WE SUCCEED ONLY AS WE IDENTIFY IN LIFE, OR IN WAR, OR IN ANYTHING ELSE, A SINGLE OVERRIDING OBJECTIVE, AND MAKE ALL OTHER CONSIDERATIONS BEND TO THAT ONE OBJECTIVE.

HUMAN PROGRESS IS NEITHER AUTOMATIC NOR INEVITABLE. EVERY STEP TOWARDS THE GOAL OF JUSTICE REQUIRES SACRIFICE, SUFFERING AND STRUGGLE, THE TIRELESS EXERTIONS AND PASSIONATE CONCERN OF DEDICATED INDIVIDUALS.

FROM THE EDITORIAL DESK:
Editors
RAJIV BAJAJ
MONICA SURI

Dear Colleagues,

Newsletter is the mouthpiece of an organization. The idea of Newsletter is to share important information with the members & to share the latest changes in the Financial & Corporate laws.

We are happy to share that the Noida Chapter is making big strides in terms of conducting Professional Development Programmes. The oral coaching classes at the chapter are also running successfully.

The chapter is also taking a big leap by organizing Secretarial Modular Training Programme (SMTP) which will open new horizons and will definitely bring lot of cheer to the student community.

We are also planning to hold TOP & ADP and would like to work for the furtherance of professional activity in Noida.

We seek the support & contribution from all our members for making this a big success.

We also solicit articles from honorable members to make the newsletter more informative for one and all.

Thanking you

The editorial team
Noida Chapter

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International Financial Reporting Standards (IFRS)

“Transforming the outlook of accounting”

India has announced a plan to adopt IFRSs as International Financial Reporting Standards effective 2011.

**IFRS** – International Financial Reporting Standards (IFRS), together with International Accounting Standards (IAS), is a “principles-based” set of standards that establish broad rules rather than dictating specific accounting treatments.

Today more than 100 countries mandate and permit IFRS, which is now rapidly becoming the common language of business.

**Convergence to IFRS**

To enable convergence, a large number of Acts require to be amended. Companies Act, 1956 and the Banking Regulation Act, 1949 and each and every Act that has any pronouncement on accounting, presentation, measurement and disclosure, requires to be brought in line with IFRS requirements, or better still, all provisions in the various Acts require to be abandoned.

**Why India need IFRS?**

With the kind of massive globalization era that is going on, its very important for every country to develop cross border businesses and also for attracting Foreign Investments, there arises a need to have a common globally accepted accounting rules and standards.

There are eight new IFRSs currently in effect. A brief introduction about the scope of each of IFRSs is given below.

**IFRS 1 – First-time adoption of International Financial Reporting Standards**

**Objective** – To ensure that an entity’s first IFRS financial statements, and its interim, financial reports for part of the period covered by those financial statements, contain high quality information.

- It sets out the procedures that an entity must follow when it adopts IFRS for the first time as a basis for preparing its general-purpose financial statements.
- Grants limited exemptions in specified areas where the cost of complying with them would be likely to exceed the benefits to users of financial statements.
- Prohibits retrospective application of IFRSs in some areas; particularly where retrospective application would require judgments by management about past conditions after the outcome of a particular transaction is already known.
- The IFRS requires disclosures that explain how the transition from previous GAAP to IFRSs affected the entities reported financial position, financial performance and cash flows.

**IFRS 2 – Share-based Payment**

**Objective** – To specify the financial reporting by an entity when it undertakes a share-based payment transaction.

- It encompasses the issuance of shares, or rights to shares in return for services and goods.
- The accounting requirements for the share-based payments depend on how the transaction will be settled, i.e. by the issuance of (a) equity, (b) cash, or (c) equity or cash.
**IFRS 3 – Business Combinations**

**Objective** – To specify the financial reporting by an entity when it undertakes a business combination.

- It applies to all business combinations except combinations of entities under common control, combinations of mutual entities, combinations by contract without exchange of ownership interest, and functions of joint ventures.

**IFRS 4 – Insurance Contracts**

**Objective** – To specify the financial reporting for insurance contracts by any entity that issues such contracts.

- Applies to all insurance contracts that an entity issues and to reinsurance contracts that it holds, except for specified contracts covered by other IFRSs.
- Does not apply to other assets and liabilities of an insurer, such as financial assets and financial liabilities within the scope of IAS 39 – *Financial Instruments: Recognition and Measurement*.

**IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations**

**Objective** – To specify the accounting for assets held for sale, and the presentation and disclosure of discontinued operations.

- Discontinuing operation is defined as a relatively large component of a business enterprise – such as a business or geographical segment that the enterprise, pursuant to a single plan, either is disposing of substantially in its entirety or is terminating through abandonment or piecemeal sale.

**IFRS 6 – Exploration for and Evaluation of Mineral Resources**

**Objective** – To specify the financial reporting for the exploration for and evaluation of mineral resources.

- Requires entities recognizing exploration and evaluation of assets to perform an impairment test on those assets when facts and circumstances suggest that the carrying amount of the asset may exceed their recoverable amount.
- When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present and disclose any resulting impairment loss in accordance with IAS 36.

**IFRS 7 – Financial Instruments: Disclosures**

**Objective** – To require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity’s financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks.

**IFRS 8 – Operating Segments**

**Objective** – To specify how an entity should report information about its operating segments in annual financial statements and, as a consequential amendment to IAS 34 Interim Financial Reporting, requires an entity to report selected information about its operating segments in interim financial reports.
ACTIVITIES OF THE QUARTER

ANNUAL GET TOGETHER

The chapter organized its Annual get together on 28th December, 2009 at Fortune Inn Grazia, Sector – 27, Noida.

The event was well attended by all the members and it provided an opportunity for all the families to interact with each other.

Mr. P.K. Mittal, Senior Advocate and Central Council Member of the Institute was present at the Get together.

Games and painting competitions were organized for the members and their families.

This is a yearly event being conducted regularly by the Noida Chapter.
Noida Chapter organized a programme on “Enterprise Risk Management” in association with the Noida Chapter of Cost Accountants as per the captioned subject at BHEL, HRD ESI complex, Sec16 A, Noida.

Mr. Deepak Wadhawan, Sr. Advisor, KPMG was the key note speaker.

Mr. Wadhawan elaborated on various facets of ERM and discussed the significance of proper implementation of ERM in the Company. He explained at length to the audience on how it can improve the performance and results of a business enterprise.

The entire session was very interactive and the queries raised by the audience were suitably answered.

Formal Introduction was given by Ms. Preeti Grover while the Vote of thanks was proposed by Mr. G.P. Rao.
Programme on ‘Budget 2010’  4th March, 2010

Noida Chapter organized a programme on “Union Budget 2010” in association with the Noida Chapter of NIRC of ICWAI and Jaipuria Institute of Management, Noida as per the captioned subject at Jaipuria Institute of Management, Plot No. A – 32A, Sec-62, Noida.

Ms. Reena Arya, Commissioner, Customs & Central Excise, Noida was the Guest of honor.

Mr. Gaurav Karnik, Associate Director - E&Y, Mr. R. Krishnan - Advocate and Mr. P.K. Mittal - Advocate were the key note speakers.

The entire session on Union Budget 2010 was very interesting. Queries raised by members were elaborately covered by all the speakers.

Mr. J.D. Singh and Mr. Rajiv Bajaj welcomed the Chief Guest and the speakers and shared their thoughts on Budget 2010.

The Programme was conducted by Ms. Preeti Grover, Vice-chairperson, Noida Chapter of NIRC of ICSI while the Vote of thanks was proposed by Mr. Suraj Prakash, Chairman, Noida Chapter of Cost Accountants.
FORTHCOMING PROGRAMMES

- Secretarial Modular Training Programme
  
  **Timings**
  10 a.m. to 5.00 p.m.

  **Fee**
  Rs. 5,000/-

  **Venue**
  Jaipuria Institute of Management, Plot No A-32A, Sector 62, Noida

  **Contacts**
  Mr. B. Goswami - Office Incharge 9811231064
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- Academic Development Programme
  - 24th April, 2010

- Training Orientation Programme
  - 25th April, 2010-29th April, 2010