

IFRS:

INTERNATIONAL FINANCIAL REPORTING STANDARDS(IFRS).

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ONGC

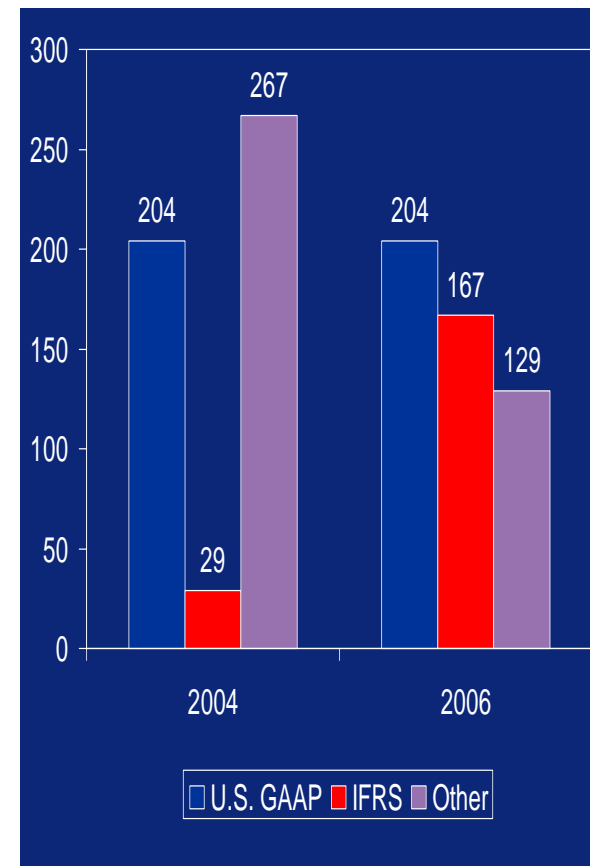
IFRS: Today and tomorrow

Today

- Used in over 100 countries and by approximately 40% of the Global Fortune 500
- Required for listing companies across all EU countries and majority of countries in Asia Pacific including China
- Adoption date announced by large countries like Brazil, Canada, and India (01.04.2011-To all listed cos.)
- SEC has allowed FPIs to report under IFRS without reconciling to USGAAP.

Tomorrow

- Expected that all major countries will have adopted IFRS to some extent by 2011
- Substantial majority of Global Fortune 500 will report under IFRS
- U.S. public companies will likely have the option of using either IFRS or US GAAP by 2011



IFRS impact beyond financial statements

Most aspects of the business can be affected:

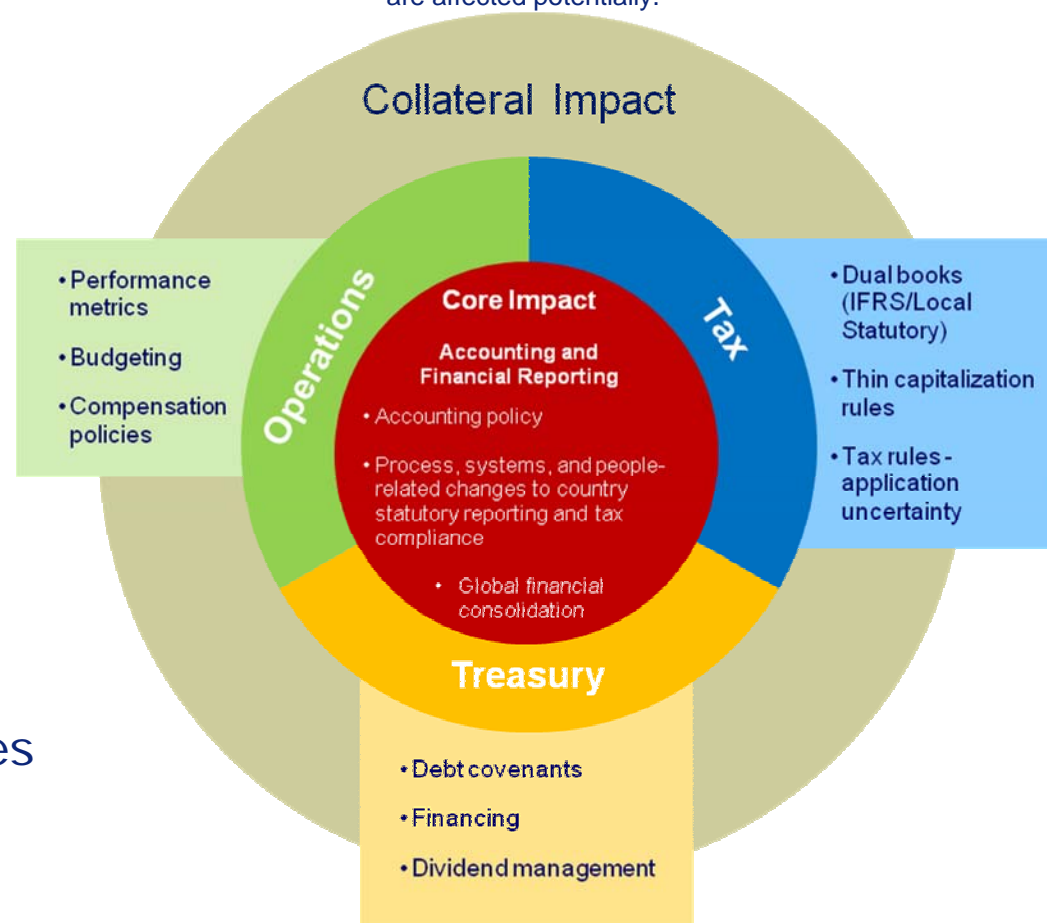
- Processes and systems
- Operations
- Tax
- Treasury

Examples include impact on:

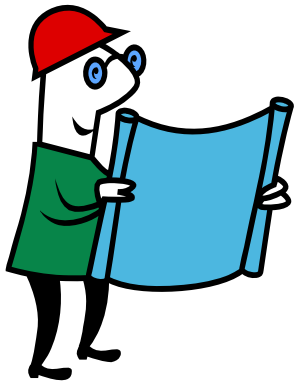
- Debt covenants
- Compensation plans
- Revenue contracts
- Tax returns
- Joint ventures and alliances
- Investor communication

The adoption of IFRS affects more than a company's accounting policies, processes, and people.

Ultimately, most aspects of a company's business and operations are affected potentially.



Deloitte methodology



Parallel run and test systems

- Verify data
- Review strategy and road map

Data for conversion

- Identification of differences
- Templates of data gathering
- Issues of memos and solution identification

Train staff

Identify systems change requirement

Draw up implementation plan

Assist in identification of business issues

Develop impact analysis

Timelines



Critical success factors

–Buy-in and participation

- High-level executives in Steering Committee
- Multidisciplinary participation

–PMO Structure

- Dedicated corporate PMO leader and support team
- Strong central “command and control”
- Regional PMOs for execution and communication with corporate PMO

–Communication with auditors

- Buy-in to scoping of conversion effort
- Concurrence regarding key decisions

–Early training and awareness building

–Capture and replicate learning from early conversion units/entities

–Integral approach, considering tax, systems, treasury, and change management implications

–ICAI Journal-Jan.2009 issue

External resources – IAS PLUS

www.iasplus.com

1,200 pages
and files,
350 Mb
of IAS
stuff.

IASPlus Home Page - News about International Financial Reporting - Microsoft Internet Explorer

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Wednesday, 30 April 2008

Search

DELOITTE PUBLICATIONS

IFRS Publications
Non-IFRS Publications
IFRSs in your Pocket 2008
Model IFRS Statements and Disclosure/Compliance Checklists
Deloitte Comment Letters
Compare IFRSs-Local GAAP

RESOURCES

Past News by Month
Reference Materials
Credit Crunch
Statistics Database
IFRSs in Europe
Recursos en Español
Use of IFRSs
IAASB Auditing Standards
IPSASB Public Sector Standards
IVSC Valuation Standards

International accounting news - stay on top, right here!

30 April 2008: Deloitte Canada Countdown IFRS transition newsletter

Deloitte Canada has released the fourth issue of their *Countdown IFRS* transition newsletter, to provide a snapshot of where we are now as far as Canada's transition to IFRSs is concerned – both in Canada and in Deloitte. This issue of *Countdown* focusses on:

- (a) the proposed definition of Publicly Accountable Enterprises (PAEs) in order to help entities determine whether they are 'in or out' of IFRSs; (b) commentary on certain legal implications to enterprises transitioning to IFRSs; and an update on current IFRS events. Click to download:

- April 2008 Edition Countdown Newsletter - English (PDF 462k)
- April 2008 Edition Countdown Newsletter - French (Compte à Rebours) (PDF 437k)
- Background on Transition to IFRSs in Canada including past issues of *Countdown*.

29 April 2008: Noticias sobre información financiera internacional

Deloitte & Touche Ltda (Colombia) has translated into Spanish the April 2008 IAS Plus Quarterly Newsletter. This 33-page newsletter reports on the 1st quarter 2008 activities of the IASB, the IFRIC, and the IASC Foundation, and also on worldwide issues and events relating to international financial reporting:

- Download the April 2008 Spanish Edition (PDF 291k)
- Nuestra nueva página de recursos en español

29 April 2008: FASB and CASC sign memorandum of understanding

The Financial Accounting Standards Board (FASB) and the China Accounting Standards Committee (CASC) have issued a Memorandum of Understanding (MOU) articulating their commitment to strengthen cooperation and communication between the two standards-setting organisations. The groups met at the FASB's offices in Connecticut to discuss how they can work together on issues pertaining to international convergence of accounting standards. As a result of the meeting, the organisations expressed the following in the MOU:

IASB STRUCTURE

- What Is the IASB?
- Structure Diagram
- IASC Foundation
- 2008 Constitution Review
- IASB Members
- IASB Photos
- IASB Due Process
- IASB Contact Details
- Advisory Council
- Interpretations Committee
- Constitution
- IASB Chronology

IASB PROJECTS AND MEETINGS

- IASB Projects/Timetable
- IASB Meeting Notes
- IASB Effective Dates
- Next Meeting Agenda
- Future Meeting Dates
- Comment Deadlines

IFRIC PROJECTS AND MEETINGS

- IFRIC Projects
- IFRIC Meeting Notes
- IFRIC Effective Dates
- IFRIC Issues Not Added
- Future Meeting Dates
- Comment Deadlines

Internet

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Indian GAAP vs. IFRS

- Objectives:
 - Discuss the similarity between Indian GAAP and IFRS
 - Discuss areas where different accounting principles are applied in Indian GAAP and IFRS reporting
 - Discuss areas where different Accounting Options available
 - Discuss different presentations are applied in Indian GAAP and IFRS reporting
 - Benefits-Access to foreign capital, Enhance credibility, however no changes in valuation

IFRS Hierarchy

- International Accounting Standards Committee Foundation.

The body which oversees the International Accounting Standards Board.

- International Accounting Standards Board (IASB).

The body which sets International Financial Reporting Standards (IFRS) and approve interpretations

- International Financial Reporting Interpretations Committee (IFRIC).

Responsible for interpretation of standards and issue guidance on issues that have not yet been addressed by standards.

- The Standards Advisory Council (SAC).

Forum to provide broad strategic advice on IASB's agenda priorities and insight into costs and benefits of projects.

IFRS Hierarchy Statements

- International Accounting Standards (IAS)
- International Financial Reporting Standards (IFRS)
- Standard Interpretations (SIC)
- International Financial Reporting Interpretations (IFRIC)

General Approach

IFRS

- “Principles-Based Accounting” with limited application guidance

• IGAAP

- also “Principles-Based Accounting” with limited application guidance
- Influenced by legal requirements

Areas Where Different Principles are Applied

- Accounting policy changes
- Consolidation policy
- Provisions and contingencies
- Property, plant and equipment
- Leases
- Financial instruments
- Taxes
- Business Combinations

Accounting Policy Changes

Area	IFRS	Indian GAAP
<i>Primary literature</i>	<i>IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors</i>	<i>AS- 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies</i>
<i>Changes in accounting policy</i>	<i>Restated unless exempted. Prior period items adjusted in the opening retained earnings of earliest period reported.</i>	<i>Cumulative amount of change recognised and disclosed in the income statement in the period of change. Transition provisions require adjustments in opening retained earnings.</i>

Accounting Policy Changes

Area	IFRS	Indian GAAP
<p><i>Change in depreciation method</i></p>	<p><i>Treated as change in estimate</i> <i>Accounted for prospectively.</i></p> <p><i>Accounted retrospectively in cases, where rates and methods vary from those acceptable under IFRS.</i></p>	<p><i>Change in depreciation method – accounted retrospectively</i></p> <p><i>Change in Useful life - written down value depreciated over remaining revised estimated useful life.</i></p>
<p><i>Correction of errors</i></p>	<p><i>Restated unless exempted.</i></p> <p><i>Prior period items adjusted in the opening retained earnings of earliest period presented.</i></p>	<p><i>Reported as prior period adjustment separately.</i></p> <p><i>Restatement of comparatives prohibited.</i></p>

Consolidation Policy

Area	IFRS	Indian GAAP
<i>Primary literature</i>	<i>IAS 27 Consolidated and Separate Financial Statements</i> <i>SIC 12, Consolidation – Special Purpose Entities</i>	<i>AS-21 Consolidated Financial Statements</i> <i>ASI- 8- Interpretation of the term “near future”</i> <i>ASI 15- Notes to the CFS</i> <i>ASI 24- Definition of “control”</i> <i>ASI 26- Accounting for taxes on income in CFS</i> <i>ASI 28- Disclosure of parents shares in post acquisition reserves of subsidiary.</i> <i>Council Announcement XXIII. Elimination of unrealized profits and losses under AS 21, AS 23 and AS 27</i>

Consolidation Policy

Area	IFRS	Indian GAAP
<p><i>Definition of "Control"</i></p>	<p><i>Power to govern financial and operating policies to obtain benefits.</i></p> <p><i>Control exists even when the parent owns less than half of voting power but has legal or contractual rights to control or de facto control.</i></p> <p><i>Currently exercisable potential voting rights considered for the purpose determining control.</i></p> <p><i>Special Purpose Entities (SPE) are consolidated wherever control exists.</i></p>	<p><i>Control exists only when parent owns directly or indirectly one-half or more of the voting rights</i></p> <p><i>or</i></p> <p><i>parent controls composition of an entity's Board of directors so as to obtain economic benefits.</i></p> <p><i>Currently exercisable potential voting rights not considered for the purpose of determining control.</i></p> <p><i>No Specific guidance.</i></p>

Consolidation Policy

Area	IFRS	Indian GAAP
<i>Employee share (stock) trusts</i>	<i>Consolidated where substance of relationship indicated control.</i>	<i>Employee share trusts are not consolidated.</i>
<i>Reporting periods</i>	<i>Differences between reporting dates of parent and subsidiary cannot be more than three months.</i>	<i>Differences between reporting dates of parent and subsidiary cannot be more than six months.</i>
<i>Uniform accounting policies</i>	<i>Prepared using uniform accounting policies for all the entities in a group.</i>	<i>Policies may differ due to impracticality. Facts should be disclosed with the related items.</i>

Consolidation Policy

Area	IFRS	Indian GAAP
<p><i>Subsidiaries excluded from consolidation</i></p>	<p><i>Where control does not rest with the majority owner.</i></p> <p><i>Where the subsidiary meets IFRS 5 Non current Assets Held for sale and Discontinued Operations, separate presentation of assets and liabilities is required.</i></p>	<p><i>Where Control is intended to be temporary</i></p> <p><i>Subsidiary is held for subsequent disposal (within 12 months)</i></p> <p><i>Subsidiary operates under severe long term restrictions which significantly impair its ability to transfer funds to parent.</i></p>
<p><i>Presentation of minority interest</i></p>	<p><i>Within equity.</i></p>	<p><i>Outside equity, between equity and liability.</i></p>

Provisions and Contingencies

Area	IFRS	Indian GAAP
<i>Primary literature</i>	<i>IAS 37 Provisions, Contingent Liabilities and Contingent Assets</i>	<i>AS 4 Contingents and events occurring after Balance Sheet. AS 29 Provisions, contingent liabilities and contingent assets. ASI 30 Applicability of AS 29 to onerous contracts.</i>
<i>Discounting</i>	<i>Provisions are discounted to present value where the effect of the time value of money is material.</i>	<i>Discounting is not permitted.</i>

Provisions and Contingencies

Area	IFRS	Indian GAAP
<i>Restructuring</i>	<i>Recognised if detailed formal plan announced or implementation effectively begun.</i>	<i>Recognised when recognition criteria is met.</i>
<i>Contingent Assets</i>	<i>Should be disclosed where the economic benefits are probable.</i>	<i>Should not be disclosed.</i>
<i>Convertible debt</i>	<i>Accounted for on split basis</i>	<i>Not accounted on split basis</i>

Provisions and Contingencies

Area	IFRS	Indian GAAP
<i>Constructive obligation</i>	<i>Constructive obligation considered for provisioning</i>	<i>Present and not constructive obligation considered for provisioning</i>
<i>Measurement of liabilities</i>	<i>Best estimate to settle the obligation, generally the expected value</i>	<i>Best estimate, if a range of possible amounts, then at the low end</i>
<i>Measurement of decommissioning provisions</i>	<i>Must adjust the discount rate at each reporting date</i>	<i>Do not adjust the discount rate at each reporting date</i>

Property, plant and equipment

Area	IFRS	Indian GAAP
<i>Primary literature</i>	<i>IAS 16 Property, plant and equipment</i>	<i>AS 6 Depreciation accounting AS 10 Accounting for Fixed Assets ASI 2 Accounting for machinery spares Council announcement VII on depreciation accounting</i>
<i>Componentisation</i>	<i>Property plant and equipment to be componentised and depreciated separately.</i>	<i>Componentisation is not required.</i>

Property, plant and equipment

Area	IFRS	Indian GAAP
<i>Non current assets held for sale</i>	<i>Should be classified and presented separately in the Balance Sheet as Held for sale.</i>	<i>No such requirement of separate presentation is required.</i>
<i>Depreciation</i>	<p><i>Depreciable amount allocated based on the useful life on a systematic basis.</i></p> <p><i>Depreciation Methods, Residual values and Useful lives are reviewed at each Balance sheet date.</i></p>	<p><i>The Companies Act 1956 prescribes minimum rates of depreciation.</i></p> <p><i>No requirement for reviewing at each balance sheet date.</i></p>
<i>Frequency of revaluations</i>	<i>Revaluation to be made with sufficient regularity.</i>	<i>No such requirement.</i>

Property, plant and equipment

Area	IFRS	Indian GAAP
<i>Pre- operative incidental expenses and trial run expenses, net revenue earned during the trial period.</i>	<i>Not permitted.</i>	<i>Required.</i>
<i>Major inspection and overhaul changes</i>	<i>Expenditure incurred to replace a separately recognised component of asset should be capitalised.</i>	<i>Expenditure which increases the future benefits from the existing asset only should be capitalized..</i>

Leases

Area	IFRS	Indian GAAP
Primary Literature	<p><i>IAS 17 Leases</i></p> <p><i>IFRIC 4 Determining whether an arrangement contains a lease.</i></p> <p><i>SIC 15 Operating leases-incentives</i></p> <p><i>SIC 27 Evaluating the substance of transactions involving the legal form of a lease.</i></p>	<p><i>AS 19 Lease Accounting</i></p>
Leasehold land	<p>Normally treated as operating lease.</p> <p>Recognised as prepaid lease rent and amortised over the lease period.</p>	<p>Lease agreements for use of Land are excluded from the scope of AS 19.</p>

Leases

Area	IFRS	Indian GAAP
Separate disclosure of leased assets	No such requirement.	Assets should be disclosed separately.
Un guaranteed Residual Value	No such prohibition.	Upward revision of un guaranteed residual value is prohibited.
Initial direct cost	To be included as part of lease receivable in case of finance leases.	Option available to charge off expenses at the time of incurrence.

Financial instruments

Area	IFRS	Indian GAAP
<i>Primary literature</i>	<p><i>IAS 32 Financial Instruments: Presentation.</i></p> <p><i>IAS 39 Financial Instruments: Recognition and Measurement</i></p> <p><i>IFRS 7 Financial Instruments: Disclosure.</i></p>	<p><i>AS 13 Investments</i></p> <p><i>AS 30* Financial Instruments: Presentation</i></p> <p><i>AS 31* Financial Instruments: Recognition and Measurement</i></p> <p><i>AS 31* Financial Instruments: Disclosure</i></p> <p><i>*Not Mandatory until 2011</i></p>
<i>Measurement</i>	<p><i>Held to maturity, loans and receivables - carried at amortized cost or at fair value.</i></p> <p><i>Available for sale investments – carried at fair value. Any change in value routed thro' equity</i></p>	<p><i>Long term investments - valued at cost less impairment.</i></p> <p><i>Short term investments – Valued at lower of cost and fair value. Any change in value charged to the income statement.</i></p>

Financial instruments

Area	IFRS	Indian GAAP
<i>De-recognition of financial assets</i>	<i>Transfer of risks and rewards takes lead over transfer of control for derecognition</i>	<i>Guidance Note issued by ICAI on securitisation requires de-recognition based on control.</i>
<i>Financial liability – classification</i>	<i>Capital instruments classified based on the substance of issuer's contractual obligation either as equity or liability.</i> <i>Mandatory redeemable preference shares classified as liability.</i>	<i>No specific guidance. Classification is based on legal form rather than substance.</i> <i>Preference shares are classified as equity separately under shareholder's funds.</i>

Financial instruments

Area	IFRS	Indian GAAP
<p><i>Treasury Shares - purchase of own shares.</i></p>	<p><i>Shown as deduction from equity.</i></p>	<p><i>Permitted in limited circumstances subject to provisions of Companies Act.</i></p> <p><i>Shares to be cancelled and not included in treasury shares.</i></p>
<p><i>Derivatives and other financial instruments: cash flow and fair value hedges.</i></p>	<p><i>Measured at fair value</i></p> <p><i>Changes in fair value recognised in income statement except for effective portion of cash flow hedges.</i></p> <p><i>For Cash flow hedges changes are recognised in equity until effect of underlying transactions is recognised in income statement.</i></p>	<p><i>No specific guidance at present.</i></p> <p><i>Exposure Draft of proposed AS in line with IAS 32</i></p>

Taxes

Area	IFRS	Indian GAAP
<i>Primary Literature</i>	<i>IAS 12 Income Taxes</i>	<i>AS 2 Accounting for taxes on Income.</i> <i>ASI 3 Accounting for taxes on income in the situations of Tax Holiday under sections 80-IA and 80-IB of the Income Tax Act.</i> <i>ASI 5 Accounting for taxes on income in the situations of Tax Holiday under section 10A and 10B of the Income tax Act.</i> <i>ASI 6 Accounting for taxes on income in the context of Section 115JB of the Income Tax Act.</i>

Taxes

Area	IFRS	Indian GAAP
<i>Primary Literature</i>	<i>IAS 12 Income Taxes</i>	<p><i>ASI 7 Disclosure of Deferred tax assets and deferred tax liabilities in the Balance Sheet.</i></p> <p><i>ASI 9 Virtual certainty supported by convincing evidence.</i></p> <p><i>ASI 11 Accounting for taxes on Income in case of an amalgamation.</i></p> <p><i>Guidance note on Fringe Benefit tax</i></p>
<i>Deferred income tax</i>	<p><i>Balance Sheet approach</i></p> <p><i>Based on difference between carrying value and tax base of assets and liabilities</i></p>	<p><i>Profit and Loss approach</i></p> <p><i>Based on difference between accounting income and taxable income</i></p>

Taxes

Area	IFRS	Indian GAAP
<i>Fringe Benefit tax</i>	<i>Included in related expense which gives rise to the tax.</i>	<i>Shown separately along with normal tax.</i>
<i>Un realised intra-group profits</i>	<i>Deferred tax recognised at buyer's tax rate.</i>	<i>Deferred tax not recognised. Simple aggregation from standalone financial statements. No adjustment is made on consolidation.</i>
<i>Revaluation of PPE and intangible assets</i>	<i>Deferred tax recognised in equity</i>	<i>Deferred tax is not recognised as considered as a permanent difference.</i>

Taxes

Area	IFRS	Indian GAAP
<p><i>Deferred tax on Undistributed profits of subsidiaries, associates and joint ventures.</i></p>	<p><i>Recognised except when the parent is able to control the distribution of profit and if it is probable that the temporary difference will not reverse in the foreseeable future.</i></p>	<p><i>Not recognised</i></p>
<p><i>Recognition of Deferred tax Assets.</i></p>	<p>Recognised if it is probable (more likely than not) that sufficient taxable profit will be available in future.</p>	<p><i>Recognised if</i></p> <ul style="list-style-type: none"> <i>a). Realisation is virtually certain incase of entities with carry forward tax losses</i> <i>b). Realisation is reasonably certain in case of entities with no carry forward tax losses.</i>

Taxes

Area	IFRS	Indian GAAP
<i>Minimum alternate tax (MAT) credit carry forward.</i>	<i>Recognized as a deferred tax asset if it is probable (more likely than not) that MAT credit can be used in future years to reduce the regular tax liability.</i>	<i>Considered as prepaid tax and recognised as an asset, when and to the extent there is convincing evidence that MAT credit will be used in future years to reduce the regular tax liability.</i>

Business Combinations

Area	IFRS	Indian GAAP
<i>Primary literature</i>	<i>IFRS 3 Business Combinations</i>	<i>No specific standards to covering all aspects. AS 14 Accounting for amalgamations covering limited aspects.</i>
<i>Date on which consideration in a business combination is measured</i>	<i>Acquisition date (date on which control passes)</i>	<i>No specific guidance. Date of investment.</i>
<i>Accounting method</i>	<i>All business combinations accounted under Purchase method.</i>	<i>Uniting of interest method in case combination satisfy the conditions of merger. Others under Purchase method.</i>

Business Combinations, cont.

Area	IFRS	Indian GAAP
<i>Business combination of entities under common control.</i>	<i>Specifically excluded from the scope of the Standard.</i>	<i>No specific guideline.</i>
<i>Allocation of the cost of the business combination.</i>	<i>At fair value.</i>	<i>At carrying value in case of uniting of interest method At carrying value or fair value in case of Purchase method.</i>
Measurement of Minority Interest	Measured at fair value of minority's share in net assets.	Measured at carrying value of minority's share in net assets.

Business Combinations, cont.

Area	IFRS	Indian GAAP
Excess of fair value of net assets acquired over acquisition costs	Recognised as a gain in income statement after reassessment	Recognised as part equity.
Goodwill	Goodwill on business combination is not amortised but tested for impairment.	Goodwill on amalgamation amortised over five years. Tested for impairment whenever indication of impairment exists.
Deferred tax assets after initial purchase accounting.	Deferred tax income recognised in income statement. Goodwill adjusted to that extent by recognising in income statement.	Recognised by adjusting Goodwill/Capital reserve in case of Purchase method. Recognised by adjusting Revenue reserves

Presentation Topics

- Financial Statements
- Cash flow Statement
- Events after the balance sheet date
- Segment reporting
- Related party disclosures
- Discontinuing operations

Financial Statements

Area	IFRS	Indian GAAP
Primary literature	IAS 1 Presentation of Financial Statements	AS 1 Disclosure of Accounting Policies
Presentation	Fair Presentation	True and fair presentation
Balance Sheet	No specific format prescribed Separate classification for Current/Non Current on the face of the Balance Sheet Specific items to be included on the face of Balance Sheet	Formats are prescribed by the Companies Act and other industry regulations

Financial Statements

Area	IFRS	Indian GAAP
<i>Income Statement</i>	<p><i>No specific format.</i></p> <p><i>Specific items to be included on the face of Income Statement.</i></p> <p><i>Expenses to be presented either on function/nature.</i></p>	<p><i>Specific items of income and expenditure to be disclosed.</i></p> <p><i>Formats for specific industry specified by the respective regulations.</i></p>
<i>Change in Equity</i>	<p><i>Option to present all changes in equity (SOCE) or present only the Recognised income and expenses (SORIE)</i></p>	<p><i>All change in equity to be presented</i></p>
<i>Extraordinary items</i>	<p><i>Prohibited</i></p>	<p><i>Events or transactions clearly distinct from ordinary activities of the entity and or expected to recur frequently or regularly</i></p>

Financial Statements

Area	IFRS	Indian GAAP
Disclosures of significant associates	Detailed information on significant associates' assets, liabilities and results is required.	Detailed information is not required.
Offsetting of Assets and Liabilities	Assets and Liabilities cannot be set off unless permitted under the standards. Financial assets and liabilities can be set off if the entity has legally enforceable right to set off.	No specific guidance.

Cash Flow Statements

Area	IFRS	Indian GAAP
<i>Literature</i>	<i>IAS 7 Cash Flow Statements</i>	<i>AS 3 – Cash Flow Statements</i>
<i>Interest paid</i>	<i>May be classified as an operating or financing activity.</i>	<i>Classified as an operating activity for financial enterprises. Classified as financing activity for other enterprises.</i>
<i>Interest received</i>	<i>May be classified as an operating or investing activity.</i>	<i>Classified as an operating activity for financial enterprises. Classified as Investing activity for other enterprises.</i>

Cash Flow Statements

Area	IFRS	Indian GAAP
<i>Dividends received</i>	<i>May be classified as an operating or investing</i>	<i>Classified as an operating activity for financial enterprises. Classified as Investing activity for other enterprises</i>
<i>Dividends paid</i>	<i>May be classified as an operating or financing activity</i>	<i>Must be classified as an Financing activity</i>
<i>Presentation of bank overdrafts</i>	<i>Based on cash management policies which might differ from general accounting classifications For example, bank overdrafts can be classified as cash and cash equivalents</i>	<i>Cash excludes bank overdrafts Overdrafts classified as financing activities</i>

Discontinued Operations

Area	IFRS	Indian GAAP
Literature	<i>IFRS 5 Non-current Assets Held for Sale and Discontinued Operations</i>	AS 24 – Discontinued Operations
Definition of discontinued operation	Reportable business or geographical segment or a major component	A component that represents a line of business or geographical area of operation.
Timescale envisaged	Completed within one year.	No time frame specified.

Discontinued Operations

Area	IFRS	Indian GAAP
Presentation	<p data-bbox="716 574 1278 703">Post tax profit or loss as a single figure on face of Income Statement.</p> <p data-bbox="716 732 1297 906">Analysis of the above figured either on face of income statement or in the notes.</p> <p data-bbox="716 935 1293 1063">Net assets disclosed as a single figure on the face of the Balance Sheet.</p>	<p data-bbox="1358 574 1793 654">Pre tax profit or loss with related taxes.</p> <p data-bbox="1358 683 1839 763">Line items disclosed in the Notes to accounts</p> <p data-bbox="1358 792 1839 872">Pre tax gain or loss on disposal.</p> <p data-bbox="1358 901 1766 1075">No requirement for disclosing assets separately in the Balance Sheet.</p>

Questions?

*THANK
YOU*

