ABSTRACT

"If One Can Do, You Too Can Do. If No One Can Do, You Must Do"

The objective of Accounting Standards is the preparation and presentation of financial statements within the bounds of rationality, thereby ensuring comparability of financial statements of different enterprises. This in turn, provides a meaningful; information to various users of financial statements to enable them to make informed economic decisions. Accounting Standards are essential for globalization of industry and the good corporate governance of business. Both these imperatives are correlated. We can never expect globalization without having good corporate governance within the business sector. The initiation of new accounting standards in India derived from International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and other international practices has posed a new challenge to accountants and other users of finance reports to upgrade their skills in these areas. Significant benefits from the convergence with or adoption of International Financial Reporting Standards (IFRS), including a decreased cost of capital, greater mobility of capital, greater efficiency in the allocation of resources, improved and more comparable financial reporting has prompted many countries to pursue the path of convergence of National Accounting Standards with/adoption of IFRS. Realising the need of convergence with IFRS, a task force was constituted by the Institute of Chartered Accountants of India (ICAI) in 2006, which laid down initially the strategy for convergence and based on the recommendations of the Task force, convergence with IFRS for Public-interest Entities from accounting periods commencing on or after April 1, 2016 was announced by MCA. The Ministry of Corporate Affairs (MCA), taking this initiative of ICAI further ahead, has issued a roadmap to converge with IFRS for specified class of companies and also issued another roadmap for banking and insurance companies. To meet the timelines laid down by the MCA regarding convergence, ICAI has made all-out efforts to address needs with regards to various aspects of implementation. We are not at all adopting IFRS but we are in the process of convergence with IFRS. Therefore converging Indian Accounting Standards with International Financial Reporting Standards is the task which will be requiring study of some issues related to converging. Such issues regarding convergence process needs to
be addressed. So by considering this, Researcher have selected this area which is emerging as well as with full of opportunities for Researchers and Academicians. Moreover, this study will also focus on some key issues regarding convergence process and encounter the same with some logical conclusions.

Chapter 1 is focusing on introductory part, where researcher have introduced the research area with some theoretical and conceptual framework. Chapter 2 is dealing with review of literature for the said research study divided with some logical bifurcations. Chapter 3 is the summary of present Indian GAAP so as to provide with the knowledge of current scenario. Chapter 4 is the summary of International Financial Reporting Standards which provides conceptual background of International Accounting. Chapter 5 is the summary of IND AS (IFRS Converged Indian GAAP) which provides insight for forthcoming changes in Corporate Financial Reporting Practices in Indian Economy so as to attain International Standards for the same. Chapter 6 is dealing with comparative analysis of Indian GAAP, IFRS and IND AS which makes comparative study of all three standards as a part of qualitative analysis to justify the said research study. Chapter 7 is dealing with Research Methodology part to achieve objectives of said research study. Chapter 8 is dealing with primary and secondary data analysis and interpretation which provides concreteness to the said research study. Finally in chapter 9, researcher have concluded with some interesting findings and ended up with some suggestions to Government, ICAI, Companies, Researchers and Academicians. Researcher had also mentioned scope of further research. It can be concluded from the said research study that if company prepares its financial reports as per IFRS instead of Indian GAAP then there will be very negligible impact on financial position of the company. Along with negligible impact, company can enjoy the benefits of high comparability, transparency, accountability, uniformity and harmonization by achieving international standards. Initially it may prove costly and cumbersome, but it will generate win-win situation for Indian Corporates in the long-run. Therefore it is better to go with IFRS Convergence by considering some issues at an early stage.

“Be the Master of Change rather than Victim of Change”

- Adolf Hitler
Keywords: Indian GAAP, IFRS, IND AS, Issues regarding Convergence.