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A GLOBAL VIEW OF STATUTORY DISCLOSURE REQUIREMENTS FOR INTANGIBLE ASSETS

CS Ahalada Rao Vummenthala*   Prof. K.V. Achalapathi **

**Research Scholar (Management Science), JNTUH*

***Retired Professor, Osmania University.*

Abstract

Intangible assets form an important part of financial reporting. In India as well as Internationally, financial reporting is regulated by Accounting Standards and stock exchange listing requirements. Indian accounting standard AS26 specifies the disclosures required to be made by an enterprise in their financial reports. Internationally, IFRS standards specific the kind of disclosures to be made in the financial reports. Ind AS38 is the convergence standard which is required to be followed by certain listed enterprises for disclosure of intangible assets. The disclosure requirements of Indian Accounting Standards and IFRS differ widely. The adequacy of disclosures can be questioned since they ignore many factors and are mostly historical cost based.

Introduction

Disclosure of intangible assets in the financial reporting is governed by Accounting standards in India and globally too. However, gap exists between requirements of Indian Standards and IFRS standards. This study attempts to analyse the gap in the disclosures and make suggestions to close the gap.

Disclosure requirements of Indian Accounting Standard AS26

Accounting standards give detailed guidance on disclosures to be made with regard to intangible assets. Para 90 of the AS26, specifies that an entity should disclose information about the useful life, how it is amortized, what was the original value of the intangible asset and the value after amortization, method amortization used etc., It also requires that mention should be made of the gross carrying amount, reconciliation of amount at the beginning and end of the period.

Disclosure should be made of impairment losses recognized in the statement of profit and loss during the period (if any) and impairment losses reversed in the statement of profit and loss during the period"
Classification of intangible assets will be broadly, brand names, computer software, licences and franchises, copy rights etc., are the heads under which the intangible assets are required to be disclosed. If some assets are under development, they should be mentioned under "Intangible assets under development".
To disclose change in any amortisation method or estimated residual values.

As per AS26, the maximum useful life over which an intangible asset can be amortized is 10 years. If an enterprise amortises an asset over 10 years, it should disclose the reason giving the factors used in determining a higher life than 10 years.

Expenditure incurred during "Research Phase" should not be capitalised as intangible asset but expensed. The financial statements should also disclose such aggregate amount recognised as expense.

If any intangible asset is fully amortized and is still in use, the description of such asset is also disclosed.
Till 2010, it was not required to disclose intangible assets separately in the financial statements. In 2011, Schedule VI of the Companies Act 1956 was amended to include disclosure of intangible assets as a separate line item in the financial statements.

(Source: Accounting Standards available on website http://www.mca.gov.in/MinistryV2/Stand.html of Ministry of Company Affairs, Government of India.)

Disclosure requirements as per Convergence Standard Ind AS38

Ind AS38 is the convergence standard in India and is based on IAS38. Similar to AS26, IAS38 stipulates that class of intangible assets should be grouped under assets of similar nature. Distinction should be made between internally generated and other tangible assets. However, as compared to AS26, new clauses para118 have been

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added to include separate disclosure of assets held for sale. It is also required to mention increases or decreases during the period due to revaluations.

An intangible asset with indefinite life should be tested for impairment periodically and any difference should be reduced from or added to the carrying amount. An entity is also required to disclose the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life.

It is required to disclose the assets classified as held for sale or included in a disposal group classified as held for sale in accordance with IFRS 5 and other disposals;

If intangible assets are revalued after initial recognition, then the entity should disclose the date of revaluation, carrying of amount of revalued assets, amount of revaluation surplus as per Para 124 of IAS38. Entities are required to disclose the increases or decreases resulting from impairment losses recognized and reversed in other comprehensive income. While grouping intangible assets, assets under cost and revaluation models should not be grouped together even if they are under same class. Entities are required to disclose net exchange differences arising on the translation of the financial statements into the presentation currency and on the translation of a foreign operation into the presentation currency of the entity. For intangible assets acquired by way of a government grant and initially recognized at fair value the following are required to be disclosed:

1. the fair value initially recognized for these assets;
2. their carrying amount; and
3. whether they are measured after recognition under the cost model or the revaluation model.

(Source: International Accounting Standards and IFRS standards available on website http://www.ifrs.org/IFRSs/Pages/IFRS.aspx)

Comparative Analysis of disclosures as per AS26 and Ind AS38
It is clear that gap exists between AS26 and Ind AS38. Table 1 shows a comparison between Ind AS38 and Indian standards AS26:

Table 1 – Comparative Analysis of Ind AS38 and AS26 Accounting Standards

Sl. No.	Ind AS38	AS 26
1	Separate line item for amortization of intangible assets in the statement of comprehensive income	No such requirement in Profit & Loss Statement or other financial statements.
2	Intangible Assets held for sale should be disclosed separately.	No such requirement specifically mentioned in the standard.
3	Differences in values of intangible assets due to revaluation should be disclosed under Other Comprehensive Income	No such requirement specifically mentioned in the standard.
4	Net exchange differences arising due to translation into presentation currency should be disclosed separately	No such requirement specifically mentioned in the standard.
5	Intangible asset which have indefinite useful life, disclosure of the carrying amount and reasons supporting the assessment of indefinite life.	Intangible asset cannot have indefinite life but maximum useful life of 10 years
6	The amount of contractual commitments for the acquisition of intangible assets	No such requirement specifically mentioned in the standard.
7	Entities are required to disclose the increases or decreases resulting from impairment losses recognized and reversed in other comprehensive income.	Disclosure should be made of impairment losses recognized in the statement of profit and loss during the period

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(Source: Accounting Standards available on website http://www.mca.gov.in/MinistryV2/Stand.html of Ministry of Company Affairs, Government of India.)

Observations and Suggestions for Indian Companies (Other than convergence standard applicable companies):
In the light of the convergence standards applicable to Indian companies as per the road map issued by MCA for certain companies with specified criteria, the disclosure of intangible assets in the financial statements will be depicted with more clarity. However, by analyzing the above table of difference there is a gap in the Indian accounting standards in the above areas and likewise in other areas, which has to be incorporated in the Indian accounting standards (AS26) for the purpose of better transparency and also in line with convergence standards. As Indian accounting standards (AS26) is still applicable for other companies other than convergent companies which was not specified by MCA. By making the disclosure requirements uniform under both Indian AS26 and Convergence standards IAS38, all the entities whether they are under convergence standards or not, will be comparable, which will help stakeholders to make informed decisions.

As per IFRS only consolidated financial statements are required to be prepared. Ind AS38 requires both standalone and consolidated financial statements.

Disclosures under Ind AS38 are same as those required under IFRS IAS38. In convergence, additional disclosures are required as mentioned above. Entities will be required to disclose separate line item for amortization of intangible assets in the statement of comprehensive income. Intangible Assets held for sale should be disclosed separately. Differences in values of intangible assets due to revaluation should be disclosed under Other Comprehensive Income. Net exchange differences arising due to translation into presentation currency should be disclosed separately. Intangible asset which have indefinite useful life, disclosure of the carrying amount and reasons supporting the assessment of indefinite life.

Table -2 shows method of valuation adopted, amortization method used and details of intangible assets disclosed in their financial statements as per Indian Accounting Standards.

Table-2 Disclosures on Intangible Assets as per Indian Accounting Standards

Sl. No.	Company Name	Disclosures	Amortization Method	Classes of Intangible Assets
	Infosys Ltd.	Intangible assets are recorded at acquisition cost. Goodwill arising on consolidation or acquisition is not amortized but tested for impairment. Research costs are expensed Software development costs are expensed unless their future economic benefits are probable, in which case they are capitalized.	Straight line method	Goodwill IPR Land-use rights
	Dr. Reddy's Laboratories	Valuation at acquisition cost.	Straight line method	Goodwill, Customer Contracts,, Technical Know-how, Product related intangibles Copy rights & Patents
	Wipro	Valuation at acquisition cost.	Straight line method	Goodwill, Technical Know-how, Patents, Trademarks
	TCS	Valuation at acquisition cost.	Straight line method	Goodwill, Acquired Contract Rights, IPR, Distribution

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				Rights, Rights under licensing agreement and software licenses.
	HDFC Bank	Valuation at acquisition cost.	Straight line method	Computer Software Licenses, Electronic Trading Platform (Website), Bombay Stock Exchange Card.
	Tata motors	Valuation at acquisition cost.	Straight line method	Technical knowhow, Computer software, Product Development Cost
	ICICI	No disclosure	No disclosure	Goodwill
	Bharti Airtel	Valuation at acquisition cost.	Straight line method, Bandwidth amortized over period of agreement	Software, Bandwidth, Licenses(Including Spectrum)
	Glenmark Pharma	R & D revenue expenditure is expensed. Development expenditure is capitalized if future economic benefits are probable. Intangible assets are de-recognized on disposal or when no future economic benefits are expected. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.	Straight line method, Impairment Testing	Computer Software, Brands, Product Marketing Rights, Product know-how

(Source: Compiled from Annual Reports of the companies available on website www.bseindia.com and company website)

Analysis of Disclosure by Indian Companies
Analysis of disclosures by some Indian companies, the classes of intangible assets, value of intangible assets, methodology of valuation used and value of intangible assets as percentage of total assets and also total revenue is discussed here.

Analysis of Financial Statements of Compamies IFRS voluntarily adopted
In the table below details of Indian companies and the intangible assets disclosed in their annual financial statements are given.

The following nine companies issue financial statements as per IFRS in addition to financial statements as per Indian accounting standards (i) Infosys Ltd. (ii) Dr. Reddy’s Laboratories Ltd.(iii) Wipro Ltd (iv) TCS Ltd (v) HDFC Bank Ltd.(vi) Tata Motors Ltd. (vii) ICICI Bank Ltd (viii) Bharti Airtel Ltd. (ix) Glenmark Pharmaceuticals Ltd.

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Table -3 shows method of valuation adopted, amortization method used and details of intangible assets disclosed in their financial statements as per Indian Accounting Standards.

Table –3 Disclosures of IFRS adopted Indian Companies

Sl. No.	Company Name	Disclosures	Amortization Method	Classes of Intangible Assets
1	Infosys Ltd.	Intangible assets are recorded at acquisition cost. Goodwill arising on consolidation or acquisition is not amortized but tested for impairment. Research costs are expensed Software development costs are expensed unless their future economic benefits are probable, in which case they are capitalized.	Straight line method	Goodwill IPR Land-use rights
2	Dr. Reddy's Laboratories	Valuation at acquisition cost.	Straight line method	Goodwill, Customer Contracts,, Technical Know-how, Product related intangibles Copy rights & Patents
3	Wipro	Valuation at acquisition cost.	Straight line method	Goodwill,Techincal Know-how, Patents, Trademarks
4	TCS	Valuation at acquisition cost.	Straight line method	Goodwill, Acquired Contract Rights,IPR, Distribution Rights, Rights under licensing agreement and software licenses.
5	HDFC Bank	Valuation at acquisition cost.	Straight line method	Computer Software Licenses, Electronic Trading Platform (Website), Bombay Stock Exchange Card.

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6	Tata motors	Valuation at acquisition cost.	Straight line method	Technical knowhow, Computer software, Product Development Cost
7	ICICI	No disclosure	No disclosure	Goodwill
8	Bharti Airtel	Valuation at acquisition cost.	Straight line method, Bandwidth amortized over period of agreement	Software, Bandwidth, Licences (Including Spectrum)
9	Glenmark Pharma	R & D revenue expenditure is expensed. Development expenditure is capitalized if future economic benefits are probable. Intangible assets are de-recognized on disposal or when no future economic benefits are expected. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.	Straight line method, Impairment Testing	Computer Software, Brands, Product Marketing Rights, Product know-how

Table - 4 - Intangible Assets Disclosed Indian vs. IFRS reports

Sl. No.	Company Name	Value as per Indian AS Rs. Cr (A)	Value as per IFRS Rs. Cr (B)	Difference in Rs. Cr. (A)-(B)
1	Infosys Ltd.	4580	1439	3141
2	Dr. Reddy’s Laboratories	6879	5416	1463
3	Wipro	10791.3	11783.2	-991.9
4	TCS	711.01	3951.28	-3240.27
5	HDFC Bank	187.16	7494.2	-7307.04
6	Tata Motors	62456.0	60791.27	1664.73
7	ICICI Bank	125.7	3555.1	-3429.4
8	Airtel	112016.6	129276.9	-17260.3
9	Glenmark Pharma	3485	3485.1	Nil

(Source: Compiled from Annual Reports of the companies available on website www.bseindia.com and company website)

Disclosures as per IFRS disclosure:
A detailed analysis of disclosures made by each of above companies which are listed on both Indian and foreign stock exchanges are discussed here.

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Infosys Limited
Infosys allocates goodwill to its operating segments and tests for impairment periodically. Infosys uses straight line method for amortization. The period of amortization varies depending on the type of intangible asset and is based on the useful life of the asset. No disclosure of periods of amortization is mentioned in the financial report.

Analysis: Infosys has given detailed disclosure on intangible assets, their valuation, measurement, and impairment testing. It is notable that, the Company uses IFRS 3 for Business Combinations, according to which fair value method is used for valuing assets and liabilities through independent valuation reports.

Dr Reddy's Laboratories Limited
Dr. Reddy's Laboratories, mentions that goodwill is tested for impairment and the factors in the valuation of disclosure bearing will be on the basis of acquisition impairment, translation adjustments and other corporate actions.

Analysis : Dr. Reddy's Laboratories has followed Relief from Royalty Method which based fair value method. The IFRS specified the fair value method to be followed. However, Dr. Reddy's has adapted the fair value method in turn with Relief of Royalty Method as the basis of calculation. This may be as part of the compliance of IFRS with additional adherence with depth disclosure, though it was restricted to the fair value method. This type of disclosures was not insisted by AS26. Consequently there will be impact on the shareholders and stakeholders, in turn on the shareprice.
(Source: Form 20 f available on http://www.drreddys.com/investors/reports-and-filings/sec-filings)

Wipro Limited
Wipro accounts business combination by cost of acquisition method. Cost of acquisition includes also the fair value of any contingent consideration.
Wipro uses straight line method for amortisation of intangible assets. Analysis: Wipro follows guidance given by IFRS accounting standards. The useful life is estimated by the Management and amortisation is applied accordingly.
(Source: www.wipro.com/documents/Wipro_Limited_Form-20-F-FY-2016.pdf)

TCS Limited
TCS mentions that IAS38 prohibits revenue based amortization method and that the company does not follow this method. The company also discloses that it tests goodwill for impairment annually. It also specifies how it tests the impairment. For e.g., TCS Limited estimates the value-in-use of the CGU on future cash flows using a 5% annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 15%. An analysis of the sensitivity of the computation to a combined change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonably probable assumptions, identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.
Analysis: TCS has made detailed disclosure on intangible assets in its IFRS financial reporting. In the acquisition of one of its subsidiaries, it has used market value method for determining the cost of acquisition.
(Source:http://www.tcs.com/investors/Documents/Financial%20Statements/TCS_IFRS_Q4_16_USD.PDF)

HDFC Bank
HDFC Bank did not disclose any thing about intangible assets in its Indian financial statements for the year 2015-16. Under "Other Assets "only a mention of goodwill was made.
(Source: Compiled from Annual Reports of the companies available on website www.bseindia.com and company website)

Whereas, in its IFRS financial statements, exhaustive disclosures have been made as shown below:
HDFC Bank too has made extensive disclosures in its IFRS financial statements on treatment of Goodwill and Other intangibles.

It has given detailed disclosures on how goodwill is reviewed for impairment and how it is revalued. Details of different classes of intangible assets and their amortization period were also given. It has also given detailed disclosure on acquisition of Centurion Bank of Punjab and valuation of the intangible assets related to the acquisition of its branch network.

Intangible assets consist of branch network representing contractual and non-contractual customer relationships, customer list, and core deposit intangible and favorable leases. These are amortized over their estimated useful lives. Amortization of intangible assets is computed in a manner that best reflects the economic benefits of the intangible assets as follows:

		Useful lives (years)		Amortization method	
Branch network		6			Straight-line
Customer lists		2			Straight-line
Core deposit		5			Straight-line
Favorable leases		1 to 15			Straight-line

(Source: Compiled from Annual Reports of the companies available on website www.bseindia.com and company website)The aggregate amortization charged for the years ended March 31, 2014, March 31, 2015 and March 31, 2016 was Rs. 1,538.5 million, Rs. 219.0 million and Rs. 7.0 million (US$ 0.1 million), respectively.
(Source:https://www.sec.gov/Archives/edgar/data/1144967/000119312516664577/0001193125-16-664577.txt)
Findings: HDFC Bank did not make any disclosure about intangible assets except a small note that other assets include goodwill of Rs. 187.16 cr.

Analysis: Banking companies in India follow RBI guidelines more than Companies Act in disclosure of intangible assets.

Tata Motors
Tata Motors in its IFRS compliant financial report has disclosed the method of testing the Goodwill for impairment. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period. For amortization straight line method is used.

Findings: Tata Motors has made detailed disclosure of intangible assets. In the notes to financial statements, the company has provided details of increase/decrease in goodwill and intangible assets year-on-year.
Analysis: Tata Motors has estimated the useful life of its dealer network as 20 years. The maximum useful life of Patents and Technical know-how too is high at 12 years.

ICICI Bank
ICICI bank in its disclosure under IFRS financial report, states that Under U.S. GAAP, goodwill of Rs. 27,120.9 million and definite life intangible assets of Rs. 3,898.0 million have been recorded as per ASC 805, “Business Combinations”, and FASB ASC Topic 350, “Intangibles – Goodwill and others” However, under Indian GAAP it did not recognize any goodwill or intangible assets for the acquisition of another entity “Bank of Rajasthan” as per scheme of merger approved by Reserve Bank of India.The Bank discloses that, under U.S. GAAP intangible assets with finite useful life are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period.

Findings: ICICI Bank has made an important disclosure that in the financial statements as per Indian accounting standards; it has not disclosed goodwill arising out of merger of Bank of Rajasthan.
Analysis: ICICI Bank has followed the guidelines of RBI in the place of Indian Accounting Standards.

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Bharti Airtel

Bharti Airtel in its IFRS financial report recognizes goodwill initially at cost and subsequently tests for impairment. Software is capitalized at cost of acquisition and amortized over 3 years.

Findings: Bharti Airtel has followed valuation guidelines of Indian accounting standards for IFRS financial reporting also.

Analysis: Bharti Airtel determines useful of intangible assets such as Licenses, Spectrum, and Rights for Unlimited License, based on the future economic benefits which is usually spread over the agreement period.

Glenmark Pharma

Glenmark Pharma, which has voluntarily adopted IFRS, measures goodwill at cost less impairment losses, if any. R & D expenditure is expenses. The Company capitalizes development expenditures only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable the assets is controlled by the Company, and the Company intends to and has sufficient resources to complete development and to use or sell the asset.Glenmark Pharma uses straight line method to amortize intangible assets over a period of 5 to 10 years.

Findings: Glenmark Pharma has followed the Indian and IFRS accounting standards strictly in the respective reports.

Analysis: Glenmark Pharma amortizes its intangible assets after estimating their useful life.

Findings On Analysis On Disclosures As Per Indian (As26) Vs. Ifrs (In As38)

From the above it can be seen that the disclosures under IFRS far more detailed and the methods are also different as compared to Indian Accounting Standard. The fair value method, which IFRS has specified, is more accurate in value and gives the scope for transparency.

Impairment is given more significance which impacts the other intangible assets like goodwill in deriving the total value. Further, impairment incremental value reflects more appropriate measure in comparison with AS26 disclosure which is restricted to decrement in the impairment value. Amortisation methods are more and detailed in IFRS in comparison with AS26, due to which there is a impact on profit and consequently on the share value.

The recognition and disclosures in the banking sector is significantly less in comparison other companies.
Thus major points on disclosures in IFRS based reporting can be summarised as follows:

1. Valuation methods are different
2. Impairment testing is similar
3. Amortisation methods are similar
4. Amortisation periods are different based on type of intangible

Overview Observations

Generally the disclosures by Indian companies included the following under IFRS disclosures:

1. Method of valuation
2. Method of measurement of discount rate in determining present value
3. Method of amortization
4. Period of amortization
5. Method of impairment testing
6. Types/classes of intangible assets
7. Measurement of goodwill
8. Treatment R&D expenditure
9. Treatment of software costs
10. Treatment of intangible assets with indefinite life
11. Segment wise allocation of goodwill
12. Minimum value above which intangible assets will be recognized

13. Foreign exchange differences
14. How the gain or loss on disposal is treated in the accounts
15. Fair value adjustments

Under Indian AS26, the disclosures were comparatively less and generally included the following:

1. Method of valuation
2. Amortization period
3. Treatment of R&D expenditure
4. How the gain or loss on disposal is treated in the accounts
5. Intangible assets under development
6. When an intangible asset is derecognized

It can be observed from the above that Indian Companies' disclosure on intangible assets as per IFRS is much more detailed than as per Indian Accounting Standards. For example, TCS discloses intangible assets geographical wise too. In cash flow statement, purchase of intangible assets is shown as a separate line item. Infosys allocates goodwill to its segments of operations as already mentioned above. Infosys also gives a detailed table on changes in carrying value of intangible assets.

Under IFRS, the bargain purchase gain or negative goodwill arising on business combinations is recognized in profit or loss. Under Ind AS, the bargain purchase gain can be recognized either in other comprehensive income or capital reserve but not in profit or loss. Similar to business combination, bargain purchase gain on the acquisition of an associate is also not recognized in profit or loss.

Brand value, which is normally a huge value, is never reflected in the intangible assets. Neither IFRS nor Indian Accounting Standards specify a method for valuation of brands and incorporation of the same the financial statements. For example, "Tata" is the number one brand in India has a value of USD 13,713 million (INR 91,857 Cr).(Source: http://brandirectory.com/ league_tables/table/india-100-2016) which is not reflected in the financial statements. Similarly Infosys has a brand value of USD 4794 million (INR 32,120 Cr.) which is nowhere reflected in the financial statements. (Source: http://brandirectory.com/league_tables/table/india-100-2016)
It was observed that the value of intangible assets as per the disclosures is not correlated to the market capitalization of the entity.(Source: Compiled from Annual Reports of the companies available on website www.bseindia.com and company website)

Conclusions
From the above it can be concluded that disclosure of intangible assets by Indian companies is not adequate and is insufficient. Further because of this insufficient disclosure, stake holders' interest and value is affected adversely. It is also observed there are many gaps in disclosure of intangible assets between Indian Accounting Standards and IFRS. Disclosures as per IFRS are more detailed than disclosures as per Ind AS38. However, even under the new Ind AS38, capitalization of brand expenditure, R &D expenditure are not allowed, resulting in undervaluation of the net worth of entities.

Suggestions in General
Management
Managements should become aware of the importance of valuation of intangible assets. Adequate training should be given to all employees, particularly to accountants and finance managers. Brand value should be taken into account will accounting for business combination or acquisition. Also, Accounting Software may need upgrade or total change in order to implement IFRS. Management may be required to hire additional professionals to implement the new standards.

Professionals
Professional accountants i.e., Chartered Accountants, Cost Accountants & Company Secretaries are looked upon to ensure proper adaptation of Accounting Standards, methods of valuation and disclosures. Company Secretaries should insist for strict compliance with Accounting Standards in the valuation, accounting of intangible assets and

related disclosures. The Professional Institutes should conduct training programs for its members to equip them with proper tools for implementation of the Accounting Standards. It should be made part of CPE (Continuing Professional Education).

Investors

Institutional investors should assess the impact of intangible assets based on the financial statements and also check whether brand value as an intangible asset has been properly disclosed. Adoption of IFRS will bring Indian companies on par with international companies. This too will help the Foreign Institutional investors to make their investment decisions easier. Retail investors should study the financial statements more deeply and give their feedback to the Management in advance.

Regulators

Regulators should have in-house training programs with experts. Then constantly monitor reports of listed companies. This is should be further extended to unlisted companies too. Regulators should also avoid inconsistencies with IFRS. For e.g. IFRS considers Consolidated Financial Statements as primary, whereas SEBI's listing requirements allows standalone quarterly financial results. NCLT/NCLAT should ensure that mergers, acquisitions, amalgamations are consistent with Accounting Standards. IFRS requires functional currency reporting, whereas Indian regulations require reporting in Indian rupee only.

Academicians

Academicians apart from teaching students should educate by insisting separate chapter in syllabus and ensuring minimum standard in the minds of students.

Conclusion

Dissemination of information is very important and key function in an organization. The act of informing will gain considerable importance from the very meaning underlying the action. Many a times it is found that companies do not provide the vital information which might have an impact on the future of the company. This is the reason why Regulators have, come up with Disclosure Standards for organization to comply, from time to time.

In the year 2011 balance sheet schedule VI was amended and mentioning disclosures of intangible assets was mandatory. At the same time in 2013 act also insists the same. As one is dealing with IPR laws, patents, trademarks, copyrights and other business intangibles In order to strengthen the balance sheet and increase the assets side of the company. It will indirectly give value to our balance sheet and financials which will again result in giving value to the organization. Actually according to AS 26 all the intangible assets are to be disclosed in the balance sheet but many companies are not aware of following the disclosure principles to disclose all the intangible assets in their balance sheet.

It is to provide awareness or create awareness among the Indian companies to disclose intangible assets in accordance with the International financial reporting standards. But to our surprise many companies have trademarks and they are not aware to disclose the trademarks.

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3. Annual Reports of the companies available on website www.bseindia.com and company websites.