

# The Core Group Constituted by the Ministry of Corporate Affairs approves the Roadmap Recommended by Sub-group I in Respect of Insurance Companies, Banking Companies and Non-Banking Finance Companies

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A meeting of the Core Group constituted by the Ministry of Corporate Affairs for convergence of Indian Accounting Standards with International Financial Reporting Standards (IFRS) from the year 2011 was held on 29<sup>th</sup> March, 2010 under the chairmanship of Shri R. Bandyopadhyay, Secretary, Ministry of Corporate Affairs. The meeting was attended by the officials from Ministry of Finance, SEBI, RBI, IRDA, C&AG, PFRDA, ICAI, Industry representatives and other experts.

2. The Core Group referred to the Roadmap for Convergence agreed to by it in its meeting held on 11<sup>th</sup> January, 2010 in respect of companies, other than insurance companies, banking companies and Non-Banking Finance Companies. Such Roadmap was brought to the knowledge of all stakeholders through the Press Release issued by this Ministry on 22<sup>nd</sup> January, 2010,

3. In the meeting held on 29<sup>th</sup> March, 2010, the Core Group deliberated and approved the Roadmap recommended by Sub-Group I in respect of insurance companies, banking companies and non-banking finance companies. The Roadmap recommended by Sub-Group I for such classes of companies is as under:-

**i) Insurance companies:-**

All insurance companies will convert their opening balance sheet as at 1<sup>st</sup> April, 2012 in compliance with the converged Indian Accounting Standards.

**ii) Banking companies:-**

(a) All scheduled commercial banks and those urban co-operative banks (UCBs) which have a net worth in excess of Rs. 300 crores will convert their opening balance sheet as at 1<sup>st</sup> April, 2013 in compliance with the first set of Accounting Standards (i.e. the converged Indian Accounting Standards).

(b) Urban co-operative banks which have a net worth in excess of Rs. 200 crores but not exceeding Rs. 300 crores will convert their opening balance sheets as at 1<sup>st</sup> April, 2014 in compliance with the first set of Accounting Standards (i.e. the converged Indian Accounting Standards).

(c) Urban co-operative banks which have a net worth not exceeding Rs. 200 crores and Regional Rural banks (RRBs) will not be required to apply the first set of Accounting Standards i.e. the converged Indian Accounting Standards (though they may voluntarily opt to do so) and need to follow only the existing notified Indian Accounting Standards which are not converged with IFRSs.

**iii) Non-Banking Financial companies**

(a) The following categories of non-banking financial companies (NBFCs) will convert their opening balance sheet as at 1<sup>st</sup> April, 2013 if the financial year commences on 1<sup>st</sup> April (or if the financial year commences on any other date, then on the date immediately following 1<sup>st</sup> April, 2013) in compliance with the first set of Accounting Standards (i.e. the converged Indian Accounting Standards). These NBFCs are:-

- a. Companies which are part of NSE - Nifty 50
- b. Companies which are part of BSE - Sensex 30
- c. Companies, whether listed or not, which have a net worth in excess of Rs.1,000 crores.

(b) All listed NBFCs and those unlisted NBFCs which do not fall in the above categories and which have a net worth in excess of Rs. 500 crores will convert their opening balance sheet as at 1<sup>st</sup> April 2014 if the financial year commences on 1<sup>st</sup> April (or if the financial year commences on any other date, then on that date following 1<sup>st</sup> April 2014) in compliance with the first set of Accounting standards (i.e converged Indian Accounting Standards).

(c) Unlisted NBFCs which have a net worth of Rs. 500 crores or less will not be required to follow the first set of accounting standards (i.e the converged Indian accounting standards), though they may voluntarily opt to do so, but need to follow only the notified Indian accounting standards which are not converged with the IFRSs.

4. The Core Group expressed satisfaction about the progress being made in developing necessary capacity building measures and creating awareness on the matter and expressed confidence on the implementation of roadmap in a timely and consultative manner.



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