



INDIAN ACCOUNTING STANDARDS (Ind AS)

A Structured Approach To Transition

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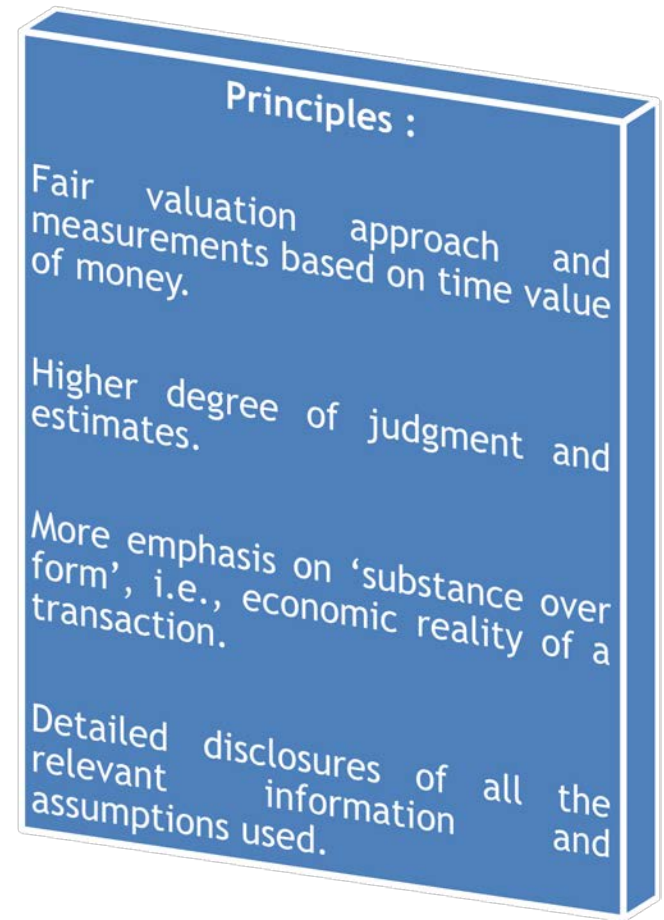
Ind AS BACKGROUND

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India made a commitment towards the convergence of Accounting Standards (AS) with International Financial Reporting Standards (IFRS) at the G20 summit in 2009. This is now Indian Accounting Standards (Ind AS).

MCA has notified 40 Ind AS - converged IFRS and has laid down an Ind AS transition road map for companies

Ind AS have certain carve outs as compared to IFRS to fit it into the Indian scenario





APPLICABILITY OF Ind AS

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Phase I

- All companies with the Net worth of Rs 500 crores or more either as on 31.03.2014, 2015 or 2016 have mandatorily adopted Ind AS for the financial year commenced from April 1, 2016 under Phase 1.

Phase II

- From April 1, 2017.
- All companies listed or in the process of getting listed.
- Interim reporting is applicable to listed Companies from quarter ending 30.06.2017.
- Unlisted Companies having Net worth of Rs. 250 crores but less than Rs. 500 crores either as on 31.03.2014, 2015, 2016 or 2017.

NBFCs

- Phase I : All NBFCs having Net worth of Rs. 500 crores or more from Apr 1, 2018.
- Phase II :
- All listed NBFCs.
- Unlisted NBFCs having Net worth of Rs 250 crores but less than Rs 500 crores from Apr 1, 2019.

Note:

1. Parent, Subsidiary, Associates and Joint Ventures of the above to adopt Ind AS as applicable.
2. All companies with Net Worth of Rs. 250 crores or more as on 31st Mar, 18 or thereafter, shall adopt Ind AS from the immediate next financial year.
3. In case of Banks and Insurance companies, applicable from April 1, 2018.
4. Once adopted, the companies are required to follow for all the subsequent years.
5. Voluntary adoption is permissible except for Bank, Insurance and NBFC.
6. Ind AS is not applicable to the Companies listed or in process of listing in SME Exchange.

APPLICABILITY OF Ind AS

First Ind-AS financial reporting 2017-18

April 1, 2016

March 31, 2017

March 31, 2018

Comparative year under Ind AS

First year under Ind AS

Ind AS opening Balance sheet - IGAAP Audited Financials to be presented as per Ind AS

Comparative Ind AS Financials - IGAAP Audited Financials to be presented as per Ind AS

First Ind AS financial statements

A man in a blue shirt is shown from the chest up, looking thoughtfully at the camera with his hand near his chin. A semi-transparent globe is overlaid on his face, with white grid lines representing latitude and longitude. The background is a soft, out-of-focus blue.

KEY AREAS OF IMPACT

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Balance Sheet Items

- Property, Plant and Equipment
- Investment Property
- Borrowings
- Lease Deposit
- Loans taken and given
- Investments
- Financial Instruments – Derivatives
- Trade Receivables/Payables
- Equity and Profit and Loss/Other Comprehensive Income

Profit & Loss Items

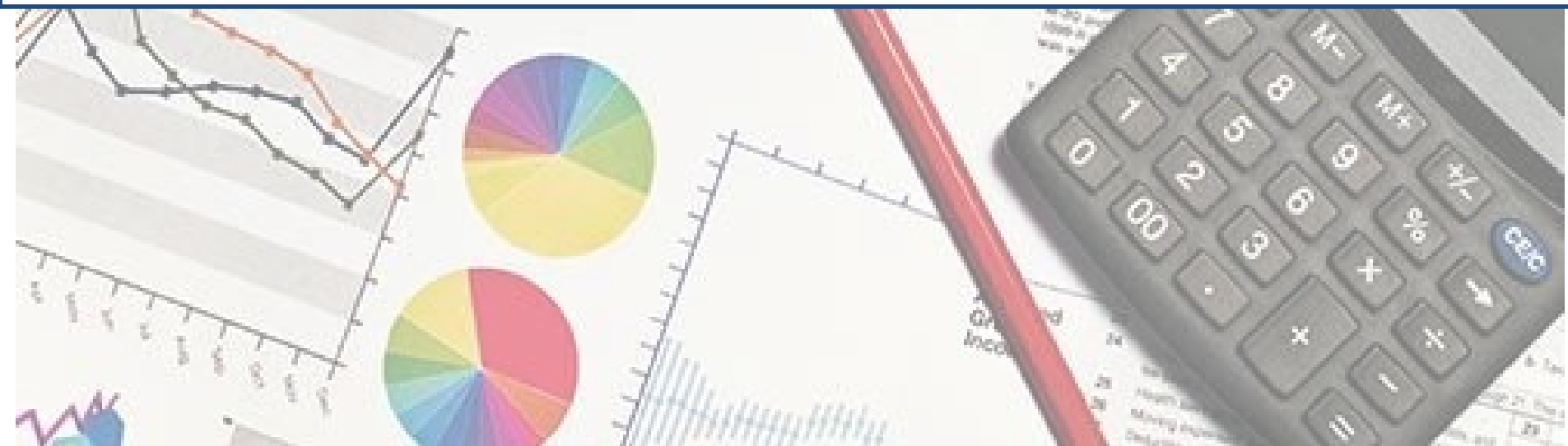
- Revenue
- Finance Cost
- Actuarial Gains & Losses
- Foreign currency transactions

Others

- First time adoption-exemptions/exceptions
- Mandatory
- Optional



INITIAL TRANSITION TO Ind AS



INITIAL TRANSITION TO Ind AS

Initial transition to Ind AS involves:

- Selection of accounting policies that comply with Ind AS as on the reporting date.
- Determination of estimates under Ind AS for the first Ind AS financial statement.
- Availing and providing for mandatory exceptions and optional exemptions provided under Ind AS 101.
- Preparation and conversion of an opening Ind AS Balance Sheet at the date of transition as the opening balance sheet.
- Preparation and conversion of the IGAAP Audited Financial statements for the comparative year as per Ind AS.
- The process of transition includes recognition, de-recognition, re-classification and measurement of the balance sheet and P & L items in line with Ind AS.
- Disclosures required of the reconciliations of equity both at the date of transition and at the end of the comparative period.
- Disclosures required for reconciliations of reported profit/ loss at the end of the comparative period.
- Disclosures in the first reporting financials as per Ind AS



THANK YOU