DRIVE

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CHARUTAR VIDYA MANDAL'S

S.G.M. English Medium college of Commerce & Management

SEMCOM

VISION: *To contribute to the societal enrichment through quality education, innovation and value augmentation.*

MISSION: *To build up a competitive edge amongst the students by fostering a stimulating learning environment.*

DREAM: *To establish a unique identity in the emerging global village.*

GOALS:

- *To focus on integral development of students.*
- *To offer courses and programs in tune with changing trends in the society as a whole.*
- *To update the curriculum as per the need of the business and industry.*
- *To create unique identity in the educational world at the national as well as international level.*
- *To institutionalize quality in imparting education.*
- *To incorporate innovations on a continuous basis in the entire process of education at institutional level.*
- *To create platform for the students for exhibiting their talent and for development of their potentials.*
- *To generate stimulating learning environment for students as well as teachers.*
- *To build cutting edge amongst the students to withstand and grow in the competitive environment at the global level.*

The overall mission is reinforced by the Punch Line

"WHAT WE THINK, OTHERS DON'T".

CONTENTS

From the Chief Editor's desk:

Student Attitude towards Career:

In all walks of life it is one's attitude that affects everything or damages everything. We find so many instances in life where we see people getting success or failure due to their attitude. It is aptly said that knowledge and skills can be developed at any stage of career but your positive attitude matters a lot.

In students' life attitude is very important. Attitude for learning, attitude to be open to all new things, attitude towards classmates having diverse culture, attitude towards teacher and new ideas etc. It also means to be humble and tolerant to others. For students it is more required because it is attitude that will create a ladder of success for them. It will open new avenues as it asks for to be inquisitive.

A student with a good attitude may plan a career in a very efficient manner. It starts with what you expect from your career. Dreams and expectations of a student lead him to a positive attitude. These expectations lead him to explore the opportunities available for his career. In doing so he meets and interacts with several people. This makes him to explore his inner space and realize his strengths and weaknesses. He compares himself with peers and adapts himself accordingly. Those with preset notions about themselves do not experience this. They carry prejudices fed by someone, may be society or parents, and explore the world with closed attitude. This stops learning and understanding towards others, hence leading to unhealthy relationships. This affects when a student participates in activities and looks for

teamwork. Good team players are always having positive attitude towards all.

Attitude towards career also looks for ability to appreciate and tolerate behavior of people from other culture. Positive attitude helps student go beyond his comfort zone and explore opportunities by observing others. It helps them compare and analyze how people from different country progress and what do they offer. Accordingly a student can prepare himself. Positive attitude will make him keep all doors of communication open. It is collecting information through various sources like interaction with friends, being on social media and sensing the trend of the world. It also means gauging one's progress. Time to time one must check the direction of the progress to ensure that the vision is rightly followed. In more professional terms it is doing swot analysis of oneself. Positive attitude towards career demands for other skills like open to self, keen observation of the current trends, analytical and critical thinking ability to gauge the progress, and being objective to self. Of course, in doing all these one must be creative, innovative and tech savvy. Positive attitude will enhance problem solving ability as it allows to keep communication open. It helps in setting good career goal and pursuing it with all hard work and perseverance.

The most expected part of student attitude is the attitude towards teachers. Teachers, these days being facilitators only, are losing that respect which older generation teachers used to get. The reasons might lead to another scope of research, but good attitude towards teacher or who so ever is guiding, is very much expected from a student.

Maintaining positive attitude throughout the career is the decisive factor of one's career. It enables one with the spirit to keep moving ahead and enjoy the success.

By:

Dr. Nikhil Zaveri
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IQAC Corner:

Research Article:

Sustainable Development of Higher Education Institutions

This paper is about education, importance of education, role of education and education institutions in India, how education institutions are playing role for the growth and development of people and society, how it is the gateway for society, economy and individually through variety of skills? As we know that the education institutions are playing most significant role for the development and growth of youth and vital input for deputizing people with different types of skills and knowledge and giving them chance to productive employment in future. Development and improvements in higher education institutes are not only expected to enrich effectiveness but also add overall quality of life.

The higher education institutes have grown very rapidly in recent years in India, which shows the importance of education institutions in India. The twelfth five year plan (2012-2017) recognized the importance of higher education institutes and the issues faced by higher education system and proposes focus on extension, Equity, brilliance, Governance, and Implementation and monitoring.

Introduction:
The role of education in facilitating social and economic progress is well recognized. It opens up opportunities leading to both individual and group entitlements. Education, in its broadest sense of development of youth, is the most crucial input for empowering people with skills and knowledge and giving them access to productive employment in future. Improvements in education are not only expected to enhance efficiency but also augment

the overall quality of life. This paper reflects quality and sustainable development of higher education institutions in India.

Development of Higher Education Institutions in India:

The higher education sector has grown tremendously in recent years in India, particularly in the post–independence period. At the time of independence, there were only 20 universities and 500 colleges in the country with 2.1 lakh students in the higher education institutions. But, after independence, there has been a phenomenal growth in all these numbers. Now at the end of Eleventh Five Year plan (31.03.2012), it is a recorded fact that the number of universities has gone up to 574 (44 Central, 129 Deemed and 397 State Universities and four Institutions established under Special State Legislature Acts) and the number of Colleges to 35,539 and 25.9 million students, the students enrolment has gone up to 97 times in the formal system of higher education as compared to the figures of Independent Year of India [1].

Today India has the largest higher education system in the world in terms of the number institutions. India is the second largest in terms of enrolment [2]. India has shown impressive growth in higher education. India still faces challenges like: poor quality of education, poor pay in self-financing college, shortage of faculty, deficient infrastructure and low quality and inadequate research. Today, India needs an education institutes that can deliver quality employable workforce in terms of a skilled and industry-ready workforce having concentrates in world class research.

Nowadays, India has well advanced higher education institutes in the world, which offers quality education and professional training in various stream like agriculture, mathematics, arts and humanities, commerce, social sciences, engineering, medicine, education, law, management, music and performing arts, physical education, national and foreign languages, contradistinctions. The higher education institutes are part of Universities established by Act of Parliament i.e. Central universities or by State Legislature i.e. State universities, Deemed Universities, institutes of national importance, institutes established by state legislative act and colleges affiliated to the university.

The tremendous increase in higher education institutionalization due to the large number of private institutions of higher education set up by the private sector. Currently more than 60%of higher education institutions are private institutions in which nearly 60% of the total number of students is enrolled [3]. The Indian Government has set the ambitious target of increasing the current Gross Enrolment Ratio (GER) from 15 % to 30 % by 2020. India now ranks 2nd the world in terms of enrolment of students after China; third being USA. Likedeveloping countries, the efforts are being made by India to promote higher education institutions. Central Government and state Governments are trying to nurture talent through focusing on the number of Universities and Colleges for expansion of higher educations.

Number of Higher Education Institutions:

In the Year 1950-51, there were 30 universities and 695 colleges. This number has increased to 634 Universities and 33023 colleges up to December 2011. The following table reveals the growth of higher education in India.

Table 1: Higher Education Institutes in India

S. No.	Types of Institutions	Number (2011-12)
1	Central Universities	44
2	State Universities	306
3	State Private Universities	145
4	Deemed Universities	130
5	Institutions of National Importance Plus other Institutions	60
6	Institutions established under state legislative Acts	5
7	Total Colleges	35,539
Grand Total		36,229

Source: Survey of Ministry of Finance – Government of India.

Government of India has established central universities for imparting quality higher education and to remove regional imbalances in India during XI five year plan. The Government of India has also approved to set up six new IIMs. The Govt. has set up 10 new National Institutes of Technologies to be located at Goa, Puducherry, Delhi, Uttarakhand, Mizoram, Meghalaya, Manipur, Nagaland, Arunachal Pradesh and Sikkim.

Growth in GER (Gross Enrolment Ratio):

The growth of higher education is generally valued by enrolment ration higher education. India, however, does not compare favorably with its global competitors in terms of the overall educational attainments of its people. Even countries like Vietnam and Bangladesh which have lower per capita incomes than India have higher gross enrolment rates (GER) in secondary schools. India's GER in secondary school is 40%, compared to 70% in East Asia and 82% in Latin America. GER

in higher education is anabysmal13.58%, which is lesser than even the Asian average of 21%.The table 2 shows gross enrolment ratio in Higher Education in India.

Table 2: Gross Enrolment Ratio

S. No.	Year	% GER Ratio
1	2005-2006	11
2	2006-2007	11.89
3	2007-2008	12.74
4	2008-2009	13.58
5	2011-2012	15

Source: Department of Higher Education, MHRD

Public Expenditure on Education in India:

Investment on people is crucial for ensuring that families have the skills, health and attitudes needed for taking advantage of the new opportunities that a healthy economy creates [4].Various Commissions and Committees have recommended 6% of the GNP to be spent on education. The table 3 shows the trends of expenditure spend in India on Education.

Table 3: Public Expenditure on Education

S. No.	Expenditure on Education by centre& state% of Gross Domestic Products	Expenditure on Education by centre& state% of All Public Expenses
1951-52	0.6	7.9
1961-62	1.5	11.7
1971-72	2.3	9.5
1981-82	2.8	10.30
1991-92	3.8	13.10
2001-02	3.8	12.90
2008-09	2.9	10.10
2010-11	3.	11.30

Out of the total allocations in the education sector, Elementary Education takes a lion's share. The elementary education sub- sector is now saturated with 104% GER. The share of higher education is 11.89% while the share of technical education is 4.78%. The XII Plan approach paper has set a target of spending 25% of the total budget on higher and technical education. Similarly, the approach paper also mentions a target of spending 1.0% of GDP on higher education and 0.5% of GDP on technical education [5].

Quality in Higher Education Institutes in India:

Government of India focuses on quality standards in higher education institutes and in research and technical institutes. Quality education has to be prime concern of all institutions and excellent result will come from high level of quality. Number of steps have been taken some of these are: innovations in teaching learning methods, semester system, lab–classroom linkages, collaboration with R&D in industry and setting up of research parks, introduction of credit system, teachers to continuously upgrade qualification and knowledge, competitive admissions, rewards to meritorious teachers and researchers, increase in the number of research fellowships, post-doctoral program to create higher level faculty for international quality education in India.

Strengths of Higher Education Institutes in India:

- Young Population: Approx. 672 million people in the age group of 15-64 years out of 1.1 billion.
- Well established educational institutions: After independence, higher education institutions have developed well and offering various types of educations, training indifferent fields.
- Vigorous economic growth: Indian economy has reported vigorous economic development in last two decades. It leads to sufficient investments in higher education sector.
- Availability of resources in the market: Entry of private sector to open new institutions have resulted enormous expansion of education all institutes in India.
- Global hub in educations country is emerging as a global hub in education. Government has taken number of initiatives to attract foreign Universities and students at large.

Conclusion:

There has been tremendous growth in number of higher education institutions in India after independence. India is one of the fastest developing countries in the world. In order to sustain annual growth, we have to increase number of higher education institutions as well as quality of higher education. Higher education institutes still facing issues like, shortage of faculty, regional imbalances, existence of number of regulators, inefficiency, corruption and malpractices, inadequate infrastructure facilities, low emphasis on research, inferior quality of education. To make world class quality higher education institutes in India, we have to focus on access, equity, financial resources, quality standards and responsibilities of state and central Governments.

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Title of the Book: Quality Footprints – Sustainable Development of Higher Education Institutions

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SEMCOM IQAC Updates:

Admission Competitive Test:

Competitive Admission Test was conducted in two batches. The first batch was conducted on 24th May 2015 and the second on 5th June 2015 for which students turned out in good numbers.

New Academic Year 2015 – 2016:

The new Academic Year 2015 – 2016 began on 15th June 2015 and teaching resumed on 22nd June 2015. The new Academic Year has brought in a lot of challenges giving the right attitude and perspective to learn, grow, progress and develop for all concerned. It has also began on a new note of hope and enthusiasm

Article:

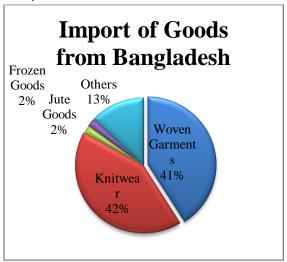### Indo-Bangladesh Trade Relations with Respect to Agricultural Products:

Bangladesh is a net importer of agricultural commodities including food grains, live animals, edible oil, sugar, fruit, onion, lentil, milk, and milk products. Despite the good domestic production of some of these items, the country needs to import as well in the view of high local demand. Bangladesh's imports of agricultural commodities from the world market experienced a significant change over the past decade in line with the changes in the pattern of domestic production and national demand.

From the beginning of 1990s, following significant trade liberalization reforms in both the countries, visible changes have taken place in the respective economies of the two countries. Trade policies have undergone important changes and their economies have experienced increased global integration. Significant changes have occurred in both the economies (and in agriculture sector) in terms of their respective gross domestic product(GDP) growth rates, value addition of agriculture in GDP, agriculture trade as a percentage of GDP, investment and domestic consumption.
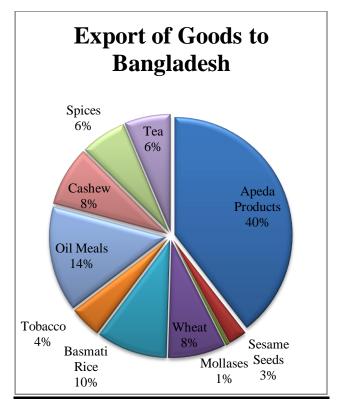
In the year 2009-10, about 13.5per cent of Bangladesh's total imports were from India, while only 18per cent of its exports were destined for the Indian market. For agricultural terms, India has historically remained an important source of import for Bangladesh. Bangladesh's agricultural trade with India assumes high significance particularly because most of the traded items from India belonged to the group of products which are considered essential items such as food grains,

onions, live animals, etc. For such items any policy shift, even short-term policy changes, can have significant impact for a large number of people in Bangladesh. This, in turn, can have important political consequences in Bangladesh.
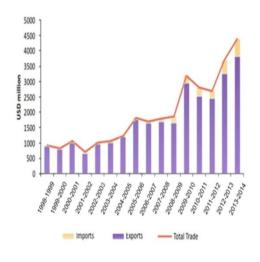
It is also important to bear in mind in this context the reality of the increasing climatic impacts and the volatility in the global food grain market. Bangladesh being a net importer of agricultural commodities such as food grains, thus, cannot but be very sensitive to the dynamics of change in the food market and the role Indian policies could play in this connection. With the significant changes in overall external trading patterns experienced by both Bangladesh and India, visible changes have taken place in the structure of agricultural trade as well. The share of Bangladesh's agricultural trade in its total trade with India rose from 11.8per cent in 1198 to 30.8per cent in 2010.About one-third of total exports from India to Bangladesh were of agricultural, fishery and livestock products (WTO 2009).

Import of Goods from Bangladesh

Source: Minister of Commerce, Government of India

Export of Goods to Bangladesh

Source: Minister of Commerce, Government of India

Source: Minister of Commerce, Government of India

In terms of merchandise trade, the total trade has

increased from USD 1 billion inFY2001 to around USD7.4 billion in FY2016. Currently, the trade balance is heavily in India's favor. India's share in the bilateral trade is around 86 percent of the total trade. However, it can be seen that Bangladesh's share is steadily increasing.

India's export to Bangladesh has reached USD 1 billion in 2004, when exports jumped 47 per cent over the previous year. The next major jump in export was in the year 2005 increasing to 48 per cent by 2008. In 2009 the exports declined by 6 per cent and remained stagnant for the next two years. And finally in 2008 it registered a growth of 79 per cent. Consequently, Indian exports to Bangladesh registered a decline by 15 per cent in 2011. The momentum in exports growth continued with a 17 per cent increase in 2014.

Reference:

www.commerce.nic.in

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Fintelligence

Challenges of Mobile commerce:

Mobile Commerce has gained increasing acceptance amongst various sections of the society. The reasons for its growth can be traced back to technological and demographical developments that have influenced many aspects of the socio-cultural behaviour in today's world. The need (and/or wish) for mobility seems to be the driving force behind Mobile Commerce. M-commerce is rapidly overtaking e-commerce as the de facto mode for online transactions. With over 50% of total online orders coming from mobile, there is little doubt that by the end of 2015 transactions from mobile devices will far eclipse those from desktops.

M-commerce is gaining momentum, however, one must understand following challenges of m-commerce.

Awareness: M-Commerce services are at a very nascent stage in India, and the awareness among the people about various services being offered over the mobile platform is very low. The onus is on the industry participants to educate the consumers about the availability of various services and the benefits offered by each of them. CRISIL Research believes that educating the consumers and inducing them to try the services will be the greatest challenge for the m-commerce industry.

Security concerns: The average Indian consumer is still skeptical to carry out transactions involving money over the mobile phone due to security concerns. This is where the role of industry

regulators such as the RBI is clear. The regulators need to ensure that the services offered over the mobile platform are offered through a secure and safe channel, and the risk of fraud or money laundering is limited. The industry participants need to develop applications that enable the transactions to be carried out in a secure manner; the consumers also need to be educated about the security levels embedded in the m-commerce services.

m-Payment experience: (1) High burden on the user – A user who might want to do five transactions perfectly designed for the mobile medium – (a) paying their mobile bill, (b) Paying their Credit Card Bill, (c) Viewing their Bank Balance, (d) Checking Flight Schedules, and (e) Booking a movie ticket – would have to learn, register, interact with, or download five different m-payment solutions. (2) SMS platform is costly in large volume and doesnot always provide best performance. Every transaction adds incremental, uncapped cost for the user. (A purchase may require 3-5 SMS sent by the user).

Heterogeneous mobile platforms: Different mobile handsets are based on different mobile operating systems or platforms; this makes designing applications for mobile phones that much more difficult. The applications have to be designed to work on maximum handsets and need to be tested on various handsets for compatibility issues. Currently, most of the mobile applications are java-based as these can be used on a majority of the handsets that are GPRS capable (Most of the handsets that are GPRS capable are also java enabled irrespective of their operating system).

Low penetration of credit cards: India is primarily a cash economy and the low penetration of credit cards in our country acts as a barrier to the growth of m-commerce services.

Perceived and Practical Value: M-commerce in India is at an embryonic stage and only a small percentage of the mobile users are even aware of availability of such services. Among consumers, though m-commerce has a low perceived value, its practical value has the highest potential among all MVAS. Subjective norms, perceived usefulness, perceived ease of use and behavioral control are strong determinants of intention to adopt mobile commerce. Studies have revealed that subjective norms and perceived behavioral control impact perceived ease of use and intention to adopt mobile commerce.

Reference:

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e-Attacks:

Netsky (2004)

It affected Microsoft Windows Operating Systems and was written in C++. It appeared on 16th February 2004. Sven Jaschan of Germany, an 18 year old boy claimed to have written this virus as also the Sasser virus. Various variants of Netsky were also released. This virus became famous because of comments within the code of the variants which targeted the authors of the Bagle and MyDoom family of worms. This virus also made computers to produce a beeping sound on specific dates. This worm spread through emails. Once the attachment was opened, it would locate email addresses on the compromised host and email itself to those computers. A variant of this virus actually deleted some variants of other virus, thus becoming a helper. It copied itself to any folder containing the word 'share' or 'sharing'. This virus came with its own SMTP engine for mass-mailing itself. The estimated damage was between $25.6 billion and $31.3 billion.

Onehalf (1994)

This virus is also known as Slovak bomber, FreeLove or Explosion-II. It is a DOD-based boot and file infector virus and infects the MBR, .com and .exe files. It was discovered in 1994. On every boot, it will encrypt 2 cylinders on the HDD. To hide this activity from detection, it will decrypt those cylinders that are being accessed temporarily. It hides the original MBR, such that the presence of virus is not detected. Once half of the disk is encrypted, it will display the message "Dis is one half. Press any key to continue..." During removal, it is necessary to decrypt the HDD, since the removal of the virus will not undo its payload. This virus has stealth capability thus making the clean copy of the MBR accessible as well as hiding the increase in the file size. This virus is known to be ineffective on Window Operating Systems from versions 95 and onwards.

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CommuniCare:

One-way Vs. Dyadic Communication:

In general communication implies the minimum of two persons involved with each other. Dyadic communication or two way communications is the common pattern found in most of the social organizations like school, factory, industry, business firm, military and government. However talking to each worker of a factory or official of an administrative system is a very time consuming job and there dyadic communication is modified to a command and control communication. In command and control system every dynamic leader goes out of his way to establish a personal rapport and a sense of trust by talking to each worker individually. This is essential to keep organization in a healthy state. Mere downward flow is like talking continuously without giving person a chance to respond. In such cases boss instructs the employees, work orders are issues straight away, directives are given for every task, and always emphasizing on planning and financing part of the business. Employees are always under strict supervision in this case. Dyadic Communication flow allows employees to give feedback. The purpose of feedback is to establish personal rapport between the boss and the subordinate who in turn inspires trust and confidence in his sub groups; and to correct anomalies that a policy contains, avoid inconsistencies that emerge in the implementation of that policy. Here emerges the quality of leadership among individuals which is the life breath of any organization. Enlightened managers adopt interactive communication which implies interchange of the roles of the senders and the receivers, thus bringing both of them on the same surface of trust and mutual goodwill. In such organization, discussion forums, use of suggestions or complaint boxes is encouraged. Employees are encouraged and motivated to work through proper rewards, and work groups are created to carry out tasks rather than assigning individual responsibilities.

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MY VOICE:

SWARAJ (SELF-RULE OR SELF GOVERNANCE)

Swaraj a prominent word at the time of Indian Independence Struggle was, is and will continue to be a relevant terminology for a healthy democratic society and nation at large. The term Swaraj was used by ChatrapatiShivajiMaharaj, which is understood as better governance, governance for the people, right of self-determination and the dream of independent sovereign state which works for the welfare of the citizens. The term Swaraj was used by prominent freedom fighter Bal GangadharTilak popularly known as LokmanyaTilak, when he said "Swaraj is my birth right and I shall have it". Tilak was one of the first and strongest advocates of "Swaraj" (self-rule) and a strong radical in Indian consciousness. He is known for his quote, ("Swarajya is my birthright, and I shall have it"!) in India.

 The social reformers like Raja Ram Mohan Roy, Sir Syed Ahmed Khan, Mahatma Phule, and Swami Vivekananda worked towards creating a healthy Indian society devoid of discrimination on grounds of sex, caste, religion. Social reformers gave utmost importance to education and considered it as a pious way for the empowerment and the well-being of the society. Swaraj (Hindi Swa- "Self"; raj "rule") can mean self-governance and was used synonymous with home-rule by Maharishi DayanandSaraswati, but the word usually refers to Gandhi's concept for Indian Independence from foreign domination. Swaraj lays stress on governance, not by hierarchical government, but by self-governance through individuals and community building. The focus is on political decentralization.

Gandhi explained his version in 1946: "Independence begins at the bottom. A society must be built in which every village has to be self-sustained and capable of managing its own affairs. In this structure composed of innumerable villages, there will be ever widening, never ascending circles; growth will not be a pyramid with the apex sustained by the bottom.It will be an oceanic circle whose center will be the individual. Therefore, the outermost circumference will not wield power to crush the inner circle but will give strength to all within and derive its own strength from it". The word Swaraj is a sacred word, a Vedic word meaning self-rule and self-restraint, and not freedom from all restraint which independence often means.

Swaraj the self-rule, self-regulation, self-control, self-discipline and the governance by the people and of the people is facilitated by education and empowering the people to work for their own development by acquiring education, skills and working for the self-development and national development. Freewill in choice of education, occupation, governance and social and economic activities as per the law of the country is an integral part of it. The objective of the true democracy is to empower people and to be devoid of prejudice and discrimination. Education, empowerment of people, educational empowerment, economic empowerment, truth, non-violence and honesty with transparency are pillars of Swaraj.

Gandhiji sums up the concept of Swaraj" In effect it means this: that we want English rule without the Englishman. You want the tiger's nature, but not the tiger; that is to say, you would make India English. And when it becomes English, it will be called not Hindustan but Englistan. This is not the Swaraj that I want".

[M. K. Gandhi, Hind Swaraj. Chap. IV].

The objective of good governance should be to empower people through education, economic empowerment through development of agriculture, commerce and industry and protecting the rights of people as dignified human beings and responsible citizens of the country. A system where people face problem(s) of oppression, injustice, discrimination, prejudice and exploitation is not true Swaraj and to call such society as democratic will be highly unfair, as it will be very much against the true spirit of democracy.

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ACCOUNTING AURA

The Ministry of Corporate Affairs has finally notified the much awaited Indian Accounting Standards (Ind AS), which are converged with International Financial Reporting Standards (IFRS). The notification of these IFRS converged standards fills up significant gaps that exist in the current accounting guidance, and India can now claim to have financial reporting standards that are contemporary and virtually at par with the leading global standards. This will in turn improve India's place in global rankings on corporate governance and transparency in financial reporting.

With the new government at the Centre, there has been a flurry of activities which started off by the announcement in the Finance Minister's budget speech last year of an urgent need to converge with IFRS, which has now culminated with the notification of 39 Ind AS standards together with the implementation roadmap. With this notification, coupled with the progress made on finalizing the Income Computation and Disclosure Standards (ICDS), the government has potentially addressed several hurdles which possibly led to deferment of Ind AS implementation in 2011.

With the notification of these standards, Indian financial reporting has undergone seismic shift by introducing the most contemporary standards. It is a paradigm shift that introduces several new and complex concepts, and will involve the application of significant judgment and estimates, accompanied by detailed quantitative and qualitative disclosures. On the whole, it would lead to a better reflection of the financial performance of an entity and more relevant information in the hands of users of financial statements. However, implementation is a quantum leap from mere intent. With the standards and roadmap being

notified, the Government has kept its date with IFRS convergence.

The ball is now firmly in India Inc's court. The corporate sector will need to do its part to make the implementation a success, starting with an acknowledgement of the fact that this is not just an accounting change, but something that impacts the whole organization and the way they do business. With less than 40 days to go, it is time for the corporates to make a holistic assessment of this change, and gear up for the implementation within the fairly short timelines.

The IndAS shall be applicable to companies as follows:

Phase I		Phase II	Voluntary adoption
Year of adoption	FY2016-17	FY2017-18	FY2015-16orthereafter
Comparative year	FY2015-16	FY2016-17	FY2014-15orthereafter
Covered companies (a)Listed companies	All companies with networth>=INR500crores	All companies listed or in the process of being listed	Any company could voluntarily adopt IndAS
(b)Unlisted companies	All companies with networth >=INR 500 crores	Companies having a networth >=INR 250 crores	
(c)Group companies	Applicable to holding, subsidiaries, joint ventures, or associates of companies covered in(a)and(b) above. This may also impact fellow subsidiary companies while preparing CFS of the holding company.		

Exceptions

Companies whose securities are listed or in the process of listing on the Small and Medium Enterprises (SME) exchanges will not be required to apply Ind AS and can continue to comply with the existing accounting standards unless they choose otherwise.

Other significant matters

- The Ind AS would apply to stand-alone and consolidated financial statements (CFS).
- The Rules clarify that an Indian company:
  - having an overseas subsidiary, associate, joint venture and other similar entities, or
  - Which is a subsidiary, associate, joint venture and other similar entities of a foreign company is required to prepare its financial statements, including CFS, where applicable, in accordance with the Rules.
  - The net worth for implementation of Ind AS should be calculated based on the stand-alone financial statements of the company as on 31st March 2014 or the first audited financial statements for accounting period ending subsequently.

The net worth of companies which are not existing on 31st March 2014 or an existing company falling under any of thresholds for the first time after 31st March 2014 should be calculated based on the first audited financial statements ending after 31st March 2014.

Net worth is to be calculated as defined in the Companies Act, 2013 and does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

Once a company applies Ind AS voluntarily, it will be required to follow the Ind AS for all the subsequent financial statements. Thus, no roll back is permitted.

The above companies would not be required to prepare another set of financial statements in accordance with the accounting standards prescribed in the Companies (AccountingStandards) Rules, 2006 prescribed under the Companies Act, 1956.

Words and expressions used in the Rules but not defined in the Rules would have the same meaning as assigned in the Companies Act, 2013.

The above implementation timeline for phase II companies will have comparative period ending 31st March 2017 and annual reporting period ending 31st March 2018.

IFRS NOTES | 23 FEBRUARY 2015

1 April 2015 31st March 2016 31st March 2017 Date of transition Ind AS opening balance sheet For

interim reporting, Ind AS may first be applicable from quarter ending 30 June 2016 Comparative period First Ind AS financial statements Reporting date 30 September 2015 31st December 2015 30 June 2015 30 September 2016 31st December 2016 30 June 2016 Mandatory implementation Phase II Mandatory implementation Phase I The roadmap for implementation of Ind AS Equity and profit reconciliations

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