PRICING SUPPLEMENT

2 August 2018

Power Finance Corporation Limited

Issue of U.S.$300,000,000 5.25 per cent. Notes under the U.S.$1,000,000,000 Medium Term Note Programme

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (THE **SFA)** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 13 October 2017 as supplemented by the Note Offering Circular dated 2 August 2018 (together, the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1.	Issuer:		Power Finance Corporation Limited
2.	(a)	Series Number:	02
	(b)	Tranche Number:	01
	(c)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
3.	Specified Currency or Currencies:		US dollars (U.S.$)
4.	Aggregate Nominal Amount:		
	(a)	Series:	U.S.$300,000,000
	(b)	Tranche:	U.S.$300,000,000
5.	(a)	Issue Price:	99.340 per cent. of the Aggregate Nominal Amount
	(b)	Net proceeds:	U.S.$298,020,000
6.	(a)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(b)	Calculation Amount:	U.S.$1,000
7.	(a)	Issue Date:	10 August 2018
	(b)	Interest Commencement Date:	Issue Date

8.	Maturity Date:	10 August 2028
9.	Interest Basis:	5.25 per cent. Fixed Rate
10.	Redemption/Payment Basis:	Redemption at par
11.	Status of the Notes:	Senior
12.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
13.	(a) Date Board approval for issuance of Notes obtained:	26 March 2018
	(b) Date regulatory approval/consent for issuance of Notes obtained:	Approval of the Reserve Bank of India (**RBI**) for raising an external commercial borrowing of U.S.$ 500 million (or in any other freely convertible currency) under the medium term note programme by Power Finance Corporation Limited has been granted in the RBI letters dated 16 January 2018, 8 March 2018 and 9 July 2018.
14.	Listing:	SGX-ST and ISM
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	Applicable
	(a) Rate(s) of Interest:	5.25 per cent. per annum payable semi-annually in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	10 February and 10 August in each year, commencing 10 February 2019
	(c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	U.S.$26.25 per Calculation Amount
	(d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	Not Applicable
	(e) Day Count Fraction:	30/360
	(f) Determination Date(s):	Not Applicable
	(g) Other terms relating to the method of calculating interest for Fixed Rate Notes:	None

17.	Floating Rate Note Provisions	Not Applicable
18.	Zero Coupon Note Provisions	Not Applicable
19.	Index Linked Interest Note Provisions	Not Applicable
20.	Dual Currency Interest Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call:	Not Applicable
22.	Investor Put:	Not Applicable
23.	Final Redemption Amount:	U.S.$1,000 per Calculation Amount
24.	Early Redemption Amount payable on redemption for taxation reasons or on event of default:	U.S.$1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	Registered Notes Regulation S Global Note (U.S.$300,000,000 nominal amount)
26.	Additional Financial Centres:	New York and London
27.	Talons for future Coupons to be attached to Definitive Notes:	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29.	Details relating to Instalment Notes:	Not Applicable
30.	Redenomination applicable:	Redenomination not applicable
31.	Permitted Security Interest Date:	Not Applicable
32.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

33.	(a)	If syndicated, names of Managers:	Barclays Bank PLC MUFG Securities EMEA plc SBICAP (Singapore) Limited Standard Chartered Bank
	(b)	Stabilising Manager (if any):	Standard Chartered Bank
34.	If non-syndicated, name of relevant Dealer:		Not Applicable
35.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:		TEFRA not applicable
36.	Whether Category 1 or Category 2 applicable in respect of the Notes offered and sold in reliance on Regulation S:		Category 1
37.	Additional selling restrictions:		Not Applicable
38.	Additional U.S. federal income tax considerations:		Not Applicable

OPERATIONAL INFORMATION

39.	Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s):	Not Applicable
40.	Delivery:	Delivery against payment
41.	Additional Paying Agent(s) (if any):	Not Applicable

Legal Entity Identifier (LEI):	3358003Q6D9LIJJZ1614
ISIN:	XS1864036576
Common Code:	186403657

ADDITIONAL INFORMATION

Please refer to Annex A.

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$1,000,000,000 Medium Term Note Programme of Power Finance Corporation Limited.

RESPONSIBILITY

The Singapore Exchange Securities Limited (the "**SGX-ST**") and the London Stock Exchange's International Securities Market (the "**ISM**") assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. The admission of the Notes to the Official List of the SGX-ST and the admission of the Notes to the ISM is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ________________________________
Duly authorised

ANNEX A

The following sentence:

Under phase I, NBFCs that have a net worth of Rs. 5 billion or more, including the Issuer, and their holding, subsidiary, joint venture or associate companies are required to prepare Ind-AS based financial statements for accounting periods beginning from 1 April 2018 onwards with comparatives for the periods ending 31 March 2018 or thereafter.

shall be inserted in the following investment consideration on page 100 of the Original Offering Circular:

The effects of the planned convergence with IFRS and the adoption of "Indian Accounting standards converged with IFRS" (IND-AS) are uncertain.

The Ministry of Corporate Affairs in India has announced a road map for the adoption of, and convergence with, IFRS. The Issuer will be required to prepare its annual and interim financial statements under IFRS, which is proposed to be implemented in a phased manner. <u>*Under phase I, NBFCs that have a net worth of Rs. 5 billion or more, including the Issuer, and their holding, subsidiary, joint venture or associate companies are required to prepare Ind-AS based financial statements for accounting periods beginning from 1 April 2018 onwards with comparatives for the periods ending 31 March 2018 or thereafter.*</u> As there is a significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice from which to draw when forming judgments regarding its implementation and application, the Issuer has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. Furthermore, the new accounting standards will change the Issuer's methodology for estimating allowances for probable loan losses. New accounting standards may require the Issuer to value its non-performing loans by reference to their market value(if a ready market for such loans exists), or to calculate the present value of the expected future cash flows realisable from its loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate) in estimating allowances for probable losses. This may result in the Issuer recognising higher allowances for probable loan losses in the future. Therefore, there can be no assurance that the Issuer's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. In the Issuer's transition to IFRS reporting, the Issuer may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of available IFRS-experienced accounting personnel as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that the Issuer's adoption of IFRS will not adversely affect its reported results of operations or financial condition.

The section "Summary of Significant Differences Between Indian GAAP and IFRS" shall be replaced in its entirety by the following:

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS, INDIAN GAAP AND IND-AS

The Issuer's financial statements included in this Offering Circular have been prepared in accordance with accounting policies followed by the Issuer which conform to Indian GAAP as applicable to the Issuer. Indian GAAP differ in certain significant respects from IFRS. Such differences involve methods for measuring amounts in the financial statements as well as in disclosures.

The Ministry of Corporate Affairs, by its notification dated 16 February 2015, notified the Companies (Indian Accounting Standards) Rules, 2015 commonly referred to as IND-AS. NBFCs that have a net worth of Rs.5 billion or more, including the Issuer, and their holding, subsidiary, joint venture or associate companies are required to prepare IND-AS based financial statements for accounting periods beginning from 1 April 2018 onwards with comparatives for the periods ending 31 March 2018 or thereafter.

The following table summarises certain general differences between IFRS, Indian GAAP and IND-AS that could have a significant impact on the financial position and operations of the Issuer if its financial statements were prepared under IFRS. The summary below should not be considered exhaustive and no attempt has been made to identify possible future differences among Indian GAAP, Ind AS and IFRS as a result of prescribed changes in accounting standards nor to identify future differences that may affect the Issuer's financial statements as a result of transactions or events that may occur in the future. No attempt has been made by the Issuer to quantify the effects of those differences, nor has a reconciliation of Indian GAAP and Ind AS to IFRS been undertaken by the Issuer. Had any such quantification or reconciliation been undertaken, other potential significant accounting and disclosure differences may have come to its attention, which are not identified below.

Prospective investors should consult their own professional advisers for an understanding of the principal differences between IFRS, Indian GAAP and IND-AS and how these differences might affect the financial statements of the Issuer presented in this Offering Circular.

Summary of Certain Differences

Topic	IFRS	Indian GAAP	IND-AS
Presentation of Financial Statements — Components of financial statements	The requirements for the presentation of financial statements, and the guidelines for their structure and content are set out in IAS 1. A complete set of financial statements under IFRS comprises: (a) a statement of financial position; (b) a statement of profit or loss and other comprehensive income (presented as a single statement or by presenting the profit and loss section in a	The requirements for the presentation of financial statements are set out in Schedule III, Division I to the Companies Act, 2013 and the accounting standards notified thereunder are applicable to the preparation of financial statements of respective years. The components of financial statements are: (a) balance sheet; (b) statement of profit and loss; (c) cash flow	Similar to IFRS. Further, Schedule III, Division II, to the Companies Act, 2013 sets out the requirements for the presentation of financial statements which are in conformity with IND-AS 1.

Topic	IFRS	Indian GAAP	IND-AS
	separate statement of profit or loss, immediately followed by a statement presenting comprehensive income beginning with profit or loss; (c) statement of cash flow; (d) statement of changes in equity; and (e) notes comprising a summary of significant accounting policies and explanatory notes.	statement; and explanatory notes and accounting policies.	
Presentation of Financial Statements — Disclosure of Reclassification	The disclosure of reclassification of comparative amounts includes the nature, amount and reason for reclassification.	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosure for the nature, amount and reason for reclassification.	Similar to IFRS
Presentation of Financial Statements — Balance sheet/statement of financial position.	An entity is required to present current and non-current assets, and current and non-current liabilities, as separate classifications on the cover of the statement of financial position except when a presentation based on liquidity provides information that is more reliable and more relevant. Minimum line item requirements are set out in IAS 1.	All items of assets and liabilities are to be bifurcated between current and non-current portions and presented separately on the cover of the balance sheet. Schedule III of the Companies Act, 2013 sets out the minimum requirements for disclosure required in the balance sheet and statement of profit and loss account and notes.	Similar to IFRS. Minimum line item requirements are set out in Schedule III to the Companies Act, 2013
Presentation of Financial Statements — Presentation of income statement	An analysis of expenses is presented using a classification based on either the nature of those expenses or their	Schedule III to the Companies Act, 2013 only permits an analysis of expense by nature.	Entities should present an analysis of expenses recognised in profit or loss using a classification based only on the nature of

Topic	IFRS	Indian GAAP	IND-AS
	function or by whichever method that provides information that is reliable and more relevant. If presented by function, specific disclosures by nature are provided in the notes. Profit or loss attributable to non-controlling interests and equity holders of the parent are disclosed in the statement of comprehensive income/income statement (if presented separately) as allocations of profit or loss for the period.		the expense.
Presentation of Financial Statements — Statement of changes in equity	A statement of changes in equity is presented showing: (a) total comprehensive income for the period, separately showing the total amounts attributable to owners of the parent and to NCI; (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with IAS 8; and (c) for each component of equity, a reconciliation between the carrying amount at the beginning and at the end of the period, separately disclosing changes resulting from: Profit or loss; OCI; and transactions with owners in their capacity as owners, showing separately contributions by and	Statement of changes in equity is not presented. Movements in share capital, retained earnings and other reserves are presented in the notes to financial statements.	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
	distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.		
Presentation of Financial Statements — Critical Judgments	The critical judgements made by the management in applying accounting policies are to be disclosed separately.	The disclosure of critical judgments made by the management is not specifically required.	Similar to IFRS
Presentation of Financial Statements — Disclosure of Capital	The disclosure of information about management of capital and compliance with externally imposed capital requirements, if any, is required.	The information regarding management of capital is not required to be disclosed.	Similar to IFRS
Presentation of Financial Statements — Extraordinary items	Presentation of any items of income or expense as extraordinary is prohibited. However, it requires that when some items of income or expense are material, an entity shall disclose their nature and amount separately.	Extraordinary items are disclosed separately in the statement of profit and loss and are included in determination of net profit or loss. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	Similar to IFRS
Inventories — Net realisable value and reversal of write-down of inventory	A new assessment of net realisable value is required to be made in each subsequent period. Write-down of inventory is reversed if circumstances that previously caused inventories to be written down below cost no longer exist or	No specific guidance in AS 2 for reversal of write-down of inventories. However, reversals may be permitted as AS 5, Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies requires this to be	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
	when there is clear evidence of an increase in the net realisable value because of changes in economic circumstances.	disclosed as a separate line item in the statement of profit or loss.	
Cash Flow Statement — Bank overdrafts	Included in cash & cash equivalents if they form an integral part of an entity's cash management. Usually, these bank balances often fluctuate between being positive and being overdrawn.	Bank overdrafts are considered to be financing activities.	Similar to IFRS
Cash Flow Statement — Cash flows from extraordinary items	As presentation of items as extraordinary is not permitted in accordance with IAS 1, a cash flow statement does not reflect any items of cash flow as extraordinary.	Cash flows from items disclosed as extraordinary are classified as arising from operating, investing or financing activities and are disclosed separately.	Similar to IFRS
Cash Flow Statement — Interest and dividend	May be classified as operating, investing or financing activities in a manner consistent from period to period.	Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities other than for financial enterprises.	Similar to Indian GAAP
Changes in Accounting Policies and Errors	Retrospective application of changes in accounting policies is made by adjusting the opening balance of the affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy were always applied. If retrospective application is	Changes in accounting policies are not applied retrospectively. The cumulative impact arising from such change is made in the financial statements in the period of change. If the impact of the change is not ascertainable, this should be disclosed. Material prior year errors are included in determination of profit	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
	impracticable for a particular prior period, or for a period before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied needs to be stated. Material prior year errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred , or if the error occurred before the earliest period presented, by restating the opening statement of financial position.	or loss in the period in which the error is discovered and are separately presented in the profit and loss, so that the impact on current profit or loss can be perceived.	
New accounting pronouncements	New accounting pronouncements that have been issued but which are not effective on the date of the statement of financial position are disclosed. Known or reasonably estimable information relevant to assessing the possible impact of the new accounting pronouncements on initial application on the financial statements is disclosed.	Not required to be disclosed	Similar to IFRS
Events after balance sheet date/reporting period — Dividends	Liability for dividends declared to holders of equity instruments are recognised in the period when declared.	Dividends are recognised as an appropriation from profits and are recorded as provisional at the balance sheet	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
		date, if proposed or declared subsequent to the reporting period but before approval of the financial statements.	
Income Taxes — Recognition of deferred tax liabilities	Deferred tax liability shall be recognised for all taxable temporary differences except to the extent they arise from initial recognition of: (a) goodwill; or (b) an asset or liability in a transaction which is not a business combination, and, at the time of the transaction, affects neither the accounting nor the tax profit.	Deferred tax liabilities are recognised for all timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Similar to IFRS
Income Taxes — Recognition of deferred tax assets	Deferred tax assets are recognised for carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.	Deferred tax assets, where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in other situations are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.	Similar to IFRS
Income Taxes — Recognition of taxes	Current tax and deferred tax is	No specific guidance in AS 22. However, an	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
on items recognised in other comprehensive income or directly in equity	recognised outside profit or loss if the tax relates to items that are recognised in the same or a different period, outside profit or loss. Therefore the tax on items recognised in other comprehensive income, or directly in equity, is also recorded in other comprehensive income or in equity, as appropriate.	announcement made by the Institute of Chartered Accountants of India (the "ICAI") requires any expense charged directly to reserves and/or securities premium accounts to be net of tax benefits expected to arise from the admissibility of such expenses for tax purposes. Similarly, any income credited directly to a reserve account or a similar account should be net of its tax effect.	
Income Taxes — Investments in subsidiaries, branches and associates, and interests in joint ventures	Deferred tax should not be recognised for temporary differences in respect of investment in subsidiaries, branches, associates and interest in joint ventures if certain conditions are satisfied.	No deferred tax is recognised.	Similar to IFRS
Income Taxes — Deferred tax on unrealised intra-group profits	Deferred tax on unrealised intra-group profits is recognised at the buyer's rate.	Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Similar to IFRS
Property, Plant and Equipment — Cost of major inspection	Costs of major inspections and overhauls are recognised as a separate component of property, plant and equipment.	Costs of major inspections are expensed when incurred.	Similar to IFRS
Property, Plant and Equipment — Spare parts	Spare parts are recognised in accordance with IAS 16 when they meet the definition of property,	Machinery spares are usually charged to the profit and loss statement as and when consumed. However, if	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
	plant and equipment. Otherwise such items are classified as inventory.	such spares can be used only in connection with a fixed asset and their use is expected to be irregular, it may be appropriate to allocate the total cost on a systematic basis over a period not exceeding the useful life of the principal item.	
Property, Plant and Equipment — Revaluation	If an entity adopts the revaluation model, revaluations are required to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the date of the statement of financial position.	No specific requirement on frequency of revaluation.	Similar to IFRS
Property, Plant and Equipment — Change in Method of Depreciation	A change in depreciation method is considered to be a change in the accounting estimate and accounted for prospectively.	A change in depreciation method is treated as a change in the accounting policy and requires retrospective re-computation of depreciation and any excess or deficit arising on such re-computation is required to be adjusted in the period in which such change is effected.	Similar to IFRS
Property, Plant and Equipment — Changes in existing, decommissioning, restoration and similar liabilities	Provisions for decommissioning, restoration and similar liabilities that have previously been recognised as part of the cost of an item of property, plant and equipment are adjusted for changes in the	No specific guidance in this regard.	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
	amount or timing of future costs and for changes in market-based discount rates.		
Leases — Interest in leasehold land	Recognised as an operating/finance lease unless the leasehold interest is accounted for as investment property in accordance with IAS 40 and the fair value model is adopted.	Recognised as tangible fixed assets regardless of whether title is expected to pass to the lessee by the end of the lease term. Assets under lease are separately classified under each class of asset.	Similar to IFRS, except that a property interest in an operating lease cannot be accounted for as investment property as the fair value model, is not permissible under IND-AS 40.
Determining whether an arrangement contains a lease	An arrangement that does not take the legal form of a lease, but the fulfilment of which is dependent on the use of specific assets and which conveys the right to use the assets, is accounted for as a lease in accordance with IAS 17.	There is no such requirement.	Similar to IFRS
Operating Leases — Incentives	The lessor and lessee recognise lease incentives as an increase or reduction of rental expense over the lease term, on a straight line basis, unless another systematic basis is representative of the time pattern of the lessee's benefit from use of the leased asset.	There is no specific guidance.	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
Revenues — Definition	Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value added taxes are excluded from revenues.	Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities. Revenue is measured by the charges made to customers for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them. Revenue is presented below: Turnover Rs.100 Less: Excise Duty Rs.15 Turnover (Net) Rs.85	Similar to IFRS
Revenues — Measurement	Fair value of revenue from the sale of goods and services when the inflow of cash and cash equivalents are deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognised as interest revenue using the effective interest method.	Revenue is recognised as the nominal amount of consideration receivable.	Similar to IFRS
Revenues — Interest	Interest income is recognised using the effective interest	Interest is recognised on a time proportion basis, taking into	Similar to IFRS

Topic	IFRS	Indian GAAP	IND-AS
	method.	account the amount outstanding and the rate applicable.	
Employee benefits — Actuarial gains and losses	Actuarial gains and losses arising on post retirement defined benefit obligations shall be recognised immediately in other comprehensive income and not reclassified to profit or loss in a subsequent period.	Actuarial gains and losses should be recognised immediately in the statement of profit and loss as income or expense.	Similar to IFRS
Employee benefits — Discount rate	Market yields at the date of the statement of financial position on high-quality corporate bonds are used as discount rates. In countries where there are no deep markets for such bonds, market yields on government bonds are used.	Market yields at the balance sheet date on government bonds are used as discount rates.	The rate used to discount shall be determined by reference to market yields at the end of the reporting period on government bonds.
Government Grants — Non-monetary assets	The asset and the grant may be accounted for at fair value. Alternatively, these can be accounted for at nominal value.	If the asset is given by the government at a discounted price, the asset and the grant are accounted for at the discounted purchase price. All other non-monetary grants are accounted for at nominal values.	The asset and the grant should be accounted for at fair value.
Government Grants — Repayment	If repayment of a government grant relating to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income by the amount repayable, the cumulative additional depreciation that would have been recognised in the absence of the grant is immediately	If repayment of a government grant relating to an asset is recorded by increasing the carrying amount of the asset, the cumulative additional depreciation that would have been recognised in the absence of the grant is recognised over the remaining useful life of the asset. It is then disclosed as	Recognised by reducing the deferred income balance by the amount repayable. It is prohibited from being disclosed as an extraordinary item.

Topic	IFRS	Indian GAAP	IND-AS
	recognised as an expense. It is prohibited from being disclosed as an extraordinary item.	an extraordinary item.	
Effects of Changes in Foreign Exchange Rates — Functional and presentation currency	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than functional currency. Presentation currency is the currency in which the financial statements are presented.	Foreign currency is a currency other than the reporting currency, which is the currency in which financial statements are presented. An enterprise normally uses the currency of the country in which it is domiciled to present its financial statements. If it uses a different currency, disclosure of the reason for using that currency is required. There is no concept of functional currency.	Similar to IFRS
Effects of Changes in Foreign Exchange Rates — Exchange differences	Exchange differences arising on translation or settlement of foreign currency monetary items are recognised in profit or loss in the period in which they arise.	Similar to IFRS. However, as per Accounting Standard 11 (AS-11), exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, can be added to or deducted from the cost of the asset and shall be depreciated over the balance life of the asset and, in other cases, can be accumulated in a "Foreign Currency	Similar to IFRS.

Topic	IFRS	Indian GAAP	IND-AS
		Monetary Item Translation Difference Account" and amortised over the balance period of such long-term asset/liability by recognition as income or expense in each of such periods.	
Effects of Changes in Foreign Exchange Rates — Translation in consolidated financial statements	Assets and liabilities should be translated from functional to presentation currency at the closing rate at the date of the statement of financial position; income and expenses at the actual/average rate for the period; exchange differences are recognised as a separate component of equity and recycled to income statement on the disposal of the investment/operation.	Translation of financial statements to the reporting currency of the parent depends on the classification of that operation as integral or non-integral. Integral Operation: monetary assets are translated at the closing rate; non-monetary items are translated at the historical rate if they are valued at cost and at the closing rate if they are valued on another valuation basis. Income and expense items are translated at the historical/average rate. Exchange differences are incorporated in the statement of Profit and Loss. For non-integral operations, the closing rate method should be followed, i.e. assets and liabilities are translated at the closing rate while Profit and Loss items are translated at actual/average rates. The resulting exchange difference is taken to reserve and is recycled to Profit and Loss on	Similar to IFRS.

Topic	IFRS	Indian GAAP	IND-AS
		the disposal of the non-integral foreign operation.	
Borrowing cost — Recognition	Capitalised if these costs are attributable to the acquisition, construction or production of a qualifying asset. Interest expense included in borrowing costs is calculated using the effective interest method as described in IFRS 9: Financial Instruments. It is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. Transaction costs are taken into account when determining the initial net carrying amount and their recognition in profit or loss is effectively spread over the life of the instrument.	Borrowing costs are required to be capitalised if these costs are attributable to the acquisition, construction or production of a qualifying asset. Interest is calculated on the amount of the loan outstanding at the applicable rates.	Similar to IFRS.
Related Party Disclosures — Identification	Related party includes post employment benefit plans for the benefit of employees of the reporting entity or any entity that is a related party of the reporting entity.	Post-employment benefit plans are not included as related parties.	Similar to IFRS.
Related Party Disclosures — Key management personnel	Key management personnel include both executive and non-	Key management personnel do not include non-executive	Similar to IFRS.

Topic	IFRS	Indian GAAP	IND-AS
	executive directors.	directors.	
Related Party Disclosures — Government related entities	Government related entities require disclosure of: (a) The name of the government and its relationship with the reporting entity. (b) The nature and amount of each significant transaction and a qualitative or quantitative indication of other transactions which are significant collectively.	No disclosure is required in the financial statements of state-controlled enterprises as regards related party relationships with other state-controlled enterprises and transactions with such enterprises.	Similar to IFRS.
Consolidated Financial Statements — Definition of control of investee	An investor controls an investee when the investor is exposed, or has the right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.	Control is: (a) The ownership, directly or indirectly through a subsidiary (or subsidiaries), of more than one-half of the voting power of an enterprise; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in the case of any other enterprise so as to obtain economic benefits from its activities.	Similar to IFRS.
Consolidated Financial Statements — Potential voting rights	Potential voting rights are considered only if they are substantive. For a right to be substantive it must give	Potential voting rights are not considered when assessing control.	Similar to IFRS.

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	the holder the current ability to direct the relevant activities of an investee when necessary and the holder must have the practical ability to exercise that right.		
Consolidated Financial Statements — Exclusion of subsidiaries	If the acquisition of a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is included in the consolidation but is accounted for under that standard.	Excluded from consolidation if the subsidiary was acquired with intent to dispose of it within 12 months or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent.	Similar to IFRS.
Consolidated Financial Statements — Reporting dates	The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.	The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.	Similar to IFRS.
Consolidated Financial Statements — Uniform Accounting policies	Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.	Similar to IFRS except if it is impracticable to use uniform accounting policies, which fact should be disclosed together with the proportions of the items in the consolidated financial statements to which different policies have been applied.	Similar to IFRS.
Consolidated Financial Statements — Disposals	Partial disposal of a subsidiary where control is retained is accounted for as an equity transaction, and gain or loss is not recognised. Partial disposal of a subsidiary resulting in loss of control triggers re-measurement of the	No specific guidance.	Similar to IFRS.

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	residual holding to fair value. Any difference between the fair value and the carrying value is recognised as gain or loss in profit or loss.		
Separate Financial Statements — Accounting for investments in subsidiaries in separate financial statements of the parent	Accounted for either at cost less impairment loss or as available for sale in accordance with IFRS 9.	Accounted at cost less impairment loss.	Similar to IFRS. However, Equity method is not permitted in separate financial statements.
Investments in Associates and Joint Ventures — Significant influence	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing significant influence.	Potential voting rights are not considered when assessing significant influence.	Similar to IFRS.
Investments in Associates and Joint Ventures — Capital Reserve/Negative Goodwill	Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.	Capital reserve is included in the carrying amount of investment in the associate but is disclosed separately.	Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
Investments in Associates and Joint Ventures — Reporting date	The difference between the reporting date of the associate and that of the parent shall be no more than three months.	The maximum difference between the reporting date of the associate and that of the parent is not specified.	Similar to IFRS.
Investments in Associates and Joint Ventures — Method of	Investments in associates or joint ventures are to be	Investments in associates are accounted for using the	Similar to IFRS.

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Accounting	accounted for using the equity method in consolidated financial statements.	equity method whereas investments in joint ventures are accounted for using the proportionate consolidation method.	
Financial Instruments: Presentation — Classification of convertible debts	Split the instrument into its liability and equity components at issuance.	Classified as debt based on its legal form and any interest expense is recognised based on the coupon rate.	Similar to IFRS, except for conversion option embedded in a foreign currency convertible bond under certain circumstances.
Financial Instruments: Presentation — Treasury shares	If an entity reacquires its own shares (treasury shares), these are shown as a deduction from equity.	Acquiring own shares is permitted only in limited circumstances. Shares repurchased should be cancelled immediately and cannot be held as treasury shares.	Similar to IFRS.
Earnings per share — Extraordinary items	Since IAS 1 prohibits disclosure of extraordinary items, no separate consideration is given to such items while calculating Earnings Per Share (EPS).	EPS with and without extraordinary items is to be presented.	Similar to IFRS.
Earnings per share — Disclosure	IAS 33 requires separate disclosures for EPS from continuing and discontinued operations. Disclosure is also required for instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.	No such disclosure is required.	Similar to IFRS.

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Impairment of Assets — Reversal of impairment loss for goodwill	Impairment loss recognised for goodwill is prohibited from reversal in a subsequent period.	Impairment loss for goodwill is reversed if the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.	Similar to IFRS.
Provisions, Contingent Liabilities and Contingent Assets — Discounting	Where the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability. The discount rate does not reflect risk for which future cash flow estimates have been adjusted.	Discounting of liabilities is not permitted and provisions are carried at their full values.	Similar to IFRS.
Provisions, Contingent Liabilities and Contingent Assets — Contingent assets	Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.	Contingent assets are not disclosed in the financial statements.	Similar to IFRS.
Intangible assets — Measurement	Intangible assets can be measured at either cost or revalued amount.	Measured only at cost.	Similar to IFRS.
Intangible assets — Useful life	Useful life may be either finite or indefinite.	Useful life may not be indefinite. There is a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the	Similar to IFRS.

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		asset is available for use.	
Financial Instruments: Recognition and Measurement — Investments, loans and receivables	Financial assets are classified as at fair value through profit and loss, fair value through OCI, and amortised cost. Financial assets are classified as fair value through profit and loss if they are acquired principally for the purpose of selling and are part of a portfolio that is managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Investments are classified as fair value through OCI when an entity's business model's objective is achieved both by collecting cash flows and by selling financial assets. Investments at amortised cost are investments which meet the SPPI criteria. These investments are measured at amortised cost using the effective interest method.	Investments are classified as long-term or current. Long-term investments are carried at cost less provision for diminution in value which is other than temporary. Current investments are carried at the lower of cost and fair value. Loans and receivables are measured at cost less valuation allowance.	Similar to IFRS.
Financial Instruments: Recognition and Measurement — Impairment	Impairment losses recognised in profit or loss for equity investments cannot be reversed through profit or loss.	Impairment losses recognised in profit or loss for equity investments are reversed through profit or loss.	Similar to IFRS.
Financial Instruments: Recognition and Measurement —	A forward exchange contract is measured at fair value as at the	Premium or discount on forward exchange contracts is amortised	Similar to IFRS.

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Foreign currency contracts	statement of financial position date. If the forward exchange contract meets the criteria of an effective hedge in accordance with IFRS 9: Financial Instruments, the gain or loss arising on fair valuation is recognised in the statement of changes in equity. If the hedge is ineffective, the gain or loss is recognised in the determination of net income.	and recognised in the statement of profit and loss over the period of such contracts. Exchange differences on such a contract should be recognised in the statement of profit and loss in the reporting period in which the exchange rates change.	
Financial Instruments: Recognition and Measurement — Derivatives and embedded derivatives	Measured at fair values.	There is no equivalent standard on derivatives except for certain forward exchange contracts within the scope of AS 11.	Similar to IFRS.
Financial Instruments: Recognition and Measurement — Derivatives and hedge accounting	Hedge accounting (recognising the offsetting effects of fair value changes of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted in certain circumstances, provided that the hedging relationship is clearly defined, measurable and actually effective. IFRS 9 provides for three types of hedges: • fair value hedge: if an entity hedges a change in fair value of a recognised asset or liability or firm commitment, the change in fair values of both the	There is no equivalent standard on derivatives. Forward contracts (including those intended for speculative/trading purposes) are covered by AS 11. An announcement made by the ICAI on 29 March 2008 and applicable to financial statements for the period ending 31 March 2008 or thereafter requires an entity to provide for losses in respect of all outstanding derivative contracts not covered by AS 11 by marking them to market at the balance sheet date.	Similar to IFRS.

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	hedging instrument and the hedged item are recognised in profit or loss when they occur; • cash flow hedge: if an entity hedges changes in the future cash flows relating to a recognised asset or liability or a highly probable forecast transaction, then the change in fair value of the hedging instrument is recognised in other comprehensive income until such time as those future cash flows occur. The ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss in the period of such change; and • hedge of a net investment in a foreign entity: this is treated as a cash flow hedge. A hedge of foreign currency risk in a firm commitment may be accounted for as a fair value hedge or as a cash flow hedge.		
Non-current assets held for sale — Recognition and measurement	Non-current assets to be disposed of are classified as held for sale when the asset is available for immediate sale and the sale is	There is no standard dealing with non-current assets held for sale, though AS 10 deals with assets held for disposal. Items of	Similar to IFRS.

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	highly probable. Depreciation ceases on the date when the assets are classified as held for sale. Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.	fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the statement of profit and loss.	
Non-current assets held for sale and discontinued operations — Classification	An operation is classified as discontinued when it has either been disposed of or is classified as held for sale.	An operation is classified as discontinued at the earlier of: (a) a binding sale agreement for sale of the operation; and (b) on approval by the board of directors of a detailed formal plan and announcement of the plan.	Similar to IFRS.
Exploration for and evaluation of mineral resources — General	Exploration and evaluation assets are measured at cost or revaluation less accumulated amortisation and impairment loss. An entity determines the policy specifying which expenditures are recognised as exploration and evaluation assets.	There is no equivalent standard. However, there is a Guidance Note on Accounting for Oil and Gas Producing Activities. As per this guidance note, there are two alternative methods for acquisition, exploration and development costs, viz. the Successful Efforts Method or the Full Cost Method. The Guidance Note recommends the former one. AS 28; Impairment of Assets is applicable irrespective of the method of accounting used.	Similar to IFRS.
Operating Segments — Determination of	Operating segments are identified based on the	AS 17 requires an enterprise to identify	Similar to IFRS.

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segments	financial information that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.	two sets of segments (business and geographical), using a risks and rewards approach.	
Operating Segments — Measurement	Segment profit or loss is reported on the same measurement basis as that used by the chief operating decision maker. There is no definition of segment revenue, segment expense, segment result, segment asset or segment liability. Requires reconciliation of segment performance measures, and segment assets and liabilities with the corresponding amounts reported in the financial statements.	Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole. Segment revenue, segment expense, segment result, segment asset and segment liability have been defined. A reconciliation is presented between the information disclosed for reportable segments and the aggregated information in the enterprise's financial statements.	Similar to IFRS.
Operating Segments — Entity-wide disclosures	Requires disclosure of: (a) external revenues from each product or service; (b) revenues from customers in the country of domicile and from foreign countries; and (c) geographical information on non-current assets located in the country of domicile and foreign countries. Information on major customers including total revenues from each major customer is disclosed if revenues from each customer are	Disclosures are required based on the classification of segments as primary or secondary. Disclosure requirements for secondary reporting formats are less detailed than those required for primary reporting formats.	Similar to IFRS.

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	10 per cent. or more of total segment revenues.		
First Time Adoption			
Previous GAAP	IFRS 1 defines previous GAAP as the basis of accounting that a first-time adopter used immediately before adopting IFRS.	No specific guidance.	IND-AS 101 defines previous GAAP as the basis of accounting that a first-time adopter used for its reporting requirement in India immediately before adopting IND-AS.
Treatment of Changes in Retained Earnings	The first-time adopter shall account for the resulting change in the retained earnings as at the transition date except in specific instances to make adjustment with goodwill.	No specific guidance.	The first-time adopter shall account for the resulting change in the retained earnings as at the transition date. In specific instances, IND-AS allowed adjustment to be made with capital reserve to the extent such adjustment amount does not exceed the balance available in capital reserve.
Additional Exemptions	No such exemptions provided in IFRS.	No specific guidance.	IND-AS 101 provides certain optional exemptions relating to the long-term foreign currency monetary items and service concession arrangements relating to toll roads. An entity may continue the policy adopted for accounting for exchange differences arising from the translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately after the beginning of the first IND-AS financial

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			reporting period as per previous GAAP.
Transitional Relief — Property, Plant and Equipment	No such option provided in IFRS.	No specific guidance.	Paragraph D7AA provides the option to use carrying values of all of its property, plant and equipment as at the date of transition to IND-AS, measured as per previous GAAP and to use them at its deemed cost as at the date of transition.
Transitional Relief — Lease	No such option provided in IFRS.	No specific guidance.	When the lease includes land and building elements, an entity may assess the classification as a finance or operating lease as at the date of transition to IND-AS based on the facts and circumstances existing at that date.