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Indian GAAP, IFRS and Ind AS

A Comparison

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Introduction

India has come a long way since the issuance of the "Concept Paper on Convergence with IFRSs in India" by the Institute of Chartered Accountants of India (ICAI) in 2007. In February 2011, the Ministry of Corporate Affairs (MCA) issued 35 Ind ASs i.e. the Indian Accounting Standards equivalent to the International Financial Reporting Standards (IFRSs). Though substantially similar to the IFRSs, the Ind ASs have some carve outs to ensure that these standards are suitable for application in our economic environment. Initially these new standards were slated for use for accounting periods commencing on or after 1 April 2011 in a phased manner. However, the effective date for adoption of the Ind ASs has now been deferred pending resolution of various implementation issues including tax related issues with the concerned departments to ensure a smooth transition. Till such time the revised date is announced, the existing notified Accounting Standards will be applicable. Even after the effective date of Ind ASs, the existing notified Accounting Standards will continue to apply to certain entities like SMCs (small and medium sized companies).

Another important development is the issuance of revised Schedule VI on 28 February 2011 by the MCA, which is applicable to financial statements prepared for accounting periods commencing on or after 1 April 2011. Revised Schedule VI brings in many concepts from IFRS like the classified balance sheet where assets and liabilities are required to be classified as current and non-current and additional disclosures. However, since the base standards i.e. the notified Accounting Standards have not changed, there could be instances where there may be a conflict between the provisions of the revised Schedule VI and the notified Accounting Standards. In such a scenario, the provisions of the notified Accounting Standards will prevail over the provisions of the revised Schedule VI as explicitly stated therein. This in many cases could give rise to interpretational issues and judgement will be required in determining the best way of presenting such information.

Since the existing notified Accounting Standards continue to be applicable, this publication sets out the significant differences between Accounting Standards notified under the Companies Accounting Standards Rules, 2006, as amended (existing Indian GAAP), the IFRSs in issue as at 1 April 2011 (except IFRS 9) and the Ind ASs issued by the MCA.

Use of IFRSs around the world

The table below summarises the use of International Financial Reporting Standards as the primary GAAP by domestic listed and unlisted companies in their consolidated financial statements for external financial reporting as on 1 November 2011. This means that the basis of presentation note and auditor's report indicate that the financial statements are prepared on the basis of IFRSs.

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
AE	Abu Dhabi - United Arab Emirates				X	Yes	IFRSs required for all banks, permitted for other companies. Note 23
AL	Albania	No stock exchange in Albania					IFRSs not permitted
DZ	Algeria	No stock exchange in Algeria					IFRSs not permitted
AS	American Samoa	No stock exchange in American Samoa					IFRSs permitted
AI	Anguilla				X Note 15	Yes	
AG	Antigua and Barbuda				X Note 15	Yes	IFRS for SMEs
AR	Argentina				Starting 2012		IFRSs not permitted
AM	Armenia				X	Yes	IFRSs required for all
AW	Aruba		X			Yes	
AT	Austria				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in consolidated statements, prohibited in separate statements.
AU	Australia				X Note 2	Yes	Australian IFRS equivalents required for some large unlisted, permitted for others.
AZ	Azerbaijan			X		Yes	Separate IFRS financial statements required for banks (listed and unlisted) and, starting 2008, for large state-owned enterprises. For others, IFRSs permitted.
BS	Bahamas				X	Yes	
BH	Bahrain				X	Yes	IFRSs required for all
BD	Bangladesh	X					
BB	Barbados				X	Yes	Companies may choose full IFRSs or IFRS for SMEs
BE	Belgium				X Note 1	No. 'As Adopted by EU'	IFRSs required in consolidated statements of unlisted banks and credit institutions, permitted for other companies. IFRSs not permitted in separate company statements.
BY	Belarus			X Banks starting 2008		Yes	IFRSs required for banks

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
BZ	Belize	No stock exchange in Belize.					Unlisted companies may use IFRSs or other internationally accepted standards (particularly US GAAP or Canadian GAAP).
BJ	Benin	X					IFRSs not permitted
BM	Bermuda		X			Yes	
BT	Bhutan	X					
BO	Bolivia		X			Yes	
BA	Bosnia and Herzegovina				X (all large and medium sized)	Yes	
BW	Botswana				X	Yes	IFRSs required for some, permitted for others
BR	Brazil				All listed companies and all financial institutions starting 2010. Optional for listed companies prior to 2010.	Yes, except Undecided for unlisted banks for 2010 only because, for them, comparative IFRS financial statements for 2009 are not required	IFRSs not permitted
BN	Brunei Darussalam	No stock exchange in Brunei					IFRSs are permitted but not often used
BG	Bulgaria				X Note 1	No. 'As Adopted by EU'	IFRSs required in both the consolidated and separate company financial statements of unlisted financial institutions and all large unlisted limited liability entities. Other unlisted companies are permitted to use IFRSs.
BF	Burkina Faso	X					IFRSs not permitted
BI	Burundi	No stock exchange in Burundi					IFRSs not permitted
KH	Cambodia	No stock exchange in Cambodia.					IFRSs required for some, permitted for others
CA	Canada				X (starting 2011) Note 7	Yes	IFRSs permitted (starting 2011)
KY	Cayman Islands		X			Yes	

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
CL	Chile				X (starting 2009)	Yes	IFRSs required starting 2009.
CN	China	Note 14					Note 14
CI	Cote D'Ivoire (Ivory Coast)	X					IFRSs not permitted
CO	Colombia	X Note 25					IFRSs not permitted
CR	Costa Rica				X	Yes	IFRSs required for all
HR	Croatia (Hrvatska)				X	Yes	IFRSs required for all financial institutions and large unlisted companies, permitted for others
CU	Cuba	X					IFRSs not permitted
CY	Cyprus				X Note 1	No. 'As Adopted by EU'	IFRSs required for all
CZ	Czech Republic				X Note 1	No. 'As Adopted by EU'	IFRSs as adopted by EU permitted in consolidated statements. Companies that follow IFRSs as adopted by EU for their consolidated financial statements and companies that are part of a group which prepare their consolidated financial statements under IFRS as adopted by EU are permitted to use IFRSs as adopted by EU also for their separate financial statements.
DK	Denmark				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements
DM	Dominica		X			Yes	
DO	Dominican Republic				X Note 20	Yes	IFRSs permitted
AE	Dubai - United Arab Emirates				X	Yes	IFRSs required for all banks, permitted for other companies. Note 23
EC	Ecuador				X Phase-in 2010-2012	Yes	IFRS required for some in 2011, all in 2012
EG	Egypt				X	Yes	
SV	El Salvador		X			Yes	

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
ER	Eritrea	No stock exchange in Eritrea					IFRSs are required for Government-owned enterprises, newly privatised companies (large taxpayers, or 'LTOs'), banks, and insurance companies.
EE	Estonia				X Note 1	No. 'As Adopted by EU'	IFRSs required in both consolidated and separate financial statements of financial institutions. IFRSs permitted in both consolidated and separate statements of other companies.
FJ	Fiji				X	Yes	IFRSs required for government majority owned, banking, financial institutions, medium and large, and others.
FI	Finland				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements.
FR	France				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in consolidated statements, prohibited in separate company statements.
GM	Gambia	No stock exchange in the Gambia					IFRSs are permitted
DE	Germany				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements. Statutory accounts that conform to national GAAP are also required.
GE	Georgia				X	Yes	IFRSs required in both consolidated and separate company statements.
GH	Ghana				X	Yes	IFRSs required for unlisted banks, utilities, brokerage, insurance, government-owned businesses starting 2007. IFRSs will be required for all other unlisted entities starting 2009.
GI	Gibraltar		X			Yes	IFRSs permitted except for some regulated companies that will prepare under UK GAAP
GD	Grenada				X Note 15	Yes	
GR	Greece				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in audited consolidated and separate company financial statements.

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
GL	Greenland	No stock exchange in Greenland					Danish Accounting Standards are normally followed, though IFRSs are permitted
GU	Guam	No stock exchange in Guam					IFRSs not permitted. Unlisted companies follow US GAAP.
GT	Guatemala				X	Yes	IFRSs required for all
GY	Guyana				X	Yes	Companies may choose full IFRSs or IFRS for SMEs
HT	Haiti		X			Yes	IFRSs permitted for all
HN	Honduras				X	Yes	IFRSs required for all
HK	Hong Kong				X Note 3	Yes for companies incorporated outside HK. HK incorporated companies refer to 'Hong Kong FRS'	Hong Kong IFRS equivalents permitted
HU	Hungary				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements. Statutory accounts that conform to national GAAP are also required.
IS	Iceland				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements
IN	India		X Permitted for consolidated financial results only. Note 8			Yes	IFRSs not permitted
ID	Indonesia	X					IFRSs not permitted
IR	Iran	X					IFRSs not permitted
IQ	Iraq				X	Yes	All banks including unisted.
IE	Ireland				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements.

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
IL	Israel			X All Except Banks		Yes	IFRSs permitted (except banks)
IT	Italy				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in consolidated financial statements except for very small companies. IFRSs permitted in separate company statements except for very small, insurance companies, and some regulated companies.
JM	Jamaica				X	Yes	IFRSs required for all
JP	Japan		X Note 12			Not yet announced	IFRSs not permitted
JO	Jordan				X	Yes	
KZ	Kazakhstan				X	Yes	IFRSs required for all banks, joint stock companies, and other significant public interest companies, including extractive industry companies and companies with Governmental ownership)
KE	Kenya				X	Yes	IFRSs required for all
KR	Korea (South)				X	Yes	IFRS required for financial institutions and state-owned companies; IFRS permitted for other unlisted companies
KW	Kuwait				X	Yes	IFRSs required for all
KG	Kyrgyzstan				X	Yes	IFRSs required for all
LA	Laos		X			Yes	
LV	Latvia				X Note 1	No. 'As Adopted by EU'	IFRSs required for financial institutions, not permitted for others
LB	Lebanon				X	Yes	IFRSs required for financial institutions, not permitted for others
LR	Liberia	No stock exchange in Liberia					IFRS required for all banks from 2012, most other companies use US GAAP
LI	Liechtenstein				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements
LS	Lesotho		X			Yes	
LT	Lithuania				X Note 1	No. 'As Adopted by EU'	IFRSs required for some financial institutions, permitted for others

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
LU	Luxembourg				X Note 1	No. 'As Adopted by EU'	IFRS permitted, subject to approval in most cases. Note 22
LY	Libya				X Note 24	Information not available. Note 24	IFRSs required for commercial banks. Note 24
MO	Macau	No stock exchange in Macau.					IFRSs permitted
MK	Macedonia				X	Yes	IFRSs not permitted
MG	Madagascar		No stock exchange in Madagascar				IFRSs required for some
MW	Malawi				X	Yes	IFRSs not permitted
MY	Malaysia	X Note 16					IFRSs not permitted
MV	Maldives		X			Yes	IFRSs permitted
ML	Mali	X					IFRSs not permitted
MT	Malta				X Note 1	No. 'As Adopted by EU'	IFRSs permitted for all
MR	Mauritania	No stock exchange in Mauritania.					IFRSs not permitted
MU	Mauritius				X	Yes	IFRSs required for some, permitted for others
MX	Mexico	XNote 17					IFRSs not permitted
MD	Moldova	X					IFRSs not permitted
MN	Mongolia				X	Yes	IFRSs required for all
ME	Montenegro				X	Yes	IFRSs required for all
MA	Morocco			X Banks/ financial institutions must use IFRSs starting 2008. Listed companies other than banks and financial institutions may choose IFRSs or Moroccan GAAP.		Yes	
MZ	Mozambique		X			Yes	Required for banks (2007), large unlisted (starting 2010), and medium-sized unlisted (starting 2011)

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
MM	Myanmar		X			Yes	
NA	Namibia				X	Yes	
NL	Netherlands				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements.
AN	Netherlands Antilles		X			Yes	
NP	Nepal				X	Yes	IFRSs required for all
NC	New Caledonia	No stock exchange in New Caledonia.					As a French Department, New Caledonia follows French accounting requirements. This means that, for unlisted companies, IFRSs are permitted in consolidated statements, prohibited in separate company statements.
NZ	New Zealand				X Note 2	Yes	New Zealand IFRS equivalents required for large unlisted, permitted for others
NI	Nicaragua				X	Yes	IFRSs required for all
NE	Niger	X					IFRSs not permitted
NG	Nigeria				X (starting 2012) Note 21	To be determined. Note 21	
NO	Norway				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements.
OM	Oman				X	Yes	IFRSs required for all
PK	Pakistan	X					IFRSs not permitted
PA	Panama				X	Yes	IFRSs required for some, IFRS for SMEs for others. However, the law requiring IFRSs is under legal challenge.
PG	Papua New Guinea				X	Yes	
PY	Paraguay		X			Yes	IFRSs permitted
PE	Peru				X	Yes	
PH	Philippines	X Note 11					

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
PL	Poland				X Note 1	No. 'As Adopted by EU'	IFRSs required for consolidated financial statements of banks, permitted in consolidated financial statements of companies that have applied for stock exchange listing or whose parent uses IFRSs. IFRSs permitted in the separate financial statements of companies that have applied for stock exchange listing or whose parent uses IFRSs, prohibited in the separate financial statements of other companies.
PT	Portugal				X Note 1	No. 'As Adopted by EU'	IFRSs required in consolidated financial statements of banks and financial institutions, permitted for others. IFRSs permitted in separate company statements of a company that is within the scope of a consolidated group that uses IFRSs, not permitted for other companies.
QA	Qatar				X	Yes	
RE	Reunion	No stock exchange in Reunion.					As a French Department, Reunion follows French accounting requirements. This means that, for unlisted companies, IFRSs are permitted in consolidated statements, prohibited in separate company statements.
RO	Romania				X Note 1	No. 'As Adopted by EU'	IFRSs required for consolidated financial statements of banks, permitted in consolidated financial statements of companies that have applied for stock exchange listing or whose parent uses IFRSs. IFRSs permitted in the separate financial statements of companies that have applied for stock exchange listing or whose parent uses IFRSs, prohibited in the separate financial statements of other companies.
RU	Russia	X					Unlisted entities may prepare IFRS financial statements in addition to Russian GAAP reporting.

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
WS	Samoa	No stock exchange in Samoa					IFRSs are permitted
KN	St Kitts and Nevis				X Note 15	Yes	
SA	Saudi Arabia			X Note 6		Yes	IFRSs not permitted
SN	Senegal	X					IFRSs not permitted
RS	Serbia (Republic of)				X	Yes	IFRSs required for all
SL	Sierra Leone				X	Yes	IFRSs required for some, IFRS for SMEs for others
SG	Singapore	X Note 13					No. Singapore FRSs required. Note 13
SI	Slovenia				X Note 1	No. 'As Adopted by EU'	IFRSs required for financial institutions, permitted for others
SK	Slovak Republic				X Note 1	No. 'As Adopted by EU'	IFRSs required for all
ZA	South Africa				X	Yes	IFRS permitted or IFRS for SMEs
ES	Spain				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in consolidated statements, prohibited in separate company statements
LK	Sri Lanka		X			Yes	IFRSs not permitted
SR	Suriname		X			Yes	IFRSs are permitted
SE	Sweden				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in consolidated statements, prohibited in separate company statements
SY	Syria	X					IFRSs not permitted
SZ	Swaziland		X			Yes	
CH	Switzerland		X X Multi-national main board companies must choose either IFRSs or US GAAP starting 2005			Yes	
TW	Taiwan	X Note 18					IFRSs not permitted

Code	Jurisdiction	Domestic Listed Companies					Domestic Unlisted Companies
		IFRSs Not Permitted	IFRSs Permitted	IFRSs Required for Some	IFRSs Required for All	Audit Report States Compliance With IFRS	Use of IFRSs by Unlisted Companies
TJ	Tajikistan				X	Yes	IFRSs required for all
TZ	Tanzania				X	Yes	IFRSs required for 'international companies'.
TH	Thailand	X					IFRSs not permitted
TG	Togo	X					IFRSs not permitted
TT	Trinidad and Tobago				X	Yes	IFRSs required for all
TN	Tunisia	X					IFRSs not permitted
TR	Turkey		X Note 5			Yes	
TM	Turkmenistan	X					
UG	Uganda		X			Yes	
UA	Ukraine	X					IFRSs not permitted
UK	United Kingdom				X Note 1	No. 'As Adopted by EU'	IFRSs permitted in both consolidated and separate company statements
US	United States	X Note 10					IFRSs permitted
UY	Uruguay	X Note 4					
UZ	Uzbekistan	X					IFRSs not permitted
VU	Vanuatu	No stock exchange in Vanuatu					IFRSs permitted
VE	Venezuela	X Note 19					2004 IFRSs required starting 2007.
VN	Vietnam	X					
VG	Virgin Islands (British)		X			Yes	
VI	Virgin Islands (US)	No stock exchange in Virgin Islands (US).					IFRSs not permitted. Unlisted companies follow US GAAP.
PS	West Bank/ Gaza				X	Yes	
YE	Yemen	No stock exchange in Yemen					IFRSs permitted
ZM	Zambia				X		IFRSs permitted
ZW	Zimbabwe		X			Yes	

Note 1
This country is an EU/EEA member state. The audit report and basis of presentation note refer to compliance with "IFRSs as adopted by the EU". The EU has adopted virtually all IFRSs, though there is a time lag in adopting several recent IFRSs and one aspect of IAS 39 was modified. The modification affects approximately 50 EU banks following IFRSs (as adopted in the EU). The EU is also permitting the issuance of separate company financial statements marked as complying with IFRSs as adopted in the EU in circumstances contradictory to IAS 27. Click for Latest Information on which of the EU and EEA members use this option.

Note 2
Australia and New Zealand have adopted national standards that they describe as IFRS-equivalents. Those standards include the requirement from IAS 1.14 that "an entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes". In both countries this statement is made in the audit report.

Note 3
Hong Kong has adopted national standards that are identical to IFRSs, including all recognition and measurement options, but in some cases effective dates and transition are different. Companies that are based in Hong Kong but incorporated in another country are permitted to issue IFRS financial statements rather than Hong Kong GAAP statements.

Note 4
By law, all Uruguayan companies must follow IFRSs existing at 31 July 2007. There are also a few additional local standards that must be complied with. The auditor's report refers to conformity with Uruguayan GAAP.

Note 5
Listed companies in Turkey are permitted to follow IFRSs in one of two ways due to delays in translating IFRSs into Turkish:

- A listed company can follow the full English version of IFRSs as published by the IASB, in which case the audit report and basis of presentation footnote make an explicit statement of compliance with International Financial Reporting Standards.
- A listed company can follow the Turkish translations of IFRSs. Because of translation delays, these companies do not comply with IFRSs, and the audit report and basis of presentation footnote state that the financial statements comply with "IFRSs as adopted for use in Turkey".

Note 6
All banks and insurance companies listed on the Saudi Stock Exchange must use IFRSs.

Note 7
Canada has adopted a plan to adopt IFRSs in full as Canadian Financial Reporting Standards effective 2011. Companies are permitted to begin using IFRSs as early as 2008 on approval of their provincial securities regulator.

Note 8
The Securities Exchange Board of India (SEBI) has provided an option to listed entities having subsidiaries to submit their consolidated financial results either in accordance with the accounting standards specified in section 211(3C) of the Companies Act, 1956, or in accordance with IFRS. Submission of separate financial results to the stock exchanges will continue to be in accordance with Indian GAAP.

The Indian Accounting Standards converged with IFRS (referred to as Ind AS) have been issued but the effective date of application of these standards has been deferred without any new date being notified. According to the Ministry of Corporate Affairs any new effective date will be announced after taking into consideration the effects of Ind AS on income taxes and other laws and regulations. Currently issued Ind AS may be subject to further amendments.

Note 9
[Not used]

Note 10
On 14 November 2008, the US SEC published for comment a proposed Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by US Issuers. Currently, domestic US SEC registrants are required to use US GAAP and are not permitted to use IFRSs.

Note 11

In adopting IFRSs as Philippines Financial Reporting Standards (PFRSs), various modifications were made to IFRSs including the following 'transition relief':

- Reduced segment reporting disclosures
- Exemption from applying tainting rule for a specific set of financial instruments
- Commodity derivative contracts of mining companies as of 1 January 2005 'grandfathered'
- Insurance companies allowed to use another comprehensive set of accounting principles (also described as Philippine Financial Reporting Standards)
- For banks, losses from sale of non-performing assets allowed to be amortised over a period of time
- Some additional changes to IASB's pension, foreign exchange, and leases Standards

Note 12

On 11 December 2009, the Financial Services Authority of Japan (FSA) published final Cabinet Office Ordinances that allow some Japanese public companies voluntarily to start using IFRSs designated by the Commissioner of the FSA in their consolidated financial statements starting from the fiscal year ending 31 March 2010. For details on which companies are eligible, and what special disclosures are required, please see our Japan Country Page.

Note 13

Singapore has adopted most IFRSs essentially word for word as Singapore equivalents of IFRSs. However, they have made changes to the recognition and measurement principles in several IFRSs when adopting them as Singapore standards, and they have not adopted several other IFRSs. In May 2009 the government announced Singapore Financial Reporting Standards will be fully converged with IFRSs by 2012. The fully-converged standards would apply to all Singapore-incorporated companies listed on the Singapore Stock Exchange.

Note 14

The new Chinese Accounting Standards for Business Enterprises (CAS) were published by the Ministry of Finance (MoF) in 2006 and became effective on January 1, 2007. These standards are substantially converged with IFRSs, except for certain modifications (e.g. disallow the reversal of impairment loss on long term assets) which reflect China's unique circumstances and environment.

In April 2010, the MoF released the roadmap for continuing convergence of CAS with IFRSs. China has made a commitment to convergence with IFRSs. Standard convergence is an ongoing process and the MoF is continuing to spend significant effort on the ongoing convergence between CASs and IFRSs.

The CASs are now mandatory for entities including PRC-listed companies, financial institutions (including entities engaging in securities business permitted by China Securities Regulatory Commission), certain state-owned enterprises, private companies in certain provinces. In the roadmap, the MoF has indicated its intention to have all large and medium-sized enterprises (regardless whether they are listed companies or private companies) adopt the new CAS by 2012.

In December 2007, the HKICPA recognised CAS equivalence to HKFRS, which are identical to IFRSs, including all recognition and measurement options, but have in some cases different effective dates and transition requirements. From then the CASC and HKICPA together with IASB created an ongoing mechanism to reinforce continuously such equivalence.

In December 2010, the Hong Kong Stock Exchange decided to allow mainland-incorporated companies listed in Hong Kong to have an option to present financial statements using CASs and audited by an approved mainland audit firm. A number of such companies have chosen to present financial statements using CASs for annual reporting.

The EU Commission permits Chinese issuers to use CAS when they enter the EU market without adjusting financial statement in accordance with IFRS endorsed by EU.

Note 15
The Eastern Caribbean Securities Exchange (ECSE) is a regional securities market located in St Kitts. It is designed to facilitate the buying and selling of financial products - including corporate stocks and bonds and government securities - for the eight member territories of Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

Note 16
Malaysia has announced a plan to 'bring Malaysian GAAP into full convergence with IFRSs effective 1 January 2012.

Note 17
On 11 November 2008, the Mexican Securities and Exchange Commission (Comision Nacional Bancaria y de Valores, or CNBV) announced that all companies listed on the Mexican Stock Exchange will be required to use IFRSs starting 2012. Listed companies will have the option to use IFRSs earlier - starting as early as 2008 - subject to requirements that will be established by the CNBV.

Note 18
On 14 May 2009, the Financial Supervisory Commission (FSC) of Taiwan announced its roadmap for the full adoption of IFRSs in Taiwan. Taiwan has adopted a plan to adopt IFRSs in two phases. Phase I companies (listed companies and financial institutions supervised by the FSC, except for credit cooperatives, credit card companies, and insurance intermediaries) will be required to adopt Taiwan-IFRS starting 2013. Early adoption in 2012 is optional for companies that have already issued securities overseas, or have registered an overseas securities issuance with the FSC, or have a market capitalisation of greater than NT$10 billion. Phase II companies (unlisted public companies, credit cooperatives, and credit card companies) will be required to adopt Taiwan-IFRS starting 2015, with optional early adoption starting 2013.

Foreign issuers listing in Taiwan (either primary listing or secondary listing) may use IFRSs. However, GAAP difference (IFRSs vs. Taiwanese GAAP) should be provided and reviewed by auditors.

Note 19
In 2004, the Venezuelan Federation of Certified Public Accountants adopted IFRSs as they existed in 2004 as Venezuelan accounting standards. They were required for listed companies in 2005, for large unlisted companies in 2006, and for other companies starting 2007. Currently, Venezuela has not adopted any of the IFRSs or amendments to IASs that have been issued since 2004.

Note 20
A February 2010 resolution of the Institute of CPAs of the Dominican Republic provides for a gradual implementation of IFRSs for listed companies, with some standards mandatory starting in 2010 while others are phased in up to 2014.

Note 21
On 28 July 2010, the Nigerian Federal Executive Council approved 1 January 2012 as the effective date for convergence of accounting standards in Nigeria with International Financial Reporting Standards (IFRS). The Council has directed the Nigerian Accounting Standards Board (NASB), under the supervision of the Nigerian Federal Ministry of Commerce and Industry, to take further necessary actions to give effect to Councils' approval.

Note 22
Credit institutions, insurance and re-insurance companies can choose between IFRSs as adopted by the EU and Luxembourg accounting principles, both in separate and consolidated financial statements. All other entities need to obtain the approval of the Luxembourg Ministry of Justice to prepare separate or consolidated financial statements in accordance with IFRSs as adopted by the EU. The Ministry of Justice grants the derogation on the reasoned opinion of the Commission des Normes Comptables ('CNC', the Luxembourg Accounting Standards Board). In early 2009, a draft law was introduced by the Luxembourg authorities, proposing the introducing of IFRSs for commercial companies. Accordingly, it is anticipated that IFRSs will be introduced into the Luxembourg commercial law as an alternative to the current Luxembourg accounting principles in due course.

Note 23

Although IFRS is not required for unlisted companies other than banks, it is a considered best practice for these companies to adopt IFRSs.

Note 24

Libyan stock market regulations require the use of IFRSs for all listed companies and the Libyan Banking Law requires the use of IFRSs for all commercial banks, however, it is our understanding that practice has yet to apply IFRSs.

Note 25

On 13 July 2009, the Congress of the Republic of Columbia enacted Law No. 1314 concerning accounting, financial reporting and assurance. This law is called the "Law of Convergence". It states the intention to converge Colombian GAAP with international standards (probably IFRSs and ISA) beginning from the year 2014 (proposed start year). However, the practical details of this convergence are still to be determined.

Comparison of Indian GAAP, IFRS and Ind AS

The table on the following pages sets out some of the key differences between Indian GAAP (including the provisions of revised Schedule VI where considered necessary), IFRSs in issue as at 1 April 2011 (except IFRS 9) and Ind ASs.

References to "Indian GAAP" are to the standards notified by the Central Government under the Companies (Accounting Standards) Rules, 2006 (applicable to all companies) vide notification G.S.R 739 (E) dated 7 December 2006, as amended, and to the relevant requirements of the Companies Act, 1956. Unless otherwise stated, reference to Schedule VI is to the revised Schedule VI to the Companies Act, 1956 which is applicable from accounting years commencing on or after 1 April 2011. IFRSs are Standards and Interpretations adopted by the International Accounting Standards Board (IASB). They comprise the International Financial Reporting Standards, International Accounting Standards, and Interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. Ind ASs are the Indian Accounting Standards converged with IFRSs issued by the Ministry of Corporate Affairs in February 2011.

The summary does not attempt to capture all of the differences that exist or that may be material to a particular entity's financial statements or all the provisions of revised Schedule VI. Our focus is on differences that are commonly found in practice. Accordingly, we recommend that readers seek appropriate professional advice regarding any specific issues that they encounter. This publication should not be relied on as a substitute for such advice.

The significance of these differences - and others not included in this list - will vary with respect to individual entities depending on such factors as the nature of the entity's operations, the industry in which it operates, and the accounting policy choices it has made. Reference to the underlying accounting standards and any relevant national regulations is essential in understanding the specific differences.

The rate of progress being achieved by the IASB in its convergence agenda with the FASB means that a comparison between standards can only reflect the position at a particular point in time. You can keep up to date on later developments in IFRS via the IAS Plus website at http://iasplus.com.

While all reasonable attempts have been made to ensure that the information contained herein is accurate, we accept no responsibility for any errors or omissions it might contain, whether caused by negligence or otherwise, or for any losses, however caused to or sustained by, any person that relies upon it. Abbreviations used in this publication are as follows:

AS	Notified Indian Accounting Standard(s) under the Companies (Accounting Standards) Rules, 2006
EPS	Earnings per share
FASB	Financial Accounting Standards Board (US)
FVTPL	Fair value through profit or loss
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICAI	Institute of Chartered Accountants of India
Ind AS	Indian Accounting Standards converged with IFRS
IFRS	International Financial Reporting Standards
IFRIC	International Financial Reporting Interpretations Committee
Schedule VI	Revised Schedule VI to the Companies Act, 1956 unless otherwise stated
SIC	Standing Interpretation Committee of the International Accounting Standards Committee and the interpretations issued by that committee
SEBI	Securities and Exchange Board of India
SMC	Small and medium sized companies
SOCE	Statement of changes in equity
SPE	Special Purpose Entity

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements - primary literature	AS 1 - Disclosure of Accounting Policies/ Schedule VI to the Companies Act,1956 AS 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	IAS 1 - Presentation of Financial Statements	Ind AS 1 - Presentation of Financial Statements
Presentation of Financial Statements - components of financial statements	The requirements for the presentation of financial statements are set out in Schedule VI to the Companies Act, 1956, Schedule III to the Banking Regulation Act, 1949 (for banks), the regulations issued by the Insurance Regulatory and Development Authority (for insurance companies) and the SEBI Guidelines for Mutual Funds (for mutual funds) together with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The components of financial statements are (a) balance sheet; (b) statement of profit and loss; (c) cash flow statement; (d) explanatory notes including summary of accounting policies. Comparative figures are presented for one year as per the requirements of Schedule VI. Single entity financial statements are required to be presented by all entities. Public listed companies are required to present consolidated financial statements in addition to separate financial statements of the parent in terms of the Listing Agreement with the Stock Exchanges and the SEBI Guidelines.	A complete set of financial statements under IFRS comprises (a) a statement of financial position; (b) a statement of comprehensive income/a statement displaying components of profit or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income; (c) a statement of cash flows; (d) a statement of changes in equity; and (e) notes including summary of accounting policies and explanatory notes. Comparative figures are presented for one year. When a change in accounting policy has been applied retrospectively or items of financial statements have been restated/ reclassified, a statement of financial position is required as at the beginning of the earliest period presented.	A complete set of financial statements under Ind AS comprises (a) a balance sheet as at the end of the period (including statement of changes in equity which is presented as a part of the balance sheet); (b)statement of profit and loss; (c) a statement of cash flows; (d) notes including summary of accounting policies and other explanatory information. Comparative figures are presented for one year. When a change in accounting policy has been applied retrospectively or items of financial statements have been restated/ reclassified, a balance sheet is required as at the beginning of the earliest period presented. Unlike IFRS, the Ind ASs do not mandate which entities are required to prepare consolidated financial statements as the requirements to present consolidated or separate financial statements is regulated by governing statutes in India.

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements - formats	Schedule VI prescribes mandatory formats for presentation of balance sheet and statement of profit and loss. However, the same stand modified if any change is required for compliance with the requirements of the Companies Act including Accounting Standards.	Only illustrative formats for presentation of financial statements have been given.	Ind AS 1 does not include any illustrative format for the presentation of financial statements though Ind AS 27 does set out the form in which consolidated financial statements are to be presented.
Presentation of Financial Statements - definition of "material"	Financial statements should disclose all "material" items, i.e. items, the knowledge of which might influence the decisions of the user of the financial statements.	Omissions or misstatements are material if individually or collectively they could influence the economic decisions that users take on the basis of financial statements.	Similar to IFRS.
Presentation of Financial Statements - fair presentation	Fair presentation requires compliance with the applicable requirements of the Companies Act, 1956 and the other regulatory requirements and the application of the qualitative characteristics of the Accounting Standards Framework. Departures from Accounting Standards or Companies Act, 1956 are prohibited unless permitted by other regulatory framework for example, the Insurance Regulatory and Development Authority.	Fair presentation requires faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions of and recognition criteria for assets, liabilities, income and expenses set out in the Framework. In extremely rare circumstances in which management concludes that compliance with requirements of a Standard or Interpretation is so misleading, it may depart from the Standard or the Interpretation. Reasons for departure and why application of the Standard or the Interpretation would have been misleading and the financial impact of applying the standard are required to be disclosed.	Similar to IFRS.
Presentation of Financial Statements - classification of financial liabilities under refinancing arrangements	There is no guidance in the existing standards. Schedule VI specifies that financial liabilities where the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date will be classified as current liabilities.	Current even if the agreement to refinance or reschedule payments on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements - classification of financial liabilities upon breach of covenants	There is no guidance in the existing standards. Schedule VI specifies that financial liabilities where the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date will be classified as current liabilities. The Exposure Draft of the Guidance Note to the Revised Schedule VI to the Companies Act, 1956 clarifies that in the Indian context, banks generally do not demand repayment of loans on default of debt covenants and the condition of a loan becoming repayable on demand on breach of a covenant is generally added in the borrowing terms as a matter of abundant caution. Therefore, considering that the practical implications of such breach are negligible, an entity could continue to classify the loan as non-current as on the balance sheet date since the loan is not actually demanded by the bank at any time prior to the date on which the financial statements are approved. However, in case a bank has recalled the loan before the date of approval of the accounts on breach of a loan covenant that occurred before the year end, the loan will have to be classified as current. Schedule VI also requires disclosure, in the notes to accounts, of the period and amount of continuing default/ default as at the balance sheet date in repayment of loans whether classified as long-term or short-term borrowings and interest thereon.	Non-current if the lender has agreed before the end of the reporting period to provide a grace period of minimum 12 months after the reporting period within which the breach can be rectified and the lender cannot demand immediate repayment.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements - presentation of income statement/statement of comprehensive income	Schedule VI requires an analysis of expense by nature. Any item of income or expenditure which exceeds one per cent of the revenue from operations or Rs.100,000, whichever is higher, needs to be disclosed.	An analysis of expenses is presented using a classification based on either the nature of expenses or their function whichever provides information that is reliable and more relevant. If presented by function, specific disclosures by nature are provided in the notes. When items of income or expense are material, their nature and amount are separately disclosed.	Entities should present an analysis of expenses recognised in profit or loss using a classification based only on the nature of expense.
	Profit or loss attributable to minority interests is disclosed as deduction from the profit or loss for the period as an item of income or expense (as per AS 21).	Profit or loss attributable to non-controlling interest (minority interest) and equity holders of the parent are disclosed in the statement of comprehensive income/income statement (if presented separately) as allocations of profit or loss and total comprehensive income for the period.	Similar to IFRS.
Presentation of Financial Statements - statement of comprehensive income	Statement of profit and loss is the Indian GAAP equivalent of separate income statement under IFRS. Some items such as revaluation surplus which are treated as 'other comprehensive income' under IFRS/ Ind AS are recognised directly in equity under Indian GAAP.	Includes all items of income and expense (non-owner changes in equity) including (a) components of profit or loss and (b) other comprehensive income, for example, revaluation reserve. Items are presented either : (a) in a single statement of comprehensive income with a sub-total for profit or loss; or (b) in a separate income statement displaying components of profit or loss and a separate statement of comprehensive income beginning with profit or loss and displaying components of other comprehensive income.	An entity is required to present all items of income and expense including components of other comprehensive income in a period in a single statement of profit and loss.

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements - statement of changes in equity	A statement of changes in equity is not required. Movements in share capital, retained earnings and other reserves are to be presented in the notes to accounts.	A statement of changes in equity is presented showing (a) the total comprehensive income for the period (b) effects of retrospective application or restatement on each component of equity (c) for each component of equity, a reconciliation between opening and closing balances, separately disclosing changes resulting from (i) profit or loss (ii) each item of other comprehensive income and (iii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.	A statement of changes in equity is presented as part of balance sheet. The statement of changes in equity contains information which is similar to that under IFRS.
Presentation of Financial Statements - extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Presentation of any items of income or expense as extraordinary is prohibited.	Similar to IFRS.
Presentation of Financial Statements - reclassification	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification.	When comparative amounts are reclassified, nature, amount and reason for reclassification are disclosed.	Similar to IFRS.
Presentation of Financial Statements - critical judgement	AS 1 does not specifically require disclosure of judgements that management has made in the summary of significant accounting policies or other notes.	Requires disclosure of critical judgements made by management in applying accounting policies.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Presentation of Financial Statements - estimation uncertainty	AS 1 does not specifically require an entity to disclose information about the assumptions that it makes about the future and other major sources of estimation uncertainty at the end of the reporting period though other standards may require certain disclosures of the same.	Requires disclosure of key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The nature of the uncertainty and the carrying amounts of such assets and liabilities at the end of the reporting period are required to be disclosed.	Similar to IFRS.
Presentation of Financial Statements - capital	AS 1 does not require an entity to disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes of managing capital.	Requires disclosure of information about management of capital and compliance with capital requirements.	Similar to IFRS.
Inventories - primary literature	**AS 2 - Valuation of Inventories**	**IAS 2 - Inventories**	**Ind AS 2 - Inventories**
Inventories - scope	There is no scope exemption in AS 2 for any inventories held by commodity traders. Further, AS 2 totally excludes from its scope (and not just measurement requirements) producers' inventories of livestock, agricultural and forest products, and mineral oils, ores and gases to the extent that they are measured at net realisable value in accordance with well-established practices in those industries. Work in progress arising in the ordinary course of business of service providers has been scoped out of AS 2.	Measurement requirements of IAS 2 do not apply to inventories held by commodity broker-traders who measure their inventories at fair value less costs to sell and producers of agricultural and forest products, agricultural produce after harvest and minerals and mineral products to the extent that they are measured at net realisable value in accordance with well-established practices in those industries. Changes in fair value less costs to sell/ changes in net realisable value are recognised in profit or loss in the period of the change.	Similar to IFRS.
Inventories - deferred settlement terms	Inventories purchased on deferred settlement terms are not explicitly dealt with in the accounting standard on inventories. The cost of inventories generally will be the purchase price for deferred credit terms unless the contract states the interest payable for deferred terms. *The limited revision to AS 2, on becoming effective, eliminates this difference between AS 2 and IAS 2.*	Difference between the purchase price of inventories for normal credit terms and the amount paid for deferred settlement terms is recognised as interest expense.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Inventories - reversal of write-down of inventory	No specific guidance in AS 2 for reversal of write-down of inventories. However, reversals may be permitted as AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies requires this to be disclosed as a separate line item in the statement of profit and loss.	Write-down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in the net realisable value because of changes in economic circumstances. The amount of reversal is limited to the amount of the original write-down.	Similar to IFRS.
Inventories - classification	As per the requirements of Schedule VI, inventories need to be classified as: • Raw materials; • Work-in-progress; • Finished goods; • Stock-in-trade (in respect of goods acquired for trading); • Stores and spares; • Loose tools; • Others	No specific classification requirements - classification should be appropriate to the entity.	Similar to IFRS.
Statement of Cash Flows - primary literature	**AS 3 - Cash Flow Statements**	**IAS 7 - Statement of Cash Flows**	**Ind AS 7 - Statement of Cash Flows**
Statement of Cash Flows - bank overdrafts	Bank overdrafts are considered as financing activities.	Included as cash and cash equivalents if they form an integral part of an entity's cash management.	Similar to IFRS.
Statement of Cash Flows - cash flows from extraordinary items	Cash flows from items disclosed as extraordinary are classified as arising from operating, investing or financing activities and separately disclosed.	As presentation of items as extraordinary is not permitted, the cash flow statement does not reflect any items of cash flow as extraordinary.	Similar to IFRS.
Statement of Cash Flows - interest and dividend	For Financial enterprises: Interest paid and interest received are to be classified as operating activities. Dividend paid is to be classified as financing activity. For other enterprises: Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities.	May be classified as operating, investing or financing activities in a manner consistent from period to period.	Similar to Indian GAAP.

Topic	Indian GAAP	IFRS	Ind AS
Statement of Cash Flows - acquisition and disposal of properties	No specific guidance.	Entities might routinely sell items of property, plant and equipment that they have previously held for rental to others. Cash payments/receipts in respect of acquisition/disposal of such assets are classified as operating activities.	Similar to IFRS.
Statement of Cash Flows - changes in ownership interest	No specific guidance.	Changes in ownership interest in a subsidiary without loss of control are treated as financing activities.	Similar to IFRS.
Statement of Cash Flows - investing activities	No specific guidance.	Only expenditures resulting in a recognised asset in the statement of financial position should be classified as investing activities.	Similar to IFRS.
Accounting Policies, Changes in Accounting Estimates and Errors - primary literature	**AS 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies**	**IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**	**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**
Accounting Policies, Changes in Accounting Estimates and Errors - changes in accounting policies	Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed. However, change in depreciation method, though considered a change in accounting policy, is given retrospective effect. (see discussion on Property, Plant and Equipment below).	Requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.	Similar to IFRS.
Accounting Policies, Changes in Accounting Estimates and Errors - errors	Prior period errors are included in determination of profit or loss of the period in which the error is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Accounting Policies, Changes in Accounting Estimates and Errors - new accounting pronouncements	Not required to be disclosed.	New accounting pronouncements that have been issued but are not yet effective as at the end of the reporting period are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on the financial statements on initial application is disclosed.	Similar to IFRS.
Accounting Policies, Changes in Accounting Estimates and Errors - absence of standard or interpretation that specifically applies to a transaction	No specific guidance.	Permits considering recent pronouncements by other standard-setting bodies that use a similar conceptual framework to IFRS to the extent these pronouncements do not conflict with IFRS.	In the absence of an Ind AS that specifically applies to a transaction, other event or condition, the management, while using judgment in developing and applying an accounting policy, should first consider the most recent pronouncements of the IASB and in absence thereof those of the other standard setting bodies that use a similar conceptual framework to develop accounting standards.
Events after the Reporting Period - primary literature	**AS 4 - Contingencies and Events Occurring after the Balance Sheet Date**	**IAS 10 - Events After the Reporting Period**	**Ind AS 10 - Events After the Reporting Period**
Events after the Reporting Period - dividends	Schedule VI requires disclosure of proposed dividend in the notes to accounts. However, as per the requirements of AS 4 which will override the provisions of Schedule VI, dividends stated to be in respect of the period covered by the financial statements, which are proposed or declared after the balance sheet date but before approval of the financial statements will have to be recorded as a liability.	Liability for dividends declared to holders of equity instruments are recognised in the period when declared. It is a non-adjusting event.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Construction Contracts - primary literature	AS 7 - Construction Contracts Guidance Note on Recognition of Revenue by Real Estate Developers	IAS 11 - Construction Contracts IFRIC 12 - Service Concession Arrangements IFRIC 15 - Agreements for the Construction of Real Estate SIC 29 - Service Concession Arrangements: Disclosures	Ind AS 11 - Construction Contracts Ind AS 11 - Appendix A - Service Concession Arrangements Ind AS 11 - Appendix B - Service Concession Arrangements: Disclosures (Notification of Appendix A and Appendix B has been deferred. The effective date for its implementation will be announced separately.)
Service Concession Arrangements - scope	No specific guidance. The ICAI has issued an Exposure Draft of Guidance Note on Accounting for Service Concession Arrangements, which is similar to IFRIC 12.	Prescribes accounting by private sector operators involved in provision of public sector infrastructure assets and services. Under service concession arrangements, the grantor specifies the services to be provided to the public, controls the infrastructure and the price to be charged to the public by the operator.	Similar to IFRS.
Service Concession Arrangements - recognition	No specific guidance.	Depending on the terms of the arrangement: (a) a financial asset is recognised where an operator has the unconditional right to receive cash or other financial asset from the grantor over the life of the arrangement; or (b) an intangible asset is recognised where the operator receives cash directly from the public and where future cash flows vary depending on the usage of the infrastructure; or (c) both a financial asset and an intangible asset are recognised where the operator's return is provided partly by a financial asset and partly by an intangible asset.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Agreements for the Construction of Real Estate	Guidance Note on Recognition of Revenue by Real Estate Developers gives guidance on application of revenue recognition principles in AS 9 to real estate sales. Accordingly, revenue recognition criteria of AS 9 are applicable to revenue recognition for real estate sales also. However, in case the seller is obliged to perform any substantial acts after the transfer of significant risks and rewards of ownership, revenue should be recognised on a proportionate basis as the acts are performed i.e. by applying the percentage of completion method as per AS 7.	An agreement for the construction of real estate is within the scope of IAS 11 only when the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress (whether it exercises that ability or not). If the buyer does not have that ability, IAS 18 applies. If IAS 11 applies, revenue is recognised on a percentage of completion basis provided reliable estimates of construction progress and future costs can be made. When IAS 18 applies, it may be a case of agreement to provide services or goods. In the former case, percentage of completion method is to be adopted. In the latter case, revenue recognition depends on transfer of significant risks and rewards of ownership.	No equivalent of IFRIC 15 has been issued. Agreements for the construction of real estate are within the scope of Ind AS 11. Hence revenue from such contracts is recognised using the percentage of completion method.
Income Taxes - primary literature	AS 22 - Accounting for Taxes on Income	IAS 12 - Income Taxes SIC 21 - Income Taxes - Recovery of Revalued Non-Depreciable Assets SIC 25 - Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	Ind AS 12 - Income Taxes Ind AS 12 - Appendix A - Income Taxes - Recovery of Revalued Non-Depreciable Assets Ind AS 12 - Appendix B - Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
Income Taxes - deferred income taxes	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Income Taxes - recognition of deferred tax assets and liabilities	Deferred taxes are generally recognised for all timing differences.	Deferred income taxes are recognised for all temporary differences between accounting and tax base of assets and liabilities except to the extent which arise from (a) initial recognition of goodwill (in the case of deferred tax liabilities) or (b) asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither the accounting nor the tax profit.	Similar to IFRS.
Income Taxes - recognition of taxes on items recognised in other comprehensive income or directly in equity	No specific guidance in AS 22. However, an announcement made by the ICAI requires any expense charged directly to reserves and/or securities premium account to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.	Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore, the tax on items recognised in other comprehensive income or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	Similar to IFRS.
Income Taxes - recognition of deferred tax assets	Deferred tax asset for unused tax losses and unabsorbed depreciation is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset for all other unused credits/timing differences is recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.	Deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Income Taxes - investments in subsidiaries, branches and associates, and interests in joint ventures	No deferred tax liability is recognised.	Deferred tax liability for all taxable temporary differences are recognised except to the extent: (a) the parent, the investor or the venturer is able to control timing of the reversal of the temporary difference, and (b) it is probable that the temporary difference will not reverse in the foreseeable future.	Similar to IFRS.
Income Taxes - deferred tax in respect of business combinations	No specific guidance.	If the potential benefit of the acquiree's income tax loss carryforwards or other deferred tax assets did not satisfy the criteria in IFRS 3 for separate recognition when the business combination was initially accounted but if such benefit is subsequently recognised, goodwill is reduced to record pre-acquisition deferred tax assets which are recognised within 12 months of the acquisition date as a result of new information on facts and circumstances that existed on the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefit is recognised in profit or loss. All other deferred tax benefits are recognised in profit or loss (or if IAS 12 so requires, outside profit or loss).	Similar to IFRS.
Income Taxes - deferred tax on unrealised intra-group profits	Deferred tax is not recognised. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax on unrealised intra-group profits is recognised at the buyer's rate.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Income Taxes - classification	Schedule VI requires net deferred tax assets and net deferred tax liabilities to be presented as part of non-current assets and non-current liabilities respectively.	Always classified as non-current, if current and non-current classification is presented.	Similar to IFRS.
Income Taxes - disclosure	Certain additional disclosures like rate reconciliation, tax holidays and their expiry and unrecognised deferred tax liability on undistributed earnings of subsidiaries, branches, associates and joint ventures are not required.	Additional disclosures required under IFRS include : • A reconciliation between the income tax expense (income) reported and the product of accounting profit multiplied by the applicable tax rate. Either a numerical reconciliation or tax rate reconciliation is required to be presented. • Details of tax holidays and expiry. • Unrecognised deferred tax liability on undistributed earnings of subsidiaries, branches, associates and joint ventures.	Similar to IFRS.
Income Taxes - tax benefits related to share-based payments	No specific guidance.	Deferred tax benefit is calculated based on tax deduction for the share-based payment under the applicable tax law (for example intrinsic value).	Similar to IFRS.
Income Taxes - recovery of revalued non-depreciable assets	Revaluation is treated as a permanent difference under Indian GAAP and, hence, the question of recognising deferred tax effects of the same does not arise at all.	Measurement of deferred tax liability or asset arising from revaluation is based on the tax consequences from the sale of asset rather than through use.	Similar to IFRS.
Income Taxes - recovery of investment property measured under fair value model	Not applicable as investment property cannot be measured using the fair value model.	In the case of investment property measured using fair value model, for measuring deferred taxes, there is a rebuttable presumption that the carrying amount will be recovered through sale.	Similar to Indian GAAP.

Topic	Indian GAAP	IFRS	Ind AS
Changes in Tax Status of an Entity or its Shareholders	No specific guidance.	Current and deferred tax consequences are included in the profit or loss of the period of change unless the consequences relate to transactions or events recognised outside profit or loss either in other comprehensive income or directly in equity in the same or a different period.	Similar to IFRS.
Property, Plant and Equipment - primary literature	AS 6 - Depreciation Accounting AS 10 - Accounting for Fixed Assets	IAS 16 - Property, Plant and Equipment IFRIC 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities	Ind AS 16 - Property, Plant and Equipment Ind AS 16 - Appendix A - Changes in Existing Decommissioning, Restoration and Similar Liabilities
Property, Plant and Equipment - scope	There is no exemption from AS 10 for property under development for future use as investment property.	Property under construction or development for future use as investment property is excluded from the scope of IAS 16 and is within the scope of IAS 40, Investment Property.	Similar to IFRS.
Property, Plant and Equipment - replacement costs	Replacement cost of an item of property, plant and equipment is generally expensed when incurred. Only expenditure that increases the future benefits from the existing asset beyond its previously assessed standard of performance is capitalised.	Replacement cost of an item of property, plant and equipment is capitalised if replacement meets the recognition criteria. Carrying amount of items replaced is derecognised.	Similar to IFRS.
Property, Plant and Equipment - cost of major inspections	Costs of major inspections are generally expensed when incurred.	Cost of major inspections and overhauls are recognised in the carrying amount of property, plant and equipment.	Similar to IFRS.
Property, Plant and Equipment - revaluation	No specific requirement on frequency of revaluation.	If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Property, Plant and Equipment - depreciation	Fixed assets are not required to be componentised and depreciated separately, although AS 10 states that such an approach may improve the accounting for an item of fixed asset. Schedule XIV to the Companies Act, 1956 specifies the minimum depreciation rates to be used for different categories of assets.	Property, plant and equipment are componentised and are depreciated separately. There is no concept of minimum statutory depreciation under IFRS.	Similar to IFRS.
Property, Plant and Equipment - compensation for impairment	No specific requirement. In practice, compensation is offset against replaced items of property, plant and equipment.	Compensation from third parties for impairment or loss of items of property, plant and equipment are included in profit or loss when the compensation becomes receivable.	Similar to IFRS.
Property, Plant and Equipment - transfers from revaluation reserve	Transfers may be done through the statement of profit and loss.	Transfers from revaluation reserve to retained earnings are made directly and not through profit or loss.	Similar to IFRS.
Property, Plant and Equipment - residual value	Estimates of residual value are not required to be updated.	Estimates of residual value need to be reviewed at least at each year end.	Similar to IFRS.
Property, Plant and Equipment - reassessment of useful life and depreciation method	Not currently required.	Requires annual reassessment of useful life and depreciation method.	Similar to IFRS.
Property, Plant and Equipment - change in method of depreciation	Requires retrospective re-computation of depreciation and any excess or deficit on such re-computation is required to be adjusted in the period in which such change is effected. Such a change is treated as a change in accounting policy and its effect is quantified and disclosed.	Changes in depreciation method are considered as change in accounting estimate and applied prospectively.	Similar to IFRS.
Property, Plant and Equipment - presentation of capital advances	Schedule VI requires capital advances to be presented separately under the head 'Long-term loans and advances', as part of non-current assets.	No specific guidance though usually included in capital-work-in-progress.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Property, Plant and Equipment - routine sale of some properties	No such requirement as in IFRS.	Entities might routinely sell items of property, plant and equipment that they have previously held for rental to others. The proceeds from the sale of such assets should be recognised as revenue in accordance with IAS 18.	Similar to IFRS.
Changes in Existing Decommissioning, Restoration and Similar Liabilities	No specific guidance.	Provisions for decommissioning, restoration and similar liabilities that have previously been recognised as part of the cost of an item of property, plant and equipment are adjusted for changes in the amount or timing of future costs and for changes in market-based discount rates.	Similar to IFRS.
Leases - primary literature	AS 19 - Leases	IAS 17 - Leases IFRIC 4 - Determining Whether an Arrangement Contains a Lease SIC 15 - Operating Leases - Incentives SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Ind AS 17 - Leases Ind AS 17 - Appendix A - Operating Leases - Incentives Ind AS 17 - Appendix B - Evaluating the Substance of Transactions Involving the Legal Form of a Lease Ind AS 17 - Appendix C - Determining Whether an Arrangement Contains a Lease (Notification of Appendix C has been deferred. The effective date for its implementation will be announced separately.)
Leases - interest in leasehold land	Leasehold land is recorded and classified as fixed assets.	Recognised as operating lease or finance lease as per definition and classification criteria. An important consideration in such determination is that land has an indefinite economic life. A property interest in an operating lease may be classified as investment property in which case it should be accounted for as a finance lease and the fair value model should be applied for the asset recognised.	Similar to IFRS except that a property interest in an operating lease cannot be accounted for as investment property as the fair value model is not permissible by Ind AS 40.

Topic	Indian GAAP	IFRS	Ind AS
Leases - initial direct costs of lessors for assets under a finance lease	Initial direct costs are either recognised immediately in the statement of profit and loss or allocated against the finance income over the lease term. Initial lease costs incurred by manufacturer or dealer lessors are recognised as expense at the inception of the lease.	For finance leases other than those involving manufacturer or dealer lessors, initial direct costs are included in the measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. Initial lease costs incurred by manufacturer or dealer lessors are recognised as expense when selling profit is recognised, which is normally at the commencement of the lease term.	Similar to IFRS.
Leases - initial direct costs of lessors for assets under operating leases	Initial direct costs incurred by lessors are either deferred and allocated to income over the lease term in proportion to the recognition of lease income, or are recognised as an expense in the statement of profit and loss in the period in which they are incurred.	Initial direct costs incurred by lessors are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as lease income.	Similar to IFRS.
Determining whether an arrangement contains a lease	No specific guidance. Payments under such arrangements are recognised in accordance with the nature of expense incurred.	Arrangements that do not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which convey the right to use the assets are accounted for as lease.	Similar to IFRS. However, Appendix C providing similar guidance will be notified at a later date and the effective date for its implementation will be announced separately.
Lease incentives	No specific guidance.	Lease incentives (such as rent-free period) are recognised by both the lessor and the lessee as a reduction of rental income and expense, respectively, over the lease term.	Similar to IFRS.
Evaluating the Substance of Transactions Involving the Legal Form of a Lease	No specific guidance.	If a series of transactions involves the legal form of a lease and the economic effect can only be understood with reference to the series as a whole, then the series is accounted for as a single transaction.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Revenue - primary literature	AS 9 - Revenue Recognition Guidance Note on Accounting for Dot-com Companies	IAS 18 - Revenue SIC 31 - Revenue - Barter Transactions Involving Advertising Services IFRIC 13 - Customer Loyalty Programmes IFRIC 18 - Transfers of Assets from Customers	Ind AS 18 - Revenue Ind AS 18 - Appendix A - Revenue - Barter Transactions Involving Advertising Services Ind AS 18 - Appendix B - Customer Loyalty Programmes Ind AS 18 - Appendix C - Transfers of Assets from Customers
Revenue - definition	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities from the sale of goods, from the rendering of services, and from the use by others of enterprise resources yielding interest, royalties and dividends. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. As per Schedule VI, in the case of a company other than a finance company, revenue from operations should disclose separately in the notes to accounts the following: • sale of products • sale of services • other operating revenues Less: • Excise duty However, as per AS 9 (the provisions of which will prevail over those of Schedule VI), revenue needs to be presented on the face of the statement of profit and loss as under: Turnover (Gross) XX Less: Excise duty XX Turnover (Net) XX In the case of a finance company, revenue from operations should include revenue from: • interest; and • other financial services	Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value added taxes are excluded from revenues.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Revenue - principal versus agent	No specific guidance is given on determining whether an agency relationship exists.	Guidance on whether an entity is acting as a principal or as an agent is included in the illustrative examples accompanying (but not forming part of) IAS 18. The guidance lists down features that indicate that an entity is acting as a principal.	Similar to IFRS.
Revenue - measurement	Revenue is recognised at the nominal amount of consideration receivable. *On AS 30 becoming effective, there will be no difference between AS 9 and IAS 18.*	Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognised as interest income using the effective interest method.	Similar to IFRS.
Revenue - exchange transactions	No specific guidance.	The accounting treatment depends on whether the exchange transaction involves goods and services of similar nature and value (for example, exchange of commodities like oil or milk). Exchanges of similar assets: • Carrying amount of the asset received = Carrying amount of the asset surrendered + cash or cash equivalent transferred • No gains or losses are recognised Exchanges of dissimilar assets: • Carrying amount of the asset received = Fair value of the asset received +/- cash or cash equivalent transferred • Gain or loss to be recognised = Fair value of the asset received +/- cash or cash equivalent transferred - carrying amount of the asset surrendered	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Revenues - financial service fees	Financial service fee is recognised as revenue depending on whether the service has been provided "once for all" or is on a continuing basis. Loan origination and arrangement fees are recognised as revenues when the loan has been originated. *On AS 30 becoming effective, there will be no difference between AS 9 and IAS 18.*	Fees that are an integral part of the effective interest rate of a financial instrument, for example, loan origination and arrangement fees are deferred and recognised as an adjustment to the effective interest rate. However, when the financial instrument is measured at fair value with changes in fair value recognised in profit or loss, the fees are recognised as revenue when the instrument is initially recognised.	Similar to IFRS.
Revenue - interest	Interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. *On AS 30 becoming effective, there will be no difference between AS 9 and IAS 18.*	Interest income is recognised using the effective interest method.	Similar to IFRS.
Revenue - dividend recognition in the separate financial statements	Dividend income declared out of post-acquisition profits should be recognised in the statement of profit and loss. Dividends declared out of pre-acquisition profits will go to reduce the cost of the investment.	Entire dividend income should be recognised in the profit or loss irrespective of whether it is declared out of pre-acquisition or post-acquisition profits, though it may, in some situations, be necessary to test the investment for impairment.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Revenue - services rendered	Completed service contract method or proportionate completion method permitted. Revenues from installation fees and production commission are recognised when installation and production is completed, unless the installation is incidental to sale.	Requires recognition using percentage of completion method. Revenues from installation fees and production commission are recognised with reference to stages of completion, unless the installation is incidental to sale.	Similar to IFRS.
Barter transactions involving advertising services	No specific guidance in AS 9. However, the Guidance Note on Accounting for Dot-com Companies provides guidance for advertising barter transactions which is similar to IFRS.	Fair value of services provided is measured with reference to non-barter similar transactions that occur frequently, represent a substantial number of the transactions, consideration involves cash or other securities that has a reliable measure of fair value and do not involve transaction with the same counterparty to the barter transaction.	Similar to IFRS.
Customer Loyalty Programs	No specific guidance.	Award credits are accounted for as a separate identifiable component of a sales transaction, with the consideration allocated between the awards credit and the other components of sale.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Transfers of Assets from Customers	No specific guidance.	When property, plant and equipment transferred from a customer meets the definition of an asset under the IASB's 'Framework', from the perspective of the recipient, the recipient must recognise the asset in its financial statements. (This will not be the case, if the customer continues to control the transferred asset). If there are separately identifiable services received by the customer in exchange for the transfer, then the recipient will split the transaction into separate component as required by IAS 18. The deemed cost of that asset is its fair value on the date of the transfer. The total fair value will be allocated to separately identifiable service obligations (if more than one obligation is identified) and revenue will be recognised from each service separately in accordance with IAS 18. If there is an obligation to provide ongoing services, the period over which revenue is recognised is generally determined by the terms of the agreement with the customer. In the absence of such agreement, revenue should be recognised over a period no longer than the useful life of the transferred asset used to provide the ongoing service.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Employee Benefits - primary literature	AS 15 (Revised 2005) - Employee Benefits	IAS 19 - Employee Benefits IFRIC 14 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Ind AS 19 - Employee Benefits Ind AS 19 - Appendix A - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Employee benefits - definitions	The distinction between short-term and other long-term employee benefits depends on whether they fall wholly due within 12 months after the end of the period in which the employees render the related service. There is an inconsistency in the definition of short-term employee benefits and the current/non-current classification in Schedule VI. While the definition of short-term employee benefits as per AS 15 refers to benefits "which fall due wholly within 12 months after the end of the period in which the employees render the related service", as per Schedule VI requirements, for classification as current liabilities, the benefits should be "due to be settled within 12 months after the reporting date". However, the Exposure Draft of the Guidance Note to the Revised Schedule VI to the Companies Act, 1956 has clarified that while AS 15 governs the measurement requirements, Schedule VI governs the presentation requirements. Therefore, each company will need to apply these criteria to its facts and circumstances and decide an appropriate classification of its employee benefit obligations.	The distinction between short-term and other long-term employee benefits depends on whether they are due to be settled within 12 months after the end of the reporting period in which the employees render the related service.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Employee benefits - short-term compensated absences	Short-term employee benefits include short-term compensated absences where the absences are expected to occur within 12 months after the end of the period in which the employees render the related service. There is an inconsistency in the description of short-term compensated absences and the current/non-current classification in Schedule VI. While the description of short-term employee compensated absences as per AS 15 refers to absences that "are expected to occur within 12 months after the end of the period in which the employees render the related service", as per Schedule VI requirements, for classification as current liabilities, the absences should be "due to be settled within 12 months after the reporting date". However, the Exposure Draft of the Guidance Note to the Revised Schedule VI to the Companies Act, 1956 has clarified that while AS 15 governs the measurement requirements, Schedule VI governs the presentation requirements. Therefore, to the extent the employee has an unconditional right to avail the leave, the same needs to be classified as current even though a portion of the same may have to be measured as other long-term employee benefits as per AS 15.	Short-term employee benefits include short -term compensated absences where the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related service.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Employee benefits - actuarial valuation	Similar to IFRS, except that detailed actuarial valuation to determine present value of the benefit obligation is carried out at least once every three years and fair value of plan assets are determined at each balance sheet date.	Detailed actuarial valuation to determine the present value of defined benefit obligation and the fair value of plan assets is performed with sufficient regularity so that the amounts recognised in the financial statements do not differ materially from the amounts that would have been determined at the end of the reporting period. IAS 19 does not specify sufficient regularity.	Similar to IFRS.
Employee benefits - actuarial gains and losses	All actuarial gains and losses should be recognised immediately in the statement of profit and loss as an income or expense.	Actuarial gains and losses for defined benefit plans may be: • recognised immediately in profit or loss; • recognised immediately in other comprehensive income; or • deferred upto a maximum with any excess over 10% of the greater of the defined benefit obligation or the fair value of the plan assets at the end of the previous reporting period being recognised over the expected average remaining working lives of the participating employees or other accelerated basis. Actuarial gains and losses for other long-term employee benefits are recognised immediately in profit or loss.	All actuarial gains and losses for post-employment defined benefit plans and other long-term employee benefit plans are recognised immediately in other comprehensive income.
Employee benefits - discount rate	Market yields at the balance sheet date on government bonds are used as discount rates.	Market yields at the end of the reporting period on high quality corporate bonds are used as discount rates. In countries where there are no deep markets for such bonds, market yields on government bonds are used.	Similar to Indian GAAP

Topic	Indian GAAP	IFRS	Ind AS
Employee benefits - curtailments and negative past service cost	No clarification to distinguish reductions as curtailments or negative past service cost.	A reduction in the extent to which future salary increases are linked to benefits payable for the past service will be a case of curtailment. When a plan amendment reduces benefits, the effect of the reduction for future service is a curtailment whereas the effect of any reduction for the past service is a negative past service cost.	Similar to IFRS.
The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	No specific guidance.	Addresses when refunds or reductions in future contributions are regarded as available for recognition of an asset; how funding requirements in future may effect the availability of reductions in future contributions and when minimum funding requirement may give rise to a liability. It also deals with prepayments of a minimum funding requirement.	Similar to IFRS.
Government Grants - primary literature	**AS 12 - Accounting for Government Grants**	**IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance** **SIC 10 - No Specific Relation to Operating Activities**	**Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance** **Ind AS 20 - Appendix A - No Specific Relation to Operating Activities**
Government Grants - government assistance	Does not deal with disclosure of government assistance other than in the form of government grants.	Deals with both government grants and disclosure of government assistance.	Similar to IFRS.
Government Grants - forgivable loans	No specific guidance.	Forgivable loans are treated as government grants when there is a reasonable assurance that the entity will meet the terms for forgiveness of the loan.	Similar to IFRS.
Government Grants - government loans with below market rate of interest	No specific guidance.	Benefit of government loans with below market rate of interest should be accounted for as government grant-measured as the difference between the initial carrying amount of the loan determined in accordance with IAS 39 and the proceeds received.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Government Grants - recognition	Two broad approaches may be followed - the capital approach or the income approach. Government grants in the nature of promoters' contribution i.e. they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders' funds. Grants related to revenue are recognised in the statement of profit and loss on a systematic and rational basis over the periods necessary to match them with the related costs. Grants relating to non-depreciable assets are credited to capital reserve. If such grants require fulfilment of some obligation, such grants should be credited to income over the period over which the cost of meeting the obligation is charged to income. Grants related to depreciable assets are either treated as deferred income and transferred to the statement of profit and loss in proportion to depreciation, or deducted from the cost of the asset.	Government grants are recognised as income to match them with the related costs for which they are intended to compensate on a systematic basis. Government grants are not directly credited to shareholders' interests. Government grants related to assets are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.	Similar to IFRS. However, grants related to assets, including non-monetary grants at fair value, should be presented in the balance sheet only by setting up the grant as deferred income.
Government Grants - non-monetary government grants	If the asset is given by the Government at a discounted price, the asset and the grant is accounted at the discounted purchase price. Non-monetary grants free of cost are accounted for at nominal values.	The asset and the grant may be accounted at fair value. Alternatively, these can be recorded at nominal amount.	The asset and the grant should be accounted at fair value.
Government Grants - repayment of grants relating to fixed assets	Recognised either by increasing the carrying amount of the asset or reducing the deferred income or capital reserve by the amount repayable. If the carrying amount of the asset is increased, depreciation on the revised carrying amount is provided prospectively over the residual useful life of the asset. Classified as an extraordinary item.	Recognised either by increasing the carrying amount of the asset or reducing the deferred income by the amount repayable. Cumulative depreciation that would have been recognised in profit or loss to date in the absence of grant should be recognised immediately in profit or loss. Prohibited to be classified as an extraordinary item.	Recognised by reducing the deferred income balance by the amount repayable. Prohibited to be classified as an extraordinary item.

Topic	Indian GAAP	IFRS	Ind AS
Foreign Exchange - primary literature	AS 11 - The Effects of Changes in Foreign Exchange Rates	IAS 21 - The Effects of Changes in Foreign Exchange Rates	Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
Effects of Changes in Foreign Exchange Rates - functional and presentation currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.	Similar to IFRS.
Effects of Changes in Foreign Exchange Rates - exchange differences	Similar to IFRS, except that exchange differences on translation of monetary foreign currency liabilities incurred upto the end of the accounting period commencing before 1 April 2004 towards acquisition of fixed assets are capitalised in the carrying amount of these assets. There is a limited period irrevocable option for corporate entities to capitalise exchange differences on long-term monetary items incurred for acquisition of depreciable capital assets and to amortise exchange differences on other long-term monetary items over the life of such items but not beyond the stipulated date. This option is available in respect of accounting periods commencing on or after 7 December 2006, and ending on or before 31 March 2012. Exchange differences on monetary items, that in substance, form part of net investment in a foreign operation, are recognised in 'Foreign Currency Translation Reserve' both in the separate and consolidated financial statements.	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise. Exchange differences on monetary items, that in substance, form part of net investment in a foreign operation, are recognised in profit or loss in the period in which they arise in the separate financial statements and in other comprehensive income in the consolidated financial statements.	Exchange differences arising on translation or settlement of foreign currency monetary items are generally recognised in profit or loss in the period in which they arise. However, an entity may exercise an option in respect of unrealised exchange differences arising on long-term monetary assets and long-term-term monetary liabilities denominated in a foreign currency to be recognised directly in equity and accumulated in a separate component of equity. The amount so accumulated should be transferred to profit or loss over the period of maturity of such long-term monetary items in an appropriate manner. Exchange differences on monetary items, that in substance, form part of net investment in a foreign operation are recognised in a manner similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Effects of Changes in Foreign Exchange Rates - translation in the consolidated financial statements	Translation of financial statements to the reporting currency of the parent/ investee depends on the classification of that operation as integral or non-integral. In the case of an integral operation, monetary assets are translated at closing rate. Non-monetary items are translated at historical rate if they are valued at cost. Non-monetary items which are carried at fair value or other similar valuation are reported using the exchange rates that existed when the values were determined. Income and expense items are translated at historical/average rate. Exchange differences are taken to the statement of profit and loss. For non-integral operations, closing rate method should be followed (i.e. all assets and liabilities are to be translated at closing rate while profit and loss account items are translated at actual/average rates). The resulting exchange difference is taken to reserve and is recycled to profit and loss on the disposal of the non-integral foreign operation. Treatment for disposal does not depend on whether control is lost or not. Even if control is lost, only proportionate amount of the reserve is recycled to statement of profit and loss.	Assets and liabilities should be translated from functional currency to presentation currency at the closing rate at the date of the statement of financial position; income and expenses at actual/average rates for the period; exchange differences are recognised in other comprehensive income and recycled to profit or loss on disposal of the operation. Treatment for disposal depends on whether control is lost or not. Thus, if control is lost, the entire exchange difference recognised in other comprehensive income and accumulated in equity is reclassified from equity to profit or loss.	Similar to IFRS.
Effects of Changes in Foreign Exchange Rates – scoping for derivatives	AS 11 is applicable to exchange differences on all forward exchange contracts including those entered into to hedge the foreign currency risk of existing assets and liabilities and is not applicable to the exchange difference arising on forward exchange contracts entered into to hedge the foreign currency risks of future transactions in respect of which firm commitments are made or which are highly probable forecast transactions.	Foreign currency derivatives that are not within the scope of IAS 39 (e.g. some foreign currency derivatives that are embedded in other contracts) are within the scope of IAS 21. In addition, IAS 21 applies when an entity translates amounts relating to derivatives from its functional currency to its presentation currency.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Effects of Changes in Foreign Exchange Rates - forward contracts	• Forward contracts not intended for trading or speculation purposes: (i) Any premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. (ii) Exchange differences on such a contract are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Exchange difference on a forward exchange contract is the difference between (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date. • Forward exchange contract intended for trading or speculation purposes: The premium or discount on the contract is ignored and at each balance sheet date, the value of the contract is marked to its current market value and the gain or loss on the contract is recognised. *On AS 30 becoming effective, AS 11, to the extent it deals with forward exchange contracts will stand withdrawn.*	Accounted for as a derivative.	Similar to IFRS.
Effects of Changes in Foreign Exchange Rates - change in functional currency	Change in reporting currency is not dealt with in AS 11, though reason for change is required to be disclosed.	Change in functional currency is applied prospectively.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Borrowing Costs - primary literature	**AS 16 - Borrowing Costs**	**IAS 23 - Borrowing Costs**	**Ind AS 23 - Borrowing Costs**
Borrowing Costs - scope	No such scope exception similar to IFRS/Ind AS is available.	Borrowing costs need not be capitalised in respect of (i) qualifying assets measured at fair value (e.g. biological assets) (ii) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis (even if they are otherwise qualifying assets). This is an option.	Similar to IFRS.
Borrowing Costs - components of borrowing costs	No reference to effective interest rate. AS 16 requires amendment on AS 30 becoming mandatory.	Description of specific components are linked to effective interest rate.	Similar to IFRS.
Related Party Disclosures - primary literature	**AS 18 - Related Party Disclosures**	**IAS 24 - Related Party Disclosures**	**Ind AS 24 - Related Party Disclosures**
Related Party Disclosures - definition of related party	Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.	A related party is a person or entity that is related to the entity that is preparing its financial statements (reporting entity) and includes: • A person or close member of that person's family if that person has control, joint control, significant influence over the reporting entity or is a member of key management personnel of the reporting entity or of a parent of the reporting entity; or • Entities that are member of the same group (parent, subsidiaries, joint ventures, associates, and post-employment benefit plans).	Similar to IFRS.
Related Party - definition of close member of the family	No definition of close member of the family. Instead the term "relative" has been defined.	Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: a) that person's children and spouse or domestic partner; b) children of that person's spouse or domestic partner; and c) dependants of that person or that person's spouse or domestic partner.	Close members of the family of a person are the persons specified within meaning of 'relative' under the Companies Act 1956 and that person's domestic partner, children of that person's domestic partner and dependants of that person's domestic partner.

Topic	Indian GAAP	IFRS	Ind AS
Related Party Disclosures - post employment benefit plans	Post employment benefit plans are not included as related parties.	Related party includes post employment benefit plans for the benefit of employees of the reporting entity or any entity that is a related party of the reporting entity.	Similar to IFRS.
Related Party Disclosures - exemptions	Disclosure requirements do not apply if providing such disclosures would conflict with an enterprise's duties of confidentiality as specifically required in terms of a statute or by any regulator or similar competent authority. Also, no disclosure is required in the financial statements of a state-controlled enterprise as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.	Some minimum disclosures should be made by government-related entities.	Disclosures which conflict with confidentiality requirements of statute/regulations are not required to be made.
Related Party Disclosures - items to be disclosed.	If an entity has related party transactions during the period covered by the financial statements, the enterprise should disclose the volume of transactions either as an amount or as an appropriate proportion and amounts or appropriate proportions of outstanding items.	If an entity has related party transactions during the period covered by the financial statements, the amount of such transactions and the amount of outstanding balances including commitments need to be disclosed.	Similar to IFRS.
Related Party Disclosures - key management personnel	Compensation of key management personnel is disclosed in total as an aggregate of all items of compensation except when a separate disclosure is necessary for the understanding of the effects of related party transactions on the financial statements.	Compensation of key management personnel is disclosed in total and separately for (a) short-term employee benefits; (b) post-employment benefits; (c) other long-term benefits; (d) termination benefits; and (e) share-based payments.	Similar to IFRS.
Accounting and Reporting by Retirement Benefit Plan - primary literature	**There is no equivalent standard.**	**IAS 26 - Accounting and Reporting by Retirement Benefit Plan**	**There is no equivalent standard**
Accounting and Reporting by Retirement Benefit Plan	There is no equivalent standard.	Sets out the reporting requirements by defined contribution and benefit plans, including a statement of net assets available for benefits and disclosure of the actuarial present value of promised benefits. Specifies the need for actuarial valuation of the defined benefits and the use of fair values for plan investments.	There is no equivalent standard.

Topic	Indian GAAP	IFRS	Ind AS
Consolidated Financial Statements - primary literature	AS 21 - Consolidated Financial Statements	IAS 27 (2008) - Consolidated and Separate Financial Statements SIC 12 - Consolidation - Special Purpose Entities	Ind AS 27 - Consolidated and Separate Financial Statements Ind AS 27 - Appendix A - Consolidation - Special Purpose Entities Ind AS 27 - Appendix C - Form of Consolidated Financial Statements
Consolidated and Separate Financial Statements - scope	Indian GAAP does not specify entities that are required to present consolidated financial statements. The accounting standard is required to be followed if consolidated financial statements are presented. The Securities and Exchange Board of India requires entities listed and to be listed to present consolidated financial statements.	A parent is required to prepare consolidated financial statements in which they consolidate their investments in subsidiaries in accordance with IAS 27. A subsidiary is an entity that is controlled by another entity (known as the parent). A parent need not prepare consolidated financial statements only if all the following conditions are met: • the entity is itself a wholly owned subsidiary or a partially owned subsidiary and its other owners have not objected to the entity not presenting consolidated financial statements; • the entity's debt or equity instruments are not traded in a public market; • the entity is not in a process of filing its financial statements for the purposes of issuing any class of instruments in a public market; and • the ultimate or any intermediate parent of the entity produces consolidated financial statements available for public use that comply with IFRSs.	Ind AS does not mandate presentation of consolidated financial statements as requirements to present consolidated or separate financial statements is regulated by governing statutes in India.

Topic	Indian GAAP	IFRS	Ind AS
Consolidated and Separate Financial Statements - definition of control	Control is: (a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an enterprise; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities. Therefore a mere ownership of more than 50% of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under IFRS.	Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.	Similar to IFRS.
Consolidated and Separate Financial Statements - dual control	In a rare situation, when an enterprise is controlled by two enterprises one which controls by virtue of ownership of majority of the voting power and the other which controls, by virtue of an agreement or otherwise, the composition of the board of directors, the first mentioned enterprise will be considered as subsidiary of both the controlling enterprises and therefore, both the enterprises will need to consolidate the financial statements of that enterprise.	Only one entity can have control (as distinct from joint control) over another entity. Therefore, when two or more entities each hold significant voting rights, certain factors are reassessed to determine which party has control.	Similar to IFRS.
Consolidated and Separate Financial Statements - potential voting rights	Potential voting rights are not considered in assessing control.	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing control.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Consolidated and Separate Financial Statements - exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary was acquired with intent to dispose of within 12 months or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.	If on acquisition a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is included in the consolidation but is accounted for under that standard.	Similar to IFRS.
Consolidated and Separate Financial Statements - uniform accounting policies	If not practicable to use uniform accounting polices in the preparation of consolidated financial statements, that fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different accounting policies have been applied.	Consolidated financial statements should be prepared using uniform accounting policies. No exception is provided.	Similar to IFRS.
Consolidated and Separate Financial Statements - reporting dates	The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.	Similar to IFRS.
Consolidated and Separate Financial Statements - non-controlling interests	Minority interests are presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders.	Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.	Similar to IFRS.
Consolidated and Separate Financial Statements - allocation of losses to non-controlling interests	Excess of loss applicable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to minority are adjusted against majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.	Total comprehensive income/net income or loss, if separate statements are presented, is allocated to the owners of the parent and the non-controlling interests even though this results in the non-controlling interests having a deficit balance.	Similar to IFRS.
Consolidated and Separate Financial Statements - disposals	No specific guidance.	Partial disposal of an investment in a subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognised. Partial disposal of an investment in a subsidiary resulting in loss of control triggers remeasurement of the residual holding to fair value. Any difference between the fair value and the carrying value is recognised as gain or loss in profit or loss.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Consolidated and Separate Financial Statements - accounting for investments in subsidiaries in separate financial statements of the parent	Accounted at cost less impairment loss. *The limited revision to AS 21, on becoming effective, eliminates this difference between AS 21 and IAS 27.*	Accounted either at cost (less impairment loss) or as available for sale with changes in fair value recognised in other comprehensive income. If measured at cost (less impairment), on classification as held for sale, IFRS 5 will apply.	Similar to IFRS.
Consolidated and Separate Financial Statements - special purpose entities (SPEs)	There is no specific guidance on SPEs. However, Schedule VI requires disclosure of 'controlled special purpose entities' though this term has not been defined either in AS 21 or in Schedule VI. The Exposure Draft of the Guidance Note to the Revised Schedule VI to the Companies Act, 1956, however, clarifies that these should essentially be subsidiaries as per AS 21.	SPEs, for example employee share option plans, are consolidated where the substance of the relationship between the parties indicates control.	Similar to IFRS.
Investments in Associates - primary literature	**AS 23 - Accounting for Investments in Associates in Consolidated Financial Statements**	**IAS 28 - Investments in Associates**	**Ind AS 28 - Investments in Associates**
Investments in Associates - significant influence	Significant influence is the power to participate in the financial and/or operating policy decisions of the investee but not control over those policies.	Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.	Similar to IFRS.
Investments in Associates - potential voting rights	Potential voting rights are not considered in assessing significant influence.	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.	Similar to IFRS.
Investments in Associates - scope	Currently there is no exemption for investments made by venture capital organisations, mutual funds, unit trusts and similar entities from applying the equity method. *The limited revision to AS 23, on becoming effective, eliminates this difference between AS 23 and IAS 28.*	Investments by venture capital organisations, mutual funds, unit trusts and similar entities including investment-linked insurance funds are exempted from applying equity method, if an election is made to measure such investments at FVTPL under IAS 39. If this election is made, certain disclosure requirements have to be complied with.	Investments by venture capital organisations are exempted from applying equity method, if an election is made to measure such investments at FVTPL under Ind AS 39.

Topic	Indian GAAP	IFRS	Ind AS
Investments in Associates - share of losses	Loss in excess of the carrying amount of investment is not recognised.	Losses recognised under the equity method in excess of the investor's investment in ordinary shares are applied to other components of the investor's interest such as long-term loans.	Similar to IFRS.
Investment in Associates - disposals	No specific guidance.	On disposal resulting in loss of significant influence, the remaining investment is remeasured at fair value, with gain or loss recognised in profit or loss.	Similar to IFRS.
Investments in Associates - capital reserve/negative goodwill	Capital reserve arising on the acquisition of an associate by an investor should be included in the carrying amount of investment in the associate but should be disclosed separately.	Any excess of the investor's share of net fair value of the associate's identifiable assets and liabilities over the cost of investments is included as income in the determination of the investor's share of associate's profit or loss.	Any excess of the investor's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
Investments in Associates - uniform accounting policies	If not practicable to use uniform accounting polices while applying the equity method, that fact should be disclosed together with a brief description of the differences between the accounting policies.	Uniform accounting policies should be followed while applying the equity method. No exception is provided.	Uniform accounting policies should be followed for like transactions and events in similar circumstances unless it is impracticable to do so.
Investments in Associates - reporting date	The maximum difference between the reporting date of the associate and that of the parent is not specified.	The difference between the reporting date of the associate and that of the parent shall be no more than three months.	The difference between the reporting date of the associate and that of the parent shall be no more than three months unless it is impracticable to do so.
Investments in Associates - separate financial statements of the investor	At cost less impairment loss. *The limited revision to AS 23, on becoming effective, eliminates this difference between AS 23 and IAS 28.*	Either at cost or at fair value as available for sale with changes in fair value recognised in other comprehensive income. If measured at cost (less impairment), on classification as held for sale, IFRS 5 will apply.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Reporting in Hyperinflationary Economies - primary literature	There is no equivalent standard.	IAS 29 - Financial Reporting in Hyperinflationary Economies IFRIC 7 - Applying the Restatement Approach under IAS 29	Ind AS 29 - Financial Reporting in Hyperinflationary Economies Ind AS 29 - Appendix A - Applying the Restatement Approach under Ind AS 29
Financial Reporting in Hyperinflationary Economies - hyperinflationary	There is no equivalent standard.	Generally an economy is hyperinflationary when the cumulative inflation rate over 3 years is approaching or exceeds 100%.	Similar to IFRS.
Financial Reporting in Hyperinflationary Economies - basic principle	There is no equivalent standard.	Financial statements should be stated in terms of the measuring unit current at the end of the reporting period. Comparative figures for prior period(s) should be restated into the same current measuring unit.	Similar to IFRS.
Financial Reporting in Hyperinflationary Economies - restatements	There is no equivalent standard.	Restatements are made by applying a general price index. Items such as monetary items that are already stated at the measuring unit at the end of the reporting period are not restated. Other items are restated based on the change in the general price index between the date those items were acquired or incurred and the end of the reporting period. A gain or loss on the net monetary position is included in net income. It should be disclosed separately.	Similar to IFRS.
Applying the Restatement Approach under IAS 29	There is no equivalent standard.	When the economy of an entity's functional currency becomes hyperinflationary, IAS 29 is applied as if the economy was always hyperinflationary.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Interests in Joint Ventures - primary literature	AS 27 - Financial Reporting of Interests in Joint Ventures	IAS 31 - Interests in Joint Ventures SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers	IAS 31 - Interests in Joint Ventures Ind AS 31 - Appendix A - Jointly Controlled Entities - Non-Monetary Contributions by Venturers
Interests in Joint Ventures - joint control	Joint control is the contractually agreed sharing of control over an economic activity. However, where an enterprise by a contractual arrangement establishes joint control over an entity which is a subsidiary of that enterprise within the meaning of AS 21, the entity is consolidated under AS 21 by the said enterprise, and is not treated as a joint venture.	Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require unanimous consent of the venturers.	Similar to IFRS.
Interests in Joint Ventures - scope	Currently, there is no exemption as in IFRS. *The limited revision to AS 27, on becoming effective, eliminates this difference between AS 27 and IAS 31.*	IAS 31 is not applicable for investments made by venture capital organisations, mutual funds, unit trusts and similar entities including investment-linked insurance funds that upon initial recognition are classified as at FVTPL under IAS 39. If this election is made, certain disclosure requirements have to be complied with.	Ind AS 31 is not applicable for investments made by venture capital organisations that upon initial recognition are classified as at FVTPL under Ind AS 39.
Interests in Joint Ventures - separate financial statement of the venturer	At cost less impairment loss. *The limited revision to AS 27, on becoming effective, eliminates this difference between AS 27 and IAS 31.*	Either at cost or at fair value as available for sale investment with changes in fair value recognised as a component of comprehensive income. If measured at cost (less impairment), on classification as held for sale, IFRS 5 will apply.	Similar to IFRS.
Interests in Joint Ventures - alternative accounting methods	Interests in jointly controlled entities to be accounted using proportionate consolidation only. Equity method accounting is not permitted.	Investments in jointly controlled entities can be proportionately consolidated or equity accounted by the venturer.	Similar to IFRS.
Interests in Joint Ventures - consolidated financial statements	At cost less impairment if consolidated financial statements are not prepared.	Even if consolidated financial statements are not prepared (e.g. because the venturer has no subsidiaries) proportionate consolidation/equity accounting is used for jointly controlled entities.	Ind AS does not mandate presentation of consolidated financial statements as requirements to present consolidated or separate financial statements is regulated by governing statutes in India.

Topic	Indian GAAP	IFRS	Ind AS
Non-Monetary Contributions by Venturers	No specific guidance.	Recognition of proportionate share of gains or losses on contributions of non-monetary assets in exchange for an equity interest is generally appropriate.	Similar to IFRS.
Financial Instruments: Presentation - primary literature	**AS 31 - Financial Instruments: Presentation** Note that this standard has not been notified under the Companies (Accounting Standards) Rules, 2006. For the current status on the applicability of AS 31, see the caption "Financial Instruments: Recognition and Measurement - primary literature". Since the above mentioned standard is not yet mandatory, the differences discussed below are based on the existing Indian Standards and generally accepted accounting practices. *On AS 31 becoming effective, there will be no material difference between AS 31 and IAS 32. However, subsequent amendments to IAS 32 have not been incorporated in AS 31 and to that extent there are differences between AS 31 and IAS 32.*	**IAS 32 - Financial Instruments : Presentation**	**Ind AS 32 - Financial Instruments : Presentation**
Financial Instruments: Presentation - classification of financial liabilities	Financial instruments are classified based on legal form - redeemable preference shares will be classified as equity.	Financial instruments are classified as a liability or equity according to the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments.	Similar to IFRS.
	Preference dividends are always recognised similar to equity dividend and are never treated as interest expense.	Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of comprehensive income/income statement (if presented separately).	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Presentation - treasury shares	Acquiring own shares is permitted only in limited circumstances. Shares repurchased should be cancelled immediately and cannot be held as treasury shares.	If an entity reacquires its own shares (treasury shares), these are shown as a deduction from equity.	Similar to IFRS.
Financial Instruments: Presentation - offsetting	There are no offset rules. However, in practice the rules under IFRS are applied.	A financial asset and financial liability can only be offset if the entity has a legally enforceable right to set off the recognised amounts and intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.	Similar to IFRS.
Financial Instruments: Presentation - classification of convertible debts	Currently, the entire instrument is classified as debt based on its legal form and any interest expense is recognised based on the coupon rate. Premium on redemption of the debt is recognised in securities premium to the extend available.	Split the instrument into liability and equity component/conversion option as an embedded derivative depending on the contractual terms of the financial instrument at issuance.	Similar to IFRS except for conversion option embedded in a foreign currency convertible bond under certain situations.
Financial Instruments: Presentation - conversion option embedded in foreign currency convertible bonds	Currently there is no specific guidance.	Conversion option to acquire fixed number of equity shares for fixed amount of cash in entity's functional currency only is treated as equity. Thus, a conversion option embedded in foreign currency convertible bonds is treated as embedded derivative, and accordingly fair valued through profit or loss at every reporting period end.	Conversion option to acquire fixed number of equity shares for fixed amount of cash in any currency (entity's functional currency or foreign currency) is treated as equity and accordingly is not required to be remeasured at fair value at every reporting date.
Financial Instruments: Presentation - puttable instruments etc.	Currently there is no specific guidance.	Puttable instruments and instruments that impose an obligation to deliver pro rata share of net assets only on liquidation should be classified as equity if some conditions are met. This also triggers some disclosures to be made as required by IAS 1.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Presentation - classification of rights issue	Currently there is no specific guidance.	Rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency are equity instruments, if the entity offers such options etc. pro rata to all of its existing owners of the same class of its non-derivative equity instruments.	Similar to IFRS.
Earnings Per Share - primary literature	**AS 20 - Earnings Per Share**	**IAS 33 - Earnings Per Share**	**Ind AS 33 - Earnings Per Share**
Earnings Per Share - disclosure in separate financial statements	AS 20 requires disclosure of basic and diluted EPS information both in the separate and consolidated financial statements of the parent.	When an entity presents both separate and consolidated financial statements, EPS is required to be presented only in the consolidated financial statements. An entity may disclose EPS in its separate financial statements voluntarily.	EPS is required to be presented in both, consolidated as well as separate financial statements.
Earnings Per Share - disclosure	Certain additional disclosures required under IFRS not mandatory.	IAS 33 requires additional disclosures for EPS from continuing and discontinued operations. Disclosure is also required for instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.	Similar to IFRS.
Earnings Per Share - extraordinary items	EPS with and without extraordinary items is to be presented.	Since IAS 1 prohibits the disclosure of items as extraordinary, no separate consideration is given to such items while calculating EPS.	Similar to IFRS.
Earnings Per Share - mandatorily convertible instrument	No specific requirement as in IFRS.	Ordinary shares to be issued upon conversion of a mandatorily convertible instrument are included in the calculation of basic EPS from the date the contract is entered into.	Similar to IFRS.
Earnings Per Share - shares issuable after a passage of time	No specific guidance.	Ordinary shares that are issuable solely after a passage of time are not treated as contingently issuable shares because passage of time is a certainty.	Similar to IFRS.
Earnings Per Share - contingently returnable shares	No guidance on contingently returnable shares.	Outstanding ordinary shares that are contingently returnable are not treated as outstanding and are ignored in the calculation of basic EPS until the shares are no longer subject to recall.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Interim Financial Reporting - primary literature	AS 25 - Interim Financial Reporting	IAS 34 - Interim Financial Reporting IFRIC 10 - Interim Reporting and Impairment	Ind AS 34 - Interim Financial Reporting Ind AS 34 - Appendix A - Interim Financial Reporting and Impairment
Interim Financial Reporting - statute requiring an enterprise to prepare and present certain information at an interim date	A statute governing an enterprise or a regulator may require an enterprise to prepare and present certain information at an interim date which may be different in form and/or content as required by AS 25 for e.g. Clause 41 of the Listing Agreement requires companies to publish quarterly financial information in a specific format. In such a case, the recognition and measurement principles as laid down in AS 25 are applied in respect of such information, unless otherwise specified in the statute or by the regulator.	No specific guidance when a statute requires an enterprise to prepare and present certain information at an interim date in a specific format.	Similar to IFRS.
Interim Reporting and Impairment	There is no corresponding pronouncement to IFRIC 10. However, AS 28 does permit the reversal of goodwill in certain circumstances. This would be equally applicable to the interim financial statements. Reversal of impairment of investments is permitted in AS 13 and hence the same is equally applicable for interim financial statements. However, on AS 30 becoming effective, reversal of impairment loss on equity instruments classified as available for sale or financial instruments carried at cost is prohibited in the annual financial statements. There is no guidance for such reversals in the context of interim financial statements.	Where an entity has recognised an impairment loss in an interim period in respect of goodwill or an investment in either an equity instrument classified as available for sale or a financial asset carried at cost, that impairment loss is not reversed in subsequent interim financial statements nor in annual financial statements.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Impairment of Assets - primary literature	AS 28 - Impairment of Assets AS 26 - Intangible Assets	IAS 36 - Impairment of Assets	Ind AS 36 - Impairment of Assets
Impairment of Assets - goodwill	AS 28 requires goodwill to be tested for impairment using the "bottom-up/ top-down" approach under which the goodwill is, in effect, tested for impairment by allocating its carrying amount to each cash-generating unit or smallest group of cash-generating units to which a portion of that carrying amount can be allocated on a reasonable and consistent basis.	Allocated to cash generating units that are expected to benefit from the synergies of business combination. Allocated to the lowest level at which goodwill is internally monitored by management which should not be larger than an operating segment before aggregation of segments as defined in IFRS 8.	Similar to IFRS.
Impairment of Assets - annual impairment test for goodwill and intangibles	Goodwill and other intangibles are tested for impairment only when there is an indication that they may be impaired. AS 26, Intangible Assets requires intangible assets that are not available for use and intangible assets that are amortised over a period exceeding ten years to be assessed for impairment at least at each financial year end even if there is no indication that the asset is impaired.	Goodwill, intangible assets not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.	Similar to IFRS.
Impairment of Assets - reversal of impairment loss for goodwill	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.	Impairment loss recognised for goodwill is prohibited from reversal in a subsequent period. Goodwill impaired in an interim period is not subsequently reversed in subsequent interim or annual financial statements.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Provisions, Contingent Assets and Contingent Liabilities - primary literature	AS 29 - Provisions, Contingent Liabilities and Contingent Assets	IAS 37 - Provisions, Contingent Liabilities and Contingent Assets IFRIC 5 - Rights to Interests arising from Decommissioning, Restoration and Environmental Funds IFRIC 6 - Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets Ind AS 37 - Appendix A - Rights to Interests arising from Decommissioning, Restoration and Environmental Funds Ind AS 37 - Appendix B - Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
Provisions, Contingent Liabilities and Contingent Assets - recognition of provisions	Provisions are not recognised based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice, custom and a desire to maintain good business relations or to act in an equitable manner.	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably.	Similar to IFRS.
Provisions, Contingent Liabilities and Contingent Assets - discounting	Discounting of liabilities is not permitted and provisions are carried at their full values.	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.	Similar to IFRS.
Rights to Interests arising from Decommissioning, Restoration and Environmental Funds	No specific guidance.	Deals with the accounting in the financial statements of the contributor for interests in decommissioning, restoration and environmental rehabilitation funds established to fund some or all of the costs of decommissioning assets or to undertake environmental rehabilitation.	Similar to IFRS.
Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	No specific guidance.	Provides guidance on the accounting for liabilities for waste management costs and requires recognition of an obligation to contribute to the costs of disposing of waste equipment based on the entity's share of market in the measurement period. The liability for such obligation arises when an entity participates in the market during the measurement period.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Provisions, Contingent Liabilities and Contingent Assets - contingent assets	Contingent assets are not disclosed in the financial statements. They are usually disclosed as part of the report of the approving authority (e.g. Board of Directors report).	Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.	Similar to IFRS.
Provisions, Contingent Liabilities and Contingent Assets - restructuring cost	Requires recognition based on general recognition criteria for provisions i.e. when the entity has a present obligation as a result of past event and the liability is considered probable and can be reliably estimated.	IAS 37 requires provisions on the basis of constructive obligations. A constructive obligation to restructure arises only when an entity has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.	Similar to IFRS.
Intangible Assets - primary literature	**AS 26 - Intangible Assets**	**IAS 38 - Intangible Assets** **SIC 32 - Intangible Assets - Web Site Costs**	**Ind AS 38 - Intangible Assets** **Ind AS 38 - Appendix A - Intangible Assets - Web Site Costs**
Intangible Assets - measurement	Measured only at cost.	Intangible assets can be measured at either cost or revalued amounts.	Similar to IFRS.
Intangible Assets - useful life	The useful life may not be indefinite. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.	Useful life may be finite or indefinite.	Similar to IFRS.
Intangible Assets - goodwill	Goodwill arising on amalgamation in the nature of purchase is amortised over five years (as per AS 14). Goodwill arising on consolidation is not amortised but is tested for impairment.	Not amortised but subject to annual impairment test or more frequently whenever there is an impairment indication.	Similar to IFRS.
Intangible Assets - prepayments for advertising and promotional activities	Payment for the delivery of goods or services made in advance of the delivery of goods or the rendering of services are considered as prepayment assets.	Recognition of a prepayment asset for advertising or promotional expenditure would be permitted only upto the point at which the entity has the right to access the goods or upto the receipt of services. Mail order catalogues specifically identified as a form of advertising and promotional activity to be expensed.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Recognition and Measurement - primary literature	AS 13 - Accounting for Investments. AS 11 - The Effects of Changes in Foreign Exchange Rates. AS 30 - Financial Instruments: Recognition and Measurement	IAS 39 - Financial Instruments: Recognition and Measurement IFRIC 9 - Reassessment of Embedded Derivatives IFRIC 16 - Hedges of a Net Investment in a Foreign Operation IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments	Ind AS 39 - Financial Instruments: Recognition and Measurement Ind AS 39 - Appendix C - Reassessment of Embedded Derivatives Ind AS 39 - Appendix D - Hedges of a Net Investment in a Foreign Operation Ind AS 39 - Appendix E - Extinguishing Financial Liabilities with Equity Instruments
	The differences discussed below are based on AS 13. Though AS 30 (not yet notified) was to become mandatory for certain enterprises for accounting periods commencing on or after 1 April 2011 with earlier adoption permitted, the ICAI has reconsidered the status of AS 30 and has issued a clarification on the applicability of the same. As per the clarification, to the extent of accounting treatments covered by any of the existing notified accounting standards (for e.g. AS 11, AS 13 etc) or in cases where relevant regulatory authority has prescribed specific regulatory requirements the existing accounting standards/ prescribed regulatory requirements would continue to prevail over AS 30. Subject to the above, in other cases, preparers of financial statements are encouraged to follow the principles enunciated in the accounting treatments contained in AS 30. This announcement is applicable to accounting periods commencing on or after 1 April 2011 and is also valid for AS 31 and AS 32.	Note: In this publication, the provisions of IAS 39 have been discussed. In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 and, in October 2010, further amended IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting 1 January 2013, with early adoption permitted. (This effective date is proposed to be changed to 1 January 2015). The IASB intends to expand IFRS 9 in due course to add new requirements for impairment and hedge accounting. In due course, IFRS 9 will be a complete replacement for IAS 39. This publication does not consider the implications of IFRS 9.	

Topic	Indian GAAP	IFRS	Ind AS
	On AS 30 becoming effective, there will be no material difference between AS 30 and IAS 39. However, subsequent amendments to IAS 39 have not been incorporated in AS 30 and to that extent there are differences between AS 30 and IAS 39.		
Financial Instruments: Recognition and Measurement - general recognition principle	There is no definition of financial instrument. Currently, derivatives are not required to be recognised in the balance sheet except for certain forward exchange contracts within the scope of AS 11, and for entities not following AS 30, losses in respect of all outstanding derivative contracts not covered by AS 11 (see the caption "Financial Instruments: Recognition and Measurement - derivatives and hedge accounting").	All financial assets and financial liabilities are recognised in the statement of financial position when these meet the definition and recognition criteria of a financial instrument. A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity in another entity.	Similar to IFRS.
Financial Instruments: Recognition and Measurement - investments, and loans and receivables	Per AS 13, investments are classified as long-term or current. A current investment is an investment that is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made. A long term investment is an investment other than a current investment. Accordingly, the assessment of whether an investment is long-term has to be made on the date the investment is made. Long-term investments are carried at cost less provision for diminution in value, which is other than temporary. Current investments are carried at lower of cost and fair value.	Financial instruments are classified as fair value through profit or loss (FVTPL), held to maturity, loans and receivables or available for sale. A financial instrument is classified as FVTPL if it is held for trading or has been designated as at FVTPL upon initial recognition. A financial instrument is classified as held for trading if these are acquired or incurred principally for the purpose of selling or repurchase in the near future, is part of a portfolio that is managed together and for which there is evidence of recent actual pattern of short-term profit taking or is a derivative (that is not designated as an effective hedging instrument). A financial instrument can be designated as at FVTPL only if it eliminates or reduces accounting mismatch or a group of financial assets, financial liabilities or both is managed and its performance evaluated on a fair value basis in accordance with a documented risk management strategy and information about the group is provided on that basis to key management personnel.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
	As per Schedule VI, investments are required to be classified as current and non-current, such classification being made on the balance sheet date. However, this leads to an inconsistency in the classification of investments as current under AS 13 and Schedule VI. The Exposure Draft of the Guidance Note to the Revised Schedule VI to the Companies Act, 1956 has clarified that AS 13 does not lay down presentation norms, though it requires disclosures to be made for current and long term investments. Accordingly, presentation of all investments in the balance sheet should be made as per the requirements of Schedule VI i.e. as current or non-current. Therefore, the portion of long-term investment as per AS 13 that is expected to be realised within 12 months from the balance sheet date needs to be shown as 'Current Investment' under Revised Schedule VI. Alternatively, the same can also be shown under long term Investments as 'Current portion of long term investments'. Loans and receivables are measured at cost less valuation allowance.	Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has positive intent and ability to hold to maturity. Held to maturity investments are measured at amortised cost using the effective interest method. Loans and receivables have fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method. Available-for-sale investments are those that do not qualify or are not classified as at FVTPL, held-to-maturity investments or loans and receivables. Gain or loss in changes in fair value of available-for-sale investments are recognised in other comprehensive income.	
Financial Instruments: Recognition and Measurement - changes in fair value of financial liabilities due to changes in credit risk	No specific guidance.	In determining the fair value of the financial liabilities designated at FVTPL upon initial recognition, any change in fair value due to changes in the entity's own credit risk are considered.	In determining the fair value of the financial liabilities designated at FVTPL upon initial recognition, any change in fair value due to changes in the entity's own credit risk are ignored.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Recognition and Measurement - Recognition and Measurement - reclassifications	No specific rules for reclassification of investments.	Non-derivative financial assets can be reclassified out of FVTPL or available for sale categories only in certain circumstances except for non-derivative financial assets that have been designated at FVTPL. This triggers some disclosures to be made as required by IFRS 7.	Similar to IFRS.
Financial Instruments: Recognition and Measurement - impairment of financial assets	An enterprise should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as: • past experience, • actual financial position and • cash flows of the debtors. Different methods are used for making provisions for bad debts, including: • the ageing analysis, • an individual assessment of recoverability. Impairment losses recognised in profit or loss for equity investments are reversed through profit or loss (as per AS 13). On AS 30 becoming mandatory, the position will be similar to IFRS. For banks and financial service entities, the Reserve Bank of India has laid down specific provisioning norms based on the age of the outstandings.	Impairment is recognised if, and only if, • there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (referred to as "loss event"), and • the loss event(s) has an impact on the estimated cash flows that can be reliably estimated. Impairment losses recognised in profit or loss for equity classified as 'available for sale' cannot be reversed through profit or loss.	Similar to IFRS.
Financial Instruments: Recognition and Measurement - derivatives and embedded derivatives	Currently there is no equivalent standard on derivatives except for certain forward exchange contracts within the scope of AS 11, and for entities not following AS 30, an ICAI announcement for losses in respect of all outstanding derivative contracts not covered by AS 11 (see the caption "Financial Instruments: Recognition and Measurement - derivatives and hedge accounting"). The principles in AS 30 may be followed for other derivatives.	Measured at fair value. Prepayment options, the exercise price of which compensates the lender for the loss of interest by reducing the economic loss from reinvestment risk should be considered closely related to the host debt contract.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Recognition and Measurement - derivatives and hedge accounting	Currently there is no equivalent standard on hedge accounting except in the case of forward exchange contracts within the scope of AS 11 and an announcement dated 29 March 2008 made by the ICAI requiring entities not following AS 30 to provide for losses in respect of all outstanding derivative contracts not covered by AS 11 by marking them to market at the balance sheet date. The said announcement is applicable to financial statements for the period ending 31 March 2008 or thereafter. For other cases of hedge accounting, the principles in AS 30 may be followed.	Hedge accounting (recognising the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measurable, and actually effective. IAS 39 provides for three types of hedges: • fair value hedge: if an entity hedges a change in fair value of a recognised asset or liability or unrecognised firm commitment, the change in fair values of both the hedging instrument and the hedged item are recognised in profit or loss when they occur; • cash flow hedge: if an entity hedges changes in the future cash flows relating to a recognised asset or liability or a highly probable forecast transaction, then the change in fair value of the hedging instrument is recognised in other comprehensive income until such time as those future cash flows affect profit or loss. The ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss in the period of such change; and • hedge of a net investment in a foreign entity: treated similar to cash flow hedge. A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge. (Also see the caption "Hedges of a Net Investment in a Foreign Operation").	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Recognition and Measurement - eligible hedged items	At present, except for forward exchange contracts within the scope of AS 11, there is no separate standard on hedge accounting. However, the principles laid down in AS 30 dealing with hedge accounting may be followed.	Inflation may only be hedged when changes in inflation are a contractually- specified portion of cash flows of a recognised financial instrument and identifiable. An entity may designate an option as a hedge of changes in the cash flows or fair value of a hedged item above or below a specified price or other variable (a one-sided risk). In such cases, the hedged risk does not include time value of the purchased option.	Similar to IFRS.
Financial Instruments: Recognition and Measurement - derecognition of financial assets and securitisation	The Guidance Note on Accounting for Securitisation (withdrawn from the date AS 30 became recommendatory i.e. 1 April 2009) required derecognition of a securitised asset based on loss of control.	Derecognition of financial assets is based on whether substantially all risks and rewards inherent in the assets have been transferred to the transferee. If risks and rewards have neither been substantially transferred nor retained, an assessment is made whether control has been retained by the transferor in which case the assets continue to be recognised to the extent of continuing involvement.	Similar to IFRS.
Financial Instruments: Recognition and Measurement - derecognition of financial liabilities	There is no specific guidance on derecognition of financial liabilities but in practice principle under IFRS is applied. However, unclaimed liabilities are written back after a specified period based on historical analysis.	Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or has expired.	Similar to IFRS.
Financial Instruments: Recognition and Measurement - financial guarantee contracts	Financial guarantee contracts are disclosed as contingent liabilities and recognised only when the payment under the contract becomes probable and is measured as the best estimate of the amount to be settled.	Financial guarantee contracts (issued) are initially measured at fair value and subsequently at the higher of (i) fair value at initial recognition less cumulative amortisation in accordance with IAS 18 and (ii) the amount determined in accordance with IAS 37.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Reassessment of Embedded Derivatives	No specific guidance.	When certain non-derivative financial instruments are transferred out of FVTPL category as permitted by IAS 39, the embedded derivatives have to re-assessed and, if necessary, separately accounted for in the financial statements.	Similar to IFRS.
Hedges of a Net Investment in a Foreign Operation	No specific guidance.	A parent may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The hedging instrument for the hedge of a net investment in a foreign operation may be held by any entity or entities within the group. On derecognition of a foreign operation, IAS 39 must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, while IAS 21 must be applied in respect of the hedged item.	Similar to IFRS.
Extinguishing Financial Liabilities with Equity Instruments	No specific guidance.	If a debtor issues equity instruments to a creditor to extinguish all or part of a financial liability, those equity instruments are 'consideration paid'. This is accounted for as an extinguishment of the financial liability, and accordingly the debtor should derecognise the financial liability fully or partly. The debtor should measure the equity instruments issued to the creditor at fair value, unless fair value is not reliably determinable, in which case the equity instruments issued are measured at the fair value of the liability extinguished. The debtor recognises in profit or loss the difference between the carrying amount of the financial liability (or part) extinguished and the fair value of the equity instruments issued.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Investment Property - primary literature	There is no equivalent standard on investment property. At present, covered by AS 13 - Accounting for Investments.	IAS 40 - Investment Property	Ind AS 40 - Investment Property
Investment Property - measurement	Classified as long-term investments and measured at cost less impairment. As per Schedule VI, they are classified as non-current investments.	Investment properties can be measured using the cost or the fair value model, with changes in fair value recognised in profit or loss.	Investment properties are measured using the cost model only.
Agriculture - primary literature	There is no equivalent standard.	IAS 41 - Agriculture	There is no equivalent standard. However the ICAI has issued an Exposure Draft of the same.
Agriculture - measurement	There is no equivalent standard.	Measured at fair value less costs to sell.	There is no equivalent standard.
First Time Adoption - Primary Literature	There is no equivalent standard under Indian GAAP. A first time preparer will have to comply with the measurement and disclosure requirements of all the Indian standards that are applicable to the enterprise.	IFRS 1 - First Time Adoption of International Financial Reporting Standards	Ind AS 101 - First Time Adoption of Indian Accounting Standards
First Time Adoption - date of transition	Not applicable.	Entities are required to present at least one year comparatives. The date of transition is the beginning of the earliest period for which an entity presents full comparative information under IFRS in its first IFRS financial statements.	Entities have to mandatorily transition as of the beginning date of financial year on or after 1 April 2011 and are not required to present comparative information; however, entities have an option to present memorandum comparative information based on deemed transition date as of the beginning date of immediately preceding financial year.
First Time Adoption - additional comparatives as per previous GAAP	Not applicable.	There is no requirement to present additional comparatives under previous GAAP (See Exhibit 1).	Irrespective of the option elected for presentation of memorandum Ind AS comparatives, the first time adopter shall present latest corresponding previous period's financial statements prepared as per the previous GAAP (existing Indian GAAP). Such previous GAAP financial statements should be reclassified to the extent practicable, when presenting its first Ind AS financial statements (See Exhibit 1).

Topic	Indian GAAP	IFRS	Ind AS
First Time Adoption - choice of previous GAAP	Not applicable.	It is not mandatory for entities to consider existing Indian GAAP as the previous GAAP for the purpose of transition to IFRS and can use other GAAP financial statements being presented by them to transition to IFRS e.g. US GAAP financial statements may be used to transition to IFRS.	Entities have to consider the basis of accounting that they used immediately before adopting Ind ASs for their reporting requirements in India as previous GAAP for the purpose of transition.
First Time Adoption - exemption to consider previous GAAP carrying value of property, plant and equipment as deemed cost	Not applicable.	There is no exemption permitting previous GAAP carrying value of property, plant and equipment as deemed cost under IFRS (except for certain specific oil and gas assets, and rate regulated assets).	Entities have an option to use previous GAAP carrying values of property, plant and equipment as on the date of transition as deemed cost under Ind AS. A similar exemption is available for intangible assets and investment properties.
First Time Adoption - exemption for unrealised foreign currency exchange differences on long-term monetary assets and liabilities	Not applicable.	The unrealised exchange differences arising on long -term monetary assets and liabilities are recognised immediately in profit or loss.	Ind AS 21 provides an option to recognise unrealised exchange differences arising on translation of long-term monetary assets and liabilities either in equity or in profit or loss. If recognised in equity, the amount so accumulated should be transferred to profit or loss over the period of maturity of such long-term monetary items in an appropriate manner. The aforesaid option is irrevocable and, if elected, should be applied for all long-term monetary items. The aforesaid option of accumulating the exchange gains or loss in equity may be exercised prospectively and such unrealised exchange differences on said items may be deemed to be zero on the date of transition.
First Time Adoption - exemption from retrospective application of effective interest method and impairment requirements	Not applicable.	There is no exemption from retrospective application of effective interest method or the impairment requirements for financial instruments.	If it is impracticable to retrospectively apply the effective interest method or the impairment requirements for financial instruments, the fair value of the financial asset at the date of transition shall be the new amortised cost of that financial asset at the date of transition.

Topic	Indian GAAP	IFRS	Ind AS
First Time Adoption - non-current assets held for sale and discontinued operations	Not applicable.	No exemption in respect of non-current assets held for sale and discontinued operations.	Ind AS 101 provides transitional relief while applying Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations. Under Ind AS 101, an entity may use the transitional date circumstances to measure such assets or operations at the lower of carrying value and fair value less cost to sell.
First Time Adoption - reconciliations	Not applicable.	IFRS requires reconciliations for opening equity, total comprehensive income, cash flow statement and closing equity for the comparative period to explain the transition to IFRS from previous GAAP (See Exhibit 1).	Ind AS 101 provides an option to provide a comparative period financial statements on memorandum basis. Accordingly, entities that do not provide comparatives need not provide reconciliation for total comprehensive income, cash flow statement and closing equity in the first year of transition but are expected to disclose significant differences pertaining to total comprehensive income. Entities that provide comparatives would have to provide reconciliations which are similar to IFRS (See Exhibit 1).
First Time Adoption - corridor approach	Not applicable.	IFRS 1 provides an entity that adopted the corridor approach for recording actuarial gain and losses arising from accounting for employee obligations with an option to recognise the entire such gain or loss to retained earnings, at the date of transition, rather than requiring them to split such gains and losses as recognised and unrecognised gains and losses.	Since corridor approach is not permitted under Ind AS 19, there is no exemption similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Share-based Payment - primary literature	There is no equivalent standard. However, the ICAI has issued a Guidance Note on Accounting for Employee Share-based Payments. This guidance note deals only with employee share-based payments. The SEBI has also issued the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.	IFRS 2 - Share-based Payment (covers share-based payments both for employees and non-employees and transactions involving receipt of goods and services)	Ind AS 102 - Share-based Payment
Share-based Payment - recognition	Similar to IFRS.	Recognise as an expense over the vesting period. Goods and services in a share-based payment transaction are recognised when goods are received or as services are rendered. A corresponding increase in equity is recognised if goods and services were received in an equity-settled share-based payment transaction or a liability if these were received in a cash-settled share-based payment transaction.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Share-based Payment - measurement	Both the guidance note and the SEBI guidelines permit the use of either the intrinsic value method or the fair value method for determining the costs of benefits arising from employee share-based compensation plans. The guidance note recommends the use of the fair value method. Under the intrinsic value method, the cost is the difference between the market price of the underlying share on the grant date and the exercise price of the option. The fair value method is based on the fair value of the option at the date of grant. The fair value is estimated using an option-pricing model (for example, the Black-Scholes or a binomial model) that takes into account as of the grant date the exercise price and expected life of the option, the current price in the market of the underlying stock and its expected volatility, expected dividends on the stock, and the risk-free interest rate for the expected term of the option. Where an enterprise uses the intrinsic value method, it should also disclose the impact on the net results and EPS - both basic and diluted - for the accounting period, had the fair value method been used.	For equity settled share-based transactions with non-employees, goods and services received and the corresponding increase in equity is measured at the fair value of the goods and services received. If the fair value of the goods and services cannot be estimated reliably, then the value is measured with reference to the fair value of the equity instruments granted. In case of equity settled transactions with employees and others providing similar services, fair value of the equity instrument should be used. Different valuation techniques may be applied.	Similar to IFRS.
Share-based Payment - group entities	The Guidance Note on Accounting for Employee Share-based Payments applies to transfers of shares or stock options of the parent of an entity or shares or stock options of another entity in the same group to the employees of the entity.	IFRS 2 provides guidance on accounting for share-based payment transactions among group entities.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Business Combinations - primary literature	AS 14 - Accounting for Amalgamations	IFRS 3 (2008) - Business Combinations	Ind AS 103 - Business Combinations
Business Combinations - the pooling of interests and purchase method	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests method. Under the pooling of interests method, the assets, liabilities and reserves of the transferor company are recorded by the transferee company at their existing carrying amounts (after making the adjustments required for conflicting accounting policies). Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded in the consolidated financial statements at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition.	All business combinations, other than those between entities under common control, are accounted using the purchase method. An acquirer is identified for all business combinations, which is the entity that obtains control of the other combining entity. Pooling of interests method to record business combinations within the scope of IFRS 3 is prohibited.	Common control transactions are included in the scope; and additional guidance is provided. The additional guidance provides that business combination transactions between entities under common control should be accounted for using the 'pooling of interests' method. All other business combinations are accounted using the purchase method.
Business Combinations - non-controlling interest	At the time of acquisition, minority interests in the net assets consist of the amount of equity attributable to minorities at the date on which investment in the acquiree is made. This is determined on the basis of information contained in the financial statements of the acquiree as on the date of investment.	At the date of acquisition, an entity may elect to measure, on a transaction by transaction basis, the non-controlling interest at (a) fair value or (b) the non-controlling interest's proportionate share of the fair value of the identifiable net assets of the acquiree.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Business Combinations - goodwill measurement	Any excess of the amount of the consideration over the value of the net assets of the transferor company acquired by the transferee company is recognised in the transferee company's financial statements as goodwill arising on amalgamation. If the amount of the consideration is lower than the value of the net assets acquired, the difference is recognised as capital reserve, a component of shareholders' equity.	Measured as the difference between: • the aggregate of (a) the acquisition-date fair value of the consideration transferred; (b) the amount of any non-controlling interest and (c) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and • the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If the above difference is negative, the resulting gain is recognised as a bargain purchase in profit or loss.	Similar to IFRS. However, any gain on bargain purchase is recognised in other comprehensive income and accumulated in equity as capital reserve if there is a clear evidence of the underlying reason for classification of the business combination as a bargain purchase; otherwise, the resulting gain is recognised directly in equity as capital reserve.
Business Combinations - subsequent measurement of goodwill	Goodwill arising on amalgamation in the nature of purchase is amortised over a period not exceeding five years. There is no specific guidance on goodwill arising on acquisition of subsidiary. In practice such goodwill is not amortised but tested for impairment.	Goodwill is not amortised but tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate impairment.	Similar to IFRS.
Business Combinations - business combinations achieved in stages	Dealt with in AS 21. If two or more investments are made over a period of time, the equity of the subsidiary at the date of investment is generally determined on a step-by-step basis; however, if small investments are made over a period of time and then an investment is made that results in control, the date of the latest investment, as a practicable measure, may be considered as the date of investment.	For business combinations achieved in stages, if the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously-held equity interest is remeasured at acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Business Combinations - contingent consideration	Where the scheme of amalgamation provides for an adjustment to the consideration contingent on one or more future events, the amount of the additional payment should be included in the consideration if payment is probable and a reasonable estimate of the amount can be made. In all other cases, the adjustment should be recognised as soon as the amount is determinable.	Consideration for the acquisition includes the acquisition-date fair value of contingent consideration. The obligation to pay contingent consideration should be classified as a liability or as equity, as appropriate. The right to return of previously transferred consideration should be classified as an asset, if specified conditions are met. Changes in contingent consideration which are within the measurement period are recognised as adjustments against original accounting for the acquisition (and so may impact goodwill). Contingent consideration classified as equity is not subsequently remeasured and its subsequent settlement is accounted within equity. Contingent consideration classified as an asset or a liability that is a financial instrument within the scope of IAS 39 should be measured at fair value, with any resulting gain or loss recognised in profit or loss or in other comprehensive income, as appropriate. If it is not within the scope of IAS 39, it should be accounted for in accordance with IAS 37 or other IFRSs as appropriate.	Similar to IFRS.
Business Combinations - acquisition related costs	No specific guidance.	Acquisition related costs such as finder's fee, due diligence costs, etc. are accounted for as expenses in the period in which the costs are incurred and the services are received.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Business Combinations - initial accounting for a business combination determined provisionally	No specific guidance.	If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the combination is accounted for using provisional values. Adjustments to provisional values relating to new information about facts and circumstances that existed at the acquisition date are permitted within one year of the acquisition date. Such adjustments are made retrospectively as if those adjustments had been made at the acquisition date. No adjustments can be made after one year except to correct an error in accordance with IAS 8.	Similar to IFRS.
Insurance Contracts - primary literature	No equivalent standard.	IFRS 4 - Insurance Contracts	Ind AS 104 - Insurance Contracts (This Ind AS will come into effect for insurance companies from the date to be separately announced)
Insurance Contracts - general	No equivalent standard.	Applicable to insurance and reinsurance contracts and to discretionary participation features in insurance contracts. The insurer is required at the end of each reporting period to make a liability adequacy test to assess whether its recognised insurance liabilities are adequate. If test shows carrying amount of its liabilities are inadequate, the deficiency is recognised in profit or loss. Reinsurance assets are tested for impairment. Insurance liabilities may not be offset against related reinsurance assets.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Non-current Assets Held for Sale and Discontinued Operations - primary literature	AS 24 - Discontinuing Operations AS 10 - Accounting for Fixed Assets	IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations IFRIC 17 - Distributions of Non-cash Assets to Owners	Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations Ind AS 10 - Appendix A - Distributions of Non-cash Assets to Owners
Non-current Assets Held for Sale and Discontinued Operations - recognition and measurement	There is no standard dealing with non-current assets held for sale though AS 10 deals with assets held for disposal. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the statement of profit and loss.	Non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is highly probable. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell.	Similar to IFRS.
Non-current Assets Held for Sale and Discontinued Operations - non-cash assets held for distribution to owners	AS 24 has no specific guidance related to non-cash assets held for distribution to owners.	Non-cash assets are to be classified as 'held for distribution to owners' when the transaction is highly probable, taking into account probability of shareholders' approval, if required in the jurisdiction. Such assets are measured at the lower of carrying amount and fair value less costs to distribute.	Similar to IFRS.
Non-current Assets Held for Sale and Discontinued Operations - classification	An operation is classified as discontinuing at the earlier of (a) binding sale agreement for sale of the operation and (b) on approval by the board of directors of a detailed formal plan and announcement of the plan.	An operation is classified as discontinued when it has either been disposed of or is classified as held for sale.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Distributions of Non-cash Assets to Owners	No specific guidance.	An entity should measure the dividend payable at the fair value of the net assets to be distributed. The liability should be remeasured at each reporting date and at settlement, with changes recognised directly in equity. The difference between the dividend paid and the carrying amount of the net assets distributed should be recognised in profit or loss and should be disclosed separately. Additional disclosures should be made, if the net assets being held for distribution to owners meet the definition of a discontinued operation. If shareholders have a choice of receiving either a non-cash asset or a cash alternative, the liability should be measured considering both the fair value of each alternative and management's assessment of the probabilities of each outcome. IFRIC 17 applies to pro rata distributions of non-cash assets (all owners are treated equally) but does not apply to common control transactions.	Similar to IFRS.
Exploration for and Evaluation of Mineral Resources - primary literature	**No equivalent standard. However there is a Guidance Note on Accounting for Oil and Gas Producing Activities.**	**IFRS 6 - Exploration for and Evaluation of Mineral Resources**	**Ind AS 106 - Exploration for and Evaluation of Mineral Resources** **(Ind AS 106 will be applied with modification from a date to be notified later on)**
Exploration for and Evaluation of Mineral Resources - general	As per the guidance note, there are two alternative methods for accounting for acquisition, exploration and development costs, viz. the Successful Efforts Method or the Full Cost Method. The guidance note recommends the Successful Efforts Method. AS 28, Impairment of Assets is applicable irrespective of the method of accounting used.	Exploration and evaluation assets are measured at cost or revaluation less accumulated amortisation and impairment loss. An entity determines the policy specifying which expenditure is recognised as exploration and evaluation assets.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Disclosures - primary literature	AS 32 - Financial Instruments: Disclosures Note that this standard has not been notified under the Companies (Accounting Standards) Rules, 2006. For the current status on the applicability of AS 32, see the caption "Financial Instruments: Recognition and Measurement - primary literature". Since the above mentioned standard is not yet mandatory, the differences discussed below are based on the existing Indian Standards and generally accepted accounting practices. *On AS 32 becoming effective, there are no material differences between AS 32 and IFRS 7. However, subsequent amendments to IFRS 7 have not been incorporated in AS 32 and to that extent there are differences between AS 32 and IFRS 7.*	IFRS 7 - Financial Instruments: Disclosures	Ind AS 107 - Financial Instruments: Disclosures
Financial Instruments: Disclosures - general	Currently there are no detailed disclosure requirements for financial instruments. However, the ICAI has issued an Announcement in December 2005 requiring the following disclosures to be made in respect of derivative instruments in the financial statements: • category-wise quantitative data about derivative instruments that are outstanding at the balance sheet date; • the purpose, viz. hedging or speculation, for which such derivative instruments have been acquired; and • the foreign currency exposures that are not hedged by a derivative instrument or otherwise.	The standard prescribes the disclosures that enable financial statement users to evaluate the significance of financial instruments to an entity, the nature and extent of their risks, and how the entity manages those risks.	Similar to IFRS.

Topic	Indian GAAP	IFRS	Ind AS
Financial Instruments: Disclosures - some improved disclosures	Currently there are no detailed disclosure requirements for financial instruments.	Fair value disclosures must be made separately for each class of financial instrument. Disclosure should be made for change in the method of determining fair values and the reasons for the change. A three-level hierarchy should be adopted for determining fair values. Disclosure should be made, for each fair value measurement in the statement of financial position, of which level in the hierarchy was used and any transfers between levels with additional disclosures whenever level 3 is used including a measure of sensitivity to a change in input data. Maturity analysis for non-derivative financial instruments should include issued financial guarantees contracts. Disclosure of maturity analysis of derivative financial liabilities is also required. Clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans. Requires enhanced disclosures when an asset is transferred but not derecognised and requires some disclosures for assets that are derecognised but the entity continues to have a continuing exposure to the assets after the derecognition.	Similar to IFRS. However, the provisions of 'Disclosures -Transfers of Financial Assets' issued by the IASB in October 2010 have not been incorporated in Ind AS 107.

Topic	Indian GAAP	IFRS	Ind AS
Segments - primary literature	AS 17 - Segment Reporting	IFRS 8 - Operating Segments (effective 1 January 2009 and replaces IAS 14, Segment Reporting)	Ind AS 108 - Operating Segments
Operating Segments - determination of segments	AS 17 requires an enterprise to identify two sets of segments (business and geographical), using a risks and rewards approach, with the enterprise's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.	Similar to IFRS.
Operating Segments - measurement	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined. A reconciliation is presented between the information disclosed for reportable segments and the aggregated information in the enterprise's financial statements.	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, and segment asset or segment liability. Requires reconciliation of segment performance measures, and segment assets and liabilities with the corresponding amounts reported in the financial statements.	Similar to IFRS.
Operating Segments - entity wide disclosures	Disclosures are required based on the classification of segments as primary or secondary. Disclosure requirements for secondary reporting format are less detailed than those required for primary reporting formats.	Requires disclosure of (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; (c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenue from each customer is 10% or more of total segment revenues.	Similar to IFRS.

Exhibit 1

List of reporting requirements for Indian entities (assuming year ends 31 March) adopting Ind AS as compared to those applying IFRS for the first time

Consequent to different requirements for comparative information and date of transition, the contents of the first IFRS/Ind AS financial statements differ under IFRS and Ind AS, respectively. The following table illustrates the reporting requirements in the first financial statements under IFRS and Ind AS.

Particulars	IFRS**	Ind AS	
Comparative option elected for Ind AS	Entities adopting IFRS (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X0)	Entities adopting Ind AS without memorandum Ind AS comparatives* (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X1)	Entities adopting Ind AS with memorandum Ind AS comparatives* (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X1 and deemed transition date 1 April 20X0)
1. Financial statements requirements			
Ind AS/IFRS** financial statements for 20X1-X2 comprising of:			
1. Balance sheet as at and SOCE for the year ending 31 March 20X2	✓ (with comparatives)	✓	✓ (with memorandum comparatives*)
2. Statement of profit and loss (total comprehensive income) for the year ending 31 March 20X2	✓ (with comparatives)	✓	✓ (with memorandum comparatives*)
3. Statement of cash flows for the year ending 31 March 20X2	✓ (with comparatives)	✓	✓ (with memorandum comparatives*)
4. Related notes to accounts for the year ending 31 March 20X2	✓ (with comparatives)	✓	✓ (with memorandum comparatives*)
5. Opening Ind AS/IFRS** balance sheet on the date of transition	✓ (as of 1 April 20X0)	✓ (as of 1 April 20X1)	✓ (as of 1 April 20X1)
6. Memorandum* opening Ind AS balance sheet on the deemed date of transition i.e. 1 April 20X0	n/a	n/a	✓
7. Reclassified, to the extent practicable, financial statements as per previous GAAP for the previous year (i.e. balance sheet, SOCE, statement of profit and loss, statement of cash flows and related notes for the year ending 31 March 20X1)	x	✓	✓

Particulars	IFRS**	Ind AS	
Comparative option elected for Ind AS	Entities adopting IFRS (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X0)	Entities adopting Ind AS without memorandum Ind AS comparatives* (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X1)	Entities adopting Ind AS with memorandum Ind AS comparatives* (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X1 and deemed transition date 1 April 20X0)
2. Reconciliations requirements/explanation of transition to Ind AS/IFRS**			
2.1. Equity reconciliations			
1. Reconciliation of equity reported in accordance with Ind AS/IFRS** to equity under previous GAAP on the date of transition	✓ (as of 1 April 20X0)	✓ (as of 1 April 20X1)	✓ (as of 1 April 20X1)
2. Reconciliation of equity reported in accordance with Ind AS to equity under previous GAAP on the deemed date of transition	n/a	n/a	✓ (as of 1 April 20X0)
3. Reconciliation of equity in accordance with Ind AS/IFRS** as at the end of the comparative period presented (i.e. as at 31 March 20X1) to its equity reported in accordance with previous GAAP	✓ (as of 31 March 20X1)	**x**	✓ (as of 31 March 20X1 based on memorandum comparatives*)

Particulars	IFRS**	Ind AS	
Comparative option elected for Ind AS	Entities adopting IFRS (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X0)	Entities adopting Ind AS without memorandum Ind AS comparatives* (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X1)	Entities adopting Ind AS with memorandum Ind AS comparatives* (assuming first Ind AS reporting period is the year ending on 31 March 20X2 i.e. transition date 1 April 20X1 and deemed transition date 1 April 20X0)
2.2. Income reconciliations			
1. Significant differences between previous GAAP and Ind AS in respect of total comprehensive income/ profit or loss for the year ending 31 March 20X2 (for this purpose, the entity assumes that the previous GAAP would have continued to be applied for year ending 31 March 20X2)	**x**	✓ (for the year ending 31 March 20X2)	**x**
2. Reconciliation of total comprehensive income in accordance with Ind AS compiled on a memorandum basis to total comprehensive income/profit or loss in accordance with previous GAAP for the comparative period (i.e. for the year ending 31 March 20X1)	n/a	n/a	✓ (for the year ending 31 March 20X1)
3. Reconciliation of total comprehensive income for the year ending 31 March 20X1 under Ind AS/IFRS** with the total comprehensive income/ profit and loss for the year ending 31 March 20X1 under the previous GAAP	✓ (for the year ending 31 March 20X1)	**x**	**x**

* Assuming first Ind AS reporting period is the year ending on 31 March 20X2, memorandum previous year comparatives under Ind AS would mean memorandum financial statements for the year ending 31 March 20X1, with deemed transition date of 1 April 20X0. The memorandum comparatives are only for presentation purpose.

** Considering if the reporting entity first time adopts IFRS as its financial reporting framework for the reporting period ending on 31 March 20X2.

IAS Plus website

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- summaries of all Standards, Interpretations and proposals;
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