



VIRTUAL COACHING CLASSES  
ORGANISED BY BOS, ICAI

FINAL LEVEL  
PAPER 1: IND AS OVERVIEW

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1. Ind AS
2. Ind AS Roadmap
3. IFRS and corresponding Ind AS
4. Net worth assessment
5. Structural differences IGAAP v/s Ind AS
6. Moving from IGAAP to Ind AS

## What is Ind AS ?

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- Ind AS are set of accounting standards notified by Ministry of Corporate Affairs (MCA), converged with International Financial Reporting Standards (IFRS), these accounting standards are formulated by Accounting Standard Board (ASB) of Institute of Chartered Accountants of India (ICAI).
- **Convergence** means alignment of the standards of different standard setters with a certain rate of compromise, by adopting the requirements of the standards either fully or partially.
- Indian Accounting Standards are almost similar to IFRS but with few carve outs so as to make them suitable for Indian Environment.
- Ind AS are named and numbered in the same way as the corresponding International Financial Reporting Standards (IFRS).

# Adoption vs Convergence

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## Adoption

- ▶ Adoption of IFRS means that the country applying IFRS would be implementing IFRS in the same manner as issued by IASB and would be 100% compliant with the IASB guidelines.

## Convergence

- ▶ Convergence means alignment of the standards by making some changes as per the requirement of particular country.
- ▶  $\text{Ind AS} = \text{IFRS} + \text{Carve outs} - \text{Carve ins}$

# Ind AS Roadmap

## Ind AS – Mandatory Roadmap – Comparative Analysis

Phase	Criterion	Companies	NBFC	Insurance
PHASE I	<ul style="list-style-type: none"> <li>Any Company / NBFC(Listed or Unlisted or in the process of listing in India or Outside India) having Net worth of</li> </ul>	<ul style="list-style-type: none"> <li>500 Crore or More</li> </ul>	<ul style="list-style-type: none"> <li>500 Crore or More</li> </ul>	<ul style="list-style-type: none"> <li>All Insurance companies covered.</li> <li>No criteria of Net worth</li> <li>Ind AS is applicable from 1 April 2021</li> <li>First Ind AS reporting period : 31 March 2022 31 March 2021 1 April 2020</li> </ul>
	<ul style="list-style-type: none"> <li>Applicability date</li> </ul>	<ul style="list-style-type: none"> <li>April 01, 2016</li> </ul>	<ul style="list-style-type: none"> <li>April 01, 2018</li> </ul>	
	<ul style="list-style-type: none"> <li>First Ind AS Reporting period</li> </ul>	<ul style="list-style-type: none"> <li>31 March 2017</li> <li>31 March 2016</li> <li>1 April 2015</li> </ul>	<ul style="list-style-type: none"> <li>31 March 2019</li> <li>31 March 2018</li> <li>1 April 2017</li> </ul>	
PHASE II	<ul style="list-style-type: none"> <li>Any unlisted Company / NBFC having Net worth of</li> </ul>	<ul style="list-style-type: none"> <li>250 Crore or More but less than 500 Crores</li> </ul>	<ul style="list-style-type: none"> <li>250 Crore or More but less than 500 Crores</li> </ul>	
	<ul style="list-style-type: none"> <li>Other companies / NBFC not covered in Phase I</li> <li>(Listed or in the process of Listing)</li> <li>(Other than Companies listed on SME Exchange)</li> </ul>	<ul style="list-style-type: none"> <li>All covered.</li> <li>No net worth criterion.</li> </ul>	<ul style="list-style-type: none"> <li>All covered.</li> <li>No net worth criterion.</li> </ul>	
	<ul style="list-style-type: none"> <li>Applicability date</li> </ul>	<ul style="list-style-type: none"> <li>April 01, 2017</li> </ul>	<ul style="list-style-type: none"> <li>April 01, 2019</li> </ul>	
	<ul style="list-style-type: none"> <li>First Ind AS Reporting period</li> </ul>	<ul style="list-style-type: none"> <li>31 March 2018</li> <li>31 March 2017</li> <li>1 April 2016</li> </ul>	<ul style="list-style-type: none"> <li>31 March 2020</li> <li>31 March 2019</li> <li>1 April 2018</li> </ul>	

► Once a company is covered in any phase, its Holding, Subsidiary, Associates and JV are also covered in its respective Phases.

# Ind AS – Mandatory Roadmap

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## For Companies

- Once a company is covered under MCA Roadmap, its Holding, Subsidiary, Associate and Joint venture are also covered.
- Companies not covered by the above roadmap shall continue to apply existing Accounting Standards notified in Companies (Accounting Standards) Rules, 2006.
- Overseas subsidiary, associate, joint venture and other similar entities of an Indian company may prepare its SFS in accordance with the requirements of the specific jurisdiction. But in order to facilitate consolidation, they have to prepare their FS under Ind AS.

## For NBFC

- NBFC having net worth below 250 crore SHALL NOT apply Ind AS.
- Irrespective of MCA roadmap, NBFC and Banks are required to adopt and follow RBI roadmap.
- Voluntary adoption of Ind AS is not allowed.
- Holding, Subsidiary, JV and Associate companies of NBFC roadmap (other than those already covered under corporate roadmap) shall also apply from said date.

## Common points for Companies & NBFC :

- ▶ Once a company is covered in any phase, its Holding, Subsidiary, Associates and JV are also covered in its respective Phases.
- ▶ Once Ind AS are applicable (either mandatorily or voluntarily), an entity shall be required to follow the Ind AS for all the subsequent financial statements.
- ▶ Ind AS is applicable for both Consolidated and Individual Financial Statements

# Ind AS – Mandatory Roadmap for Banks

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## Scheduled Commercial banks (excluding RRB's)

- Scheduled Commercial Banks (SCBs) excluding Regional Rural Banks (RRBs) were initially required to implement Indian Accounting Standards (Ind AS) from 1 April 2018. RBI vide a press release dated 5 April 2018, deferred the implementation of Ind AS by one year i.e. from 1 April 2019.
- However, later on it deferred the Ind AS implementation till further notice RBI through a notification dated 22 March 2019.



# Ind AS Roadmap - Meaning of Listed or in the process of Listing

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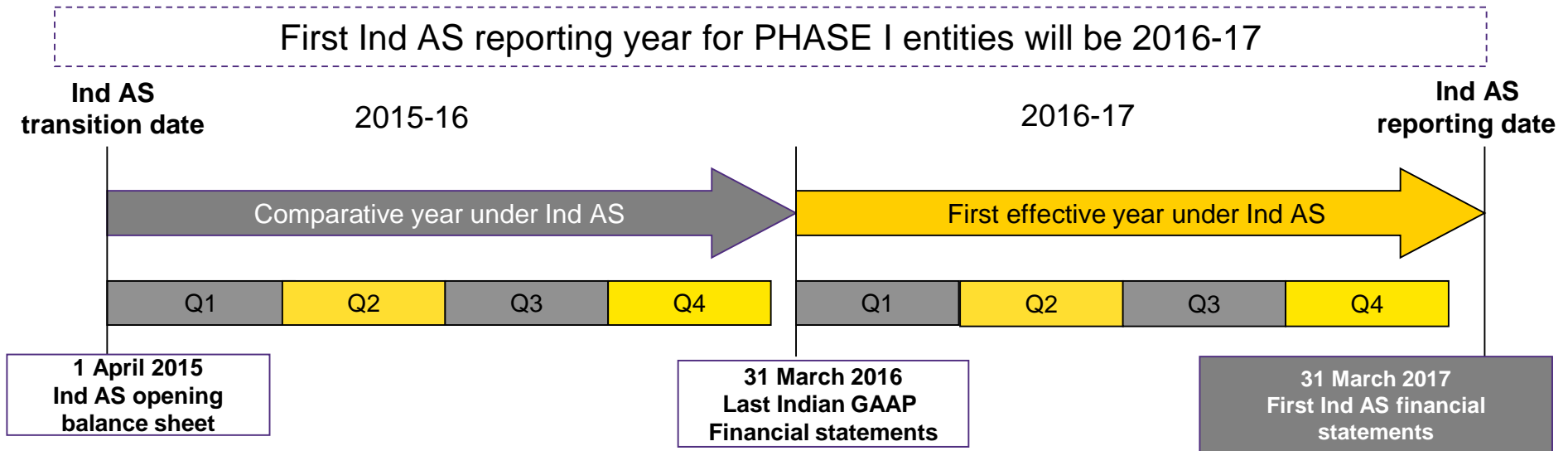
## 1. Covered for Ind AS applicability criteria

- Equity listed or Debt listed
- Stock exchange whether in India or outside India.

## 2. Not covered for Ind AS applicability criteria

- Companies listed on SME exchange not required to apply Ind AS.

# Ind AS – Roadmap – Phase I entities

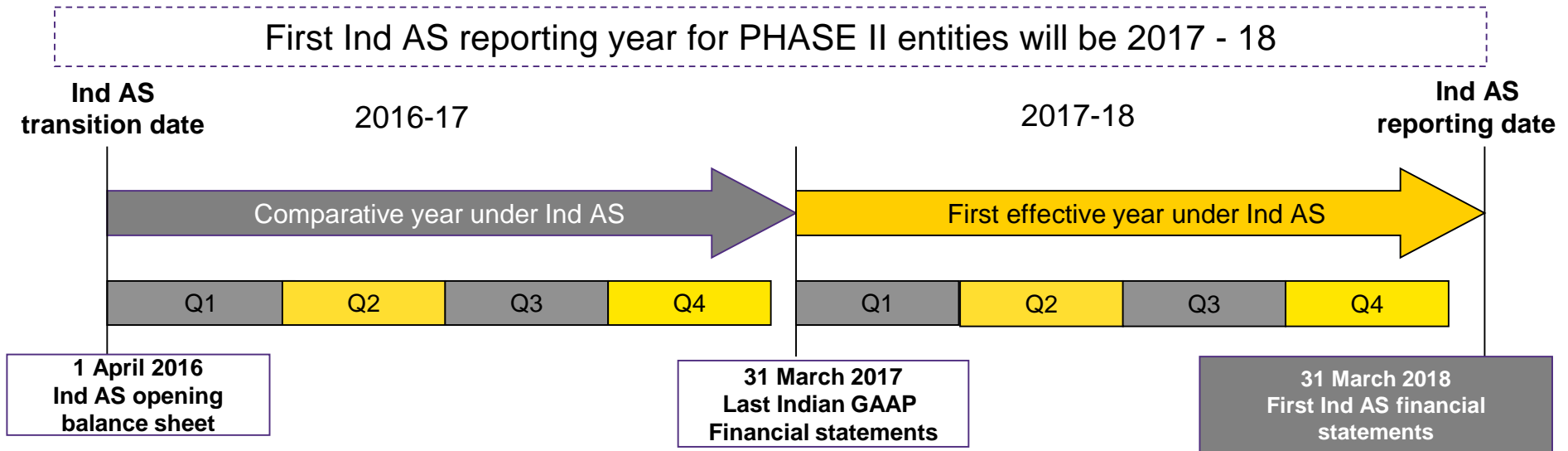


## In the First Ind AS Financial statements for the year ended March 31, 2017

- **Balance Sheet :**
  - **Final :** March 31, 2017,
  - **Comparative :** March 31, 2016 and
  - **Opening :** April 01, 2015
- **Statement of profit and loss :**
  - For the year ended March 31, 2017
  - For the year ended March 31, 2016
- **Statement of changes in equity :**
  - For the year ended March 31, 2017
  - For the year ended March 31, 2016

- **Statement of cash flows :**
  - For the year ended March 31, 2017
  - For the year ended March 31, 2016
- **Reconciliations :**
  - Equity reconciliation from Indian GAAP to Ind AS as at March 31, 2016 and 2015
  - Profit /loss reconciliations for the year ended 2015 -16.
- **Related notes to accounts & disclosures :** For the March 31, 2017 and 2016.

# Ind AS – Roadmap – Phase II entities



## In the First Ind AS Financial statements for the year ended March 31, 2018

- **Balance Sheet :**
  - **Final :** March 31, 2018,
  - **Comparative :** March 31, 2017 and
  - **Opening :** April 01, 2016
- **Statement of profit and loss :**
  - For the year ended March 31, 2018
  - For the year ended March 31, 2017
- **Statement of changes in equity :**
  - For the year ended March 31, 2018
  - For the year ended March 31, 2017

- **Statement of cash flows :**
  - For the year ended March 31, 2018
  - For the year ended March 31, 2017
- **Reconciliations :**
  - Equity reconciliation from Indian GAAP to Ind AS as at March 31, 2018 and 2017
  - Profit /loss reconciliations for the year ended 2016 -17.
- **Related notes to accounts & disclosures :** For the March 31, 2018 and 2017.

# Net worth

# Net worth

Net worth – Definition [Section 2(57) of Companies Act, 2013]

- ▶ Net worth shall be calculated as per STANDALONE audited balance sheet of company as on 31 March 2014 or first audited financial statements for accounting period which ends after that date.

Particulars	Amount
Paid up share capital	XXX
<i>Add:</i> Reserves and surplus	XXX
<i>Less:</i> Revaluation reserve	(XXX)
<i>Less:</i> Amalgamation reserve	(XXX)
<i>Less:</i> Deferred expenditure and miscellaneous expenditure not written off	(XXX)
Net worth	XXX

- ▶ Net worth criteria needs to be checked as at the end of the latest financial year.
- ▶ Any company that meets the net worth criteria at the end of any particular financial year, Ind AS will become applicable to such company in immediately next financial year.

# Net worth

## Inclusion for ESOP Reserve

- Whether ESOP reserve is required to be included while computing net worth of a company to assess applicability of Ind AS on the company?

▶ Yes

## Branch office

- Whether Ind AS is applicable to Branch office?

- ▶ No.
- ▶ Branch office is only an establishment of a foreign company in India. The Branch office is just an extension of the foreign company in India.

## Partnership Firm

- Whether Ind AS is applicable to Partnership Firm?

- ▶ No.
- ▶ Ind AS is applicable to corporates only. This cannot be applied by non-corporate entities even voluntarily.

## Negative net worth

- Will the following companies with negative net worth need to comply with Ind AS?
  - a) Company A (listed) having negative net worth of Rs. 600 crore.
  - b) Company B (unlisted) having negative net worth of Rs. 300 crore.

- ▶ **Both Companies does not meet Phase I applicability criteria.**
- ▶ **Company A** - Ind AS will be applicable from financial year 2017-18 to all listed companies having net worth less than Rs. 500 crore. In other words, Ind AS will be applicable to A (listed) from F.Y. 2017-18 i.e. Phase II
- ▶ **Company B (unlisted)** - Not even a phase II Company. Ind AS will not be applicable unless net worth criteria being met.

# Net worth

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## Section 8 Companies ?

- Whether Ind AS applicable to section 8 companies – Charitable organisation , Non profit etc ?

▶ Yes

# Net worth – Case study

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Scenario	Net Worth as at 31 March 2014	Net Worth as at 31 March 2015 / 2016	Ind AS Applicability
1	245	260	Phase II
2	245	510	Phase I I
3	460	510	Phase I - clarified by ITFG
4	510	460	Phase I
5	510	245	Phase I
6	260	245	Phase II



# Net worth – Case study

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Whether Ind AS is applicable from the same year in which net worth exceeds INR 500 Cr, or from next year?

Case study :

A company has net worth for the last 2 years as follows:

Net worth	Amount (INR Cr.)
31 <sup>st</sup> March, 2016	200
31 <sup>st</sup> March, 2017	1,000

The company received a capital infusion of INR 800 crores during 16-17.

Whether Company A is required to comply Ind AS from FY ended March 2017 or March 2018?

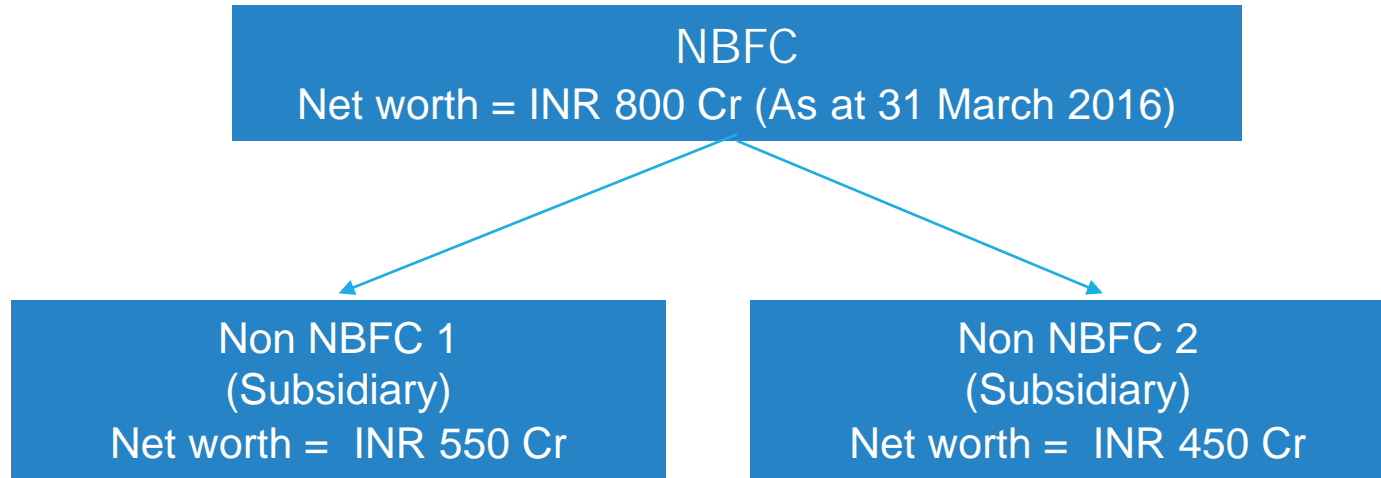
Response :

- ▶ Net worth shall be calculated as on March 31<sup>st</sup>, 2016. Since, net worth criteria does not meet, Ind AS is not applicable.
- ▶ Net worth criteria needs to be re-checked as on March 31<sup>st</sup> 2017. Since, net worth criteria meets on March 31<sup>st</sup> 2017, Ind AS will be applicable from immediately next financial year i.e. 2017-18.

# Net worth – Case study

## Case Study

- ▶ What will be the Ind AS applicability date for all the companies for SFS and CFS as mentioned in structure below:



## Response:

- ▶ For SFS reporting :
  - NBFC (Holding) : First reporting under Ind AS will be from March 31, 2019.
  - Non NBFC 1 (subsidiary) : First reporting under Ind AS will be from March 31, 2017.
  - Non NBFC 2 (subsidiary) : First reporting under Ind AS will be from March 31, 2018.
- ▶ For CFS reporting :
  - NBFC (Holding) : First reporting under Ind AS will be from March 31, 2019.
  - Non NBFC 1 and 2 also prepare its financial statement under Indian GAAP till March 31, 2018 in order to facilitate CFS.

# IFRS and corresponding Ind AS

# IFRS and corresponding Ind AS

S.No.	IFRS/ IAS	Ind AS	Description
1	IAS 1	Ind AS 1	▪ Presentation of Financial Statements
2	IAS 2	Ind AS 2	▪ Inventories
3	IAS 7	Ind AS 7	▪ Statement of Cash Flows
4	IAS 8	Ind AS 8	▪ Accounting Policies, Changes in Accounting Estimates and Errors
5	IAS 10	Ind AS 10	▪ Events after the Reporting Period
	IAS 11	Ind AS 11	▪ Construction Contracts (Replaced by Ind AS 115 w.e.f. 1 April 2018)
6	IAS 12	Ind AS 12	▪ Income Taxes
7	IAS 16	Ind AS 16	▪ Property, Plant and Equipment
	IAS 17	Ind AS 17	▪ Leases (Replaced by Ind AS 116 w.e.f. 1 April 2019)
	IAS 18	Ind AS 18	▪ Revenue (Replaced by Ind AS 115 w.e.f. 1 April 2018)
8	IAS 19	Ind AS 19	▪ Employee Benefits
9	IAS 20	Ind AS 20	▪ Accounting for Government Grants and Disclosure of Government Assistance
10	IAS 21	Ind AS 21	▪ The Effects of Changes in Foreign Exchange Rates
11	IAS 23	Ind AS 23	▪ Borrowing Costs
12	IAS 24	Ind AS 24	▪ Related Party Disclosures
	IAS 26	**	▪ Accounting and Reporting by Retirement Benefit Plans (Not issued under Ind AS)
13	IAS 27	Ind AS 27	▪ Consolidated and Separate Financial Statement
14	IAS 28	Ind AS 28	▪ Investments in Associates and Joint Ventures

# IFRS and corresponding Ind AS

S.No.	IFRS/ IAS	Ind AS	Description
15	IAS 29	Ind AS 29	▪ Financial Reporting in Hyperinflationary Economies
16	IAS 32	Ind AS 32	▪ Financial Instruments: Presentation
17	IAS 33	Ind AS 33	▪ Earnings per Share
18	IAS 34	Ind AS 34	▪ Interim Financial Reporting
19	IAS 36	Ind AS 36	▪ Impairment of Assets
20	IAS 37	Ind AS 37	▪ Provisions, Contingent Liabilities and Contingent Assets
21	IAS 38	Ind AS 38	▪ Intangible Assets
	IAS 39	**	▪ Financial Instruments (Not issued under Ind AS)
22	IAS 40	Ind AS 40	▪ Investment Property
23	IAS 41	Ind AS 41	▪ Agriculture
24	IFRS 1	Ind AS 101	▪ First-time Adoption of Indian Accounting Standards
25	IFRS 2	Ind AS 102	▪ Share-based Payment
26	IFRS 3	Ind AS 103	▪ Business Combinations
27	IFRS 4	Ind AS 104	▪ Insurance Contracts
28	IFRS 5	Ind AS 105	▪ Non-current Assets Held for Sale and Discontinued Operations
29	IFRS 6	Ind AS 106	▪ Exploration for and Evaluation of Mineral Resources
30	IFRS 7	Ind AS 107	▪ Financial Instruments: Disclosures
31	IFRS 8	Ind AS 108	▪ Operating Segments

# IFRS and corresponding Ind AS

S.No.	IFRS/ IAS	Ind AS	Description
32	IFRS 9	Ind AS 109	▪ Financial Instruments
33	IFRS 10	Ind AS 110	▪ Consolidated Financial Statements
34	IFRS 11	Ind AS 111	▪ Joint Arrangements
35	IFRS 12	Ind AS 112	▪ Disclosure of Interest in Other Entities
36	IFRS 13	Ind AS 113	▪ Fair Value Measurement
37	IFRS 14	Ind AS 114	▪ Regulatory Deferral Account
38	IFRS 15	Ind AS 115	▪ Revenue contracts entered with the customers (w.e.f. 1 April 2018)
39	IFRS 16	Ind AS 116	▪ Leases (w.e.f. 1 April 2019)

- ▶ Till 31 March 2018, 40 Accounting standard were applicable.
- ▶ From 1 April 2018, total 39 Accounting standard were notified vide notification 16 Feb 2015, 30 March 2016 and 28 March 2018. Ind as 11 and Ind AS 18 were replaced by Ind AS 116 w.e.f. April 01, 2018.
- ▶ Ind AS corresponding to IAS 26, Accounting and Reporting by Retirement Benefit Plans, has not been issued as this standard is not applicable to companies.
- ▶ Since India has decided to converge early with IFRS 9, Financial Instruments. Accordingly, Ind AS 109, Financial Instruments, has been issued and Ind AS 39, Financial Instruments: Recognition and Measurement, has not been issued.

# Ind AS categorised based on nature

# Ind AS categorised based on nature

S.No.	IFRS/ IAS	Ind AS	Description
1	First Time Adoption	Ind AS 101	▪ First-time Adoption of Indian Accounting Standards
2	Assets and liabilities	Ind AS 2	▪ Inventories
3		Ind AS 16	▪ Property, Plant and Equipment
4		Ind AS 23	▪ Borrowing Costs
5		Ind AS 36	▪ Impairment of Assets
6		Ind AS 37	▪ Provisions, Contingent Liabilities and Contingent Assets
7		Ind AS 38	▪ Intangible Assets
8		Ind AS 40	▪ Investment Property
9		Ind AS 16	▪ Leases
10		Financial Instruments and Forex	Ind AS 21
11	Ind AS 32		▪ Financial Instruments: Presentation
12	Ind AS 107		▪ Financial Instruments: Disclosures
13	Ind AS 109		▪ Financial Instruments
14	Ind AS 113		▪ Fair Value Measurement
15	Group Accounts	Ind AS 27	▪ Consolidated and Separate Financial Statement
16		Ind AS 28	▪ Investments in Associates and Joint Ventures
17		Ind AS 103	▪ Business Combinations
18		Ind AS 110	▪ Consolidated Financial Statements
19		Ind AS 111	▪ Joint Arrangements
20		Ind AS 112	▪ Disclosure of Interest in Other Entities



# Ind AS categorised based on nature

S.No.	IFRS/ IAS	Ind AS	Description
21	Income and Expenses	Ind AS 12	▪ Income Taxes
22		Ind AS 19	▪ Employee Benefits
23		Ind AS 20	▪ Accounting for Government Grants and Disclosure of Government Assistance
24		Ind AS 102	▪ Share-based Payment
25		Ind AS 115	▪ Revenue contracts entered with the customers (wef 1 April 2018)
26	Industry Specific	Ind AS 41	▪ Agriculture
27		Ind AS 104	▪ Insurance Contracts
28		Ind AS 106	▪ Exploration for and Evaluation of Mineral Resources
29		Ind AS 114	▪ Regulatory Deferral Account
30		Ind AS 29	▪ Financial Reporting in Hyperinflationary Economies
31	Presentation and Disclosures	Ind AS 1	▪ Presentation of Financial Statements
32		Ind AS 7	▪ Statement of Cash Flows
33		Ind AS 8	▪ Accounting Policies, Changes in Accounting Estimates and Errors
34		Ind AS 10	▪ Events after the Reporting Period
35		Ind AS 24	▪ Related Party Disclosures
36		Ind AS 33	▪ Earnings per Share
37		Ind AS 34	▪ Interim Financial Reporting
38		Ind AS 105	▪ Non-current Assets Held for Sale and Discontinued Operations
39		Ind AS 108	▪ Operating Segments

# Carve Outs and Carve Ins

# Section I

# Section I

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## **IFRS corresponding to which Ind AS have not been notified :**

- **Ind AS corresponding to IAS 26** - Accounting and Reporting by Retirement Benefit Plans, is not being notified as this Standard is not applicable to companies.
- **IFRIC 2, Members' Shares in Co-operative Entities and Similar Instruments**, is not issued as it is not relevant to the companies and the Ind AS, notified under the Companies Act, 2013, are applicable to Companies incorporated under the Act.

# Section II

## Section II - Carve-outs which are due to differences in application of accounting principles and practices and economic conditions prevailing in India

#	Particulars	IFRS	Ind AS
1	Previous GAAP as basis of accounting (IFRS 1 Vs Ind AS 101)	<ul style="list-style-type: none"> <li>IFRS 1 defines previous GAAP as the basis of accounting used immediately before adopting IFRS.</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 101 defines Previous GAAP as used for reporting requirement in India immediately before adopting Ind AS.</li> </ul>
2	Use of carrying cost of PPE (IFRS 1 Vs Ind AS 101)	<ul style="list-style-type: none"> <li>No such option exists under IFRS 1.</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 101 allows the use of carrying cost of property, plant and equipment on the date of transition.</li> </ul>
3	Long-term monetary item translation reserve (FCTNR) (IFRS 1 Vs Ind AS 101)	<ul style="list-style-type: none"> <li>No such options exists under IFRS.</li> </ul>	<ul style="list-style-type: none"> <li>Exchange difference arising on translation of long-term foreign currency monetary items to be continued for already recognized differences on date of transition.</li> </ul>
4	Breach of material covenants in long-term loans (IFRS 1 Vs Ind AS 1)	<ul style="list-style-type: none"> <li>Long term loans shall be treated non-current in case of breach of material covenants of such loan.</li> </ul>	<ul style="list-style-type: none"> <li>Long term loan arrangement need not be classified as current on account of breach of material provision, for which the lender has agreed to waive before the approval of financial statements for issue.</li> </ul>

## Section II - Carve-outs which are due to differences in application of accounting principles and practices and economic conditions prevailing in India

#	Particulars	IFRS	Ind AS
5	Accounting for bargain purchase (Business combination) (IFRS 3 Vs Ind AS 103)	<ul style="list-style-type: none"> <li>Bargain purchase gain arising on business combination to be recognised in profit or loss as income.</li> </ul>	<ul style="list-style-type: none"> <li>Bargain purchase gain to be recognised in other comprehensive income and accumulated in equity as capital reserve,</li> </ul>
6	Guidance on common control transactions (IFRS 3 Vs Ind AS 103)	<ul style="list-style-type: none"> <li>IFRS 3 excludes from its scope business combinations of entities under common control.</li> </ul>	<ul style="list-style-type: none"> <li>Appendix C of Ind AS 103 Business Combinations gives guidance in this regard.</li> </ul>
7	Foreign currency convertible bonds (IAS 32 Vs Ind AS 32)	<ul style="list-style-type: none"> <li>As per IAS 32, the equity conversion option embedded in a convertible bond denominated in foreign currency to acquire a fixed number of the entity's own equity instruments is considered a derivative liability instrument.</li> </ul>	<ul style="list-style-type: none"> <li>In Ind AS 32, an exception has been included to the definition of 'financial liability' whereby conversion option in FCCB to acquire fixed number of entity's own equity instruments is classified as equity instrument if the exercise price is fixed in any currency.</li> </ul>

# Section III



## Section III - Other major changes in Indian Accounting Standards vis-a-vis IFRS not resulting in carve-outs

#	Particulars	IFRS	Ind AS
1	<ul style="list-style-type: none"> <li>Single Vs Doubt statement approach</li> </ul>	<ul style="list-style-type: none"> <li>IAS 1 provides an option either to follow the                             <ul style="list-style-type: none"> <li>Single statement approach (both PL and OCI in same statement as two sections) or</li> <li>Two statement approach (PL and OCI in two statements).</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 1 allows only single statement approach, both PL and OCI in same statement as two sections.</li> </ul>
2	<ul style="list-style-type: none"> <li>Function Vs nature-wise classification of expenses</li> </ul>	<ul style="list-style-type: none"> <li>IAS 1 requires expenses recognised in profit or loss using a classification based on either their nature or their function.</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 1 requires only nature-wise classification of expenses.</li> </ul>
3	<ul style="list-style-type: none"> <li>Non-monetary government grant</li> </ul>	<ul style="list-style-type: none"> <li>IAS 20 gives an option to measure non-monetary government grants either at their fair value or at nominal value.</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 20 requires measurement non-monetary government grants only at their fair value.</li> </ul>
4	<ul style="list-style-type: none"> <li>Government grant (capital in nature)</li> </ul>	<ul style="list-style-type: none"> <li>Grant related to capital asset can be presented either as deferred income or as a deduction from cost of assets.</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 20 does not allow option to reduce specified grant from the cost of the related assets.</li> <li>Such grant to be recognized as deferred assets.</li> </ul>
5	<ul style="list-style-type: none"> <li>Employee benefits – Discount rate to be used</li> </ul>	<ul style="list-style-type: none"> <li>Discount rate will be based on high quality corporate bonds and where no deep market of high quality corporate bond exist then government bond can be used.</li> </ul>	<ul style="list-style-type: none"> <li>Discount rate as per market yield on Government bonds, instead of high quality corporate bonds.</li> </ul>

## Section III - Other major changes in Indian Accounting Standards vis-a-vis IFRS not resulting in carve-outs

#	Particulars	IFRS	Ind AS
6	<ul style="list-style-type: none"> <li>Classification of interest and dividends received and paid</li> </ul>	<ul style="list-style-type: none"> <li>IAS 7 provide option to classify interest and divided paid and received as operating activity.</li> </ul>	<ul style="list-style-type: none"> <li>Interest and divided paid are classified as financing activities.</li> <li>Interest and divided received are classified as investing activities.</li> </ul>
7	<ul style="list-style-type: none"> <li>Related party transaction (RPT) – disclosure</li> </ul>	<ul style="list-style-type: none"> <li>No such clause under IAS 24</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 24 does not require RPT disclosures if disclosures conflict with confidentiality requirements of statute / regulations.</li> </ul>
8	<ul style="list-style-type: none"> <li>Equity method in Separate Financial Statements (SFS)</li> </ul>	<ul style="list-style-type: none"> <li>IAS 27 allows the entities to use the equity method to account for investment in subsidiaries, joint ventures and associates in their SFS.</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 27 does not allow the entities to use the equity method to account for investment in subsidiaries, joint ventures and associates in their SFS</li> <li>Such investments shall be accounted as costs or FV as per the requirement of the standard.</li> </ul>
9	<ul style="list-style-type: none"> <li>Preparation of separate financial statements</li> </ul>	<ul style="list-style-type: none"> <li>IAS 27 requires to disclose the reason for preparing separate financial statements if not required by law.</li> </ul>	<ul style="list-style-type: none"> <li>In India, since the Companies Act mandates preparation of separate financial statements, such requirement has been removed in Ind AS 27.</li> </ul>
10	<ul style="list-style-type: none"> <li>EPS disclosure in SFS Vs CFS</li> </ul>	<ul style="list-style-type: none"> <li>Where the entity is preparing both CFS and SFS, it may give EPS related information in CFS only.</li> </ul>	<ul style="list-style-type: none"> <li>Where the entity is preparing both CFS and SFS, it is required to give EPS related information in CFS as well as in SFS.</li> </ul>

## Section III - Other major changes in Indian Accounting Standards vis-a-vis IFRS not resulting in carve-outs

#	Particulars	IFRS	Ind AS
11	<ul style="list-style-type: none"> <li>Option for 52 weeks period</li> </ul>	<ul style="list-style-type: none"> <li>IAS 1 permits the periodicity, for example, of 52 weeks for preparation of financial statements.</li> </ul>	<ul style="list-style-type: none"> <li>Ind AS 1 does not permit 52 weeks period.</li> </ul>
12	<ul style="list-style-type: none"> <li>Terminology used</li> </ul>	<p><b>Following terminology used under IFRS :</b></p> <ul style="list-style-type: none"> <li>Statement of financial position</li> <li>Statement of comprehensive income</li> <li>Authorised financial statements for issue</li> </ul>	<p><b>Following terminology used under Ind AS:</b></p> <ul style="list-style-type: none"> <li>Balance sheet</li> <li>Statement of profit and loss</li> <li>Approved the financial statements for issue.</li> </ul>

Thank you