CBDT issues FAQs on ICDS

28 March 2017

First Notes on

Financial reporting

Corporate law updates

Regulatory and other information

Disclosures

Sector

All

Banking and insurance

Information, communication, entertainment

Consumer and industrial markets

Infrastructure and government

Relevant to

All

Audit committee

CFO

Others

Transition

Immediately

Within the next 3 months

Post 3 months but within 6 months

Post 6 months

Background

On 31 March 2015, the Ministry of Finance (MoF) issued 10 Income Computation and Disclosure Standards (ICDS) operationalising a new framework for computation of taxable income by all assessees in relation to their income under the heads ‘Profit and gains of business or profession’ (PGBP) and ‘Income from other sources’. The ICDS are applicable to the specified assessees from Assessment Year (AY) 2017-18.

However, certain changes have been made to them. They are as follows:

a) **Revised ICDS issued:** On 29 September 2016, the Central Board of Direct Taxes (CBDT) notified[1] revised ICDS and repealed its earlier notification no. 32/2015, dated 31 March 2015. These revised ICDS are applicable to all assessees other than an individual or a Hindu undivided family who is not required to get his/her accounts of the Previous Year (PY) audited in accordance with the provisions of Section 44AB of the Income-tax Act, 1961 (IT Act).

b) **Revised Tax Audit Report (Form No. 3CD):** On 29 September 2016, the CBDT also amended[2] Tax Audit Report in Form No. 3CD in the Income-tax Rules, 1962 (IT Rules) and inserted a new sub-clause in the Form No. 3CD to provide details of adjustments with respect to ICDS and disclosures as per ICDS.

c) **MAT computation formulae for Ind AS companies**: The Finance Bill, 2017 introduced on 1 February 2017 proposed a separate formulae for computation of book profit for the companies that prepare financial statements under Ind AS. According to it, Minimum Alternate Tax (MAT) would be calculated using the profits as per the statement of profit and loss before Other Comprehensive Income (OCI) as per Ind AS as the starting point. The Finance Bill, 2017 proposes certain adjustments to book profits for MAT computation. These proposals should be read together with the existing provisions for computation of MAT under Section 115JB of the IT Act, in particular the adjustments discussed in Explanation 1 to sub-section 2. The proposed adjustments can be grouped into following two categories:

- Adjustments relating to annual Ind AS financial statements
- Adjustments relating to first-time adoption of Ind AS.

[1]CBDT notification no. 87/2016 dated 29 September 2016.
[2]CBDT notification no. 88/2016 dated 29 September 2016.

New development

The CBDT received a number of queries on various aspects of ICDS. Therefore, on 23 March 2017, CBDT issued clarifications in the form of Frequently Asked Questions (FAQs)[3] on issues relating to the application of ICDS.

This issue of First Notes provides an overview of the responses issued by the CBDT corresponding to the ICDS related issues raised.

Overview of guidance comprised in FAQs

1. **Applicability of the principles of ICDS:** Following clarifications have been issued relating to the applicability of basic provisions of the ICDS:

   a) **Maintenance of books of accounts under ICDS (Q1):** Preamble of ICDS I, *Accounting Policies*, specifically provides that ICDS are not meant for maintenance of books of accounts or preparing financial statements. Persons are required to maintain books of accounts and prepare financial statements as per accounting policies applicable to them. Companies are required to maintain books of accounts and prepare financial statements as per the requirements of the Companies Act 2013 (2013 Act).

   The accounting policies mentioned in ICDS I being fundamental in nature would be applicable for computing income under the heads PGBP or income from other sources.

Our comments

The intention of the CBDT appears to simplify the implementation by re-confirming that additional sets of books are not required to be maintained using ICDS. However, it is pertinent to note that assessees would still need to maintain additional records and reconciliations for the adjustments required by the ICDS.

The differences between the two standards i.e. 'Indian Accounting Standards (Ind AS)/Accounting Standards (AS)' and 'ICDS' may give rise to additional computations and reconciliations, which in essence could result in the need for maintaining additional set of records especially for large and multi-location companies. Some of the reasons that may require such multiple record keeping include:

- Requirements of ICDS IX, *Borrowing Costs* to capitalise interest on asset by asset basis. Such amounts may continue to be different from book base for multiple years. ICDS IX provides a different formulae of capitalising borrowing costs under ICDS as compared to AS/Ind AS.
- ICDS are based on erstwhile Indian GAAP. Companies that have transitioned to Ind AS, would need to reverse/record a number of Ind AS adjustments on an ongoing basis to arrive at amounts based on respective ICDS.

Our comments (cont.)

- The transitional provisions laid down in the ICDS are different from AS/Ind AS requirements and are likely to lead to maintenance of reconciliations.
- A separate MAT formulae and requirements of providing taxability/deduction from book profit over a five year period.
- ICDS require recognition of interest and royalty income even in cases where there is no reasonable certainty, thus, are likely to require reconciliations to be maintained.
- Absence of ICDS on many topics, for example leases could result in taxable operating lease expense/income in a different manner compared to straight lining principles required under AS/Ind AS.

There could be many other reasons that may require maintenance of additional records and companies would need to conduct a detailed comparison between AS/Ind AS and ICDS.

b) **Hierarchy of IT Rules, judicial rulings and ICDS clarified (Q2 and 4):** The ICDS have been notified after due deliberation and after examining judicial views for bringing certainty on the issues covered by it. Certain judicial pronouncements were in absence of authoritative guidance on these issues under the IT Act for computing income under the head PGBP or income from other sources. Since certainty is now provided by notifying ICDS under Section 145(2) of the IT Act, the provisions of ICDS would be applicable to the transactional issues dealt therein in relation to AY2017-18 and subsequent years.

In case of any conflict between specific IT Rule and ICDS, the provisions of Rules which deal with specific circumstances would prevail over ICDS.

Our comments

The CBDT has clarified that ICDS would be subordinate to the statutory provisions of the IT Act and in the case of any conflict the provisions of the IT Act will prevail over the ICDS. Over the years, the statutory provisions have been interpreted by the courts. These rulings constitute part of the operative law. Therefore, ICDS should be subordinate also to the judicial rulings. However, the FAQs provide that the ICDS have been notified after due deliberations and after

[3]CBDT circular no. 10/2017 dated 23 March 2017.

Our comments (cont.)

examining judicial views for bringing certainty on the issues covered by it. Certain judicial pronouncements were pronounced in the absence of authoritative guidance on these issues under the IT Act. Since certainty is now provided by notifying ICDS under Section 145(2) of the IT Act, the provisions of ICDS shall be applicable to transactional issues dealt therein in relation to the AY2017-18 and onwards.

The companies should follow this area as future discussion and debate is likely to emerge.

c) **Changes in accounting policy (Q9):** ICDS I mandates that an accounting policy should not be changed without 'reasonable cause'. The issue raised to the CBDT was that the term reasonable cause has not been defined in the ICDS. It has been clarified that the reasonable cause is an existing concept under the IT Act which has evolved over a period of time conferring desired flexibility to the tax payer in deserving cases.

Our comments

The CBDT has highlighted that a lot of guidance is available to interpret the term 'reasonable cause' and therefore, an assessee should apply the available guidance on its facts and circumstances and judge if a change in accounting policy meets the criteria for reasonable cause.

d) **Ind AS compliant companies (Q5):** ICDS have been framed on the basis of the existing AS. However, with the issuance of the Ind AS in February 2015, an issue has been raised with respect to the applicability of ICDS to the companies covered under Ind AS road map. It has been clarified that the ICDS would apply for computation of taxable income under the IT Act irrespective of the GAAP followed (AS or Ind AS) for preparation of financial statements.

e) **Banks, non-banking financial institutions, insurance companies, power sector, etc. (Q7):** It has been clarified that the general provisions of ICDS would apply to all specified persons i.e. banks, non-banking financial institutions, insurance companies, power sector, etc. unless there are sector specific provisions contained in the ICDS or the IT Act. For example, ICDS VIII, *Securities* specifically contains provisions for banks and certain financial institutions and Schedule I of the IT Act contains specific provisions for insurance business.

f) **Income from presumptive heads (Q3):** The ICDS would be applicable to the specified persons having income chargeable under the head PGBP or income from other sources. While some of the assessees might not be required to maintain detailed books of accounts in certain cases as per IT Act, their accounting policy disclosures and taxes should still be based on the ICDS to the extent applicable. Therefore, the relevant provisions of ICDS shall apply to the persons computing income under the relevant presumptive taxation scheme. For example, revenue used for computation of taxes should be in accordance with ICDS provisions for revenue recognition.

g) **Taxation of income computed on gross basis (Q14):** In the case of foreign companies generating income in relation to interest, royalty and fees for technical services rendered, a question was raised whether ICDS would be applicable. The CBDT has clarified that relevant ICDS should be applied for computation of these income on gross basis for accruing at the amount chargeable to tax.

h) **Computation of MAT (Q6):** MAT under Section 115JB of the IT Act is computed on 'book profit' which is derived from net profit as shown in the statement of profit and loss prepared under the 2013 Act subject to certain specified adjustments. As the provisions of the ICDS are applicable for computation of income under the regular provisions of the IT Act, therefore, the provisions of ICDS will not apply for computation of book profit.

Our comments

The Finance Bill, 2017 provides additional guidance for computation of MAT for companies required to prepare financial statements as per principles of Ind AS.

i) **Computation of AMT (Q6):** Alternate Minimum Tax (AMT) under Section 115JC of the IT Act is computed on adjusted total income which is derived by making specified adjustments to total income as per the regular provisions of the IT Act. Therefore, the provisions of ICDS will apply for computation of AMT.

j) **Employee benefit provisions (Q24):** Provisions such as provident fund, gratuity, medical benefits etc. that are specifically covered under AS 15, *Employee Benefits* would continue to be governed by specific provisions of the IT Act and not by ICDS X, *Provisions, contingent liabilities and contingent assets.*

Our comments

Currently, Section 40A(7) of the IT Act relating to expenses/payments not deductible in certain circumstances and Section 43B of the IT Act relating to certain tax deductions allowed on actual payment provide guidance on such expenditures.

k) **ICDS for real estate developers/BOT operators/ leases (Q12):** At present, there is no specific ICDS notified for real estate developers, Build Operate and Transfer (BOT) operators and leases. Therefore, relevant provisions of the IT Act and ICDS shall apply to these transactions as may be applicable.

Our comments

There is a Guidance Note on Accounting for Real Estate Transactions (GN) issued by the Institute of Chartered Accountants of India (ICAI) which provides guidance to the real estate developers for accounting treatment of revenue. However, in practice, we have observed divergent practices being followed by the real estate developers while recognising revenue. Further, there is no specific guidance in the IT Act for real estate developers.

Therefore, it is not clear from this FAQ whether real estate developers can continue with the accounting treatment given in the GN.

In the case of leases, there is no specific ICDS. The provisions of the IT Act would continue to apply till any ICDS on leases is notified.

The above clarifications are, however, useful in providing certainty and clarity in many cases.

l) **Place of disclosures under ICDS (Q25):** ICDS require disclosures pertaining to significant accounting policies and relevant ICDS. With respect to place of such disclosures, it has been clarified that net effect on the income due to application of ICDS is to be disclosed in the return of income and disclosures required under ICDS shall be made in the tax audit report in Form No. 3CD. However, there shall not be any separate disclosure requirements for persons not liable to tax audit.

2. **Financial instruments:** Following has been clarified with respect to areas related to financial instruments:

a) **Recognition of MTM gain (Q8):** As per paragraph 4(ii) of the ICDS I, Marked to Market (MTM) loss or an expected loss should not be recognised unless the recognition of such loss is in accordance with the provisions of any other ICDS. Accordingly, it has been clarified that similar provisions should be applied *mutatis mutandis* to MTM gains or an expected profit.

Our comments

The CBDT has clarified that same principle should be applied for treatment of MTM losses and MTM gains. Taxes on both MTM gains and losses should be deferred till settlement.

b) **Guidance on derivative instruments (Q10):** ICDS VI, *Effects of changes in foreign exchange rates* provides guidance on accounting for certain derivative contracts such as forward contracts and other similar contracts. Derivatives which are not in the scope of ICDS VI would be governed by provisions of ICDS I.

3. **Revenue recognition:** Following has been clarified with respect to areas related to revenue recognition:

a) **Recognition of retention money (Q11):** As per paragraph 9 of ICDS III, *Construction Contracts,* 'contract revenue should be recognised when there is reasonable certainty of its ultimate collection'. On similar grounds, it has been clarified that the retention money being part of overall contract should be recognised as revenue subject to reasonable certainty of its ultimate collection.

Our comments

ICDS III provides that contract revenue shall be recognised when there is a reasonable certainty of its ultimate collection. Contract revenue shall, *inter alia*, comprise the initial amount of revenue agreed in the contract, including retention money; to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

AS 7 and Ind AS 11 dealing with construction contracts accounting lay down principles for recognising revenue (including retention money) provided collection is reasonably certain.

From tax perspective, the accrual and recognition of retention amount in a construction contract has been a subject matter of litigation before the courts.

Various courts have laid down the principles of accrual and recognition of retention amount i.e. on the date of submission of bills, the taxpayer does not have the right to receive the entire amount including retention amount[4], the retention amount will accrue in the hands of taxpayer upon completion of work[5], the right to receive retention amount did not accrue till the performance warranty period was over[6].

When the above tests are applied with respect to the retention amount, the general inference would be that the same does not accrue till the completion of work/satisfaction of conditions as per the terms of the contract.

However, the FAQs provide that retention money, being part of overall contract revenue, shall be recognised as revenue subject to a reasonable certainty of its ultimate collection.

b) **Recognition of interest/royalty/dividend (Q13 and 18):** The notified ICDS on revenue included the condition of reasonable certainty of ultimate collection for recognition of revenue for sale of goods and rendering of services.

[4]CITv. /Simplex Concrete Piles India (P.) Ltd. [1989]45 Taxman 370 (Cal), CIT v. East Coast Constructions & Ind. Ltd. [2007] 160 Taxman 399 (Mad)
[5]DIT (International Taxation) v. Ballast Nedam International [2013] 33 taxman.com 139 (Guj), CIT v. Ignifluid Boilers (I) Ltd. [2006] 283 ITR 295 (Mad), CIT v. Associated Cables Ltd. [2006] 286 ITR 596 (Bom), CIT v. East Coast Constructions & Ind. Ltd. [2007] 160 Taxman 399 (Mad)
[6]Amarshiv Construction (P) Ltd. V. DCIT [2014] 367 ITR 659 (Guj)

However, the same condition has not been included for recognition of interest income, royalty income and dividend income.

The CBDT has clarified that interest should be accrued on time basis and royalty should be accrued on the basis of contractual terms. Subsequent non recovery in either cases can be claimed as deduction in view of amendment to Section 36(1)(vii) of the IT Act. Further, the provision of the IT Act (for example, Section 43D relating to special provisions in case of income of public financial institutions, public companies, etc.) shall prevail over the provisions of ICDS.

Similarly, FAQ address a situation where a security has been sold on 30 April 2017 with due date of interest payments being December and June. If the amount of interest would be received on 30 June 2017 but the interest has been recognised as income on accrual basis on 31 March 2017, then it has been clarified that such an amount of interest taxed on accrual basis should be appropriately adjusted and considered while computing income from such sale.

4. **Treatment of expenditure before commercial production (Q15):** Paragraph 8 of ICDS V relating to tangible fixed assets specifies that 'expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs and experimental production, should be capitalised. The expenditure incurred **after the plant has begun commercial production** i.e., production intended for sale or captive consumption, should be treated as **revenue expenditure**.'

   Therefore, based on the above guidance, it has been clarified that all expenditure incurred till the plant has begun **commercial production** i.e. production intended for sale or captive consumption, should be treated as **capital expenditure.**

5. **Recognition of opening FCTR balance (Q16):** The revised ICDS removes the classification requirements of a foreign operation into integral and non-integral operations. Accordingly, an issue was raised regarding taxability of opening balance as on 1 April 2016 of Foreign Currency Translation Reserve (FCTR) relating to non-integral foreign operation recognised as per AS 11, *The Effects of Changes in Foreign Exchange Rates.*

   It has been clarified that FCTR balance as on 1 April 2016 pertaining to exchange differences on monetary items for non-integral operations, should be recognised in the PY2016-17 to the extent not recognised in the income computation in the past.

6. **Government grants (Q17):** As per paragraph 4 of ICDS VII, *Government Grants*, government grants should not be recognised until there is reasonable assurance that

   a) The person shall comply with the conditions attached to them, and

   b) The grants shall be received.

   However, recognition shall not be postponed beyond the date of actual receipt.

   Paragraph 13 of ICDS VII relating to transitional provision provides that all government grants which meet the above mentioned recognition criteria on or after 1 April 2016 should be recognised in accordance with ICDS VII.

   The FAQ addresses a situation where government grants that are received prior to 1 April 2016 shall be deemed to have been recognised on their receipt in accordance with para 4(2) of ICDS VII, and accordingly, will be outside the transitional provision.

   Therefore, the government grants received on or after 1 April 2016 and for which recognition criteria provided in para 5 to 9 of ICDS VII is also satisfied thereafter, the same shall be recognised as per the provisions of ICDS VII.

   The grants received prior to 1 April 2016 shall continue to be recognised as per the law prevailing prior to that date.

   For instance, out of total grant of INR10 crore, INR6 crore has been recognised in the books of accounts till 31 March 2016 and INR4 crore is deferred pending satisfaction of related conditions. The balance of INR4 crore shall be taxed in the year in which the related conditions are being satisfied. The amount of INR6 crore for which recognition criteria were met prior to 1 April 2016 shall not be taxable post 1 April 2016.

   But if the subsidy is already received prior to 1 April 2016, transitional provisions of ICDS VII shall not apply even if some of the related conditions are met on or after 1 April 2016. This is in view of para 4(2) of ICDS VII which provides that government grant shall not be postponed beyond the date of actual receipt. Such grants shall continue to be governed by the provisions of law applicable prior to 1 April 2016.

7. **Treatment of securities held as stock-in-trade (Q19):** As per paragraph 9 of part A of ICDS VIII, *Securities*, securities held as stock-in-trade should be subsequently measured at lower of the actual cost initially recognised or Net Realisable Value (NRV) at the end of that PY. However, para 10 of ICDS VIII requires that the comparison of cost vs NRV should be carried out category wise.

   The FAQ clarifies that the comparison of actual cost initially recognised and NRV shall be done category-wise and not for each individual security. Therefore, the securities should be first aggregated category wise and the aggregate cost and NRV of each category of security should be compared and the lower of the two should be taken as carrying value as per ICDS VIII. The FAQ provides worked example of computation of stock-in-trade (refer next page for example).

Security	Category	Cost (in INR)	NRV (in INR)	Lower of cost or NRV (in INR)	ICDS Value (in INR)
A	Share	100	75	75	
B	Share	120	150	120	
C	Share	140	120	120	
D	Share	200	190	190	
	Total	560	**535**	505	**535 (Lower of cost or NRV category-wise)**
E	Debt Security	150	160	150	
F	Debt Security	105	90	90	
G	Debt Security	125	135	125	
H	Debt Security	220	230	220	
	Total	**600**	615	585	**600 (Lower of cost or NRV category-wise)**
Securities Total		1160	1150	1090	**1135**

(Source: FAQs issued by CBDT dated 23 March 2017)

8. **Provisions relating to borrowing costs:** Following clarifications have been issued with respect to ICDS IX , *Borrowing Costs:*

   a) **Disallowed borrowing costs (Q20):** Certain borrowing costs could be disallowed under Section 14A, 43B, 40(a)(i), 40(a)(ia), 40A(2)(b), etc. The CBDT has clarified that borrowing costs to be considered for capitalisation under ICDS IX should exclude those borrowing costs which are disallowed under specific provisions of the IT Act.

   Capitalisation of borrowing cost shall apply for that portion of the borrowing cost which is otherwise allowable as deduction under the Act.

   b) **Definition of borrowing costs (Q21):** ICDS IX defines the borrowing costs as the interest and other costs incurred by a person in connection with the borrowing of funds and include:

      i. Commitment charges on borrowings
      ii. Amortised amount of discounts or premiums relating to borrowings
      iii. Amortised amount of ancillary costs incurred in connection with the arrangement of borrowings
      iv. Finance charges in respect of assets acquired under finance leases or under other similar arrangements.

   CBDT has clarified that borrowing cost definition is an inclusive definition and accordingly, the definition would include bill discounting charges and other similar charges.

   c) **Method of allocation of borrowing costs (Q22):** Paragraph 6 of ICDS IX specifies formula for capitalisation of borrowing cost related to general borrowings. The formulae requires allocation of the total general borrowing cost incurred in the ratio of average cost of qualifying assets on the first day and the last day of the PY and the average cost of total assets on the first day and the last day of the PY (other than those assets which are directly funded out of specific borrowings).

   CBDT has clarified that the general borrowing cost computed in accordance with the above method shall be allocated on asset-by-asset basis for the purpose of capitalisation.

Our comments

The allocation of general borrowing cost on asset-by-asset basis is likely to be an onerous requirement.

9. **Transitional provisions (Q23):** Paragraph 20 of the ICDS X relating to provisions, contingent liabilities and contingent assets, explains the method to compute the amount of provisions as at 1 April 2016. There was a concern that such computation could lead to taxation of previously taxed items (hence, double taxation).

   The CBDT has clarified that the intent of transitional provision is that there is neither 'double taxation' of income due to application of ICDS nor there should be escape of any income due to application of ICDS from a particular date. This is explained with the help of an example (refer next page for example).

Particulars	Amount (in INR)
Provision required as per ICDS on 31 March 2017 for items brought forward from 31 March 2016…**(A)**	3 crore
Provisions as per ICDS for FY 2016-17 …**(B)**	5 crore
Total gross provision …**(C) = (A) + (B)**	8 crore
Less: Provision already recognised for computation of taxable income in FY 2016-17 or earlier…**(D)**	2 crore
Net provisions as per ICDS in FY 2016-17 to be recognised as per transition provision…**(E) = (C) – (D)**	6 crore

(Source: FAQs issued by CBDT dated 23 March 2017)

The bottom line

Issue of the FAQs by the CBDT is a welcome step as the CBDT attempted to provide clarity and certainty and dealt with the issues faced by the assessees in a proactive manner. Such clarifications before the year end would help the assessees to compute their taxable income appropriately in a timely manner.

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Amendment to the Finance Bill, 2017: Proposal for MAT-Ind AS compliant companies

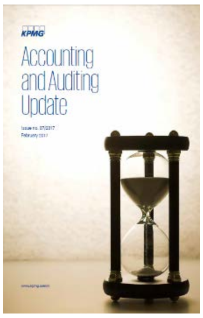
23 March 2017

The Finance Bill, 2017 (the Bill) dated 1 February 2017 included proposals on 'computation of book profit for Ind AS compliant companies for the purpose of levy of Minimum Alternate Tax (MAT) under Section 115JB of the Income Tax Act, 1961'.

The Bill defined a new term 'transition amount' which means the amount or aggregate of the amount adjusted in other equity (excluding equity component of compound financial instruments, capital reserve, and securities premium reserve) on the date of adoption of Ind AS but excluding certain exclusions specified.

The amendments to the Bill introduced in the Lok Sabha on 20 March 2017 have changed the definition of transition amount by omitting the term 'equity component of compound financial instruments'.

Missed an issue of Accounting and Auditing Update or First Notes



Issue no. 7/2017 – February 2017

The topics covered in this issue are:

- Insolvency and Bankruptcy Code, 2016
- Accounting for extinguishment of a financial liability with an equity instrument
- Consolidated financial statements – requirements of Companies Act, 2013
- Oil and gas producing activities – Guidance under Ind AS
- Tax effects of intra-group transactions in consolidated financial statements
- Regulatory updates.

SEBI revises the regulatory framework for schemes of arrangements by listed entities

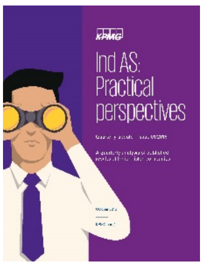
27 March 2017

SEBI on 10 March 2017 revised certain obligations in the Listing Regulations (given in circular dated 30 November 2015) in relation to the schemes of arrangements. The new circular issued on 10 March 2017 brings about certain important changes and carries forward many requirements of the SEBI circular dated 30 November 2015.

Additionally, on 23 March 2017, SEBI has issued another clarification (circular no. CFD/DIL3/CIR/2017/26) with respect to the circular issued on 15 February 2017 regarding the scheme of arrangements where allotment of shares takes place only to a select group of shareholders or shareholders of unlisted companies.

Our First Notes provides an overview of the key changes in the requirements to be followed by the listed entities involving the schemes of arrangements.

Ind AS - Practical perspectives



KPMG in India's Ind AS - Practical perspectives through aims to put a finger on the pulse of India Inc's adoption of Ind AS and capture emerging trends and practices.

Our impact assessment is based on Nifty 50 companies which would be the first group of companies to report Ind AS results. The Nifty 50 companies have released their financial results for the quarter ended 31 December 2016.

Out of the companies comprising Nifty 50 index, eight companies are banks, one is Non-Banking Financial Company (NBFC) and two companies follow a different date of transition to Ind AS. Therefore, our analysis would comprise the remaining 39 companies.

This can be accessed on KPMG in India website - **'Ind AS- Practical perspectives' webpage**

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