



Bombay Management Association

10th March, 2010

Dear Members,

International Financial Reporting Standard - IFRS

We are pleased to inform you that an introductory talk on I.F.R.S was held on 17th February 2010 at the BMA Secretariat. The Guest Speaker was Mr. Rammohan Bhawe, FCA, FICWA, ACS, LLB, IFRS – Certified six sigma green belt with 30 years industry experience including latest hands-on IFRS implementation experience at Europe and is an IFRS Consultant.

His presentation was crisp, clear and the topics he touched upon with live examples was indeed absorbing.

We have decided to offer our members a full one-day programme, the details of which are given below:

Date : Tuesday 13th April 2010

Time : 9.00 am to 6.00 pm

Venue : The Ambassador Hotel, Churchgate

Fees : BMA Members : Rs.3,500/- per person. A 10% discount for 3 or More from the same co.

Non Members : Rs.4,000/- per person. A 10% discount for 3 or more from the same co.

We urge you to enroll at the earliest and equip yourself as I.F.R.S is being implemented in April 2011 in India.

Thanking you.

Gladwyn A Pinto
Executive Director



Bombay Management Association

Write Up on I.F.R.S.

India has signed treaty of adopting/converging with IFRS from April 2011

This will be a great step in becoming global player and flow of foreign capital and boost for transparency and corporate governance.

Europe adopted this in 2005 and now with 120 countries already in, India quest towards excellence and becoming global has a giant leap thru IFRS.

Fair value, Financial instruments, Group concept, Substance over form are key differentiators of IFRS and therefore BMA is pleased to announce a program on IFRS

Broadly will cover the following:

What is IFRS?

Why was it thought it necessary to have it?

How is reporting done so far?

Why is the reporting done so far inadequate?

What kind of distortion, misreporting, confusion, manipulation, etc. happen due to the inadequacies of the current reporting standards?

What are the various international standards?

Which are the standards in India?

What is not followed in India?

Why?

What is slated to be implemented in India and has been announced for implementation at a future date?

What is the gap that the reporting standards would need to cover between what is there now and what is proposed?

What will be the implications of the gap coverage by adopting the IFRS? e.g. will the profits reduce, will it increase, will assets be valued lower, will liabilities be reported higher, etc.

What will be likely implications of this on the shareholders, bankers, share prices, etc.

How will the objectives of corporate governance be served better by IFRS?

Why is it, with so many standards being introduced over last two decades, it is still necessary to have IFRS?

What are the implications on record maintenance, staff competency, auditors' competency, etc. with the new IFRS?

Is the change major, some or minor?

Will it be easy or difficult to implement?, etc.

1. IFRS - what, when, how for India?

How is it different from what we are doing? How much will remain the same? In what respects, there will be a radical departure? How would a statement of account look like when presented currently and when presented under the IFRS?

A summary of Accounting standards now being followed. A list of additions and modifications to that based on IFRS.

2. Its advantages and opportunities for Indian industries.
3. Compliance aspects and time-schedule
4. Differences and impacts in moving towards IFRS
5. Global challenges with advantages
6. Major applicable provisions
7. IFRS - for SMEs
8. IFRS - links to tax aspects, investor impacts

A case study to be discussed taking a published Balance Sheet and what it might possibly look like under IFRS, the possible differences, and the implications.

A table of differences between existing standards - Indian, International and the IFRS to be given to identify the major differences and changes and possible implications on the presentation and implications of the accounts.

NEWS ON I.F.R.S

Friday, January 22, 2010 – Ministry of Corporate Affairs

Circular Ministry of Corporate Affairs

TWO SEPARATE SETS OF ACCOUNTING STANDARDS U/S SECTION 211(3C) OF THE COMPANIES ACT AGREED UPON BY THE CORE GROUP FOR CONVERGENCE OF INDIAN ACCOUNTING STANDARDS WITH IFRS

*****DEADLINE***** FY Commencing 1st April, 2011

Phase-I:- The following categories of companies will convert their opening balance sheets as at 1st April, 2011, if the financial year commences on or after 1st April, 2011 in compliance with the notified accounting standards which are convergent with IFRS. These companies are:-

- a. Companies which are part of NSE – Nifty 50
- b. Companies which are part of BSE - Sensex 30
- c. Companies whose shares or other securities are listed on stock exchanges outside India
- d. Companies, whether listed or not, which have a net worth in excess of Rs.1,000 crores.

*****DEADLINE***** FY Commencing 1st April, 2013

Phase-II :- The companies, whether listed or not, having a net worth exceeding Rs. 500 crores but not exceeding Rs. 1,000 crores will convert their opening balance sheet as at 1st April, 2013, if the financial year commences on or after 1st April, 2013 in compliance with the notified accounting standards which are convergent with IFRS.

*****DEADLINE***** FY Commencing 1st April, 2014

Phase-III :- Listed companies which have a net worth of Rs. 500 crores or less will convert their opening balance sheet as at 1st April, 2014, if the financial year commences on or after 1st April, 2014, whichever is later, in compliance with the notified accounting standards which are convergent with IFRS.

Exemptions

Companies which fall in the following categories will not be required to follow the notified accounting standards which are converged with the IFRS (though they may voluntarily opt to do so) but need to follow only the notified accounting standards which are not converged with the IFRS.

These companies are: -

- (a) Non-listed companies which have a net worth of Rs. 500 crores or less and whose shares or other securities are not listed on Stock Exchanges outside India.
- (b) Small and Medium Companies (SMCs).

Separate roadmap for banking and insurance companies will be submitted by the Sub-Group I in consultation with the concerned regulators by 28th February, 2010.

ABOUT THE SPEAKER

Mr.Rammohan Bhawe, FCA, FICWA, ACS, LL.B., IFRS - Certified, Six sigma green belt with 30 years industry experience including latest hands-on IFRS implementation experience at Europe and is an IFRS CONSULTANT