



RBI Deferred Ind AS Implementation by Banks

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RBI has again deferred the implementation of the Indian Accounting Standards (Ind AS) by banks as the requisite legislative amendments are still under consideration.

- **In 2006, ICAI initiated the process of shifting towards the International Financial Reporting Standards (IFRS).**

The reason behind this step was to increase the acceptability and transparency of the financial statements of the Indian corporates on the global platform.

- For making the proper shift, Accounting Standards Board (ASB) of ICAI formulated the Ind AS in line with the IFRS.
 - **In 2015, MCA notified Companies (Indian Accounting Standard) Rules 2015, which listed out the applicability and adoption of Ind AS.**
 - As per initial plan, MCA was to implement Ind AS for banks, insurance companies and NBFCs from 1 April 2018 onwards but in April 2018, RBI deferred the implementation of Indian Accounting Standards by one year for banks.
- On March 22, 2019, RBI again deferred the implementation of Ind AS by banks till further notice.
 - **The reason cited is that certain legislative amendments to the Third Schedule to the Banking Regulation Act 1949 are under consideration of the government.**
 - It is expected that these amendments will help in making the current format of financial statements compatible with the requirements under Ind AS.

Ind AS

- Indian Accounting Standards (Ind AS) **are set of accounting standards that govern the accounting and recording of financial transactions as well as the presentation of statements such as profit and loss account and balance sheet of a company.**

- The standards were formulated by the **Accounting Standards Board (ASB)**, **which was constituted as a body in the year 1977**. ASB is a committee under ICAI which consists of representatives from government department, academicians, other professional bodies viz. ICAI, representatives from ASSOCHAM, CII, FICCI, etc.
- The Ind AS are named and numbered in the same way as the International Financial Reporting Standards (IFRS).

IFRS

- The International Financial Reporting Standards (IFRS) are accounting standards that have been **issued by the International Accounting Standards Board (IASB) with the objective of providing a common accounting language to increase transparency in the presentation of financial information.**
- **IASB is an independent body that was formed in 2001** for establishing the IFRS. It succeeded the International Accounting Standards Committee (IASC), which was earlier given the responsibility of establishing the international accounting standards. It is based in London.