


# Seminar on Accounting Standards

AS 11,17,18

June 2015





**AS 11**  
**Effects of**  
**changes in**  
**Foreign**  
**Exchange Rates**

# Scope of AS 11

- - 
  - 
  -
- - 
  -
- - - 
    -
  -

# Current accounting framework in India for foreign currency transactions

## [Redacted]

- [Redacted]
- [Redacted]

## [Redacted]

- or 'long term monetary items',
- [Redacted]

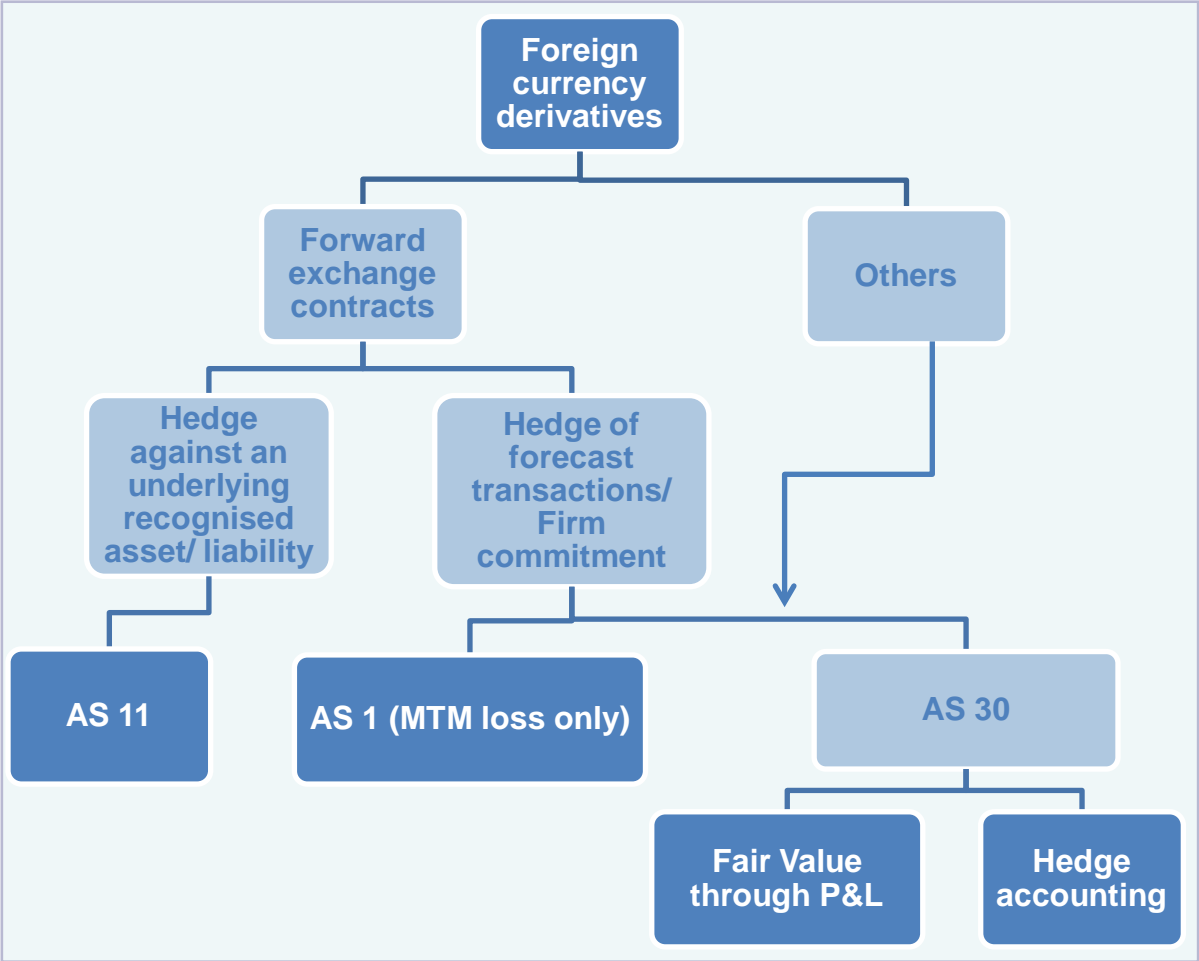
## [Redacted]

- [Redacted]

# Available accounting alternatives for recognised exposures

	Recognised in income statement (AS 11)	Capitalised as part of a depreciable capital assets (para 46/46A)	Accumulated in FCMITDA (para 46/46A)
<b>Borrowings</b>			
Long term	✓	✓	✓
Short term	✓	X	X
<b>Debtors</b>	✓	X	X
<b>Loans given</b>			
Long term	✓	X	✓
Short term	✓	X	X

# Current accounting framework for derivatives



# Accounting for foreign currency transactions- practical issues

## [Redacted]

- [Redacted]
- [Redacted]

## [Redacted]

- [Redacted]

## [Redacted]

- [Redacted] accounting is required to be contemporaneous and cannot be applied 'retrospectively

## [Redacted]

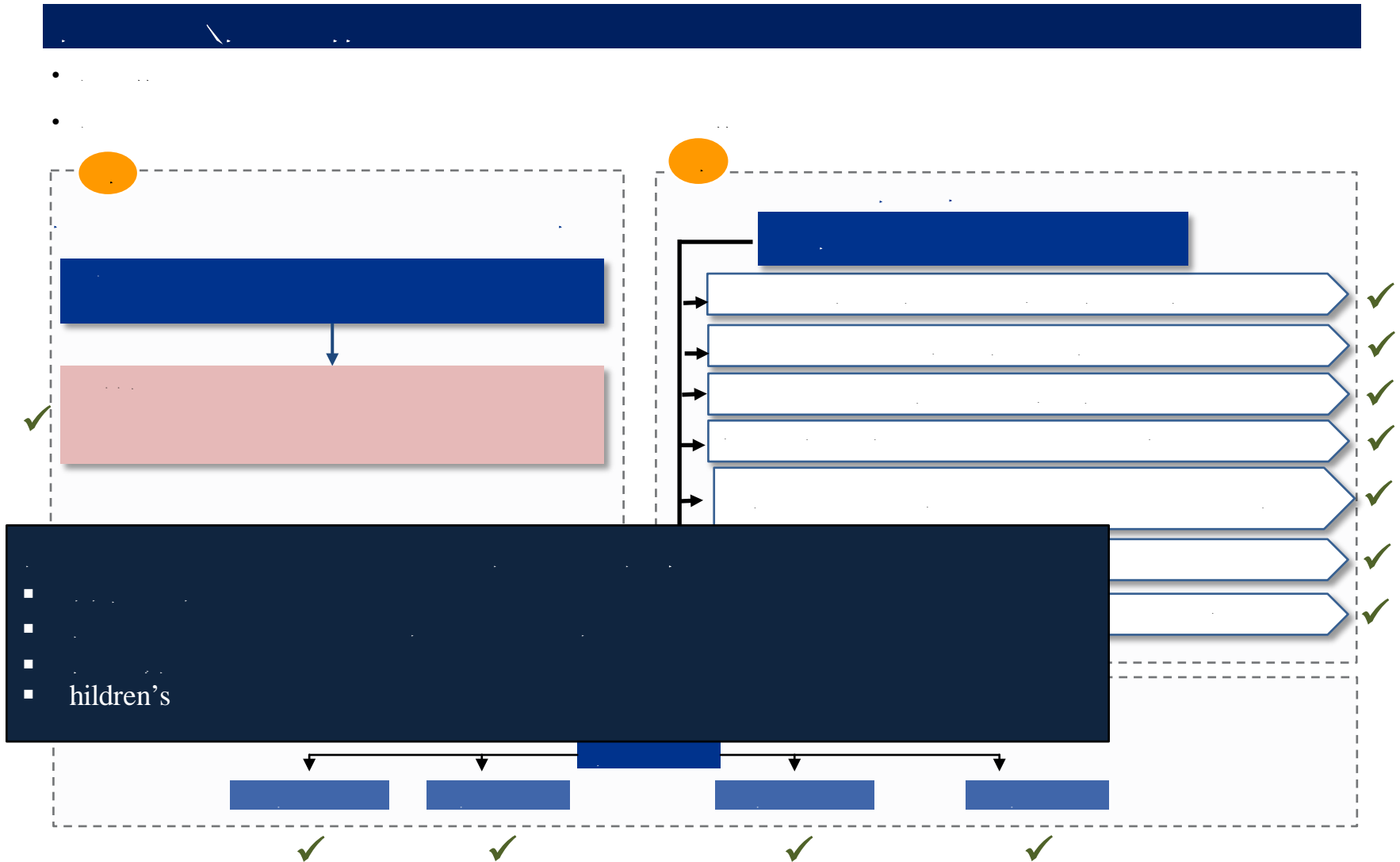
- [Redacted]



**AS 18**  
**Related Party**  
**Transactions**

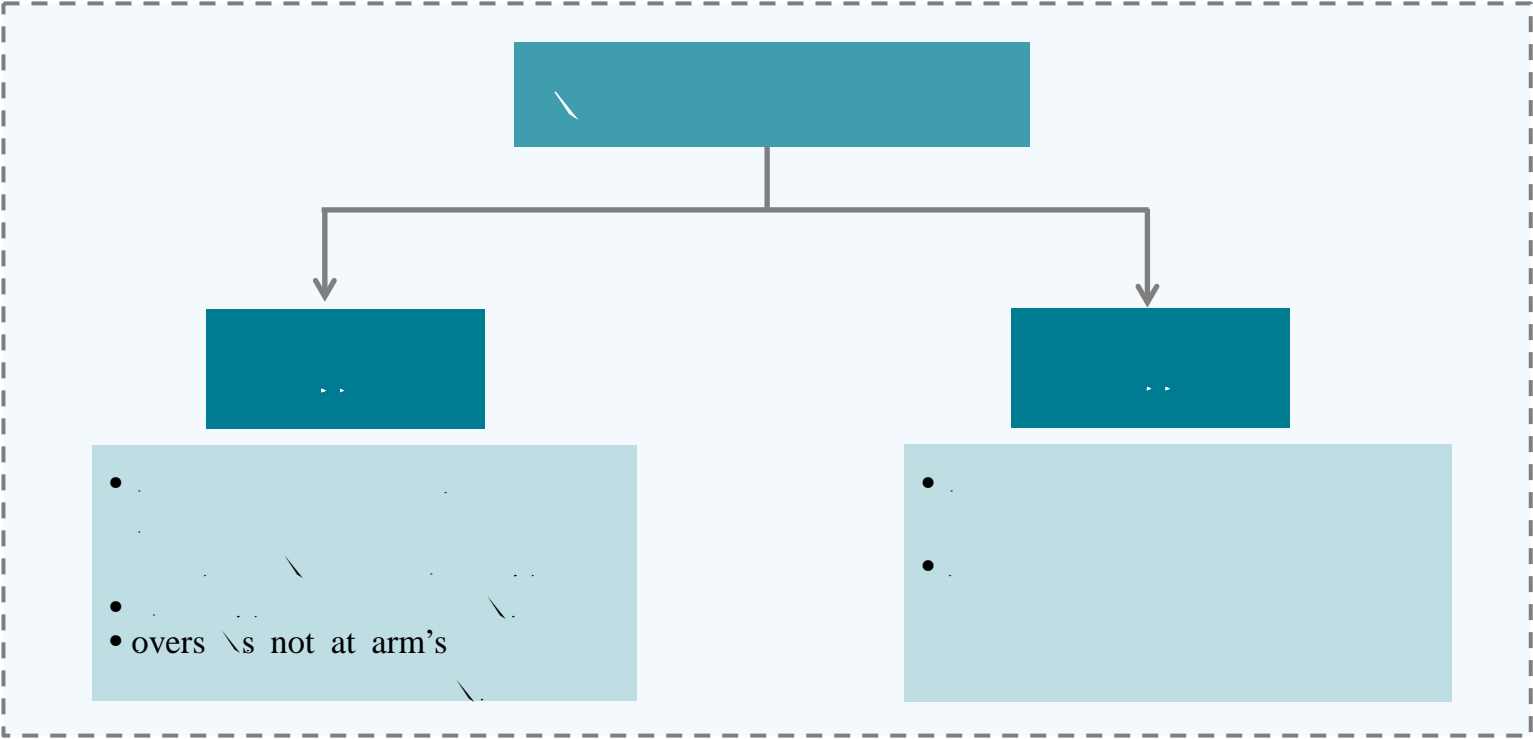


# Identification of related parties



# Reporting Requirements

- ...
- ...



# Practical Examples

## Example 1

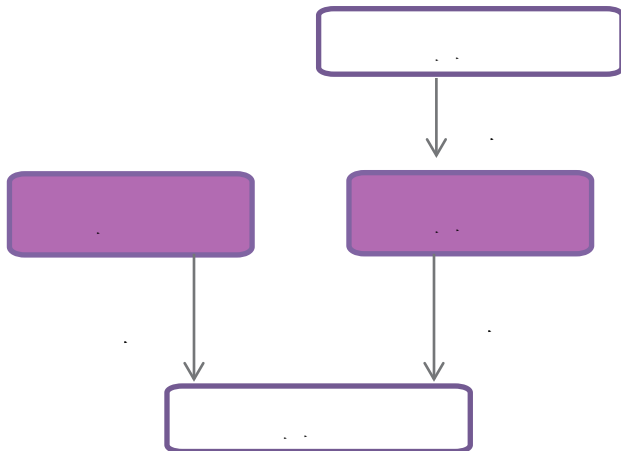
Two companies have common Executive Chairman. Pursuant to AS 18, would these companies be considered to be related parties on this account?

## Example 2

Is an associate of an associate a related party? To illustrate A Limited owns 30 per cent of the share capital of B Limited, while B Limited owns 25 per cent of share capital of C Limited. Would C Limited be considered as a related party of A Limited?

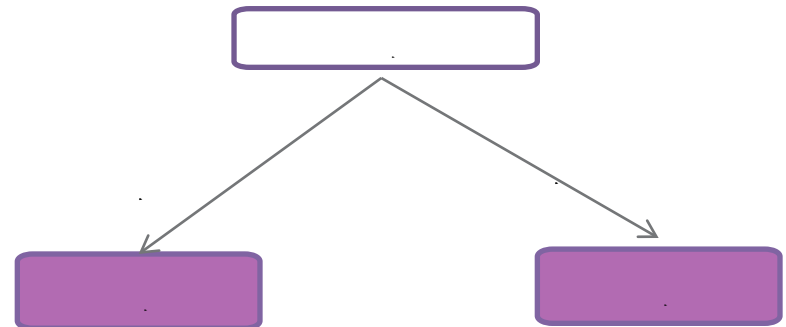
## Example 3


Would X Limited be a related party of A Limited?



## Example 4

Would B Limited be a related party of C in its financial statements?





**AS 17**  
**Segment**  
**Reporting**

# Segment reporting

- **Segment reporting**
  - **Segment reporting**
  - **Segment reporting**
  - **Segment reporting**
- **Segment reporting**
  - **Segment reporting**
  - **Segment reporting**
  - **Segment reporting**
- **Segment reporting**
  - **Segment reporting**
  - **Segment reporting**
- **Segment reporting**

# Segment reporting- determining reportable segments

Revenue

10% of combined revenue for all segments  
(internal and external)

or

Profit or loss

10% of absolute combined profit or  
combined loss (whichever is greater)

or

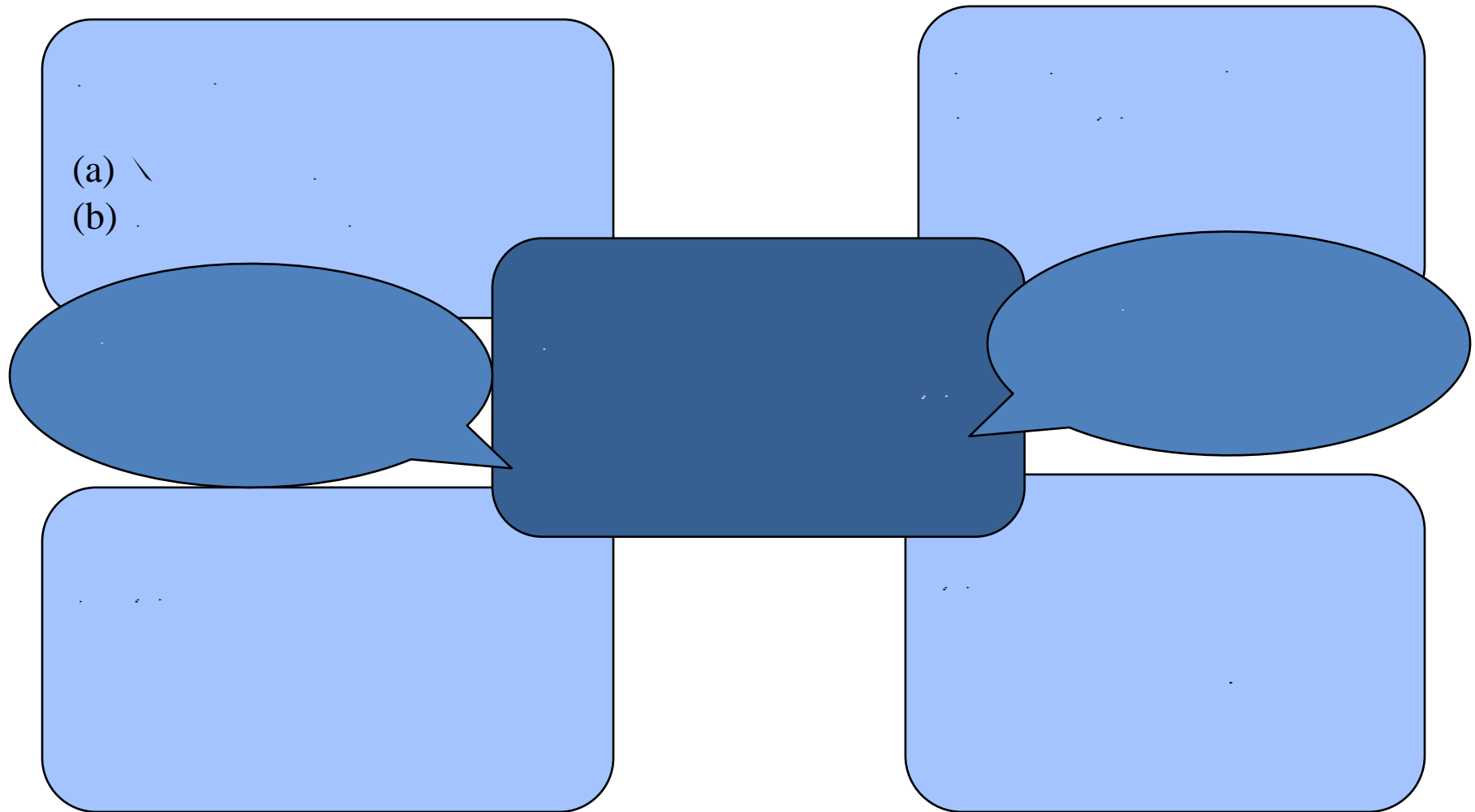
Assets

10% of combined assets for all segments

Reportable segments

But external revenue of reportable segments  
must be  $\geq 75\%$  of the revenue of the segments  
identified.

# Segment reporting- forthcoming requirements under Ind AS



# Bases of identifying operating segments

[Empty rounded rectangular box]

[Empty rounded rectangular box]

[Empty rounded rectangular box]

[Empty rounded rectangular box]

[Empty rounded rectangular box]

[Empty rounded rectangular box]

[Empty rounded rectangular box]



# Questions & Answers



Questions

&

Answers



**Thank You**

**CA Nirav Patel**

**+91 98206 03969**

