Roadmap for Ind AS and Ind As 1

Compiled and presented for Intensive Course

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Who Issues IFRS ? What are IFRS ? How Many IFRSs?

At present IFRS are Issued by International Accounting Standard Board (IASB) . Previously issued by International Accounting Standard Committee (IASC)
IASB is monitored by IASC Foundation a Delavar Corporation, Based in London.
One of the Trustees of the Foundation is INFOSYS.

What Are IFRSs ? Definition of IFRSs :

IAS 1.11 defines IFRSs as comprising:

IFRS International Financial Reporting Standards;
IAS International Accounting Standards; and
IFRIC Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) or
SIC The former Standing Interpretations Committee (SIC).

IFRS – Just 69 Standards for Large Entities as of April, 2016

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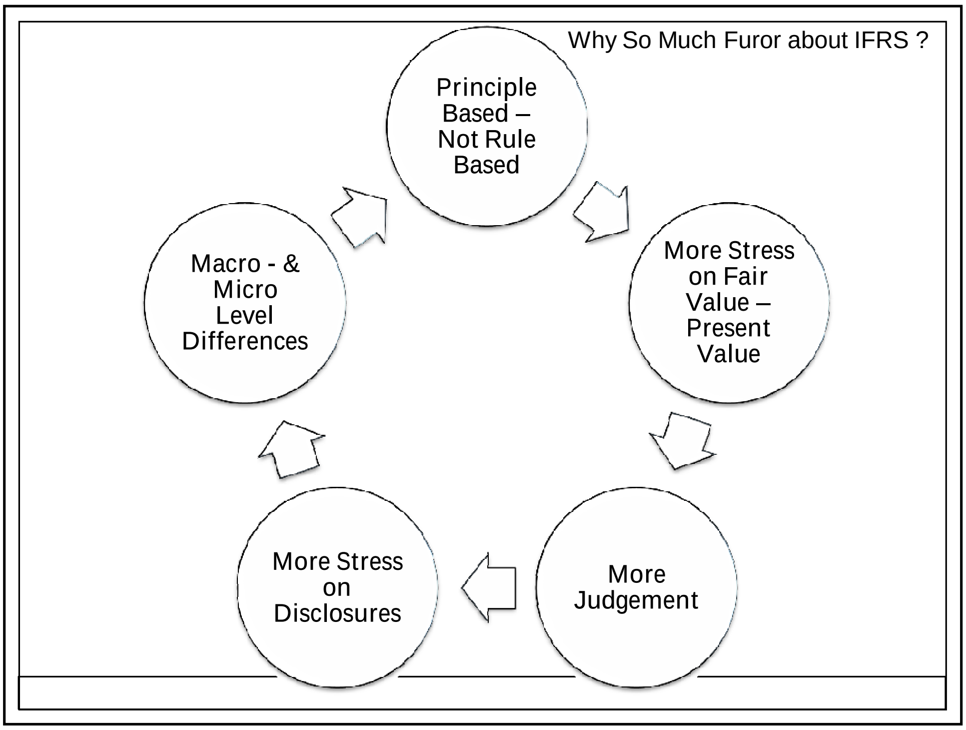
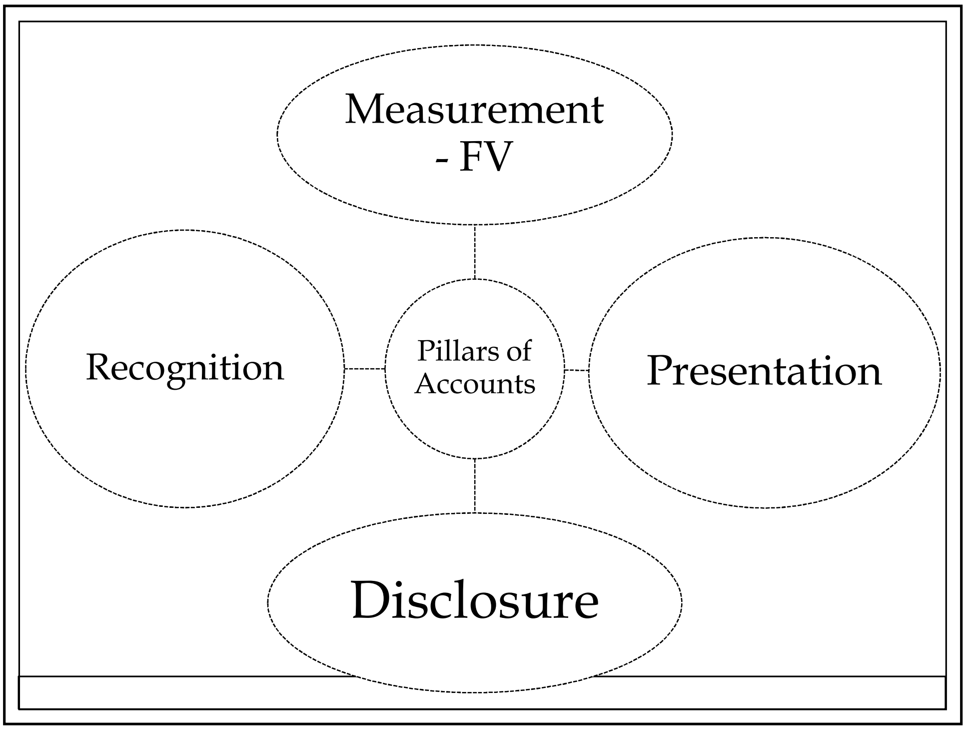
IFRS .…(IASB)………………	15
IAS …(IASC)………………	28
IFRIC .…(IASB)………………	16
SIC *….…(IASC)……………	10
Total	69


Why So Much Furor about IFRS ?
Principle Based – Not Rule Based
More Stress on Fair Value – Present Value
More Judgement
More Stress on Disclosures
Macro - & Micro Level Differences


Measurement - FV
Recognition
Pillars of Accounts
Presentation
Disclosure

Impact of IFRS/Ind-ASs !

Impact

Forms

Contents

Codification of Ind-AS

IFRS	Ind-AS
IFRS 1,2,3,4,5,6,7,8,& 9	Ind-As 101,102,103,104,105,106,107 ,108 & 109.
IAS 1….. 41	Ind-As 1…….41
IFRIC & SIC Separate	No Separate IFRIC & SIC ,in form of Appendix that too forming integral part of the Standard.

Appendices , Application Guidance & Illustrative Examples., Basis for Conclusions, Dissenting Opinions.

Part A	1. Introduction – IN 2. Standard's Paras 3. Application Guidance – Integral Part of the standards
Part B	1.Basis for Conclusions (BC) 2. Dissenting Opinions (DO) 2. Illustrative Examples or Illustrative Guidance (e.g, IFRS 3 > IE, IFRS 1 IG)
Ind-ASs	No > Two parts, Introduction, BC, DO, AG , IG & IE > Retained. Appendix 1 = Differences between Ind-As and IFRS – Not integral part of IFRS

Omni-present Changes – Titles

By IFRSs	By Ind-As
Statement of Financial Position	Balance Sheet
Statement of Comprehensive Income	Statement of Profit and Loss
Statement of Cash Flow	Statement Cash Flow
Statement of Changes in Equity	Part of Balance Sheet and not a separate statement.

Companies (Indian Accounting Standards) Rules, 2015.hereafter referred to as the Rules 2015

Notified on 16th February,2015

Shall come into force from 1st Day of April,2015

The Indian Accounting Standards (Ind AS) shall be the accounting standards applicable to classes of companies specified in rule

Exemptions.- The insurance companies, banking companies and non-banking finance companies shall not be required to apply Indian Accounting Standards (Ind AS) for preparation of their financial statements either voluntarily or mandatorily.

Description	Voluntary	Mandatory I	Mandatory II
From When =>	Accounting period beginning on or after 1.4.2015 Rule 4(1)(i)	Accounting period beginning on or after 1.4.2016 Rule 4(1)(ii)	Accounting period beginning on or after 1.4.2017 Rule 4(1)(iii)
Criteria =>	None – even if it is SME.	Listed or not , Net Worth equal or more than Rs 500 Crore	Listed in India or in process of listing and having NW of less than Rs 500 Cr or unlisted having NW of more than 250 cr but less than 500 Cr
Comparatives =>	1.4.2014-2015 & onwards	1.4.2015-2016 & onwards	1.4.2016 - 2017
Holding – subsidiary-associates and JV	No	Yes	Yes
Once a Company follows Ind-AS it shall be required to follow for all the subsequent statements			

Banking , NBFC and Insurance Companies

Roadmap for NBFC for Ind AS in two phases:(Linked to Net Worth)

Phase 1 – Accounting period beginning on or after 1st April,2018

Phase 2 – Accounting period beginning on or after from 1st April,2019

Roadmap for Scheduled Commercial Banks (except RRBs) Accounting period beginning on and from 1st April,2018

In all above cases, comparatives for the immediate one financial year.

Definition of NBFC extended meaning:

Non-Banking Financial Company as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 and

Housing Finance Companies,
Merchant Banking companies,
Micro Finance Companies,
Mutual Benefit Companies,
Venture Capital Fund Companies,
Stock Broker or Sub-Broker Companies,
Nidhi Companies,
Chit Companies,
Securitisation and Reconstruction Companies,
Mortgage Guarantee Companies,
Pension Fund Companies,
Asset Management Companies and Core Investment Companies.'.

Description	Mandatory I	Mandatory II
Applicable to Any Company	Accounting period beginning on or after 1.4.2018 Rule 4(1)(iv)(a)	Accounting period beginning on or after 1.4.2019 Rule 4(1)(iv)(b)
Criteria	NBFCs having Net Worth equal or more than Rs 500 Crore – Whether listed or not and Scheduled Commercial Banks excluding RRB	NBFCs whose equity or debt securities are listed or in process of listing and having NW of less than Rs 500 Cr or unlisted having NW of more than 250 cr but less than 500 Cr
Comparatives =>	For period ending 31/03/2018 or therafter	For period ending 31/03/2019 or therafter
Holding – subsidiary-associates and JV	Yes	Yes
No threshold limit of net worth for banks. No voluntary adoption for NBFC and Banks		

Banking Companies

No Threshold for Banking Companies

No criteria of listed or not

All scheduled Commercial banks (except RRB) are covered

Banking and Insurance shall apply shall apply the Ind ASs as notified by the Reserve Bank of India (RBI) and Insurance Regulatory Development Authority (IRDA) respectively.

An insurer or insurance company shall however, provide Ind AS compliant financial statement data for the purposes of preparation of consolidated financial statements by its parent or investor or venturer, as required by the parent or investor or venturer to comply with the requirements of these rules.".

Though rule mentions insurance companies , the notification is silent about the date of applicability of Ind AS to Insurance Companies.

Ind AS 1 : Presentation of Financial Statements

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- The basis for presentation of general purpose financial statements.
- To ensure comparability both with ;

  the entity's financial statements of previous periods , and
  the financial statements of other entities.

- It sets out :
  - overall requirements ,
  - guidelines for their structure and
  - minimum requirements for their content,
  - Thus, the presentation requirements may get compounded if required by other standards, e.g. Ind AS 33 Earnings per share

- It does not deal with Recognition and Measurement requirements.

Applicability – General Financial Statements – All entities.	Non-Applicability
Separate Financial Statements	Interim Financial Statement , with some exceptions , para 15-35
Consolidated Financial Statements	Statements which are not "General Purpose Financial Statements"
Complete Financial Statements	

Ind-As has to be applied fully , no partial appliance is permitted. An entity has to make an explicit and unreserved statement of compliances.

General Purpose Financial Statements means Financial Statements intended to meet the need of users who are not in a position to demand reports tailored to specific information needs, (referred to as financial statements)

Objective of financial statements is to provide information about the
- Financial Position
- Financial Performance and
- Changes Financial Position

By Providing Information about elements of financial statements :
Assets, Liabilities, Equity, income and expenses , contribution by owners and distribution to owners ***in their capacity as owners*** and cash flows.

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Complete Set of Financial Statements is Made up of :

(a) A balance sheet as at the end of the period,
(b) A statement of profit and loss
(c) A statement of cash flows for the period;
(d) Statement of changes in equity for the period;
(e) Notes comprising of a summary of significant accounting policies and other explanatory information;

(ea) comparative information in respect of the preceding period
(f) A balance sheet as at the beginning of the earliest comparative period when an entity :
- applies an accounting policy retrospectively or
- makes a retrospective restatement of items in its financial statements, or
- when it reclassifies items in its financial statements.

Provision of (f) in other words means , Re-statement , thus there is no prior period item under Ind AS

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Income Statement

Description	Ind-AS 1	IAS 1
Title	Statement of Profit or Loss	Statement of Profit or Loss and Other Comprehensive Income - OCI
Presentation	Only One Statement	Two Statements is also permitted

An entity shall present an analysis of expenses recognised in profit or loss using a classification based on the nature of expenses method

Statement of Profit & Loss

Profit & Loss Items Plus OCI

Statement of Profit or Loss and Other Comprehensive Income

Profit & Loss

Other Comprehensive Income

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Statement of Profit and Loss

Profit Or Loss → Income Less Expenses excluding Components of Other Comprehensive Income

\+

Other Comprehensive Income → Income & Expenses (Including Reclassification adjustments) that are not recognised in P or L . Also referred to as " recognised out side profit or loss"

=

Total Comprehensive Income = Change in Equity – from Transactions & Other Events - Other Than with Owners in their capacity as owners.

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What is required for TRUE AND FAIR VIEW

- Step 1 : Selection and application of accounting policies
- Step 2 : Presentation of information in a manner which provides relevant, reliable , comparable and understandable information
- Step 3 : Additional disclosures when required

Fair presentation override

In *extremely rare circumstances,* compliance with an Ind-AS is so 'misleading' that conflicts with *Framework* objective of financial statements

In such circumstances, if regulations permit:

- do not comply with the Ind AS
- choose accounting policy that results in fair presentation

An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material.

Other Comprehensive Income – New Concept

- *Other comprehensive income comprises items of income and expense (including* reclassification adjustments and including share of the other comprehensive income of associates and joint ventures accounted for using the equity method) that are not recognised in profit or loss as required or permitted by other Ind-As

- All components of income are to be presented net of related income tax. This presentation can be done in two ways , either :

  (a) will not be reclassified (or recycled) subsequently to profit or loss; and

  (b) will be reclassified subsequently to profit or loss when specific conditions are met.

- As regards tax effect, each item could either be net of tax , or gross of all components , with one figure of tax for all the components, followed by details in the notes.

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Components of OCI

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(a) changes in revaluation surplus

(b) re-measurements of defined benefit plans

(c) gains and losses arising from *translating* the financial statements of a foreign operation (see Ind AS 21, *The Effects of Changes in Foreign Exchange Rates*);

(d) gains and losses from investments in equity instruments designated at fair value through other comprehensive income.

Components of OCI

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(da) gains and losses on financial assets measured at fair value through other comprehensive income. Ind AS 109, *Financial Instruments*

(e) the effective portion of gains and losses on hedging instruments in a cash flow hedge and the gains and losses on hedging instruments that hedge investments in equity instruments measured at fair value through other comprehensive income. Ind AS 109.

(f) for particular liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in the liability's credit risk. Ind AS 109.

(g) changes in the value of the time value of options when separating the intrinsic value and time value of an option contract and designating as the hedging instrument only the changes in the intrinsic value. Ind AS 109.

❖Reclassification adjustments are amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in the current or previous periods.

Reclassification Adjustments arises	**Reclassification Adjustments do not Arise**
On disposal of a foreign operation – Ind-AS 21	On changes in revaluation surplus (Ind-AS 16; Ind-AS 38)
❖On de-recognition of available-for-sale financial assets Ind-AS 109 * ❖**Hedged forecast transaction affects profit or loss (see paragraph 100 of Ind AS 39 in relation to cash flow hedges).**	On changes in actuarial gains or losses on defined benefit plans (Ind-AS 19)
Non Reclassification means – they are transferred directly to "Retained Earnings in Statement of Changes in Equity"	In accordance with IFRS 9, reclassification adjustments do not arise if a cash flow hedge or the accounting for the time value of an option . These amounts are directly transferred to assets or liabilities.

Changing the Presentation or Classification.

The entity shall reclassify comparative amounts unless reclassification is impracticable. When the entity reclassifies comparative amounts, the entity shall disclose:

(a) the nature of the reclassification;
(b) the amount of each item or class of items that is reclassified; and
(c) the reason for the reclassification.

When it is impracticable to reclassify comparative amounts, an entity shall disclose:

(a) the reason for not reclassifying the amounts, and

(b) the nature of the adjustments that would have been made if the amounts had been reclassified.

Miscellanea

An entity shall clearly identify each financial statement and the notes. In addition, an entity shall display the following information prominently

(a) the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period;

(b) whether the financial statements are of an individual entity or a group of entities; SFS or CFS

(c) the date of the end of the reporting period or the period covered by the set of financial statements or notes;

(d) the presentation currency, as defined in Ind AS 21; and

(e) the level of rounding used in presenting amounts in the financial statements.

Statements of Changes in Equity – Presented as part of Balance Sheet (unlike Ind-AS 1)

❖ "The Statement of Changes in Equity" reflects the increases and decreases in the **net assets of an entity during the period, and** all changes in equity from transactions with **"Owners"(in their capacity as Owners)** are to be presented separately from non-owner changes in equity.

Includes following components on the face of the statement:

1.Total comprehensive income for the period, segregating amounts attributable to owners and to non-controlling interest ;

2.The effects of retrospective application or retrospective restatement in accordance with Ind-AS 8, separately for each component of equity;

3.Contributions from and distributions to owners; and

4.A reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing each change, for each component of equity.

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Frequency of reporting - * 52 weeks

To present a complete set of financial statements (including comparative information) at least annually.

When an entity changes the end of its reporting period and presents financial statements for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements:

(a) the reason for using a longer or shorter period, and

(b) the fact that amounts presented in the financial statements are not entirely comparable.

An entity shall present, as a minimum, two balance sheets , two statements of profit and loss, two statements of cash flows and two statements of changes in equity, and related notes. - When the third balance sheet ? As at which three dates ? What about Notes ?

Overall Considerations

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Fair presentation

Materiality & Aggregation

Offsetting

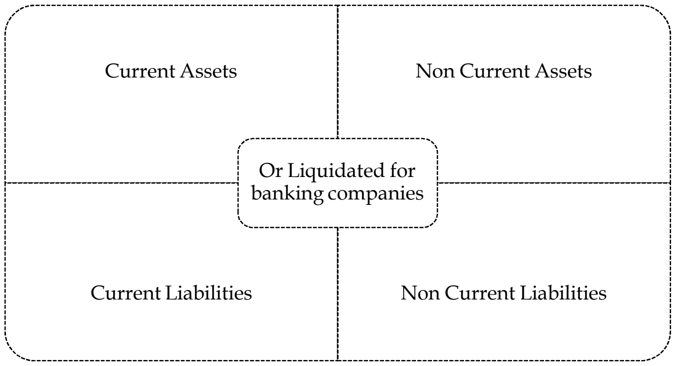
Going Concern

Accrual Basis of Accounting

Consistency

Comparatives

Override of specific standards



Regardless of the method of the presentation an entity shall disclose the amount expected to be recovered or settled after more than twelve months for each asset and liability line item that combines amounts expected to be recovered or settled:

(a) no more than twelve months after the reporting period, and

(b) more than twelve months after the reporting period.

An entity shall classify an asset as current when:

(a)it expects to realise the asset, or intends to sell or consume it, in its ***normal operating cycle;***

(b)it holds the asset primarily for the purpose ***of trading;***

(c)it expects to realise the asset within ***twelve months*** after the reporting period; or

(d)the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for ***at least twelve months after the reporting period.***

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when:

(a)it expects to settle the liability in its **normal operating cycle;**

(b)it holds the liability primarily for the purpose **of trading;**

(c)the liability is due to be settled **within twelve months** after the reporting period; or

(d)it does not have an **unconditional right** to **defer settlement** of the liability for at least twelve months after the reporting period.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

An entity shall classify all other liabilities as non-current.

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Breach of conditions

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Where there is a breach of a material 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 on the reporting date*,

the entity does not classify the liability as current : – (means ?)

If the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach… Carve Out

What would you call <u>this</u> event ???? Page 18 of Ind-AS 1

Disclosure on the Face of the Balance Sheet

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- Property, plant & equipment
- Investment property
- Intangible assets
- Financial assets
- Investments accounted for under the equity method
- Biological assets
- Inventories
- Trade & other receivables
- Cash & cash equivalents
- Provisions

- Financial liabilities
- Liabilities & assets for current tax
- Deferred tax liabilities & deferred tax assets
- Minority interest, within equity Issued capital & reserves attributable to equity holders of the parent
- Assets held for sale
- Trade & other payables
- Assets & liabilities included in disposal groups classified as held for sale

Additional line items allowed when relevant to understanding Of an entity's financial position , like Fixed assets under lease , assets carried at cost , revalued amount

Presentation on the face of the Statement of Profit and Loss

In addition to items required by other Ind ASs, the profit or loss section of the statement of profit and loss shall include line items that present the following amounts for the period:

(a) revenue, presenting separately interest revenue calculated using the effective interest method;

(aa) gains and losses arising from the derecognition of financial assets measured at amortised cost;

(b) finance costs;

(ba) impairment losses (including reversals of impairment losses or impairment gains) determined in accordance with Section 5.5 of Ind AS 109;

(c) share of the profit or loss of associates and joint ventures accounted for using the equity method;

Presentation on the face of the Statement of Profit and Loss

(ca) if a financial asset is reclassified out of the amortised cost measurement category so that it is measured at fair value through profit or loss, any gain or loss arising from a difference between the previous amortised cost of the financial asset and its fair value at the reclassification date (as defined in Ind AS 109);

(cb) if a financial asset is reclassified out of the fair value through other comprehensive income measurement category so that it is measured at fair value through profit or loss, any cumulative gain or loss previously recognised in other comprehensive income that is reclassified to profit or loss;

(d) tax expense;

((ea) a single amount –net of taxes - for the total of discontinued operations (see Ind AS 105).

Statement of Profit and Loss - Separate Line Item

If items of income or expense are material, an entity shall disclose their nature and amount separately., for example;-

(a) write-downs of inventories to net realisable value or of property, plant and equipment to recoverable amount, as well as reversals of such write-downs;

(b) restructurings of the activities of an entity and reversals of any provisions for the costs of restructuring;

(c) disposals of items of property, plant and equipment;

(d) disposals of investments;

(e) discontinued operations;

(f) litigation settlements; and

(g) other reversals of provisions.

Offsetting

❖Assets and liabilities or income and expenses may not be offset against each other, unless required or permitted by an Ind-AS. Allowance accounts

❖ When items of income or expense are offset -Consider the need to disclose the gross amounts in the notes to the financial statements.

Following examples of transactions which can be netted off.

1.Gains or losses on the disposal of noncurrent assets, including investments and operating assets, are reported by deducting from the proceeds on disposal the carrying amounts of the asset and related selling expenses.

2.Expenditure related to a provision that is reimbursed under a contractual arrangement with a third party may be netted against the related reimbursement.

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Notes

Should be presented in a systematic manner
Should cross reference each item in items in balance sheet, statement of profit and loss , statement of changes in equity and of cash flow to any related information in the notes.
Notes should :
(a) present information about the basis of preparation of the financial statements and the specific accounting policies used
(b) disclose the information required by Ind ASs that is not presented elsewhere in the financial statements; and
(c) provide information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.

Notes – normally in following order

(a) Statement of compliance with Ind ASs - paragraph 16

(b) summary of significant accounting policies applied (paragraph 117

(c) supporting information for items presented in the balance sheet, and in the statement of profit and loss, and in the statements of changes in equity and of cash flows, in the order in which each statement and each line item is presented; and

(d) other disclosures, including:

(i) contingent liabilities (Ind AS 37) and unrecognised contractual commitments, and

(ii) non-financial disclosures, e.g. the entity's financial risk management objectives and policies (Ind AS 107).

Disclosure of Accounting policies - in summary of significant accounting policies , shall disclose :

(a) the measurement basis (or bases) used in preparing the financial statements, and

(b) the other accounting policies used that are relevant to an understanding of the financial statements.

An accounting policy may be significant because of the *nature* of the entity's operations even if amounts for current and prior periods are not material

Judgements

Management makes various judgements, apart from those involving estimations, that can significantly affect the amounts it recognises in the financial statements.

For example, management makes judgements in determining:

(a) when substantially all the significant risks and rewards of ownership of financial assets and lease assets are transferred to other entities;

(b) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue. and

(c) whether the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Sources of estimation uncertainty

An entity shall disclose information about the assumptions it makes about the future, and other major sources of estimation uncertainty at the end of the reporting period.

that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In respect of those assets and liabilities, the notes shall include details of:

(a) their nature, and

(b) their carrying amount as at the end of the reporting period.

Sources of estimation uncertainty

Examples of the types of disclosures an entity makes are:

(a) the nature of the assumption or other estimation uncertainty;

(b) the sensitivity of carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity;

(c) the expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and

(d) an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.

Capital

An entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.

Credit Rating

Dividend

Accumulated Comprehensive Income

Non Controlling Interest

Noted : Additional Disclosures

An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements:
(a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office);
(b) a description of the nature of the entity's operations and its principal activities;
(c) the name of the parent and the ultimate parent of the group; and
(d) if it is a limited life entity, information regarding the length of its life.

Extraordinary & Exceptional Items

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- No Extraordinary Items.

  Now abolished as part of the "Improvements Projects"
- Only Exceptional – Not Defined
- Additional line items, heading & subtotals presented on face where relevant to understanding;
- Separate disclosure of nature & amount of material items of income and expenditure on face or by way of note.
- Dividend to be reflected in Statement of Changes in Equity

Material	• Presentation of Material Items Separately
Less Material	• Either Aggregation or • In the Notes
Offsetting	• No Offsetting Unless Required.

Other Disclosure – Re Cap

1. **Explicit & unreserved statement of compliance with Ind-AS**
2. Any departures from Ind-ASs needed to ensure fair presentation of financial statements
3. **Judgment made in applying the entity's most significant accounting policies (Ind-AS 1.113)**
4. **Key sources of estimation uncertainty (Ind-AS 1. 116)**
5. Any item of income or expenses that are material in their nature should be disclosed separately, either on the face of the income statement or in the notes.
6. New standards & interpretations issued but not effective/adopted. Indicating impact (Ind-AS 8.30 & 31)

Ind-AS 1 V/s IAS 1

Presentation of Statement of Profit and Loss -IAS 1 provides two options

An entity may present a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections

or an entity may present the profit or loss section in a separate statement of profit or loss which shall immediately precede the statement presenting comprehensive income, which shall begin with profit or loss.

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Ind AS 1 allows only the single statement approach.

An entity shall present a single statement of profit and loss, with profit or loss and other comprehensive income presented in two sections. The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section.

Ind-AS 1 V/s. IAS 1- Terminology

Ind AS 1 e.g, the term 'balance sheet' is used instead of 'Statement of financial position' and 'Statement of Profit and Loss' is used instead of 'Statement of profit and loss and other comprehensive income'.

The words 'approval of the financial statements for issue' have been used instead of 'authorisation of the financial statements for issue' in the context of financial statements considered for the purpose of events after the reporting period.

The words 'true and fair view' have been used instead of 'fair presentation'.

Ind-AS 1 V/s IAS 1 – Option for title

IAS 1 gives the option to individual entities to follow different terminology for the titles of financial statements.

Ind AS 1 is changed to remove alternatives by giving one terminology to be used by all entities.

IAS 1 permits the periodicity, for example, of 52 weeks for preparation of financial statements.

Ind AS 1 does not permit it.

Ind-As 1 V/s IAS 1

IAS 1 requires an entity to present an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function within the equity.

Ind AS 1 requires only nature-wise classification of expenses.

Ind-As 1 V/s IAS1
Materiality and aggregation

- Paragraph 29 and 31 dealing with materiality and aggregation has been modified to include words 'except when required by law'.

"An entity shall present separately each material class of similar items. An entity shall present separately items of a dissimilar nature or function unless they are immaterial, *except when required by law."*

- Ind-AS 1 Paragraph 74 has been modified to clarify that long term loan arrangement need not be classified as current on account of breach of a material provision, for which the lender has agreed to waive before the approval of financial statements for issue.

Thank You for your Attention

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