

IFRS in India – Case Studies

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The different levels of IFRS



International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

Almost 3,000 pages and increasing !!!

International Financial Reporting Interpretations Committee (IFRIC) And Standing Interpretation committee (SIC)

www.ifrs.org

Exposure Drafts and Draft Interpretation

| Type | Number |
|-------|--------|
| IFRS | 15 |
| IAS | 29 |
| IFRIC | 18 |
| SIC | 10 |

IFRS in India – Its Status, Overview of Concepts and Impact in India

Mapping IFRS and Ind AS

| Std. No. | Name of the standard | Corresponding to standards issued by IASB | | | Whether significant differences between Ind AS and IFRS |
|------------|---|---|-------------------|------------|---|
| | | IAS/IFRS | IFRIC | SIC | |
| Ind AS 101 | First-time Adoption of Indian Accounting Standards | IFRS 1 | - | - | No |
| Ind AS 102 | Share based Payment | IFRS 2 | - | - | No |
| Ind AS 103 | Business Combinations | IFRS 3 | - | - | No |
| Ind AS 104 | Insurance Contracts | IFRS 4 | - | - | No |
| Ind AS 105 | Non-Current Assets Held for Sale & Discontinued Operations | IFRS 5 | - | - | No |
| Ind AS 106 | Exploration for and Evaluation of Mineral Resources | IFRS 6 | - | - | No |
| Ind AS 107 | Financial Instruments: Disclosures | IFRS 7 | - | - | No |
| Ind AS 108 | Operating Segments | IFRS 8 | - | - | No |
| Ind AS 1 | Presentation of Financial Statements | IAS 1 | - | - | No |
| Ind AS 2 | Inventories | IAS 2 | - | - | No |
| Ind AS 7 | Statement of Cash Flows | IAS 7 | - | - | No |
| Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | IAS 8 | - | - | No |
| Ind AS 10 | Events after the Reporting Period | IAS 10 | IFRIC 17 | - | No |
| Ind AS 11 | Construction Contracts | IAS 11 | IFRIC 12 | SIC 29 | Yes |
| Ind AS 12 | Income Taxes | IAS 12 | - | SIC 21, 25 | No |
| Ind AS 16 | Property, Plant and Equipment | IAS 16 | IFRIC 1 | - | No |
| Ind AS 17 | Leases | IAS 17 | IFRIC 4 | SIC 15, 27 | No |
| Ind AS 18 | Revenue | IAS 18 | IFRIC 13, 15*, 18 | SIC 31 | No |
| Ind AS 19 | Employee Benefits | IAS 19 | IFRIC 14 | - | No |
| Ind AS 20 | Accounting for Govt Grants & Discl of Govt Assistance | IAS 20 | - | SIC 10 | No |

* IFRIC 15 - Agreement for Construction of Real Estate prescribes - Not included in Ind AS

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Mapping IFRS and Ind AS

| Std. No. | Name of the standard | Corresponding to standards issued by IASB | | | Whether significant differences between Ind AS and IFRS |
|-----------|--|---|-----------------|--------|---|
| | | IAS/IFRS | IFRIC | SIC | |
| Ind AS 21 | The Effects of Changes in Foreign Exchange Rates | IAS 21 | - | - | No |
| Ind AS 23 | Borrowing Costs | IAS 23 | - | - | No |
| Ind AS 24 | Related Party Disclosures | IAS 24 | - | - | No |
| Ind AS 27 | Consolidated and Separate Financial Statements | IAS 27 | - | SIC 12 | No |
| Ind AS 28 | Investments in Associates | IAS 28 | - | - | No |
| Ind AS 29 | Financial Reporting in Hyperinflationary Economies | IAS 29 | IFRIC 7 | - | No |
| Ind AS 31 | Interests in Joint Ventures | IAS 31 | - | SIC 13 | No |
| Ind AS 32 | Financial Instruments: Presentation | IAS 32 | IFRIC 2* | - | No |
| Ind AS 33 | Earnings per Share | IAS 33 | - | - | No |
| Ind AS 34 | Interim Financial Reporting | IAS 34 | IFRIC 10 | - | No |
| Ind AS 36 | Impairment of Assets | IAS 36 | - | - | No |
| Ind AS 37 | Provisions, Contingent Liabilities & Contingent Assets | IAS 37 | IFRIC 5,6 | - | No |
| Ind AS 38 | Intangible Assets | IAS 38 | - | SIC 32 | No |
| Ind AS 39 | Financial Instruments: Recognition and Measurement | IAS 39 | IFRIC 9, 16, 19 | - | No |
| Ind AS 40 | Investment Property | IAS 40 | - | - | No |

* IFRIC 2 - Members' Shares in Co-operative Entities and Similar Instruments - Not included in Ind AS

A photograph of a long row of white wind turbines in a field, with a sailboat on the water in the foreground. The turbines are arranged in a perspective line, receding into the distance. The sky is a clear, pale blue. In the lower right foreground, a small sailboat with a white sail is on the water. The overall scene is bright and clear.

Broad understanding of
IFRS impact on India Inc.

Impact – Indian Experience

Transitional experience by India Inc. - Common IFRS Adjustments

| Name of the entities | No. of IFRS adj. | Statistics | No. of IFRS adj. |
|------------------------------|------------------|---|------------------|
| Infosys Technologies Limited | 1 | High adjustment (>20% impact on net-worth / net income) | 1 |
| Wipro Limited | 5 | Medium adjustment (5% - 20% impact on net-worth / net income) | 5 |
| Tata Motors Limited | 10 | Low adjustment (1% - 5% impact on net-worth / net income) | 30 |
| Dabur India Limited | 5 | | |
| Rolta India Limited | 10 | | |
| Noida Toll Bridge Co Ltd | 5 | Total | 36 |
| Total | 36 | | |

Nature of adjustment identified by India Inc. in their Financial Statement (Publicly available)

| High impact adjustments | Medium impact adjustments | Low impact adjustments |
|---|--|--|
| <ul style="list-style-type: none"> Foreign Exchange Gain or loss of FCCB liability long term foreign currency monetary items | <ul style="list-style-type: none"> Deferred tax Gain on repurchase of FCCB Imputed Interest on FCCB | <ul style="list-style-type: none"> Reversal of Amortised Goodwill and intangibles Share Based Payment Difference in revenue recognition norms |

IFRS in India – Its Status, Overview of Concepts and Impact in India

Potential Impact of IFRS on consolidated financial statements of ABC Limited for the Y.E. March 31, 2013

| Areas | | Impact | | | |
|-------|---|---------------|---------------|-------------|---------|
| A | Select Components of Financial Statements | Net worth | Net Income | Disclosures | Efforts |
| 1 | Consolidation (SIC 12, DT on outside basis) | Medium – High | Medium - High | Low | Medium |
| 2 | Business Combinations (common control transactions, Fair value vs. Book value, Merger – Scope exemption presumed) | Nil - Low | Low | Nil | Low |
| 3 | Property, Plant and Equipment (See sample list of applicable GAAP differences) | Medium - High | Medium - High | Low | High |
| 4 | Share based payments e.g. Fair value accounting vs. Book value. | Nil-Low | Low-Medium | Nil | High |
| 5 | Financial Instruments e.g. Forward contracts, IFRS 7 disclosure | Low-Medium | Medium | High | High |
| 6 | Employee Benefits e.g. Policy of actuarial gains and losses. VRS. | Low | Low | Low | Low |
| 7 | Revenue Recognition IFRIC 13, Multiple Elements, etc. | Low | Low | Low | Medium |

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| Areas | | Impact | | | |
|-------|---|---------------|---------------|-------------|---------|
| A | Select Components of Financial Statements | Net worth | Net Income | Disclosures | Efforts |
| 8 | Taxes on Income (B/S Approach, IFRS Adjustments, Deferred Tax on Outside basis etc.) | Medium – High | Medium – High | Medium | Medium |
| 9 | Foreign Currency Transactions (Functional Currency determination of foreign branches, Cost plus contracts) | Low | Low | Low | Medium |
| 10 | First Time Adoption (Selecting exemptions and exceptions, 1) FV of Fixed Assets, 2) Business Combinations and Mergers, 3) Actuarial Gains and Losses) | Medium – High | Medium - High | High | High |
| 11 | Restructuring and Discontinued Operations | Low-Medium | Low-Medium | Low | Low |
| 12 | EPS (Impact of IFRS adjustments, Dilution option in subsidiary, if any.) | Nil | Nil | Low | Low |
| 13 | Operating Segment (MIS data vs. Audited Segmental information) | Nil | Nil | High | Low |
| 14 | Presentation of Financial Statements (Making policy choices of format and benchmarking, Fixed deposits) | Nil | Nil | High | High |
| 15 | New Businesses/Transactions/ Others (New Acquisitions, Dividend) | Future | Future | Future | Future |

IFRS in India – Its Status, Overview of Concepts and Impact in India

Potential Impact of IFRS on consolidated financial statements of ABC Limited for the Y.E. March 31, 2013

| Property, Plant and Equipment (PP & E) | | Impact | | | | Other Notes |
|---|--|-----------|-----------|-------------|--------|----------------------------|
| | | Net worth | P&L | Disclosures | Effort | Work Stream |
| A | Significant areas | | | | | |
| 1 | IFRS 1 - Deemed Fair Value, Event Driven Organisation | High | High | Low | High | Policy Decision |
| 2 | Revaluation Model | High | High | Medium | High | Policy Decision |
| 3 | Fair Value at time of Business Combinations | Low | Low | Low | Low | Policy Decision |
| 4 | Exchange of Assets | Low | Low | Low | Low | Identifying + Valuation |
| B | Differences in Indian Accounting Standards for earlier periods | | | | | |
| 5 | Asset Retirement Obligation | Nil – Low | Nil - Low | Low | Low | Valuation + Data capturing |
| 6 | Capitalisation of Borrowing Costs | Low | Low | Low | Low | Data Capturing |
| 7 | Indirect expenditure during trial run | Low | Low | Low | Low | Data Capturing |
| 8 | IFRIC - 4; Capital leasing arrangement within Service Contracts | Low-High | Low-High | Low | High | Renewal of Contracts |
| 9 | Leased Assets acquired before April 1, 2000 | Nil | Nil | Nil | Low | N.A. |
| 10 | Capitalization of Exchange Fluctuation | Low | Low | Nil | High | Data capturing |

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Potential Impact of IFRS on consolidated financial statements of ABC Limited for the Y.E. March 31, 2013

| Property, Plant and Equipment (PP & E) | | Impact | | | | Other Notes |
|---|--|-----------|---------|-------------|-------------|-----------------------|
| | | Net worth | P&L | Disclosures | Effort | Work Stream |
| C | Other matters resulting in differences in capitalization | | | | | |
| 11 | Assets Supplied on Deferred Credit | Low | Low | Low | Medium | Data capturing |
| 12 | Less than Rs.5000 assets | Low | Low | Low | Low | Data capturing |
| D | Year on Year Impact - Recomputed since capitalization date for each asset | | | | | |
| 13 | Component Approach for Capitalization of Fixed Assets | Low | Low | Low | High | Data capturing |
| 14 | Depreciation Rates (Useful Life) | Low | Low | Low | Low | Management Assessment |
| 15 | Residual Value - Revisited at each reporting date | Low | Low | Low | High | Do |
| 16 | Residual Life - Revisited at each reporting date | Low | Low | Low | High | Do |
| 17 | Recoup of Depreciation on Revalued Assets | Nil-Low | Nil-Low | Low | Low | Data capturing |
| 18 | Profit or loss on Sale of Assets | None | Low | Low | High | Data capturing |

Common Experiences (adjustments) from Indian GAAP to IFRS

Consolidation

- Additional entities to be consolidated
- Functional currency
- Deferred tax on consolidation
- Fair value measurement in jointly control entities
- Transitional provision

Property plant and equipment

- Change in residual value
- Capitalisation of exchange losses

Amortisation of goodwill and other intangible assets

Investments

- Change in the fair value of traded investments
- Change in the fair value of investments classified as available for sale
- Interest income shall be recognised using effective interest rate method for investments classified as Held till maturity

Loans and advances - Interest free loans shall be fair valued.

Common Experiences (adjustments) from Indian GAAP to IFRS

Share Capital

- Redeemable preference shares to be classified as financial liability
- Cost incurred for issuance of additional equity

Debentures - Premium on redemption

Current liabilities

- Proposed dividend
- Gratuity
- Leave
- Termination benefits
- Accounting for forward cover

Other

- ESOP Scheme from Parent
- Correction of errors
- Change in accounting policy

Deferred taxes

- Recognition of deferred taxes on GAAP adjustments.
- Recognition of deferred taxes on items directly debited to reserves
- Consolidation
- Probability v/s Virtually certain

Essentials of IFRS Conversion Approach



Essentials of IFRS Conversion Approach



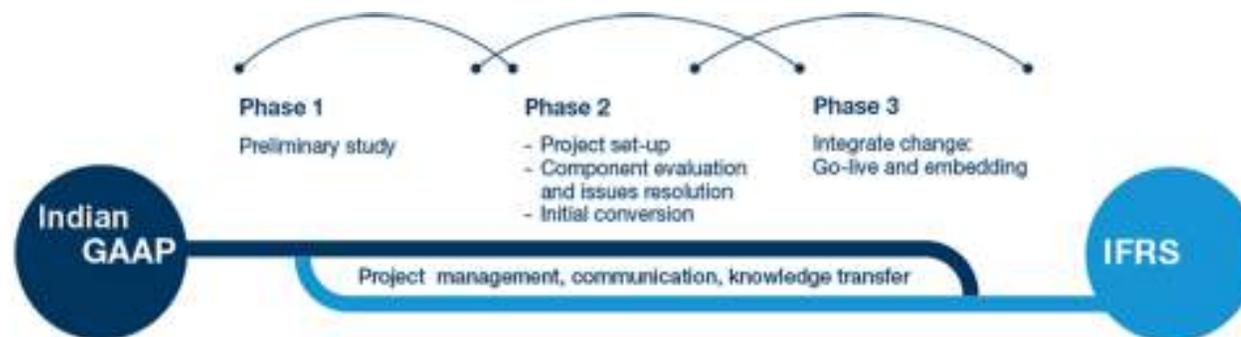
Essentials of IFRS Conversion Approach

Phased approach - Transition *IFRS* methodology



Essentials of IFRS Conversion Approach

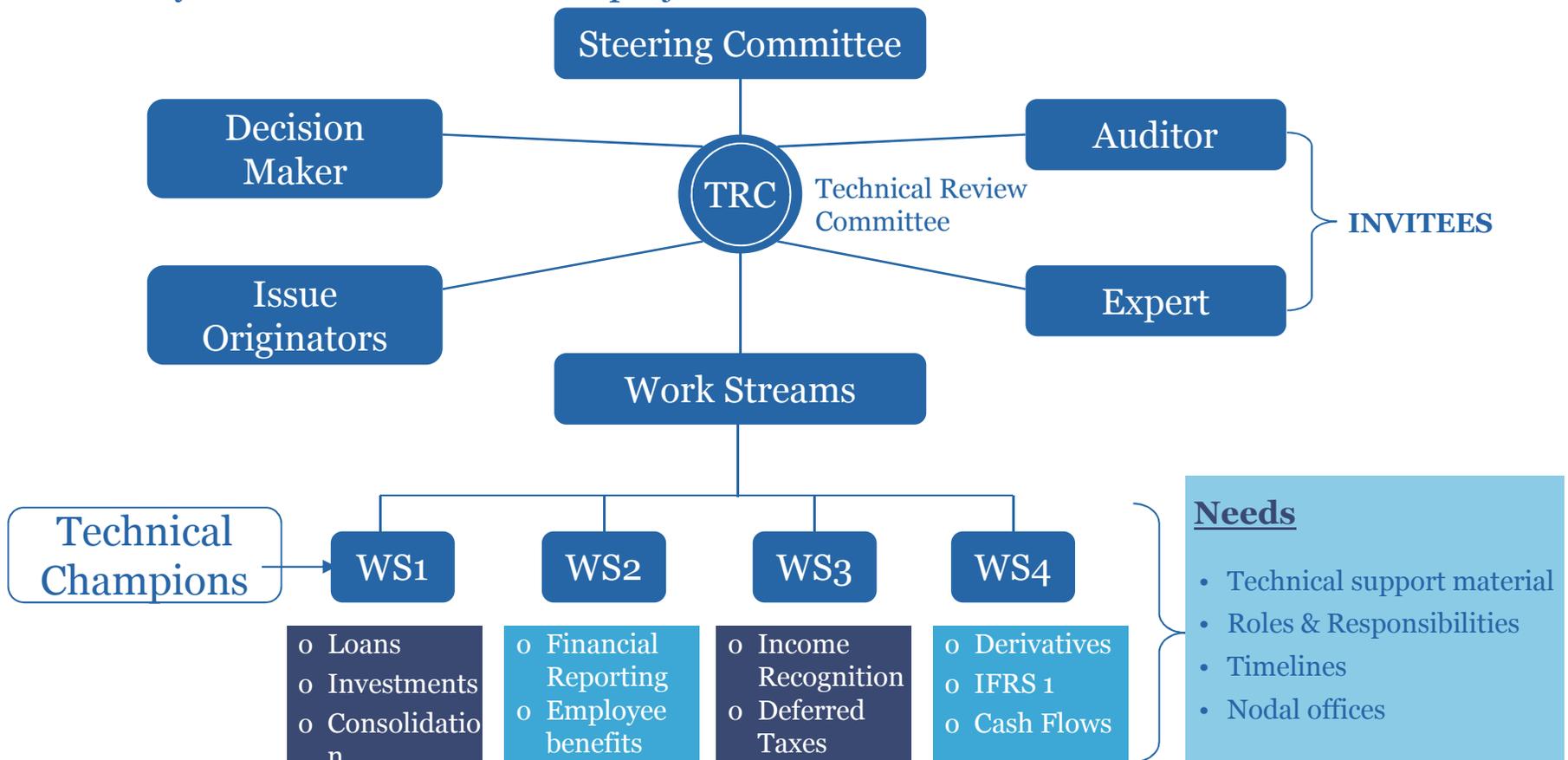
Phased approach - Transition IFRS methodology



| | Phase 1 | Phase 2 | Phase 3 |
|---------------------|--|---|---|
| Objectives ▶ | <ul style="list-style-type: none"> Assess impact of IFRS on F/S Assess how IFRS is currently impacting the organization Assess the financial reporting, business process and systems impact Deploy Measurement and Disclosure Checklist Develop informed business case and strategy | <ul style="list-style-type: none"> Establish proper governance and project management Complete Component EvaluationSM <ul style="list-style-type: none"> Establish IFRS policies and determine adjustments Assess impact at business unit level Evaluate parent company policies and decisions Develop IFRS shell F/S Design, build and test IFRS reporting process (dual reporting period) Prepare initial IFRS financial statements and recon (dual reporting period) | <ul style="list-style-type: none"> Develop roadmap to embed IFRS as primary reporting language Embed IFRS into financial reporting processes and systems (corporate and business units) Embed IFRS into other financial and operational processes and systems Assess whether relevant contractual agreements and financial covenants reflect a different basis of accounting Go live and close project |
| Outputs ▶ | <ul style="list-style-type: none"> High-level assessment of IFRS impact to F/S including financial reporting, business process and systems impact Options for next steps including strategy with timeline IFRS Workshop | <ul style="list-style-type: none"> Operationalized Project Management Office (PMO) Documented IFRS policies IFRS adjustments Data gaps inventory Shell annual and quarterly IFRS F/S IFRS reporting process and system IFRS financial results for dual reporting period | <ul style="list-style-type: none"> Prioritized project plan Data and business requirements System and configuration requirements SOX and procedural documentation Global Chart of Accounts (COA) Pre- and post-implementation testing documentation |

Project Management Framework

A well thought out project structure on lines below ensures that an entity is able to get appropriate management focus on project and on technical front “get it right the first time” which is very essential for a successful project.

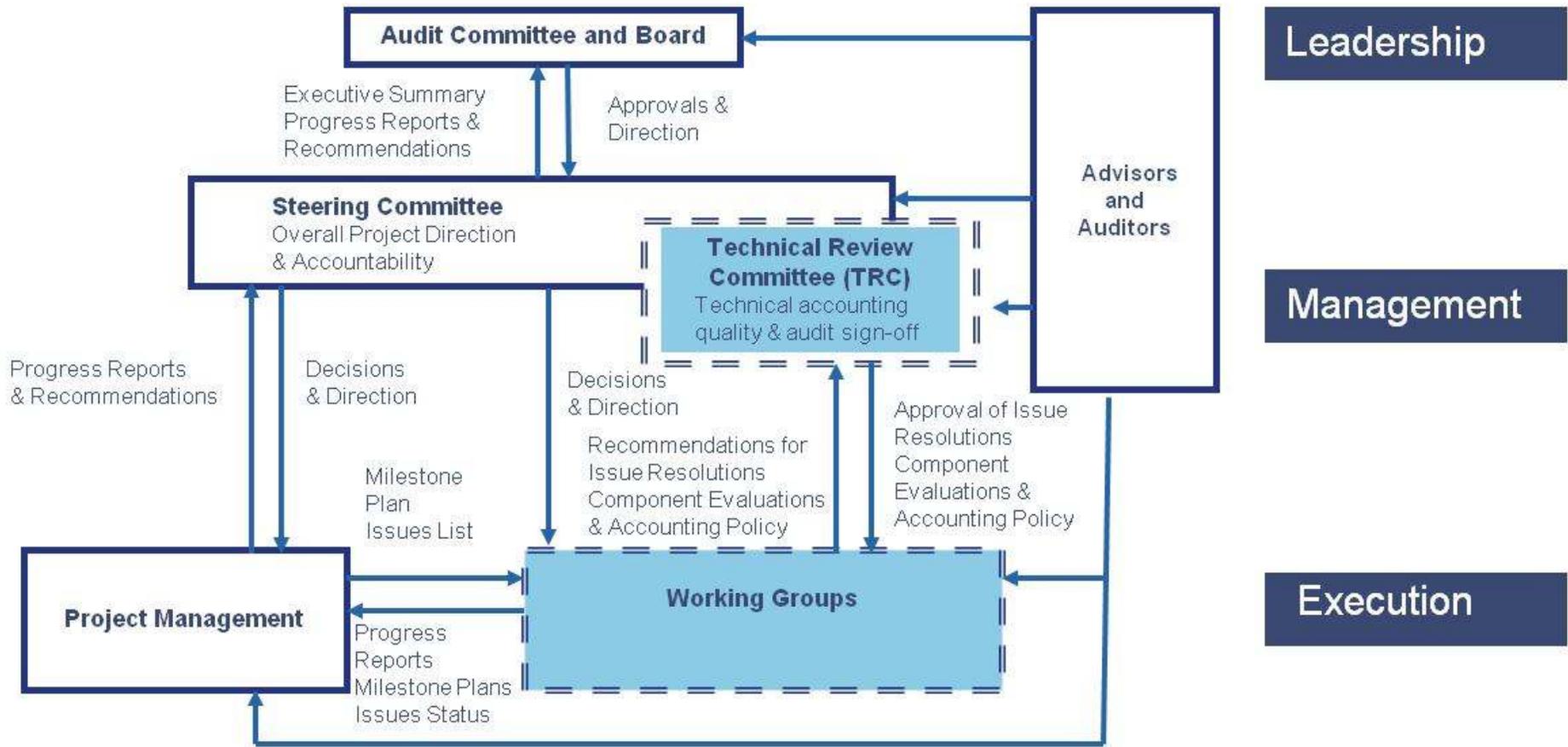


Project Management Framework

Roles and responsibilities



Project structure



We propose to create a TRC and Working Groups

Project structure

Centralised vs Decentralised Approach

| Advisory services | Levels in IFRS implementation assistance | Service Provided | Centralised | Additional | Total |
|--|--|------------------|-------------|--------------------|---------|
| | | | | Location 1-0 | |
| Advisor's IFRS implementation services ↑ | A. Base Scenario (Advisory services) | | | | |
| | Training | Yes | Rs 1x | N.A. | Rs 1x |
| | Implementation workshop | Yes | | | |
| | IFRS financial sketch for ABC Limited (in word file) | Yes | | | |
| | IFRS issue log for ABC Limited | Yes | | | |
| | Ongoing IFRS issue resolution and memo's | Yes | | | |
| | B. Additional services (Blend of advisory services and reasonable involvement in actual conversion) | | | | |
| | Excel template (Broad level) prepared by management | Yes | Rs 1x | Rs 2x X 1 = 2x | Rs 3.9x |
| | Assisting management in project plan | Yes | | Rs 2x X 0.5 = 0.5x | |
| | Guidance by Advisor during execution by management | Yes | | Rs 2x X 0.2 = 0.4x | |
| | Actual implementation - Full fledge conversion from ledger or trail balance | No | N.A. | N.A. | N.A. |
| | Total | | | Rs 2x | Rs 2.9x |

Detailed Training Program

| Model 4 Days IFRS Workshop (Extracts overview of Financials) | | | | | | | | | | | | | | |
|--|---|----------------|----------|------------------------|----------|-------------------|-------------------|--------------|------------------|----------------------------|------------------|-----|---------------------|-----------------------|
| Sr. No. | Topics | Training Level | Duration | Proficiency - Break up | | | | | | | | | | |
| | | | | A to D | Time Hrs | Concepts - Basics | Concepts Advanced | Illustration | Multiple Options | Company Specific (Broadly) | GAAP Differences | Q&A | Extended Discussion | Other Remarks, if any |
| 1 | Overview of IFRS (Including presentation of Financial Statements) | B | 1.50 | x | x | ✓ | x | ✓ | ✓ | ✓ | ✓ | | | |
| 2 | Revenue recognition | B | 1.50 | ✓ | x | ✓ | x | ✓ | ✓ | ✓ | ✓ | | | |

| Implementation Workshop | |
|--|---------------------------|
| Overview of IFRS | Revenue recognition |
| Work-stream to evaluate | Draft Accounting policies |
| - Listing of accounting policies | Draft JV Adjustments |
| - Structure of Financial statements | Update Issues Log |
| - Reclassification of Indian GAAP Financials to IFRS | |

Key challenges - mitigation steps / management calls

| Key Challenges | Mitigation steps / management calls |
|---|--|
| Volatility due to fair valuation | SEC study states only 25% are total assets are fair valued out of which for over 90% of the assets reference price is readily available. |
| Change in IT systems | Most IT packages are capable to respond to dual reporting. |
| Change in MIS systems | The impact with respect to IFRS 8 is manageable |
| Taxes | Some implication on MAT. |
| Managing market, investors and analysts | Early communication – Europe experience |
| Regulatory uncertainty | Worst case scenario, additional cost for early doing – Management to take decision based on corporate philosophy |



Preparation of IFRS financial statement

IFRS Desk Top for Discussion

| ABC Limited - Consolidated financial statements | | | | | | |
|---|---|-------------------|-----------|-----------------------|-----------------|---|
| IFRS Desktop for the year ended March 31, 2013 | | | | | | |
| Sr. No. | Nature of adjustments | Impact (L/M/H) | Accuracy | Rs. Crs. Net Worth | Rs. Crs. PAT | Notes |
| Amount as per Indian GAAP | | | | 558.09 | 116.81 | Audited financial statements |
| A | Adjustments - Indian GAAP to IFRS | | | | | Computation needed |
| 1 | Fixed assets, intangibles and lease accounting | M-H | Gestimate | (25.00) | (25.00) | Around 5% of the net asset base |
| 2 | Derivatives | M | Gestimate | (70.00) | (70.00) | Actual loss as per the audited financial statements |
| 3 | Functional currency of subsidiaries, JVs and branches | L | Dummy | 50.00 | 50.00 | |
| 4 | Dividends (net impact zero) | L | Actual | - | - | Dividend for 2008-09 and 2007-08 is the same |
| 5 | Debt vs equity classification | M | Dummy | (5.00) | (5.00) | |
| 6 | Deferred taxes on above | L | Estimate | (17.00) | (17.00) | |
| B | IFRS 1 (1 exemption out of 15 more relevant) | | | | | |
| 7 | Business combinations | L | Dummy | - | - | To be concluded |
| C | Transactions with Parent/Group | | | | | |
| 8 | Group transactions and tax thereon | L | Dummy | - | - | To be concluded |
| Total of all adjustments | | | | (67.00) | (67.00) | |
| Amount as per IFRS | | | | 491.09 | 49.81 | |

IFRS in India – Its Status, Overview of Concepts and Impact in India

Preparation of IFRS financial statement

Issue log

| Type of Issue | Issue | Applicable IAS/IFRS | Technical reference | Requirement and other details IASB | Practical Issues | Implications - Accounting and management during the audit |
|---------------|----------------|--|---------------------|--|------------------|--|
| 1 | Measurement | Impairment Approach | IAS 36 | There is no specific requirement | M | To assess whether any significant component of an item of PPE is separately identifiable and saleable. |
| 2 | Measurement | Major overhaul expenses | IAS 16 | The cost of major overhaul occurring at regular intervals is to be capitalised. | M | Subsequent expenditure incurred for every such year in their plant requiring major overhauls is capitalised. |
| 3 | Measurement | Subsequent expenditure | IAS 16 | Subsequent costs should be capitalised, that is, recognised as an asset, only if they meet the recognition criteria that: it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. | L | Subsequent maintenance expenditure will be capitalised as part of PPE. If they increase the life of the part or increase capacity of the part to more than a year. |
| 4 | Measurement | Deferred term loans | IAS 16 | PPE is recorded on purchase price. | L | Yes, only purchases are done on deferred term loans. |
| 5 | Recognition | Environmental obligation and asset retirement obligation | IAS 37 | Costs of dismantling and removing the item or restoring the site on which it is located, are a liability recognised when an obligation exists, as a liability is recognised when an obligation exists, as a result of a legal or constructive obligation is recognised and the corresponding cost included as part of the related PPE. | L | No provision has been made for environment and asset retirement obligation. |
| 6 | Measurement | Construction during construction period | IAS 16 | When GAAP allows one-operative expense to be recognised as part of PPE. | L | No such cases were reported. |
| 7 | Measurement | Change in method of depreciation | IAS 16 | Change in depreciation method is considered an change in accounting estimate and thereby accounted for prospectively. | L | The Company has not changed its method of depreciation in past. |
| 8 | Recognition | Borrowing Cost | IAS 23 | Similar to IFRS | L | To assess whether working capital loan has been included in the general borrowings for the purpose of calculation of WACC. |
| 9 | Recognition | Borrowing Cost | IAS 23 | Similar to IFRS | L | To assess whether obligation to exchange fluctuation of foreign currency borrowing cost has been capitalised. |
| 10 | Classification | Leased land | IAS 17 | Leased land is classified as a part of fixed assets. | M | To assess whether the title would pass to the company at the end of the lease term. Cost of leased land is amortised over the lease period. |
| 11 | Measurement | Patent Review | IAS 16 | No specific requirement. | M | Whether the current SLM reflects the useful life of the asset? There are some PPE which are still in use but they are fully depreciated at current date, paper plant etc. To assess further any such cases where the |

Template financial

| PARTICULARS | Rs. in Crore | | Rs. in Crore | | | | | | |
|---|-----------------|-----------------|-----------------|---------------------|------------------|------------------------------------|------------------------|---------------------|-------------------------|
| | At 31.03.2009 | At 31.03.2008 | PPF | INVESTMENT PROPERTY | HELD TO MATURITY | AVAILABLE FOR SALE FINANCIAL ASSET | OTHER FINANCIAL ASSETS | DEFERRED TAX ASSETS | TRIPLE D UP RECEIVABLES |
| SOURCES OF FUNDS | | | | | | | | | |
| Share Capital | 93.04 | 93.04 | | | | | | | |
| Reserves and Surplus | 1,402.48 | 1,402.46 | | | | | | | |
| Loans Funds | | | | | | | | | |
| Secured Loans | 1,714.98 | 1,714.98 | | | | | | | |
| Unsecured Loans | 43.31 | 43.31 | | | | | | | |
| Deferred tax (liability) (net) | 290.08 | 290.08 | | | | | | | |
| | 3,540.89 | 3,540.89 | | | | | | | |
| APPLICATION OF FUNDS | | | | | | | | | |
| Fixed Assets (Net Block incl. CWIP) | 2,818.83 | 2,818.83 | 2,818.83 | | | | | | |
| Investments | 46.54 | 46.54 | | 6.98 | 39.28 | 0.70 | | | |
| Current Assets, Loans and Advances | | | | | | | | | |
| Inventory | 670.57 | 670.57 | | | | | | | |
| Sundry Debtors | 150.89 | 150.89 | | | | | | | |
| Cash and Bank Balances | 66.54 | 66.54 | | | | | | | |
| Other Current Assets | 33.79 | 33.79 | | | | | | | |
| Loans and Advances | 672.34 | 672.34 | | | | | | | |
| Less: Current Liabilities and Provisions | | | | | | | | | |
| Liabilities | 691.02 | 691.02 | | | | | | | |
| Provisions | 327.74 | 327.74 | | | | | | | |
| Miscellaneous Expenditure | 101.26 | 101.26 | 3.21 | | | | | | |
| | 3,540.89 | 3,540.89 | 2,814.04 | | 6.98 | 39.28 | 0.70 | | |

Sketch financial

| Statement of financial position | As on March 31, 2009 |
|---|----------------------|
| ASSETS | |
| Non-current assets | |
| Property, Plant and equipment | 6 |
| Intangible Assets | 7 |
| Available for sale financial asset | 9 |
| Deferred income tax assets | 21 |
| Derivative financial instruments | 10 |
| Trade and other receivables | 11 |
| Current assets | |
| Inventories | 12 |
| Trade and other receivables, net of allowance for doubtful debts | 11 |
| Derivative financial instruments | 10 |
| Investments in bank deposits | 14 |
| Cash and cash equivalents | 14 |
| Assets held for sale and discontinued operations | 15 |
| Total assets | |
| EQUITY | |
| Capital and reserves attributable to equity holders of the Company | |
| Ordinary shares | 16 |
| Share premium | 16 |
| Retained earnings | 17 |
| Other component of equity | 18 |
| Total equity | |
| LIABILITIES | |
| Non-current liabilities | |
| Borrowings | 20 |
| Retirement benefit obligations | 22 |
| Other non-current liabilities | 23 |
| Deferred income tax liabilities | 21 |
| Current liabilities | |
| Trade and other payables | 19 |
| Current income tax liabilities | 20 |
| Other current liabilities | 23 |
| Retirement benefit obligations | 22 |
| Borrowings | 20 |
| Provisions for other liabilities and charges | 23 |
| Derivative financial instruments | 10 |
| Liabilities of disposal group classified as held-for-sale | |
| Total liabilities | |
| Total equity & liabilities | |
| The accompanying notes form an integral part of these financial statements. | |

Major Carve Outs in Ind AS from IFRS

| IFRS | Ind AS |
|---|--|
| <i>Ind AS 21 - Effect of changes in foreign exchange rates</i> | |
| <ul style="list-style-type: none">• IAS 21 requires recognition of exchange differences arising on translation of monetary items from foreign currency to functional currency directly in profit or loss | <ul style="list-style-type: none">• Ind AS 21 permits an option to recognise exchange difference arising on translation of certain long term monetary items from foreign currency to functional currency directly in equity. In this situation, Ind AS 21 requires the accumulated exchange differences to be amortised to profit or loss in an appropriate manner. |
| <i>Ind AS 39 – Financial Instrument : Recognition and Measurement</i> | |
| <ul style="list-style-type: none">• IAS 39 requires all changes in fair values in case of financial liabilities designated at fair value through profit and loss at initial recognition shall be recognised in profit or loss | <ul style="list-style-type: none">• A proviso has been added to Ind AS 39 that in determining the fair value of the financial liabilities which upon initial recognition are designated at fair value through profit or loss, any change in fair value subsequent to changes in the entity's own credit risk shall be ignored. |
| <i>Ind AS 103 – Business Combination</i> | |
| <ul style="list-style-type: none">• IFRS 3 requires bargain purchase gain arising on business combination to be recognised in profit or loss | <ul style="list-style-type: none">• Ind AS 103 requires the same to be recognised in other comprehensive income and accumulated in equity as capital reserve, unless there is no clear evidence for the underlying reason for classification of the business combination as a bargain purchase, in which case, it shall be recognised directly in equity as capital reserve. |

Major Carve Outs in Ind AS from IFRS

| IFRS | Ind AS |
|--|---|
| <i>Financial instruments – FCCB</i> | |
| <ul style="list-style-type: none">• Under IFRS, a FCCB is treated as hybrid financial instrument having liability and derivative components. While companies measure liability at amortised cost, the derivative component is measured at fair value through profit or loss at each reporting date. | <ul style="list-style-type: none">• Ind AS 32 has been modified in a manner that the derivative component will be treated as fixed equity component and hence will not attract fair value at each reporting date. |
| <i>Key changes relating to first time adoption of IFRS</i> | |
| <ul style="list-style-type: none">• IFRS 1 defines transition date as beginning of the earliest period for which an entity presents full comparative information under IFRS.• IFRS 1 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. | <ul style="list-style-type: none">• Ind AS requires an entity to provide comparatives as per the existing notified Accounting Standards.• Ind AS provides an option to provide comparative period financial statement on memorandum basis. |

Available IFRS tools and publications



IFRS in India – Its Status, Overview of Concepts and Impact in India

Available IFRS tools and publications

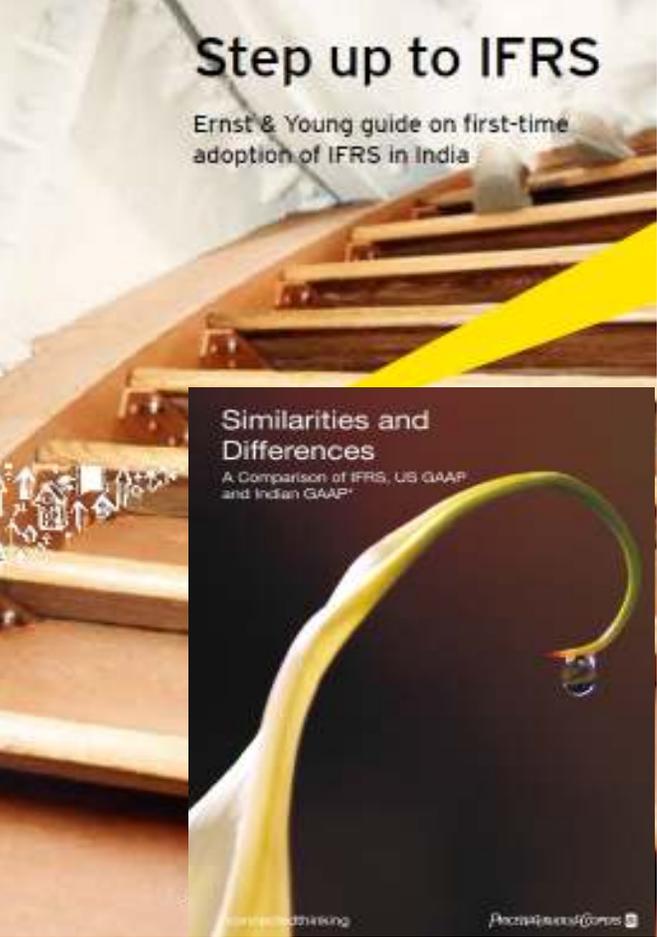


IFRS Checklist Worksheet Index

This checklist addresses the measurement and recognition as well as the presentation and disclosure requirements of IFRSs in issue at 30 June 2012. Those Standards, Amendments and Interpretations indicated in the checklist by **red colour coding** are not yet mandatorily effective but can be early adopted.

Please note that this checklist does not explicitly address the *Conceptual Framework for Financial Reporting*.

| Standard | Applicable | Accounting | Presentation |
|---|------------|-----------------------------|---------------------------------|
| IFRS 1-First-time Adoption of International Financial Reporting Standards | Yes | IFRS1A | IFRS1P |
| IFRS 2-Share-based Payment | Yes | IFRS2A | IFRS2P |
| IFRS 3-Business Combinations | Yes | IFRS3A | IFRS3P |
| IFRS 4-Insurance Contracts | Yes | IFRS4A | IFRS4P |
| Intangible Assets Held for Sale and Discontinued Operations | Yes | IFRS5A | IFRS5P |
| Provision and Evaluation of Mineral Resources | Yes | IFRS6A | IFRS6P |
| Financial Instruments: Disclosures (IFRS 9) | Yes | NA | IFRS7P |
| Financial Instruments: Disclosures (IFRS 9) [effective 1 January 2015] | Yes | NA | IFRS7P(amended) |
| Financial Instruments | Yes | NA | IFRS8P |
| Financial Instruments [effective 1 January 2015] | Yes | IFRS9,2009A | IFRS9,2009P |
| Financial Instruments [effective 1 January 2015] (you must also select 'Yes' to IAS 39 Recognition and Measurement below) | Yes | IFRS9,2009A | IFRS9,2009P |
| Financial Instruments [effective 1 January 2015] | Yes | IFRS9,2009A | IFRS9,2009P |



1. Illustrative Financials

2. Disclosure & Measurement Checklist

3. GAAP Diff Docs



Thank you

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