accounting practices worldwide as result of which the problem of consolidation is avoided.

(2) Helpful to investors

Investors require high quality ,relevant ,reliable ,transparent and comparable information in financial statements in order to make economic decision. The use of common set of high quality accounting standard i.e. IFRS would be helpful to investors in comparison to financial statements prepared under different accounting standards' adopted by different countries.

(3) Helpful to industry

Obtaining funds from outside the country becomes easier if the financial statements comply with Globally accepted accounting standards. Now days, most of the stock exchanges require information as per IFRS and convergence to IFRS would enable Indian companies to access international capital market easily.

(4) Lower cost of raising funds abroad

Cost of raising funds aboard can be minimized under IFRS as there will be no need to prepare two sets of financial statements-one set on the basis of IFRS and another on the basis of accounting standers.

(5) True and fair view

In IFRS based financial statements assets are valued on the concept of true and fair view i.e. on the basis of their market value. Indian Accounting Standards ignore this concept.

IFRS issued by the IASB

Sr.no		Title	Corresponding converged Ind-AS
1	IFRS 1	First –time Adoption of international financial reporting standards	Ind-AS 101 ***
2	IFRS 2	Share –based payment	Ind-AS 102
3	IFRS 3	Business combination	Ind-AS 103
4	IFRS 4	Insurance contracts	Ind-AS 104
5	IFRS 5	Non-current Asset held for sale and Discontinued operation	Ind-AS 105
6	IFRS 6	Exploring for and evaluation of Mineral resources	Ind-AS 106
7	IFRS 7	Financial instruments : Disclosures	Ind-AS 107
8	IFRS 8	Operating segments	Ind-AS 108
9	IFRS 9	Financial instruments	Exposure Draft Issued
10	IFRS 10	Consolidated financial statements	Exposure Draft Issued
11	IFRS 11	Joint arrangement	Exposure Draft Issued
12	IFRS 12	Disclosure of interest in other entities	Exposure Draft Issued
13	IFRS 13	Fair value measurement	Exposure Draft Issued

*****The title of this standard is first time adoption of Indian Accounting Standards**

SCHEDULE III OF COMPANIES ACT 2013

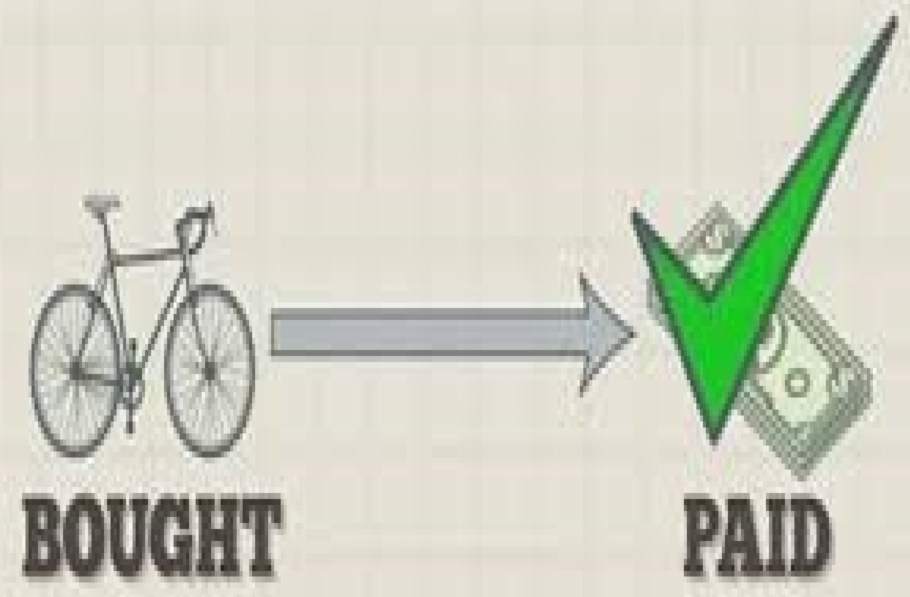
Schedule III of companies' act 2013 is compatible with the IndAS 1, presentation of financial statements (corresponding to IAS 1)

Assumption in IFRS

(1) Going concern assumption

It is assumed that the life of the business is infinite, i.e. the entity will continue to exit for an indefinite period in the future.

(2) Accrual Assumption



As per this assumption transaction are recorded on accrual basis, i.e.as and when they occur and the date of settlement is immaterial.

(3) Measuring unit assumption

Measuring unit is the current purchasing power. it means that the assets are not shown in the balance sheet at historical cost but they are shown at current or fair value. In other words, assets are shown at the amount that would have been paid if the same asset has been acquired currently. Similarly, liabilities are shown at the amount that would be required to settle them.

(4) Constant purchasing power Assumption

This assumption requires that the value of capital be adjusted to inflation at the end of the financial year.

PROCEDURE FOR IMPLEMENTATION OF IFRS

There are two alternative procedures available to a country for compliance or implementation of IFRSs namely: (i) Adoption (ii) convergence

- *Adoption: Adoption means acceptance of IFRS in its original form. In Case of adoption, no change is allowed in the language or format of IFRS framed by IASB.*
- *Convergence: convergence means to achieve harmony or coordination with IFRSs. In specific or precise terms the convergence with IFRSs is considered or translated as:*
- *" to design and maintain national accounting standards in a way that the financial statements prepared in accordance with national accounting standards draw unreserved statement of compliance with IFRSs in completely are left with no choice but to adopt IFRS in completely while preparing and disclosing their financial statements."*

- India has decided to go for convergence route. The institute of Chartered Accountant of India **(ICAI),** has clarified that the convergence with IFRSs does not means adoption of IFRSs in completely. ICAI has cited a statement given in the **international accounting standard (IAS): I preparation of financial statement:** "financial statement shall not be described as complying with IFRSs unless they comply with the requirement of IFRSs".
- Therefore it does not mean or imply that financial statements prepared in accordance with the national accounting standards draw unreserved statement of compliance with IFRSs only when IFRSs, are adopted word by word. **In other words** the IAS-I has not used the words **'unserved statement of compliance'.**
- ICAI has further clarified the international accounting standard Board (IASB) accepted in its "statement of Best practices: working Relationship between the IASB and other Accounting setters" that: adding disclosure requirement or removing optional treatment does not create non-compliance with IFRSs. Indeed the IASB aims to remove optional treatments from IFRSs.
- The above mentioned statement makes it clear that if a country wants to add a disclosure that is considered necessary in the local environment (or condition) or removes optional treatments, this will not amount to non- compliance with IFRSs.
- **So, in the Indian context** convergence with IFRSs means adoption of IFRSs with modifications where necessary.
- The Accounting Standard Board (ASB) of India has already issued the exposure draft on the entire converged standards i.e. Indian standards equivalent to IFRSs. Once these standards are approved by the **council of ICAI**, these will be sent to **national advisory committee on Accounting Standards (NACAS)**. On approval the same will need to be notified in the official gazette. **It means** the same procedure would be followed as is being done in the case of existing **accounting standards (AS).**

IFRS issued by the IASB

The list of IAS/IFRSs and corresponding Ind-As notified by MCA is given below:

IAS	Title	Corresponding converged Ind AS
IAS1	Presentation of financial statements	Ind AS 1
IAS2	Inventories	Ind AS 2
IAS7	Cash flow statements	Ind AS 7
IAS8	Accounting policies , change in accounting estimates and error	Ind AS 8
IAS10	Events after the Balance sheet date	Ind AS 10
IAS11	Construction Contract	Ind AS 11
IAS12	Income Taxes	Ind AS12
IAS16	Properly ,Plant and Equipment	Ind AS16
IAS17	Leases	Ind AS17
IAS18	Revenue	Ind AS18
IAS19	Employee Benefits	Ind AS19
IAS20	Accounting for Govt. Grant and Disclosure of Government Assistance	Ind AS20
IAS21	The effects of Change in the Foreign Exchange Rates	Ind AS21
IAS23	Borrowing Costs	Ind AS23
IAS24	Related party Disclosure	Ind AS24
IAS26	Accounting and Reporting by Retirement Benefit plan	Ind AS26

IFRS issued by the IASB

The list of IAS/IFRSs and corresponding Ind-As notified by MCA is given below:

IAS	Title	Corresponding converged Ind AS
IAS27	Consolidated and separate financial Statements	Ind AS27
IAS28	Investments in associates	Ind AS28
IAS29	Financial Repotting in Hyper Inflationary Economics	Ind AS29
IAS31	Interest in Joint Venture	Ind AS31
IAS32	Financial instruments: presentation	Ind AS32
IAS33	Earnings per share	Ind AS33
IAS34	Interim Financial Reporting	Ind AS34
IAS36	Impairment Assets	Ind AS36
IAS 37	Provision , Contingent liabilities and Contingent Assets	Ind AS37
IAS 38	Intangible Assets	Ind AS38
IAS39	Financial instrument: Recognition and Measurement	Ind AS39
IAS40	Investment property	Ind AS40
IAS41	Agriculture	Ind AS under preparation

IAS 3,4,5,6,9,13,14,15,22,25,30and 35 have been suspended.

Difference between IFRS and Indian Accounting Standard

S.no.	Basis of differences	IFRS	Indian Accounting Standard
1.	Basis	IFRS are based on principle	Indian GAAP or Accounting standard are based on rules
2.	concept	IFRS are based on fair value concept	Indian GAAP or Accounting standard are based on Historical cost concept
3.	Useful life of assets	Under IFRS, the useful life of the assets has to be reassessed again and again until the asset is fully depreciated	Under Indian GAAP, the useful life is estimated only at the beginning.
4.	Depreciation	Under IFRS, depreciation is not calculated on the total cost of the asset but on the cost of significant components of the asset. For example: in case of truck , the depreciation may be calculated separately for its wheels and the main body of the Truck and separately	Under Indian Accounting standard, depreciation is calculated on the total value of the asset`s.
5.	framework	IFRS provide a wide framework in which clear guidelines are given for financial reporting. Under the framework provided by IFRS, Assets, Liabilities and equity are clearly defined.	No such framework exists under accounting standards.

Difference between IAS and AS

S.no.	Basis of differences	Indian Accounting Standard	Accounting Standard
1.	Issue	IAS formulated by international accounting standard board (IASB)	AS are based on standard issued by IFRS Board.
2.	adoption	IAS is based on the convergence with the international financial reporting standards keeping in mind legal, economic and social environment in the country.	Accounting standards were mainly adopted on the basis of International Accounting Standards with the result that those were primarily a reproduction of the relevant international accounting standards.
3.	principle	IAS is principle based. It reports only the essence of each small transaction which is finally audited.	Accounting standard are rule based which are long, complex and with avoidable details.
4.	Language	IAS is drafted in lucid (simple and clear) language.	AS are drafted in technical language with more than one option as in case of accounting standard on inventory valuation.
5.	Issued under the authority	IAS require notification from Ministry of corporate affaires for date of issue of various IAS	AS are issued under the authority of the council of ICAI

Difference between IAS and AS

S.no.	Basis of differences	Indian Accounting Standard	Accounting Standard
6.	Concept	IAS is based on the concept of fair value of fixed assets. The term fair value is used to estimate the value at which the assets could be sold in the market.	AS follows the age old concept of historical cost.
7.	Multiple report	IAS will ensure that there is no multiple reporting for companies located in different countries that use one set of financial statements in the home country and the other set for the foreign country.	The multiple reporting has to be done when financial statements are based on Accounting standards mainly because of historical cost concept.
8.	basis	IAS is principle based and required the companies to report the essence of each smallest transaction which is finally audited and approved.	AS are rule based system of accounting and hence responsible for many frauds.
9.	Trust and reliance	IAS based on internal financial reporting standards would lead to increased trust and reliance because IFRS is treated as standard reporting method or framework for the preparation of credible financial statements.	AS are not treated with trust and reliance by the international investors.
10.	uniformity	IAS would ensure the improvement and quality of financial reporting.	AS do not uniformity in accounting information.