

# Difference between Ind-AS 101 and IFRS 1

# Definition of the first IFRS financial statements

## ➤ Ind -AS

Simply defines First Ind-AS financial statements and does not give elaborate examples.

## ➤ IFRS

Besides defining the First IFRS financial statements gives various examples.

# Discontinuation and resumption of IFRS

- Paragraph 4, 4A, 4B, 23A and 23B of IFRS 1 provide various examples of instances when an entity does not apply this IFRS. Ind AS 101 does not provide the same.

# Definition of Previous GAAP

- **IFRS 1**
- IFRS 1 defines previous GAAP as the basis of accounting that a first-time adopter used immediately before adopting IFRS.
- **Ind-AS 101**
- Ind AS 101 defines previous GAAP as the basis of accounting that a first-time adopter used for its reporting requirement in India immediately before adopting Ind AS. The change makes it mandatory for Indian entities to consider the financial statements prepared in accordance with existing notified Indian accounting standards as was applicable to them as previous GAAP when it transitions to Ind ASs

# Treatment of Goodwill –subsumed in Intangible Assets

## ➤ IFRS 1

Allows adjustment of intangible assets against goodwill only .

## ➤ Ind-AS 101

Under Ind AS 101 it can be adjusted with the Capital reserve to the extent such adjustment amount does not exceed the balance available in Capital reserve.

# Additional Optional Exemptions

- Ind- AS 101 provides optional exemptions relating to the long-term foreign currency monetary items and service concession arrangements relating to toll roads.

# Transitional Provision Related To Mandatory Exceptions

- Certain IFRS 1 exceptions to the retrospective application of other IFRS refer to transitional provisions of other IFRSs. However Ind ASs does not provide transitional provisions, accordingly transitional provisions in other IFRSs have been incorporated in the paragraphs B8A, B8B, B8D, B8E, B8EA and B8EB of Ind AS 101.

# Same Goes For Optional Exemptions

- Certain exemptions in Appendix D of IFRS 1 refer to transitional provisions of other IFRSs. However Ind ASs do not provide transitional provisions, accordingly wherever considered an appropriate transitional provision in other IFRSs has been incorporated in the respective exemptions in Appendix D of Ind AS 101.



# These pertain To followings ..

- (i) Paragraph D4 includes the transitional provisions of IFRS 4 *Insurance Contracts*;
- (ii) Paragraph D9 includes the transitional provisions of IFRIC 4 *Determining whether an Arrangement contains a Lease*;
- (iii) Paragraph D22 includes the transitional provisions of IFRIC 12 *Service Concession Arrangements*;
- (iv) Paragraph D25 includes the transitional provisions of IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*;
- (v) Paragraph D31 includes the transitional provisions of IFRS 11 *Joint Arrangements*;
- (vi) Paragraph D32 includes the transitional provisions of IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*; and
- (vii) Paragraph D34 and D35 includes the transitional provisions of IFRS 15 *Revenue from contracts customer*.

## Few Optional Exemptions Modified To Give Transitional Relief - PPE

- D7AA Provides an entity option to use carrying values of all such assets as on the date of transition to Ind ASs, in accordance with previous GAAP as an acceptable starting point under Ind AS.
- Paragraph 27AA has been included in Ind AS 101 which requires the disclosure that if an entity adopts for first time exemption the option provided in accordance with paragraph D7AA

# Few Optional Exemptions Modified To Give Transitional Relief - Leases

- D9AA provides an entity to use the transition date facts and circumstances for lease arrangements which includes both land and building elements to assess the classification of each element as finance or an operating lease at the transition date to Ind ASs
- If any land lease newly classified as finance lease then the first time adopter may recognise assets and liability at fair value on that date; any difference between those fair values is recognised in retained earnings.

## Few Optional Exemptions Modified To Give Transitional Relief - Non Current Assets Held For Sale

- Paragraph D35AA provides an entity to use the transitional date circumstances to measure such assets or operations at the lower of carrying value and fair value less cost to sell, rather than the earlier date.

# Appendix E Dropped by Ind-AS 101

- Appendix E of IFRS 1 on 'Short-term exemptions from IFRSs', however Ind AS 101 does not provide the above said short-term exemption. In order to maintain consistency with Appendix numbers of IFRS 1, the Appendix E is retained in Ind AS 101.

Globally India to be the  
First Adopt IFRS 9 and 15

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