COMPARTIVE ANALYSIS OF AS(INDIA GAAP),IFRS AND INDAS

Article Assistant

PIPARA & CO LLP

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 under construction contracts, including directly related service contracts and work in progress arising in the ordinary course of business of service providers have 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. The standard also scopes out the biological assets related to agricultural activity and agricultural produce at the point of harvest 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.	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.**

Inventories – cost formula	It is not expressly mandated to use the same cost formula consistently for all inventories that have a similar nature and use to the entity. The formula used should reflect the fairest possible approximation to the cost incurred in bringing the items of inventory to their present location and condition.	Requires an entity to use the same cost formula for all inventories having a similar nature and use to the entity. For inventories with a different nature or use, different cost formulas may be justified.	**Similar to IFRS.**
Inventories – reversal of write-down of inventory	**Nospecific 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.**

Statement of Cash Flows – primary literature	AS 3 – Cash Flow Statements	IAS 7 – Statement of Cash Flows	Ind AS Flows7–Statement ofCash
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 financing activities as appropriate, and separately disclosed.	As presentation of items as extraordinary is not permitted, the cash flow statement doesnot 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 and dividend 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**
Statement of Cash Flows – acquisition and disposal of properties held for rental to others	**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.**

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 **Note: An exposure draft of AS 5 (Revised), Accounting Policies, Changes in Accounting Estimates and Errors has been issued by the ICAI. Pending finalisation, the discussion below is based on AS 5 as notified under the Companies (Accounting Standards) Rules, 2006.**	IAS 8 – Accounting Policies, Changes inAccounting Estimates and Errors	IndAS 8–Accounting Policies, Changes in Accounting Estimates and Errors
AccountingPolicies, Changes in Accounting Estimates and Errors – changes in 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	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.**

	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).		
AccountingPolicies, Changesin Accounting Estimates and Errors– errors	Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period 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.**
AccountingPolicies, Changes in Accounting Estimates and Errors –new accounting pronouncements	Not required to be disclosed.	Non-application of new accounting pronouncements that have been issued but are not yet effective as at the end of the reporting period is disclosed. In such a case, known or reasonably estimable information relevant to assessing the possible impact that application of the new accounting pronouncements will have on the financial statements on initial application is also disclosed.	**Similar to IFRS.**
Accounting Policies, Changes in	**No specific guidance.**	**Permits considering recent pronouncements by other standard**	**In the absence of an Ind AS that specifically applies to a transaction,**

Accounting Estimates and Errors – absence of standard or interpretation that specifically applies to a transaction		– setting bodies that use a similar conceptual framework to IFRS to the extent these pronouncements do not conflict with IFRS.	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 Note: An exposure draft of AS 4 (Revised) Events Occurring After the Balance Sheet Date has been issued by the ICAI. Pending finalisation, the discussion below is based on AS 4 as notified under the Companies (Accounting Standards) Rules, 2006.	IAS 10 – Events After the Reporting Period	Ind AS 10 – Events After the Reporting Period
Events after the Reporting Period – dividends	Schedule III requires disclosure of proposed dividend in the notes to accounts. However, as per the requirements of AS 4 which override the provisions of Schedule III, dividends stated to be in respect of the period covered by	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.**
Events after the Reporting Period – adjusting event	No specific guidance.	When an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, an agreement by the lender after the reporting period and before the authorisation of the financial statements for issue not to demand payment is not considered as an adjusting event.	**Where there is a breach of a long-term loan arrangement before the end of the reporting period whereby the liability becomes payable on demand on the reporting date, the agreement by lender before the approval of the financial statements for issue not to demand payment as a consequence of the breach, will be considered as an adjusting event.**

Property, Plant and Equipment – primary literature	**AS 6 – Depreciation Accounting** **AS 10 – Accounting for Fixed Assets** **Note: An exposure draft of AS 10 (Revised), Property, Plant and Equipment has been issued by the ICAI.** **The discussion below is based on AS 10 as notified under the Companies (Accounting Standards) Rules, 2006.**	**IAS 16 – Property, Plant and Equipment** **IFRIC 1 – Changes in Existing Decommissioning, Restoration and Similar Liabilities** **IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine**	**Ind AS 16 – Property, Plant and Equipment** **Ind AS 16 – Appendix A – Changes in Existing Decommissioning, Restoration and Similar Liabilities** **Ind AS 16 – Appendix B – Stripping Costs in the Production Phase of a Surface Mine**
Property, Plant and Equipment – scope	There is no exemption in 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. Biological assets that meet the definition of a bearer plant i.e. a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and which will not be sold as agricultural produce are included in property, plant and equipment (effective from 1 January 2016 with earlier application permitted).	**Similar to IFRS.**

Property, plant and equipment – major spare parts	Machinery spares are usually charged to the profit and loss statement as and when consumed. However, if such spares can be used only in connection with an item of fixed asset and their use is expected to be irregular, it may be appropriate to allocate the total cost on a systematic basis over a period not exceeding the useful life of the principal item.	Spare parts are recognised in accordance with IAS 16 when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.	**Similar to IFRS.**
Property,Plant andEquipment– estimated costs of dismantling, removing or restoring items of property, plant and equipment	No such specific requirement.	The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is required to be included in the cost of the respective item of property plant and equipment.	**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 capitalized. From financial years commencing on or after 1 April 2015, Schedule II mandates fixed assets to be componentised and	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.**

	therefore, the position will be similar to that under IFRS.		
Property, Plant and Equipment – cost of major inspections	Costs of major inspections are generally expensed when incurred.	Cost of major inspections is recognised in the carrying amount of property, plant and equipment as a replacement, if recognition criteria are satisfied and any remaining carrying amount of the cost of previous inspection is derecognised.	**Similar to IFRS.**
Property, Plant and Equipment –	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.**

Property, Plant and Equipment –	**AS10 does are not require assets to be componentised and depreciated separately, although it states that such an approach may improve the accounting for an item of fixed asset. Schedule II to the Companies Act, 2013 sets out the useful lives based on the nature of assets and the useful life should not ordinarily be different from the life specified in the Schedule. However, a different useful life may be used if such difference is disclosed and a justification, backed by technical advice, is provided in this behalf. Schedule II also mandates fixed assets to be componentised for depreciation purposes (componentisation is mandatory in respect of financial years commencing on or after 1 April 2015).**	**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	The Companies Act, 2013 precludes transfers from the revaluation reserve to 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 specifically stated.	Requires annual reassessment of useful life and depreciation method.	Similar to IFRS.
Property, Plant and Equipment – acceptable methods of depreciation	Depreciation methods include the straight-line method, the diminishing balance method and the units of production method.	A variety of depreciation methods can be used to allocate based on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method. Depreciation method that is based on revenue is not appropriate (effective for annual reporting periods beginning on or after 1 January 2016).	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 affected. 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 III 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.
Property, Plant and Equipment – routine sale of some properties	No specific guidance.	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/IFRS 15 (for annual period beginning 1 January 2017).	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.
Stripping Costs in the Production phase of a surface mine	No specific guidance	IFRIC 21 applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ('production stripping costs'). It addresses recognition of production stripping costs as an asset and measurement (initial and subsequent) of that stripping activity asset.	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
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.**
Leases – operating lease rentals – recognition	Lease payments under an operating lease should be recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit. Lease income from operating leases should be recognised in the statement of profit and loss on a	Similar to Indian GAAP.	**Ind AS 17 contains a carve out for escalation of operating lease rentals that are in line with the expected general inflation. Since these are essentially to compensate the lessor for expected inflationary cost increases, these should not be straight-lined by the lessor as well as the lessee.**

	straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.		
Leases – initial direct costs of lessors for	Initial direct costs are either recognised immediately in the	For finance leases other than those involving manufacturer or dealer	**Similar to IFRS.**
assets under a finance lease	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.	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.	
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	**Similar to IFRS.**

		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.	
Operating Leases – incentives	No specific guidance.	Lease incentives (such as rent-free period) for operating leases are recognised by both the lessor and the lessee as a reduction of rental income and expense, respectively, over the lease term. These are recognised on a straight-line basis unless another systematic basis is more representative of the time pattern over which the benefit of the leased asset is diminished for the lessor/time pattern of the lessee's benefit from the use of the leased asset (for the lessee).	**Similar to IFRS.**
Evaluating the Substanceof 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.**

Employee Benefits – primary literature	AS 15 (Revised 2005) – Employee Benefits	IAS 19 – Employee Benefits (2011) IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Ind AS 19 – Employee Benefits Ind AS 19 – Appendix B – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Employee benefits – short-term and other long-term employee benefits	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 III. 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 III requirements, for classification as current liabilities, the benefits should be "due to be settled within 12 months after the reporting date". However, the Guidance Note to the Revised Schedule VI to the Companies Act, 1956 (Schedule VI has been superseded by	The distinction between short-term and other long-term employee benefits depends on whether those benefits are expected to be settled wholly before twelve months after the end of the annual reporting period. Short-term employee benefits are recognised as an expense in the period in which the employee renders the related service. Unpaid short-term benefit liability is measured at an undiscounted amount	**Similar to IFRS.**

	Schedule III under the Companies Act, 2013), issued by ICAI, has clarified that while AS 15 governs the measurement requirements, Schedule VI (now Schedule III) 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.		
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 the net defined benefit liability (asset) 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.**	**Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.**	**Similar to IFRS.**

Employee benefits – discount rate	Market yields at the balance sheet date on government bonds are used as discount rates. The currency and term of the government bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.	Post-employment benefit obligations (both funded and unfunded) are discounted using a discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds denominated should be used.	Post-employment benefit obligations (both funded and unfunded) should be discounted using a discount rate determined by reference to market yields at the end of the reporting period on government bonds. However, subsidiaries, associates, joint ventures and branches domiciled outside India should use a rate determined by reference to market yields on high quality corporate bonds at the end of the reporting period. In case, such subsidiaries, associates, joint ventures and branches are domiciled in countries where there is no deep market in such bonds, the market yields (at the end of the reporting period) on government bonds of that country should be used. The currency and term of the government bonds or corporate bonds should be consistent with the currency and estimated term of the post- employment benefit obligations.

Employee benefits – defined benefit plans	The changes in defined benefit liability (surplus) has the following components: a) Service cost – recognised in profit or loss; b) Interest cost – recognised in profit or loss; c) The expected return on any plan assets – recognised in profit or loss; d) Net actuarial gains and losses – recognised in profit or loss.	The change in the defined benefit liability (asset) has the following components: a) Service cost – recognised in profit or loss; b) Net interest cost (i.e. time value) on the net defined benefit deficit / (asset) – recognised in profit or loss; c) Re-measurement including i) Changes in fair value of plan assets that arise from factors other than time value and ii) Actuarial gains and losses on obligations – recognised in other comprehensive income.	Similar to IFRS.
Employee benefits – termination benefits	Termination benefits are recognised as a liability and an expense when, and only when: • The enterprise has a present obligation as a result of a past event; • It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and • A reliable estimate can be made of the amount of the obligation.	A termination benefit liability is recognised at the earlier of the following dates: • When the entity can no longer withdraw the offer of those benefits – additional guidance is provided on when this occurs in relation to an employee's decision to accept an offer of benefits on termination and as a result of an entity's decision to terminate an employee's employment; • When the entity recognises costs for a restructuring under IAS 37 Provisions, Contingent Liabilities and Contingent Assets which involves the payment of termination benefits.	Similar to IFRS.

Employee benefits – past service cost and curtailments	Past service cost is recognised as under: • As an expense on a straight-line basis over the average period until the benefits become vested. • If benefits already vested, recognised as an expense immediately. Entities recognise a curtailment when it occurs. However when a curtailment is linked with a restructuring, it is accounted for at the same time as the related restructuring.	Past service cost (includes curtailments) is recognised as an expense at the earlier of the following dates: • When the plan amendment or curtailment occurs; and • When the entity recognises related restructuring costs or termination benefits.	Similar to IFRS.
Employee benefits – actuarial assumptions – administration costs	The expected and actual return on plan assets is arrived at after deducting expected administrative costs, other than those included in the actuarial assumptions used to measure the defined benefit obligation. But AS 15 does not specify which costs should be included in those actuarial assumptions.	In determining the return on plan assets, an entity deducts the costs of managing the plan assets and any tax payable by the plan itself, other than tax included in the actuarial assumptions used to measure the defined benefit obligation. Other administration costs are not deducted from the return on plan assets.	Similar to IFRS.

Employee benefits – contributions from employees or third parties to defined benefit plans	No specific guidance.	Provides guidance on accounting for contributions from employees or third parties to defined benefit plans, which are linked to service both dependent and independent of the number of years of service.	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 minimum funding requirements may affect 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.

Borrowing Costs –	AS 16 – Borrowing Costs	IAS 23 – Borrowing Costs	Ind AS 23 – Borrowing Costs
Borrowing Costs –	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.**	**Description of specific components are linked to effective interest rate.**	**Similar to IFRS.**

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 Allocated to cash generating units that are expected to benefit from the synergies of business combination.	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 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.

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 Rehabilitation Funds** **IFRIC 6 – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment** **IFRIC 21 – Levies**	**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets** **Ind AS 37 – Appendix A – Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds** **Ind AS 37 – Appendix B – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment** **Ind AS 37 – Appendix C – Levies**
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. A constructive obligation is an obligation that derives from an	Similar to IFRS.

		entity's actions where, by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.	
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.
Provisions, Contingent Liabilities and Contingent Assets – contingent assets	Contingent assets are neither recognised nor 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 not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.	Similar to IFRS.
Provisions, Contingent Liabilities and Contingent Assets –	Requires recognition based on general recognition criteria for provisions i.e. when the entity has a present obligation as a result of	IAS 37 requires provisions on the basis of constructive obligations. A constructive obligation to restructure arises only when an	Similar to IFRS.

re **structuring cost**	past event and the liability is considered probable and can be reliably estimated.	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.	

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, measurement and presentation	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 (individually or as part of a disposal group) 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. Non-current assets classified as held for sale, and the assets and liabilities in a disposal group classified as held for sale, are presented separately in the statement of financial position.	Similar to IFRS.
Discontinued	Under AS 24, the profit and loss	The statement of comprehensive	Similar to IFRS.

Operations – presentation	before tax is presented as a single section which includes continuing and discontinuing operation. The presentation provides separate disclosure for continuing operation before tax, income tax related to continuing operations, profit or loss from continuing operations after tax. A similar disclosure is made for discontinuing operations. The requirement under Schedule III to the Companies Act, 2013 is different, with the statement of profit and loss being effectively divided into two sections – continuing operations and discontinuing operations. The following details are required to be presented on the face of the statement of profit and loss as per Schedule III for discontinuing operations: • Profit/(loss) from discontinuing operations • Tax expense of discontinuing operations • Profit/(loss) from discontinuing operations (after tax)	income is effectively divided into two sections – continuing operations and discontinued operations, with the entity presenting as a single amount in the statement of comprehensive income, the sum of the post- tax profit or loss from discontinued operations for the period and the post-tax gain or loss arising on the disposal of discontinued operations (or on the reclassification of the assets and liabilities of discontinued operations as held for sale). Detailed disclosure of revenue, expenses, pre-tax profit or loss and related income taxes is required either in the notes or in the statement of comprehensive income in a section distinct from continuing operations.	

Segments – primary literature	AS 17 – Segment Reporting	IFRS 8 – Operating Segments	Ind AS 108 – Operating Segments
Operating Segments–scope	Applicability of the standard is not linked to the listing status of an entity.	IFRS 8 is applicable to the separate and consolidated financial statements of an entity/group with a parent: • Whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or • That files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.	**Ind AS 108 is applicable to companies to which Ind ASs notified under the Companies Act apply.**
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 nor does it require segment information to be prepared in conformity with the accounting policies adopted for the entity's financial statement.	Similar to IFRS.

Revenuefrom Contract with customers – primary literature	No comprehensive equivalent standard. The following deal with revenue recognition: AS 9 – Revenue Recognition AS 7 – Construction Contracts	IFRS 15- Revenue from Contracts with Customers (effective from Annual period beginning on or after 1 January 2017 with earlier application permitted)	Ind AS 115 – Revenue from Contracts with Customers Ind AS 115 – Appendix C – Service Concession Arrangements Ind AS 115 – Appendix D – Service Concession Arrangements: Disclosures
Revenue – scope	AS 7 deals with construction contracts and AS 9 deals with the recognition of revenue arising in the course of ordinary activities of the entity – sale of goods, rendering of services and use by others of entity resources yielding interest, royalties and dividend. AS 9 scopes out revenue from lease agreements, insurance contracts, revenue arising from government grants, and other similar subsidies.	IFRS 15 applies to contract with a customer and establishes principles on reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customer. A contract is an agreement between two or more parties that creates enforceable rights and obligations, and can be either written, oral or implied by an entity's customary business practices.	**Similar to IFRS.**
Revenue – Recognition	**AS 9 requires recognition of revenue when (i) there is transfer significant risks and rewards of ownership (ii) no significant uncertainty exists regarding the amount of consideration and (iii) at the time of performance, it is not unreasonable to expect ultimate collection.** **Revenue from sale of goods**	**The core principle under IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the considerations to which the entity expects to be entitled in exchange for those goods or services.** **To achieve that core principles, the**	**Similar to IFRS.**

	is recognised when seller has transferred the property in goods to the buyer for a consideration – which in most cases results in or coincides with transfer of significant risks and rewards of ownership. Revenue from service transactions is usually recognised as the services are performed either by the proportionate completion method or by the completed service contract method. Under AS 7, contract revenue and contract costs are recognised by reference to the percentage of completion method if the outcome of the contract can be estimated reliably; else, revenue is recognised only to the extent of contract costs incurred of which recovery is probable.	following steps are applied: 1) Identify the contract(s) with a customer. 2) Identify the performance obligations in the contract (account for a 'distinct' good or service). 3) Determine the transaction price. 4) Allocate the transaction price to the performance obligations in the contract. 5) Recognise revenue when the entity satisfies a performance obligation.	
Revenue – time value of money	Revenue is not adjusted for the time value.	Transaction price is adjusted for the time value of money when a significant financing component exists.	Similar to IFRS.
Revenue – disclosure	AS 7 requires disclosure of contract revenue recognised, methods used to recognise revenue, methods used to determine stage of completion, aggregate amount of	Cohesive set of disclosure requirements including both qualitative and quantitative information about the nature, amount, timing and uncertainty of	Similar to IFRS.

	cost incurred and recognised profits, amount of advances received and amount of retentions. AS 9 requires disclosure of circumstances when revenue recognition has been postponed pending resolution of significant uncertainties. As per Schedule III, 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 Turnover (Net) In the case of a finance company, revenue from operations should include revenue from: • interest; and • other financial services	revenue and cash flows from contracts with customers. Specifically, information about: • Revenue recognised from contracts with customers, including the disaggregation of revenue into appropriate categories • Contract balances, including the opening and closing balances of receivables, contract assets and contract liabilities; • Performance obligations, including when the entity typically satisfies its performance obligations and the transaction price that is allocated to the remaining performance obligations in a contract; • Significant judgements, and changes in judgements, made in applying the requirements to those contracts; and • Assets recognised from the costs to obtain or fulfil a contract with a customer.	
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	Similar to IFRS.

		the services to be provided to the public, controls the infrastructure and the price to be charged to the public by the operator.	

Thank You…..