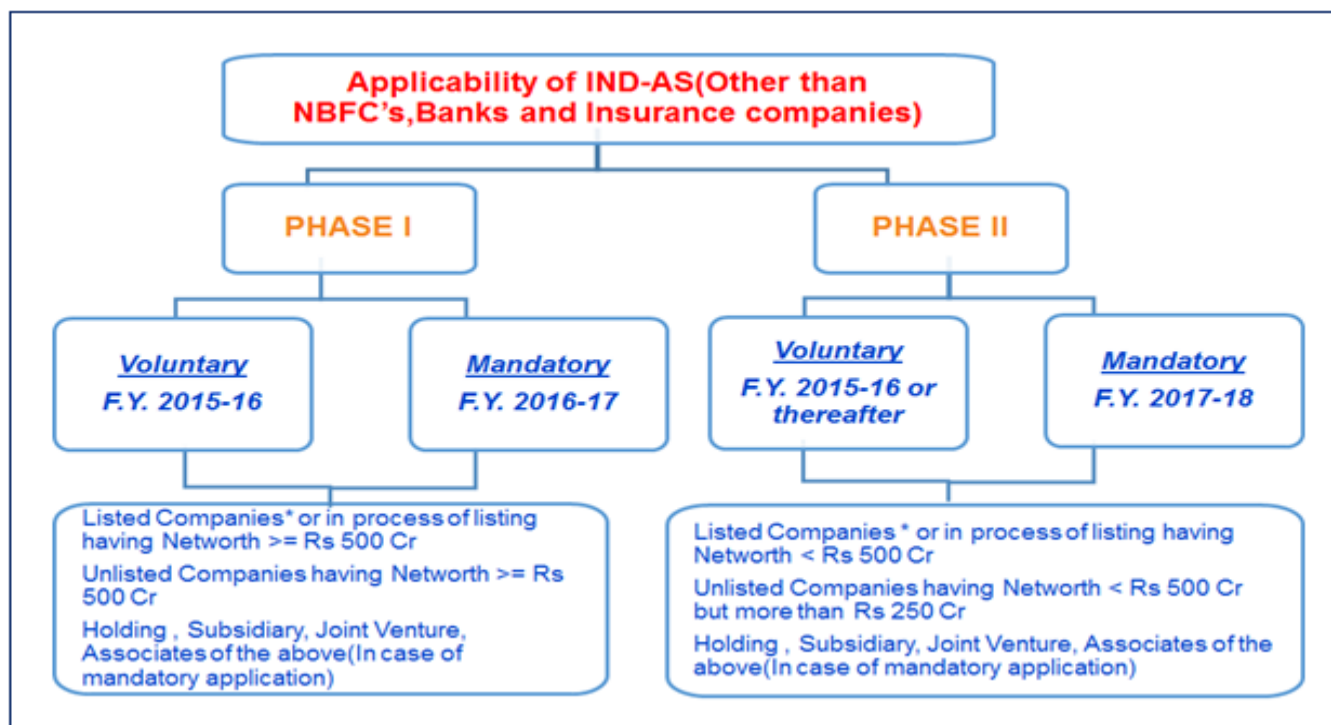
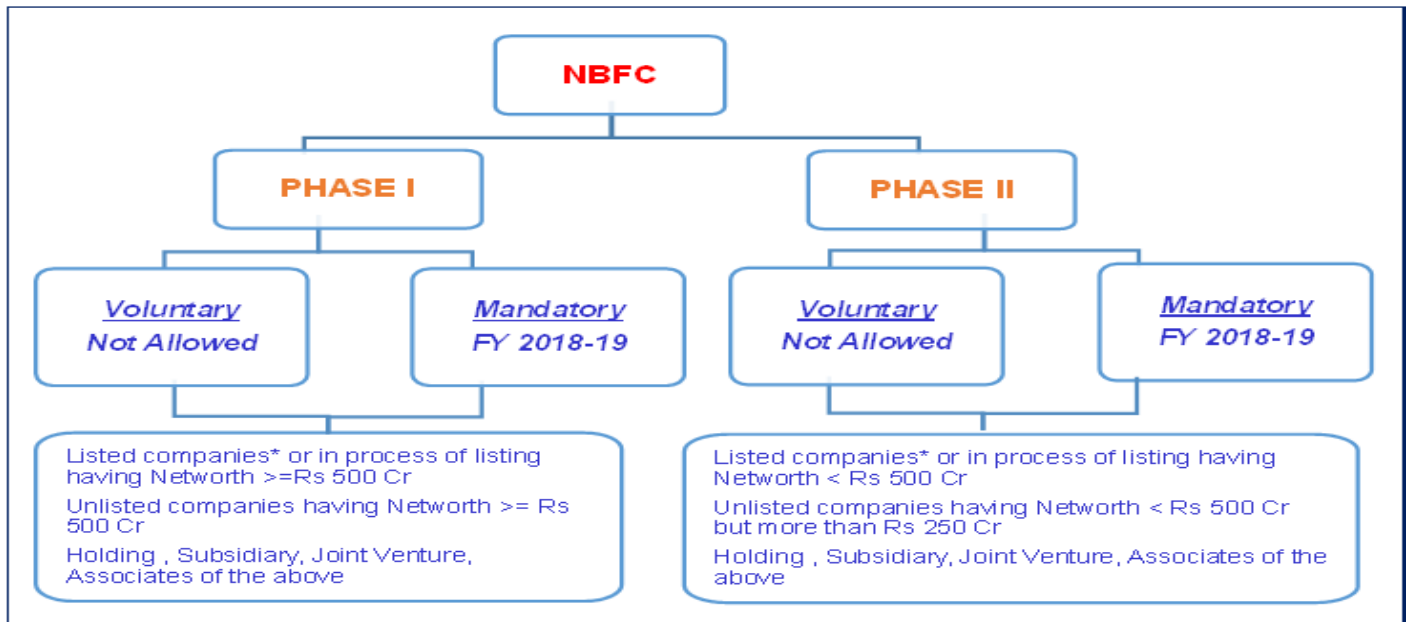


## ROAD MAP TO IND AS

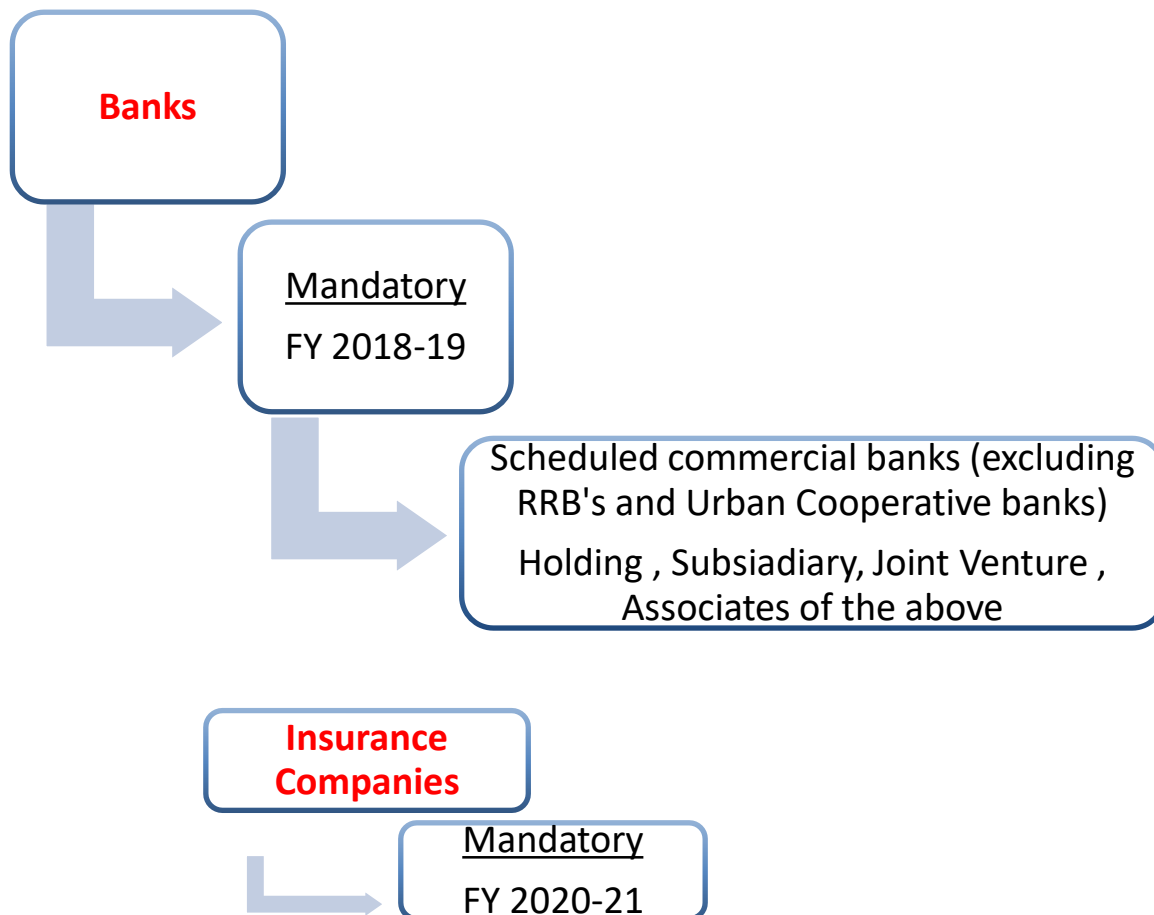
### 1. APPLICABILITY & ACCOUNTING PRINCIPLES OF INDIAN ACCOUNTING STANDARDS:

- The MCA has issued a notification dated 16<sup>th</sup> February, 2015 announcing the Companies (Indian Accounting Standards) Rules, 2015 for applicability of IND-AS.
- Presently, the Institute of Chartered Accountants of India (ICAI) has issued 39 Indian Accounting Standards (IND-AS)
- The Roadmap for IND-AS implementation as follows:





\*All Listed Companies (Except Companies Listed on SME Exchange)



## 2. NETWORTH:

The definition of "Net worth" is as per Section 2(57) of the Companies Act, 2013.

As per the provisions, net worth means:

Paid-up share capital

(+) All Reserves created out of profits (excluding created out of revaluation of assets, write-back of depreciation and amalgamation)

(+) Securities Premium Account

(-) Accumulated losses

(-) Deferred Expenditure

(-) Miscellaneous expenditure not written off

Net worth will be determined on the basis of the standalone accounts of the Company as on 31<sup>st</sup> March 2014 or as per first audited financial statements for accounting period which ends after that date.

For companies which were not in existence on 31st March, 2014 or an existing company falling under any of thresholds specified for the first time after 31st March, 2014, the net worth shall be calculated on the basis of the first audited financial statements ending after that date in respect of which it meets the thresholds.

Thus, the companies meeting the specified thresholds for the first time at the end of an accounting year shall apply Indian Accounting Standards (IND AS) from the immediate next accounting year.

### ***Illustrations:***

1. The Companies meeting threshold for the first time as on 31<sup>st</sup> March, 2017 shall apply IND-AS from financial year 2017-18 onwards.
2. The companies meeting threshold for the first time as on 31<sup>st</sup> March, 2018 shall apply IND-AS from financial year 2018-19 onwards.

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The write-up does not aim to discuss the entire complex accounting rules and implications, which may arise from implementation of the IND AS. This write-up must not be relied upon as a substitute for reading the text of IND AS standards. If any specific issue is faced, it is recommended to seek appropriate expert professional advice. Before reaching any decision on how your specific organization may be affected by the application of IND AS, you should first take into consideration specific facts and circumstances, and thereafter consult GBCA or your professional advisors, who are familiar with your state of affairs, for advice.