
India

Local stock exchange

Bombay Stock Exchange (BSE)

<http://www.bseindia.com/>

National Stock Exchange (NSE)

<http://www.nseindia.com/>

Delhi Stock Exchange, Calcutta Stock Exchange

Rules for listed filings

IFRS required or permitted for listed companies?

IFRS is permitted for listed entities in addition to the Indian GAAP financial statements.

Version of IFRS

IFRS as published by the IASB

Are subsidiaries of foreign companies or foreign companies listed on local exchanges subject to different rules?

No. However, a foreign company may issue Indian Depository Receipts (IDR) to access the Indian capital market. Such companies may prepare and disclose its financial results in accordance with IFRS, US GAAP or Indian GAAP.

Rules for statutory filings

Is IFRS or IFRS for SMEs required, permitted or prohibited for statutory filings?

IFRS and IFRS for SMEs are prohibited. Financial statements must be prepared in accordance with Indian GAAP.

Version of IFRS

Not applicable

In addition to local GAAP statutory financial statements, are there any other regulatory financial statement requirements that permit or require the use of IFRS?

No

IFRS conversion plans

Plans for converging

Notification of Rules for Ind AS implementation

The Ministry of Corporate Affairs (MCA) announced on February 16, 2015 a revised roadmap for the implementation of “Ind-AS”, the convergence of India’s accounting standards with IFRS. The roadmap provides a phase-wise approach, primarily based on a company’s net worth. Entities having a net worth of INR 5000 million (USD 77 million

approximately) or more are required to adopt Ind AS mandatorily for accounting periods beginning on or after April 1, 2016.

Applicability

The application of Ind AS is based on the listing status and net worth of a company. Ind AS will first apply to companies with a net worth equal to or exceeding INR 5000 million (USD 77 million approximately) beginning April 1, 2016. This will also require comparative Ind AS information for the period of April 1, 2015 to March 31, 2016. Listed companies (other than those covered in first phase) as well as others having a net worth equal to or exceeding INR 2500 million (USD 38.5 million approximately) will be reporting under Ind AS from April 1, 2017 onwards. From April 2015 companies impacted in the first phase will have to take a closer look at the details of the 39 new Ind ASs currently notified. Ind AS will also apply to subsidiaries, joint ventures, associates as well as holding companies of the entities covered by the roadmap.

Entities not covered by the roadmap can voluntarily adopt the Ind AS. Once having chosen this path, they cannot switch back. Insurance, banking and non-banking financial companies shall not be required to apply Ind AS either voluntarily or mandatorily. India has also decided to early adopt IFRS 9, Financial Instruments.

India has chosen the path of IFRS convergence and not adoption. Accordingly, certain differences have remained between the IFRS as issued by the IASB and our Ind AS - carve outs. Some of these carve outs diminish comparability of Ind AS with the globally accepted IFRS.

Other useful websites

The Institute of Chartered Accountants of India

<http://www.icaai.org/>

Ministry of Corporate Affairs

<http://mca.gov.in/>

<http://www.cnkonline.com/client/mca/index.asp>

PwC India website

<http://www.pwc.com/in/en/services/IFRS/IFRS-in-India.jhtml>

Tax information

Type of tax regime

Quasi-dependent: Taxable profit is principally based on the legal entity statutory accounts prepared in Indian GAAP, with a number of adjustments provided in the tax law. The acceptability of Ind AS as primary (base) financials on which adjustments are made is yet to be ascertained, although the process to study this has been initiated.

Comments on tax regime

The tax computation begins with net profit then is adjusted for depreciation, amortization, bad debts write-off, tax holidays etc. Unabsorbed losses and unabsorbed depreciation is allowed as carry-forward and set off against future profit. There is a concept of Minimum Alternate Tax ("MAT"), which is based on accounting profit.

Plans for IFRS converging as the basis of tax reporting

The local tax authorities have not announced any adoption or convergence plans of tax reporting to IFRS or IFRS for SMEs.