1. Amendment in Existing Accounting Standards

(These amendments were related to last year which are already discussed in the current year's class with respective accounting standards.)

AS 2

Inventories do not include spare parts, servicing equipment and standby equipment which meet the definition of property, plant and equipment as per AS 10, Property, Plant & Equipment. Such items are accounted for in accordance with Accounting Standard 10.

AS 4

If the dividend is proposed after the balance sheet date, it will be considered as a non adjusting event. So No liability for proposed dividend has to be created now. Such proposed dividends are to be disclosed in the notes.

AS 13

An investment property is accounted for in accordance with cost model as prescribed in Accounting Standard (AS) 10, Property, Plant & Equipment. The cost of any shares in a cooperative society or company, the holding of which is directly related to the right to hold the investment property, is added to the carrying amount of the investment property.

AS 21

A parent which presents consolidated financial statements should consolidate all subsidiaries, domestic as well as foreign. Where an enterprise does not have a subsidiary but has an associate and/or a joint venture such an enterprise should also prepare consolidated financial statements in accordance with AS 23 and AS 27 respectively.

AS 29

The amount of provision should not be discounted to its present value except in case of decommissioning, restoration and similar liabilities that are recognized as cost of Property, Plant and Equipment. The discount rate (or rates) should be a pre-tax rate (or rates) that reflects current market assessments of the time value of money and the risks specific to the liability. Periodic unwinding of discount should be recognized in the statement of profit & loss.

All the existing provisions for decommissioning, restoration and similar liabilities should be discounted prospectively with the corresponding effect to the related item of property, plant and equipment.

2. Amendment in the Managerial Remuneration

In the cases of companies with no profits or inadequate profits, the remuneration limit is amended as follows:

Effective capital	New Limits	Old Limits
Negative or less than 5 crores	60 lakhs p.a.	30 lakhs p.a.
5 crores and above but less than 100 cr.	84 lakhs p.a.	42 lakhs p.a.
100 crores and above but less than 250	120 lakhs p.a.	60 lakhs p.a.
250 crores and above	120 lakhs plus 0.01% of effective capital in Excess of 250 crores	60 lakhs plus 0.01 percent of excess

3. SLR for Banks= 20.5%

4. CRR for Banks = 4%

5. AS 10, Plant Propoerty and Equipment is applicable. Existing AS 10 (Fixed Assets) and AS 6 (Depreciation Accounting) are no longer relevant.

Guidance notes on derivative contracts, corporate social reporting and depreciation of companies are applicable. They were already discussed in the class. They were last year's amendments.

6. Amendment in Ind AS 7 "Statement of Cash Flows"

1. An entity is required to disclose the Changes in liabilities arising from financing activities. These changes include both changes arising from cash flows and non-cash charges.
2. An entity is also required to disclose the Changes in financial assets if cash flows from these assets are included in cash flows from financing activities.
3. This can be done by giving a note on reconciliation of opening and closing balances of these items.

7. Amendment in Ind As 102, Share Based Payments

1. While measuring the fair value of cash settled options, the non market and service vesting conditions are ignored.
2. Where the employee share based payments are settled net of TDS, the entity need to divide the total liability into a cash settled (TDS) and Equity settled (Net shares for employees)
3. When a cash settled options are modified into equity settled, the entity will derecognise the liability of cash settled option on the modification date and recognise the fair value of equity settled liability on that date. The difference goes to P&L Account.