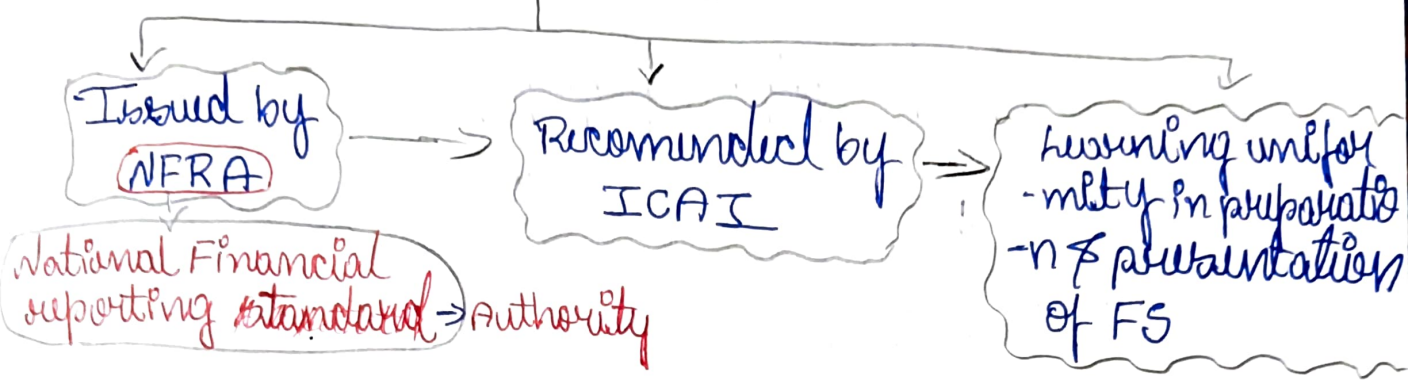
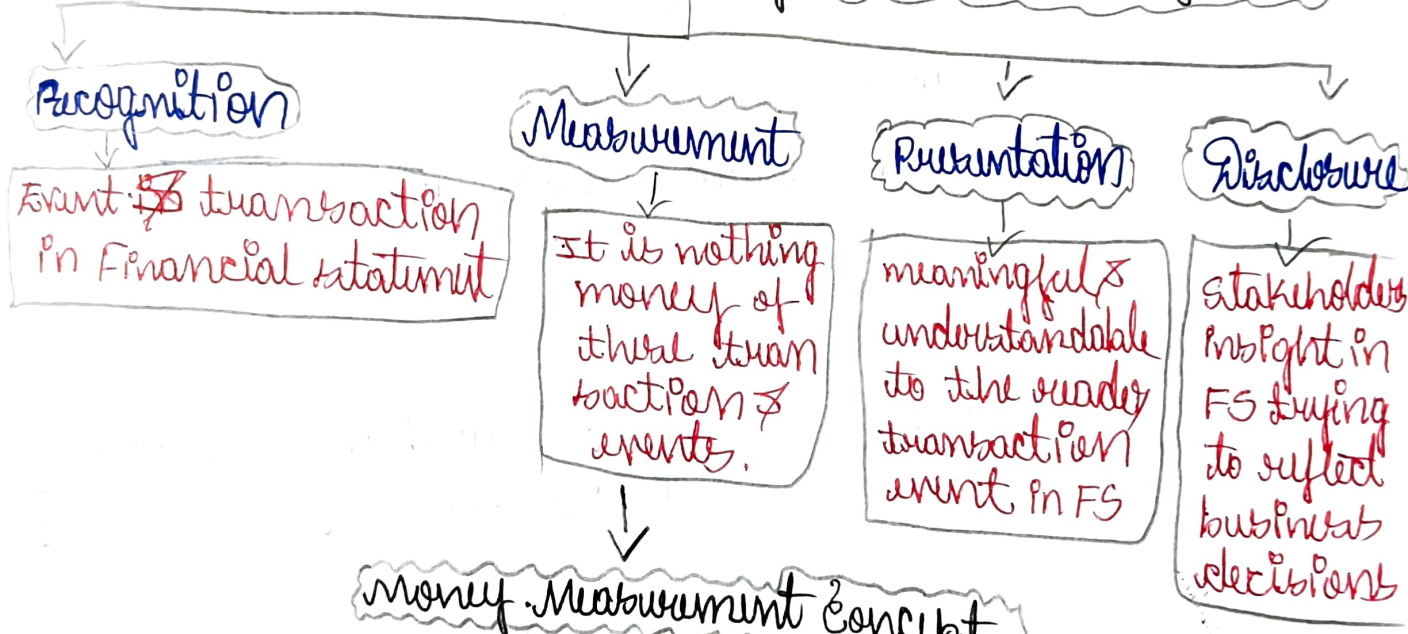


# Chapter - 1 Introduction to Accounting Standard

## Definition of AS



## Purpose of Accounting Standard or objective



## Money Measurement Concept

### Measurement Basis

1. Cost
2. Realizable Value
3. Replacement cost
4. Present Value → Inflation of cost
5. Fair Value

# Applicability Criteria for AS

## Part I

1] Entities other than companies (i.e. non companies)

Level 1:- Large scale

i] Listed Entities:- Inside @ outside India / In phase of listed.

ii] Bank / Insurance / Financial Institution

iii] Entities have Turnover > 250 crores

iv] Borrowings { including public deposit > 50 crores

v] holding / subsidiary of Above [10% net worth]

Note:- 1 ->

In level 1

All Accounting standard is applicable [no exception]

Level 2:- Medium scale

i] Entities Turnover

> 50 crores ≤ 250 crores.

ii] Borrowing Exceeds

> 10 crores ≤ 50 crores

iii] Holding & subsidiary of Above.

Level 3:- Small Scale

1] Entities Turnover  $\left\{ \begin{array}{l} > 10 \text{ crore} \\ \leq 50 \text{ crore} \end{array} \right\} \rightarrow \text{PPY}$

2] Borrowing Exceeds  $\left\{ \begin{array}{l} > 2 \text{ crore} \\ \leq 10 \text{ crore} \end{array} \right\} \rightarrow \text{PPY}$

3] Holding / Subsidiary this level

Level 4:- Micro scale

Note  $\Rightarrow$

other entities which are not covered in 3 levels.

Point II

For Companies

1] If not covered by Ind AS  $\Rightarrow$  Then company has to follow all AS prescribed by MCA U/S 133

2] If covered by Ind AS:- Then AS is not applicable they have to follow Ind AS

Note:- If company covered SMC @ SME some relaxation given in application.

Part - A

# Incl AS

An Existing AS converged into International standard

Note: - Ex: -

IFRS + IAS

## Applicability criteria for IAS:-

only for company

A. Companies other than NBFC, Banks, Insurance

1 All listed Entities:-

In India/outside India

In process of listing.

2 unlisted Entities:-

whose networth 250 crores in PPY

Note:- If entity not covered by above criteria they can continue to follow old AS

B. Above limits are mandatory limits:-

If entity has not covered with this limit can adopt Incl AS

## Point-B Ind AS

Entities of NBFC, Bank, Insurance,

1] For NBFC  $\rightarrow$  Ind AS is applicable

$\downarrow$   
\* All listed Entities

$\downarrow$   
\* Networth  $> 250$  crores.

2] For Banks :- commercial schedule Banks

$\downarrow$   
Not applicable

$\downarrow$   
Note  $\rightarrow$  [ RBI has deferred its application till further notice ]  $\rightarrow$  as on [ 10/9/2023 ]

3] For unit Banks / RRB  $\rightarrow$  Ind AS was not apply.

4] Insurance companies  $\rightarrow$  not applicable

Note :- voluntary adoption Ind AS is not allowed  
(in case of bank & Insurance)