



Disclaimer: The information in this Profile is for general guidance only and may be updated or corrected from time to time. You should not act on the information in this Profile, and you should obtain specific professional advice to help you in making any decisions or in taking any action. If you believe that the information has become outdated or is otherwise incorrect, please contact us at ifrsapplication@ifrs.org.

This Profile provides information about the application of IFRS Standards in India. IFRS Standards are developed and issued in the public interest by the International Accounting Standards Board (Board). The Board is the standard-setting body of the IFRS® Foundation, an independent, private sector, not-for-profit organisation.

This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the Foundation conducted on the application of IFRS Standards around the world. The Foundation drafted the Profile and invited the respondents to the surveys and others (including regulators and international audit firms) to review the drafts; their comments have been reflected in this current version.

The only purpose of the IFRS Foundation’s Jurisdictional Profiles is to illustrate the extent of implementation of IFRS Standards across the globe. The Profiles do not reflect the intellectual property licensing status of IFRS Standards within any given jurisdiction. The IFRS Standards are protected by copyright and are subject to different licensing arrangements according to jurisdiction. For further information, please contact Licences@ifrs.org.

Profile last updated: 11 October 2019

RELEVANT JURISDICTIONAL AUTHORITY

Organisation	The Institute of Chartered Accountants of India (ICAI).
Role of the organisation	<p>The role of ICAI is recognised as a standard-setter under Indian law (section 133 of Companies Act, 2013):</p> <p>“The Central Government prescribes the standards of accounting or any addendum thereto, as recommended by the ICAI, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority (NFRA).”</p> <p>The Ministry notifies the standards under the Companies Act by publishing them in <i>The Gazette of India</i>. Notified standards are authoritative under Indian law. For non-corporate entities, Accounting Standards are issued by the ICAI.</p>
Website	www.icai.org
Email contacts	<p>president@icai.in</p> <p>asb@icai.in</p>

Has the jurisdiction made a public commitment in support of moving towards a single set of high-quality global accounting standards?

Yes.

Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high-quality global accounting standards?

Yes.

The Preface to the ICAI's *Statements of Accounting Standards* (revised in 2004) states:

2.3 The ICAI, being a full-fledged member of the International Federation of Accountants (IFAC), is expected, inter alia, to actively promote the International Accounting Standards Board's (IASB) pronouncements in the country with a view to facilitate global harmonisation of accounting standards. Accordingly, while formulating the Accounting Standards, the [Indian Accounting Standards Board] will give due consideration to International Accounting Standards (IASs) issued by the International Accounting Standards Committee (predecessor body to IASB) or International Financial Reporting Standards (IFRSs) issued by the IASB, as the case may be, and try to integrate them, to the extent possible, in the light of the conditions and practices prevailing in India.

At the G20 summit held in Pittsburgh in 2009, the then Hon'ble Prime Minister of India made a commitment towards convergence with single set of high quality globally acceptable accounting standards (IFRS Standards). That commitment was reiterated in India's Finance Minister's budget message of July 2014:

128. There is an urgent need to converge the current Indian accounting standards with the International Financial Reporting Standards.

What is the jurisdiction's status of adoption?

India issues Indian Accounting Standards (Ind AS) which are based on IFRS Standards. They contain certain carve-outs and carve-ins.

The modifications to IFRS Standards are explained [later](#) in this profile.

Voluntary adoption of Ind AS is permitted for all companies other than insurance companies, banking companies, and non-banking finance companies (NBFCs).

For companies, other than insurance companies, banking companies, and non-banking finance companies the mandatory adoption of Ind AS is as follows

	Phase I	Phase II
Mandatory adoption	FY 2016 – 17	FY 2017 – 18
(a) Listed companies	All companies listed or in the process of being listed with net worth \geq INR 500 crore (US\$ 72 million approx.)	All companies listed or in the process of being listed not covered in Phase I
(b) Unlisted companies	All companies with net worth \geq INR 500 crore (US\$ 72 million approx.)	Companies having a net worth \geq INR 250 crore (US\$ 36 million approx.)
(c) Group companies	Applicable to holding, subsidiaries, joint ventures, or associates of companies covered in (a) and (b) above.	

For NBFCs, the roadmap for implementation of Ind AS is as follows

	Phase III	Phase IV
Mandatory adoption	FY 2018 – 19	FY 2019 – 20
(a) Listed companies	All companies listed or in the process of being listed with net worth \geq INR 500 crore (US\$ 72 million approx.)	All companies listed or in the process of being listed not covered in Phase III
(b) Unlisted companies	All companies with net worth \geq INR 500 crore (US\$ 72 million approx.)	Companies having a net worth \geq INR 250 crore (US\$ 36 million approx.)
(c) Group companies	Applicable to holding, subsidiaries, joint ventures, or associates of companies covered in (a) and (b) above.	

The above tables indicate INR/ US\$ exchange rate as on 01.04.2019

The roadmap is applicable to both, consolidated financial statements and separate financial statements.

For insurance companies and banks, Ind AS will be applicable from a future date.

Additional comments provided on the adoption status?

No.

If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.

Not applicable.

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?

IFRS Standards are not permitted or required. However, all domestic companies whose securities trade in a public market (except banking companies and insurance companies) are required to apply Ind AS while companies listed on SME Exchange are permitted to follow Ind AS. In case of banks and insurance companies Ind AS will be applicable at a future date.

If YES, are IFRS Standards REQUIRED or PERMITTED?

Not applicable. [Please refer to Ind AS roadmap above]

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?

Not applicable. [Please refer to Ind AS roadmap above]

Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?

Not applicable. [Please refer to Ind AS roadmap above]

For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

Not applicable. [Please refer to Ind AS roadmap above]

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?

IFRS Standards are not required. Ind AS are required for some (based on a net worth criteria) and permitted for others in this category.

If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future?	Not applicable. Currently, Ind AS are required, if such an entity meets the specified criteria.
--	---

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements?	A foreign company which has listed its securities as Indian Depository Receipts (IDRs) may prepare its financial statements either under Indian GAAP or IFRS Standards or US GAAP. If IFRS Standards or US GAAP are followed, a summary of significant differences with Indian GAAP is required to be disclosed.
If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?	As above.
Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?	As above.

IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies?	All domestic companies whose securities trade in a public market (other than the SME Exchange), and large non-public companies, are required to use Ind AS, as per the roadmap . Companies that are not required to apply Ind AS are required to apply local accounting standards. (It may also be noted that local accounting standards are being upgraded in line with the principles of Ind AS.)
The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:	Ind AS, if the entity is covered in the road map for their implementation; otherwise, compliance with local accounting standards must be stated.
Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)?	Yes, but unlikely due to differences between Ind AS and IFRS Standards.
Are IFRS Standards incorporated into law or regulations?	Not applicable. Ind AS are incorporated into the Companies Act that are notified by the Ministry of Corporate Affairs in <i>The Gazette of India under Companies (Ind AS) Rules, 2015</i> .

If yes, how does that process work?	The Central Government prescribes the standards of accounting or any addendum thereto, as recommended by the ICAI, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority (NFRA). The Ministry notifies the Standards under the Companies Act, 2013 (section 133) by publishing them in <i>The Gazette of India</i> . Notified standards are authoritative under Indian law. For non-corporate entities, Accounting Standards are issued by the ICAI.
If no, how do IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?	Not applicable as IFRS Standards are not endorsed or adopted. The endorsement process for Ind AS has been described below.
If yes, what is the process?	The Central Government prescribes the standards of accounting or any addendum thereto, as recommended by the ICAI, in consultation with and after examination of the recommendations made by the National Financial Reporting Authority (NFRA). The Ministry notifies the standards under the Companies Act by publishing them in <i>The Gazette of India</i> . Notified standards are authoritative under Indian law.
If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?	Not applicable.
Has the jurisdiction eliminated any accounting policy options permitted by IFRS and/or made any modifications to any IFRS Standards?	Yes.
If yes, what are the changes?	<p>Ind AS are modified versions of IFRS Standards as issued by the International Accounting Standards Board. Some modifications are so-called 'carve-outs' and 'carve-ins'. Other changes include: the use of different terminology; the elimination of a few options; changes in certain disclosures; and other modifications to certain requirements of some IFRS Standards.</p> <p>Some of these modifications are mandatory while others are optional.</p> <p>Each individual Ind AS includes an appendix to highlight the 'major differences, if any, between the Indian Accounting Standard (Ind AS) and the corresponding IFRS Standard'.</p> <p>The major differences between Ind AS and IFRS Standards and the reasons for the differences are listed in the appendices of the respective Ind AS and in a document on the ICAI's website.</p>

Other comments regarding the use of IFRS Standards in the jurisdiction?	Not applicable.
---	-----------------

TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	Not applicable. Ind AS are translated into Hindi for publication in The Gazette of India.
--	---

If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?	Every new Ind AS or amendments thereto is notified in <i>The Gazette of India</i> , which is published in both English and Hindi. (Translations are undertaken by the Ministry of Corporate Affairs.)
--	---

APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the <i>IFRS for SMEs</i> Standard for at least some SMEs?	No. Currently, SMEs are required to prepare their financial statements under local GAAP.
--	--

If no, is the adoption of the <i>IFRS for SMEs</i> Standard under consideration?	The ICAI is currently amending accounting standard applicable to entities that are not required to apply Ind AS to align them with the principles of Ind AS.
--	--

Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Standard?	Not applicable.
---	-----------------

If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
---	-----------------

Which SMEs use the <i>IFRS for SMEs</i> Standard in the jurisdiction, and are they required or permitted to do so?	Not applicable.
--	-----------------

For those SMEs that are not required to use the <i>IFRS for SMEs</i> Standard, what other accounting framework do they use?	National standards.
---	---------------------

Other comments regarding use of the <i>IFRS for SMEs</i> Standard?	None.
--	-------