



Kick Off Presentation

11th CURRENT ISSUES IN RETIREMENT BENEFITS SEMINAR

- 21 August 2015
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Overview & Journey – IND AS 19

PRINCIPAL AIM

“Make it easier for users of financial statements to understand how defined benefit plans affect an entity's financial position, financial performance and cash flows”

Overview & Journey – IND AS

Concept Paper on Convergence with IFRS in India “ issued by the Institute of Chartered Accountants of India (ICAI) in 2007

In Feb 2011 , the Ministry of Corporate Affairs (MCA) issued 35 IND AS's (i.e. Indian Accounting Standards equivalent to IFRS)

Initially slated for use on or after 1st April 2011 in a phased manner

Moving closer to the implementation of new accounting norms, the Indian government has notified the rules for Indian Accounting Standards (IND AS) early this year which will be mandatory for companies from April 1, 2016

Overview & Journey – IND AS 19

The notification of these IFRS converged standards fills up significant gaps that exist in the current accounting guidance. This will in turn improve India's place in global rankings on corporate governance and transparency in financial reporting.

IND AS norms, which are converged with global standards IFRS, can be followed by corporates on a voluntary basis from April 1 this year.

Though Substantially similar, the IND AS's have some carve outs to ensure suitability to our economic environment.

National Pension System journey so far

National Pension Scheme

Government of India introduced NPS, as a DC Plan for its new employees from 2004 and it replaced the erstwhile DB Pension

29 State Governments have signed up NPS

Independent Regulatory Body- Pension Fund Regulatory and Development Authority (PFRDA)

PFRDA appoints the various intermediaries, provides regulatory guidance and monitors compliance

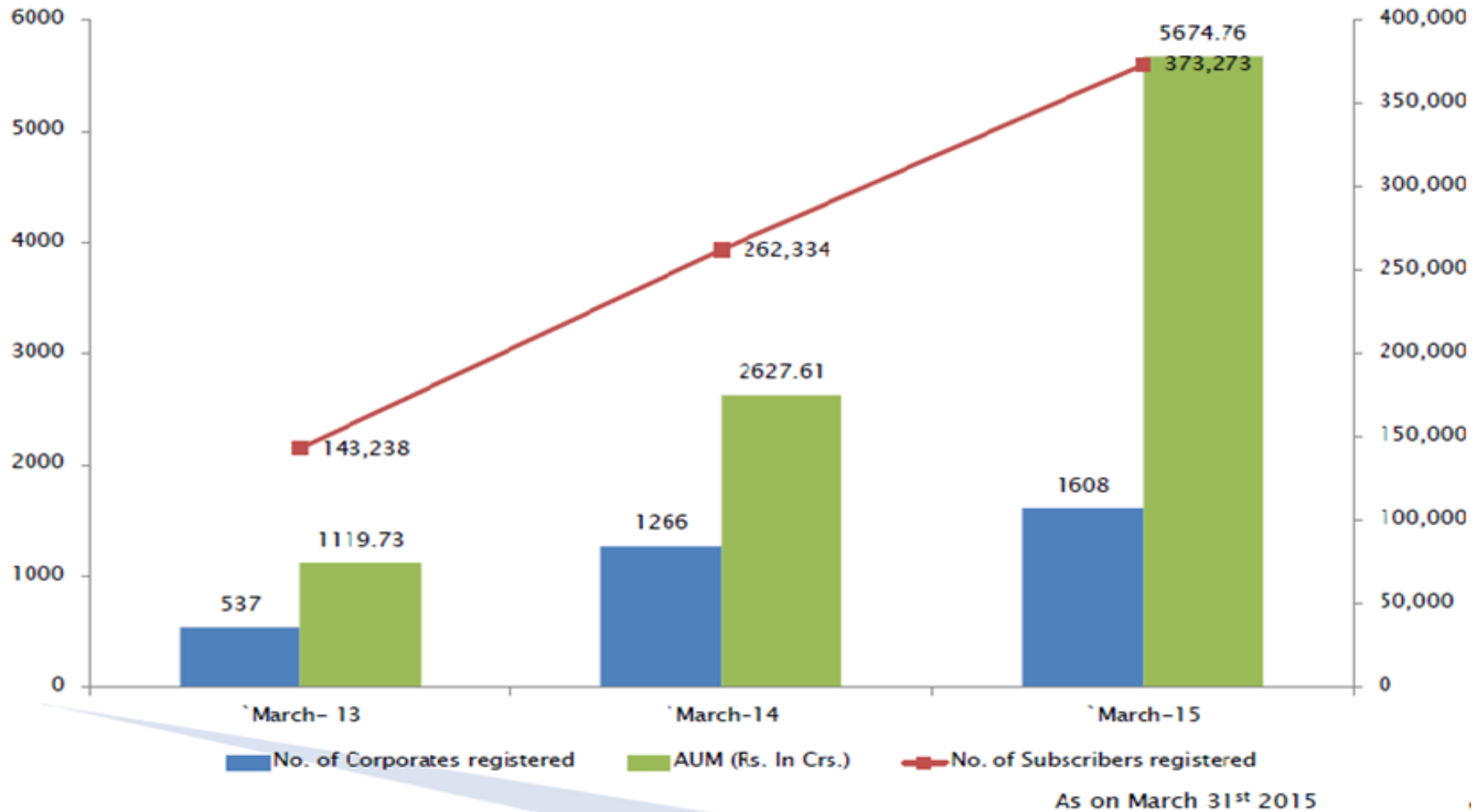
NPS is extended for participation to all citizens from 1st May 2009 on voluntary basis

NPS Corporate Model (for enrolling employees of Corporates) came into being from December 2011

Tax breaks for contributions into NPS was introduced from April 2012. PFRDA Bill was passed in 2013


Further tax incentives for NPS contributions as per Finance Bill, 2015 with enhanced withdrawal options

NPS Corporate Model Growth



Source: PFRDA

Agenda

- **IND AS 19 –ICAI perspective**
 - **IND AS 19 – Technical Aspects - What is it all about?**
 - **IND AS 19 – Implications for the companies with live examples**
 - **Employee Share based payments IND AS 102**
 - **Retirement Adequacy Overview and impact of NPS**
 - **Pension Updates**
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