

Convergence of Indian Accounting Standards with International Financial Reporting Standards

Availability of essential financial information about a company to its shareholders and other stakeholders in accordance with internationally accepted financial norms is considered as an integral and important part of good corporate governance. To ensure this and to implement the G-20 commitment to achieve a single set of high quality global accounting standards, the Government has taken a decision to achieve convergence of Indian Accounting Standards with IFRS in a phased manner beginning with April, 2011 in accordance with the roadmap suggested by Core Group and Technical Groups set up by the Government.

India's commitment to the policy of 'convergence' of Indian Accounting Standards with IFRS would allow it to consider local economic conditions and environment while preparing converged accounting standards, thus duly and adequately safeguarding the interests of Indian companies/enterprises. The convergence with IFRS would provide reliable and comparable financial information to investors globally. Such converged accounting standards also aim at bringing more transparency in financial matters, thus seek to protect the interests of investors and improve standards of good corporate governance. They would also enhance the global competitiveness of Indian Industry.

The ICAI has been taking a number of measures for capacity building through various training programmes and workshops etc. The Industry Associations have also been conducting various seminars and conferences to get acquainted with various practical issues involved in the convergence process. The Industry has always expressed a feeling of readiness on the matter. The concerns expressed by them at various stages have been redressed through issue of suitable clarifications. Press Releases were also issued from time to time for awareness of all stakeholders. Such Press Releases are available on this Ministry's website at www.mca.gov.in.

The proposed converged accounting standards have been prepared after following a detailed consultative exercise through issue of exposure drafts by Accounting Standards Board (ASB) of

Institute of Chartered Accountants of India (ICAI), examination of comments received thereon and thereafter consideration of such standards by ICAI, National Advisory Committee on Accounting Standards (NACAS) and thereafter by Central Government (MCA) in consultation with M/o Law and Justice.

The revised Schedule VI (Format of Financial Statements), Schedule XIV (Depreciation Rate) and proposed converged accounting standards are ready and are proposed to be notified shortly.

Source: CA CLUB INDIA.COM