

VIJAYAWADA BRANCH OF SIRC OF ICAI

Comment on exposure draft – International Non-profit Accounting Guidance(INPAG) Part -1

Question 2a - Description of Broad characteristics

Yes, I agree with broad characteristics, in addition to that below characteristics can also be included,

- a. They don't have the intention to make profit, trade, to do business.
- b. Benefits or facilities should be provided without accepting any monetary consideration or anything in back.

Question 3a -Do you agree with the primary users proposed and the description of their needs?

Yes, I agree with the primary users proposed and the description of their needs, we feel that in the general purpose financial reports, details of resource providers may not be required.

The primary user should be provided the details of how the funds have been utilized and resource providers is not required, and it may be a confidential information of NPO.

Question 3d - Do you agree with the inclusion of equity as an element? What type of equity might an NPO have?

Instead of using Equity other words such as Corpus fund, founding capital, Accumulated funds can be used.

Question 8b - Do you agree that donations or grants received for the purchase or creation of property, plant and equipment should be treated as investing activities?

I don't agree with Donations or grant received for purchased or creation of property, plant and equipment treating as investing activities. These property is created with the intention to provide benefits to public.

Question 4c - Do the proposals for expressing compliance with INPAG create unintended consequences? If so, what are your key concerns?

NPO are established with the object of helping the needy, for the benefit of public. The funds, donations received must be entirely spent on the benefit of public. When the number of compliances increases, the NPO will spend more on the compliances which will divert the funds.

Question 5b - Do you agree that all asset and liability balances should be split between current and non-current amounts (except where a liquidity-based presentation has been adopted)? If not, why not?

Instead of splitting of all assets and liability between current and non-current, all assets and liability can be presented/categorised has amount or surplus available for benefit of public and liabilities incurred in providing benefit to public.

There will be no long-term liabilities to a NPO, and the funds available should be spent towards the benefit of public so there should be no non-current assets.