

APPLICABILITY OF IND AS

Companies (other than banks, NBFC, and Insurance companies):

PHASE-1: 1st April,2015 or thereafter – Voluntary Basis for all companies (with comparatives) & from 1st April,2016 on mandatory basis:

- Companies listed/in process of listing on Stock Exchange in India or outside India having net worth greater than or equal to INR 5 Billion.
- Unlisted companies having net worth greater than or equal to INR 5 Billion.
- Parent, Subsidiary, Associate and Joint Venture of above

PHASE-II: From 1st April,2017 on mandatory basis:

- All Companies which are listed/or in process of listing inside or outside India on Stock Exchanges not covered in Phase-1 (other than companies listed on SME Exchanges)
- Unlisted companies having net worth between INR 2.5 Billion and INR 5 billion.
- Parent, Subsidiary, Associate, and Joint Venture of above
 - Companies listed on SME Exchanges not required to apply IND AS
 - Once IND AS are applicable, an entity should be required to follow IND AS for all the subsequent financial statements.
 - Companies not covered by the above shall continue to apply existing Accounting standards notified in Companies (Accounting Standards) Rules, 2006.

Scheduled Commercial Banks (excluding RRBs), Insurers/Insurance companies and Non-Banking Financial Companies (NBFC):

Non-Banking Financial Companies (NBFC) –

PHASE-I: From 1st April,2018 (with comparatives)

- NBFC (whether listed or unlisted) having net worth 500 crores or more
- Holding, Subsidiary, JV and Associate companies of above NBFC other than those already covered above corporate roadmap shall also apply from said date.

PHASE-II: From 1st April,2019 (with comparatives)

- NBFC whose equity and/or debt securities are listed or are in process of listing on any stock exchange in India or outside India and having net worth less than 500 crores.
- NBFC that are unlisted having net worth between 250 crores and 500 crores
- Holding, Subsidiary, JV and Associate companies of above NBFC other than those already covered above corporate roadmap shall also apply from said date.
 - Applicable for both Consolidated and Individual Financial Statements.
 - NBFC having net worth below 250 crores shall not apply IND AS.
 - Adoption of IND AS is allowed only when required as per roadmap.
 - Voluntary Adoption of IND AS is not allowed.

Scheduled Commercial Banks (excluding RRBs) and Insurers/Insurance companies-

- From 1st April, 2018 (with comparatives)
- Holding, Subsidiary, JV and Associate companies of Scheduled Commercial Banks (excluding RRBs) shall also apply from said date irrespective of it being covered under corporate roadmap.
- Applicable for both Consolidated and Individual Financial Statements
- Urban Cooperative Banks and Rural Regional Banks are not required to apply IND AS.
- However, IRDA has deferred the implementation of IND AS in the insurance sector in INDIA by two years i.e. IND AS would be applicable from 01/04/2020
- However, RBI has deferred the implementation of IND AS on commercial banks (except RRBs) by one year i.e. IND AS would be applicable from 01/04/2019

Disclaimer: This document is meant for informational purpose only and does not purport to be advice or opinion, legal or otherwise, whatsoever. LABHYANSH does not intend to advertise its services through this document. LABHYANSH or its associates are not responsible for any error or omission in this document or for any action taken based on its contents.

© 2020 LABHYANSH, India. All rights reserved.

Last updated on: May'2020