

COMMENT ON STATUS OF TRUSTEES'S SRTATEGY REVIEW

Q No Name L.venkatesan

Address Sri guru Lakshman Nivas

New No 23 old no 13 28th Cross

Indira nagar

Chennai 600 020

Mobile 98400 13020

E mail l.venkatesan@hotmail.com

Status of Comment Academician and from Automobile Industry

Mission: How should the organisation best define the public interest to which it is committed?

1. The current Constitution states, "These standards [IFRSs] should require high quality, transparent and comparable information in financial statements and other financial reporting to help investors, other participants in the world's capital markets and other users of financial information make economic decisions." Should this objective be subject to revision?

Answer: This objective should also include cost benefit ratio as one of the important objective

2. The financial crisis has raised questions among policymakers and other stakeholders regarding the interaction between financial reporting standards and other public policy concerns, particularly financial stability requirements. To what extent can and should the two perspectives be reconciled?

Answer Fair value measurement normally results in instability. There should be a specific disclosure on realized and unrealized gain both in income statement and Statement of Financial position . There should be a specific restriction in distribution of such unrealized gain as per IRDA regulations in India

Governance: how should the organisation best balance independence with accountability?

3. The current governance of the IFRS Foundation is organised into three major tiers: the Monitoring Board, IFRS Foundation Trustees, and the IASB (and IFRS Foundation Secretariat). Does this three-tier structure remain appropriate?

Answer This approach is better and so far no adverse things have happened in this approach . The secretariate should give lot of importance to collect different practices prevailing in other countries' before finalizing a draft and it should be presented along with the draft exposure draft

4. Some stakeholders have raised concerns about the lack of formal political endorsement of the Monitoring Board arrangement and about continued insufficient public accountability associated with a private-sector Trustee

body being the primary governance body. Are further steps required to bolster the legitimacy of the governance arrangements (including in the areas of representation of and linkages to public authorities)?

Answer; Instead of political endorsement one should try for endorsement in line with OECD recognition, recognition by United Nations

Process: how should the organisation best ensure that its standards are high quality, meet the requirements of a well functioning capital market and are implemented consistently across the world?

5. Is the standard-setting process currently in place structured in such a way to ensure the quality of the standards and appropriate priorities for the IASB work programme?

Answer It is not always correct to set standard based on capital market . Such an approach creates what is called Asset inflation approach without cash being realized

6. Will the IASB need to pay greater attention to issues related to the consistent application and implementation issues as the standards are adopted and implemented on a global basis?

Answer :Greater attention should be paid to implementation on global basis ,and consistent application and implementation. However local conditions and best local practices cannot be ignored . Such practices should also be given enough importance . What is important is uniform measurement standard . Prudence should be brought back as a policy as this will take a few shocks in implementation on a global basis

Financing: how should the organisation best ensure forms of financing that permit it to operate effectively and efficiently?

7. Is there a way, possibly as part of a governance reform, to ensure more automaticity of financing?

Answer Funding should be arranged from Global organization like United Nations . Professional People can become member of this body and there can be annual fee on such members

Other issues

7. Are there any other issues that the Trustees should consider?

Answer The Trustee should give greater attention to providing Training material and training facilitates