



# Bank audits – impact of IND AS implementation

8 December 2017



- Complex and fast changing environment
- Application from FY 2018-19 with comparatives for FY 2017-18
- Level of preparedness
- IND AS application for insurance companies
- RBI guidance and announcements



- Classification and measurement
  - SPPI assessment
  - Business model test
- Expected credit losses
  - Relative change
  - Universe for application – Non fund based facilities / undrawn limits
  - Cliff effects
  - ‘Rebuttable’ presumptions
- Derecognition
  - ARC transactions
  - PSL transactions
- Hedge accounting
- Disclosures



- Complexity of the standard
- Consideration of 'common sense'
- Availability of data
- Extent of judgment involved
- Skills and training



- Challenges
  - Quality and consistency of outcomes
  - Trust in financial reporting
- Opportunities
  - Transition benefits
  - Reality Vs perception
  - Global standards