

SCOPE	TRANSLATING FOREIGN CURRENCY (F/X) TRANSACTIONS INTO FUNCTIONAL CURRENCY												
<p>IAS 21 shall be applied:</p> <ul style="list-style-type: none">in accounting for transactions and balances in foreign currencies, except for those derivatives with- in the scope of IFRS 9).in translating the results and financial position of foreign operations that are included in entity's F/S by consolidation or the equity method.in translating results and financial position into a presentation currency. <p>IAS 21 does <u>not</u> apply to:</p> <ul style="list-style-type: none">hedge accounting for foreign currency items, including the hedging of a net investment in a foreign operation.presentation in an entity's statement of cash flows arising from transactions in a foreign currency, or to translation of cash flows of a foreign operation.	Determining Functional Currency	Initial Recognition	Reporting at the Ends of Subsequent Reporting Periods										
	<p>Foreign currency items are translated into an entity's functional currency. An entity's functional currency is:</p> <ul style="list-style-type: none">currency of the primary economic environment in which the entity operates, which is normally the one it primarily generates and expends cash – consider following factors:<ul style="list-style-type: none">the currency that mainly influences sales prices for goods/services, the currency of the country whose competitive forces, and regulations mainly determine the sales prices of the entity's goods and services.currency in which labour, material, and other costs are denominated and settled.the currency in which (i) funds from financing activities are generated, and (ii) receipts from operating activities are usually retained. <p>Foreign operation - a subsidiary, associate, joint arrangement or branch, the activities of which are based or conducted in a different country or currency than the reporting entity.</p> <p>Is functional currency of entity & foreign operation the same?</p> <ul style="list-style-type: none">Are activities of foreign operation an extension of reporting entity or are they carried out with significant autonomy?What proportion of the foreign operations' transactions are with the reporting entity?Do cash flows of foreign operation directly affect the cash flows of the reporting entity and are they readily remitted?Are cash flows sufficient to service existing and normally expected debt without assistance from reporting entity?	<p>A foreign currency transaction shall be recorded, on initial recognition in the entity's functional currency by</p> <ul style="list-style-type: none">applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.rates approximating the actual rate at the transaction date is used for practical reasons (i.e. average rate).	<p>Translate foreign currency items as follows</p> <table><tr><td>Monetary items (units of currency held and assets and liabilities to be received or paid in fixed or determinable number of units of currency)</td><td>Closing rate (the spot exchange rate at end of the reporting period).</td></tr><tr><td>Non-monetary items at historical cost</td><td>Exchange rate at the transaction date.</td></tr><tr><td>Non-monetary items at fair value</td><td>Exchange rate at the date fair value was measured.</td></tr></table>			Monetary items (units of currency held and assets and liabilities to be received or paid in fixed or determinable number of units of currency)	Closing rate (the spot exchange rate at end of the reporting period).	Non-monetary items at historical cost	Exchange rate at the transaction date.	Non-monetary items at fair value	Exchange rate at the date fair value was measured.		
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<p>Net investment in a foreign operation includes monetary items for which settlement is neither planned nor likely to occur in foreseeable future (e.g. long-term receivables and loans). Exchange differences are treated as follows:</p> <table><tr><td>In the separate F/S of the reporting entity or in the individual F/S of the foreign operation.</td><td>Recognize in P&L</td></tr><tr><td>Entity consolidated F/S when foreign operation is a subsidiary.</td><td>Recognize initially in OCI, then reclassify from equity to P&L on disposal of net investment</td></tr></table>					In the separate F/S of the reporting entity or in the individual F/S of the foreign operation.	Recognize in P&L	Entity consolidated F/S when foreign operation is a subsidiary.	Recognize initially in OCI, then reclassify from equity to P&L on disposal of net investment					
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<p>Change in Functional Currency</p> <p>When there is a change in the entity's functional currency, the entity shall apply the translation procedures applicable to the new functional currency prospectively from the date of the change.</p>			<p>Tax effects of all exchange differences - gains and losses on foreign currency transactions and exchange differences arising on translation may have tax effects.</p>										
TRANSLATION OF A FOREIGN OPERATION			TRANSLATION TO THE PRESENTATION CURRENCY*										
<p>Acquisition - Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition of a foreign operation are expressed in the functional currency of the foreign operation and translated at the closing rate.</p>			<p>Presentation Currency is the currency in which F/S are presented</p>										
<p>Disposal</p> <p>On disposal, the cumulative amount of exchange differences relating to the foreign operation, recognized in OCI is reclassified from equity to the P&L when the gain or loss is recognized. The following partial disposals are accounted for as disposals:</p> <ul style="list-style-type: none">partial disposal involves the loss of control of a subsidiary that includes a foreign operation, andwhen the retained interest after the partial disposal of an interest in a joint arrangement or associate that includes a foreign operation is a financial asset that includes a foreign operation.	<p>Partial Disposal</p> <p>(decrease in ownership interest that is not a disposal)</p> <table><tr><td>Subsidiary with Foreign Operations</td><td>Re-attribute the proportionate share of the cumulative amount of the exchange differences recognized in OCI to NCI in that foreign operation.</td></tr><tr><td>Other Partial Disposals</td><td>Reclassify to P&L only the proportionate share of the cumulative amount recognized in OCI.</td></tr></table>	Subsidiary with Foreign Operations	Re-attribute the proportionate share of the cumulative amount of the exchange differences recognized in OCI to NCI in that foreign operation.	Other Partial Disposals	Reclassify to P&L only the proportionate share of the cumulative amount recognized in OCI.		<table><tr><td>Assets and Liabilities</td><td>Translated at the closing rate at the date of that statement of financial position.</td></tr><tr><td>Income and Expenses</td><td>Translated at exchange rates at the dates of the transactions.</td></tr><tr><td>Capital Transactions</td><td>Translated at the exchange rates at the dates of the transactions.</td></tr></table>	Assets and Liabilities	Translated at the closing rate at the date of that statement of financial position.	Income and Expenses	Translated at exchange rates at the dates of the transactions.	Capital Transactions	Translated at the exchange rates at the dates of the transactions.
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			<p>*For entities whose functional currency is not the currency of a hyperinflationary economy</p>										