



**ERNAKULAM BRANCH OF SOUTHERN INDIA  
CHARTERED ACCOUNTANTS STUDENTS'  
ASSOCIATION (SICASA) ►  
OF  
THE INSTITUTE OF CHARTERED ACCOUNTANTS  
OF INDIA**

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Newsletter – February 2018

## Chairman's Message



Dear Young Friends,

I am extremely delighted and overwhelmed with joy to inform you that we were adjudged as the “SIRC Best Branch Students Association” among the Large & Mega Category of SICASA Branches for the year 2017.

2017 was an extremely enriching year for SICASA Ernakulam, this was made possible due to the great team work and efforts of, Ernakulam Branch Managing Committee members and students of the branch under the great leadership of CA. Roy Varghese, SICASA Chairman 2017. Let me thank all the student's representatives of the Ernakulam branch of SICASA 2017 for their tireless efforts and whole-hearted commitment in ensuring that we scale greater heights.

I place on record our gratitude to CA. Nilesh S Vikamsey, Immediate Past President , CA. Naveen N.D. Gupta , Hon'ble President of ICAI, our Central Council Member, CA. Babu Abraham Kallivayalil and other Members of the Central Council , immediate Past SIRC Chairman CA. Cotha S Srinivas, immediate Past Chairman - SICASA CA. Jalapathi K, SIRC member CA. Jomon K George and other Southern Regional Council members and all officials of ICAI for their unstinted support in all our activities.

The strength of every structure is its foundation and for SICASA Ernakulam it is the students that form the foundation and its backbone, as the new team takes over we have a burden of high expectations and a great legacy to live up to. The new managing committee team for the year has been elected and the action plan has been finalized. We are blessed to have a very vibrant team for the year which is committed to take the student wing to greater heights. It will be the endeavor of the committee to work and involve with the student fraternity and channel the various activities and program in such a way that it increases the fellowship among them and help them to empower themselves and mature as a successful professional. I seek your whole hearted support and involvement in all the activities and program of SICASA for the year.

Continued.....

Friends, SICASA Ernakulam strives hard to organize educational, motivational programs and various other extracurricular activities in the interest of all the CA students. I urge my young brothers and sisters to actively involve yourself in the same. As it is rightly said, time, opportunity & tide wait for none. I request you to consider this as a great opportunity for all the students to enriching yourself.

Let me wish you a very exciting year and may all the dreams that you hold come true and may you get every success of your life. May each sunrise bring the best luck for you.

With Warm regards,

*At. Paulose Paul*

*Chairman, SICASA Ernakulam Branch.*



## Secretary's Message



Dear Friends,

"It's Time For a change" , when I talk about change I'm talking about what happened right here, when I was nominated as the Secretary of SICASA 2018-19. Though I am conscious about the magnitude of responsibility that the position brings, I carry with me a sense of immense pride and happiness. I am grateful to all my talented predecessors for bringing the fraternity to the level it stands proudly at today. I am equally thankful to the preceding committee colleagues for instilling confidence in me to lead this great team. Particularly, I owe gratitude to the outgoing chairman of SICASA CA. Roy Varghese Sir and outgoing Secretary Mr. Farzeen Fazal for steering several initiatives for the fraternity in the last year. It was indeed a great learning experience for me in assisting him, and the whole team in the activities of the previous committee.

Looking at the current committee I see a bunch of energetic youngsters ready to take up any challenge that is put before them, and I feel blessed to take this opportunity to lead such an enthusiastic crowd. Under the able guidance of CA. Paulose Paul, the current SICASA chairman, I feel the current committee can bring glory beyond our dreams to SICASA Ernakulam.

Talking about the changes, there is change in the name of our newsletter too. This is the First Edition of our new Newsletter " Capture " and I would like to wish the Editors Mr. Harikrishnan R, Ms. Tess George and Ms. Namitha Joseph all the best in their Endeavour.

The coming month is all about festivals and I extend my warm wishes to all, for every festival that falls upon us. Let us be blessed to celebrate all the festivals in happiness.



SICASA Ernakulam functions only with the support of its Students and all you guys are an integral part of SICASA. When our branch stood tall in the past in all its glory, all through the years, the suggestions and sincere cooperation from the students is what always gave us strength from time-to-time and I expect same level of support from your side in the coming days as well.

Let us work together for achieving the glory we yearn for.

Best Wishes,  
*Sarath M R*  
*Secretary*

### Editor's Message



Dear Friends,

It gives me immense pleasure to be one among the Committee members of Team SICASA 2018, and I'd like to start by wishing every one of my fellow Committee members all the best in achieving greatness by working as a team.

Being a part of the Editorial wing of SICASA Ernakulam, along with my Co - Editors, Tess George and Namitha Joseph, we've proposed a few changes that seek to increase student involvement and the overall reach of the newsletter, and we don't plan to stop with that. We've felt that the editorial wing needed an 'Overhaul' of sorts, and it is exactly what we plan to deliver.

The support given by all the students from SICASA Ernakulam has been nothing short of Excellent, and with hopes that your support will remain unchanged, here we present to you our first Newsletter.

With warm regards,  
*Harikrishnan R*  
*Editor*

# Book in Focus

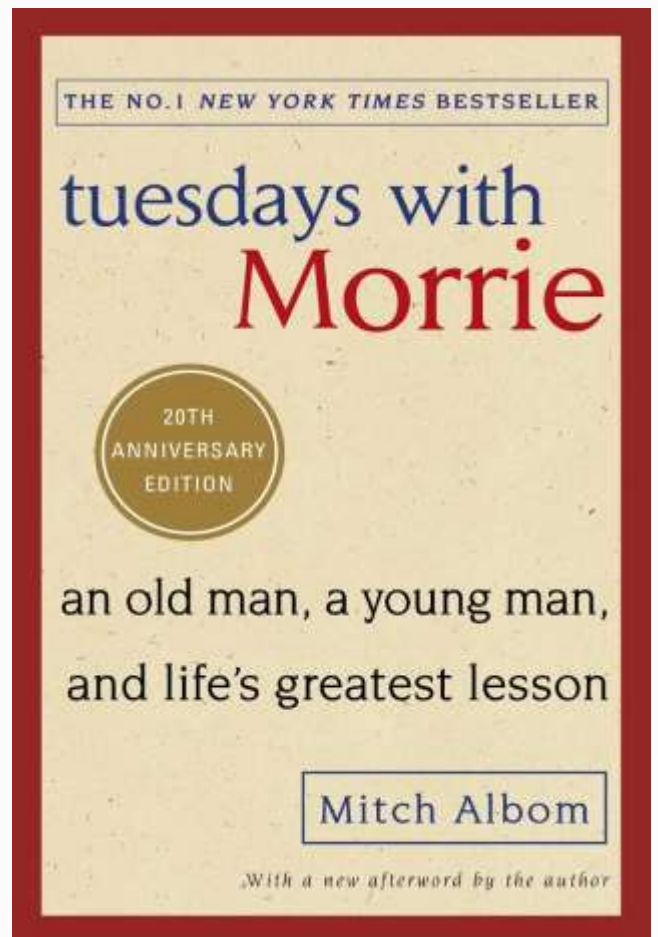
BOOK : Tuesdays with Morrie  
Author : MITCH ALBOM

One of the most beautiful and thought provoking books of all time. The author Condenses all the key messages of life into a beautiful bundle of words that will touch your heart.. Truly beautiful and heartwarming.

Tuesdays with Morrie is definitely a book that'll stay in your mind and more so, in your heart longer than you'd imagine. The whole book is a true account of a wonderful professor giving out anecdotes of life as he walks towards his inevitable disease and succumbs to it. In his last few months, he sits down with one of his favorite ex-students, Mitch Albom (who is also the writer of the book) and talks about everything that he has learnt about living life.

Courtesy,

*Namitha Joseph*  
*Editor*



# AS Vs IND AS

Indian Accounting Standards, (abbreviated as Ind AS) are a set of accounting standards notified by the Ministry of Corporate Affairs which are converged with International Financial Reporting Standards (IFRS). These accounting standards are formulated by Accounting Standards Board of Institute of Chartered Accountants of India. Now India will have two sets of accounting standards viz. existing accounting standards under Companies (Accounting Standard) Rules, 2006 and IFRS converged Indian Accounting Standards (Ind AS). The Ind AS are named and numbered in the same way as the corresponding IFRS. National Advisory Committee on Accounting Standards recommend these standards to the Ministry of Corporate Affairs. The Ministry of Corporate Affairs has to spell out the accounting standards applicable for companies in India.

## **VOLUNTARY ADOPTION**

Companies may voluntarily adopt Ind AS for financial Statements for accounting periods on or after April 1, 2015 with the comparatives for the periods ending March 31, 2015 or after. Once a company opts to follow Ind AS, it will be required to follow the same for all subsequent financial years.

## **MANDATORY ADOPTION**

- For the Accounting periods beginning on or after April 01, 2016

The Following Companies will have to adopt IND AS for financial Statements from the above mentioned date:

\*Companies whose Equity/Debt securities are listed or are in the process of listing in any of the stock exchanges in India or outside India (listed companies) and having net worth of Rs.500 Cr. Or more & unlisted companies having a net worth of Rs.500 Cr. or more.

\*Holding, Subsidiary, Associate or Joint Venture Companies of the listed and unlisted companies mentioned above.

Comparatives for these financial Statements will be periods ending 31 March 2016 or thereafter.

- For the Accounting periods beginning on or after April 01, 2017

The Following Companies will have to adopt IND AS for financial Statements from the above mentioned date:

- Listed companies having net worth of less than Rs.500 Cr.

\*Unlisted companies having net worth of Rs.250 Crores or more but less than Rs.500 Crore

- Holding, Subsidiary, Associate or Joint Venture Companies of the listed and unlisted companies mentioned above.

Comparatives for these financial Statements will be periods ending 31 March 2016 or thereafter.



## **BANKS, NBFCs & INSURANCE COMPANIES**

Banks, NBFC, Insurance companies shall adopt IND AS from 1st April 2018.

\* NBFC: NBFC whose Net Worth is more than or equal to INR 500 crores shall apply IND AS w.e.f. 1st April 2018.

\* Banks & Insurance Companies shall adopt a separate set of IND AS w.e.f. 1st April 2018 as notified by IRDA

## **OBJECTIVE**

The basic objective of Accounting Standards is to remove variations in the treatment of several accounting aspects and to bring about standardization in presentation. They intent to harmonize the diverse accounting policies followed in the preparation and presentation of financial statements by different reporting enterprises so as to facilitate intra-firm and inter - firm comparison.

## **IND AS 1 Vs AS 1**

Accounting Standard 1 i.e. “Disclosure of Accounting Policies” deals with disclosure of significant accounting policies followed in preparing and presenting financial statements whereas IND AS 1 i.e. “Presentation of Financial Statements” prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity’s financial statements of previous periods as well as with the financial statements of other entities. The requirement for presentation of financial statement is set out in statutes governing the body (In case of companies, Schedule III of companies Act,

2013 (earlier revised schedule VI of Companies Act, 1956) specifies the format for balance sheet and disclosure requirement for companies)

Highlights of the requirements that are laid down in Ind AS 1 are as follows:-

a. Para 16 of IND AS 1 requires an enterprise to make an explicit statement in the financial statement of compliance with all the Indian Accounting Standards (IND AS). However, such statement shall be made only if the enterprise complies with all the requirements of IND AS's.

b. It allows deviation from a requirement of an accounting standard in case the management concludes that compliance with Ind AS's will be misleading and if the regulatory framework requires or does not prohibit such a departure

c. If the fundamental accounting assumptions, viz. "going concern, consistency and accrual" are followed in financial statements, specific disclosure is not required. Para 27 of existing AS 1 states that if a fundamental accounting assumption is not followed, the fact should be disclosed. IND AS 1 however, requires the entity to disclose the reason and the basis on which the financial statements have been prepared along with disclosure of fact and state the reason why the entity is not regarded as going concern

d. IND AS 1 requires presentation of a minimum two balance sheets, two of each of the other statements and related notes for entities disclosing comparative information. Para 39 states that When an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements, it shall present, as a minimum, three balance sheets, two of each of the other statements, and related notes. An entity presents balance sheets as at:

- The end of the current period,
- The end of the previous period (which is the same as the beginning of the current period), and
- The beginning of the earliest comparative period.

e. In case of change in presentation / classification of item in the financial statements, the entity shall reclassify comparative amount and disclose the nature, amount and reason for re-classification. In case when it is impracticable to reclassify comparative amounts, an entity shall disclose the reason for not re-classifying and the nature of adjustments that would have been made if the amount had been reclassified (Paragraph 41 and 42 of IND AS 1).

f. Ind AS 8 sets out the adjustments to comparative information required when an entity changes an accounting policy or corrects an error. Para 45 of IND AS 1 states that, the entity shall retain the presentation and classification of items in the financial statements from one period to another unless it is apparent, following the significant change in the nature of entity's operations and that having regard to the criteria for selection and application of accounting policies in IND AS 8, another presentation would be appropriate OR when an IND AS requires a change in the presentation of the financial statements.

*Done by*  
*Rose Raju*  
**SRO0550020**



# Memories to look back on

