

## **IFRS IN INDIAN FINANCIAL CONTEXT: ADOPTION CHALLENGES & OPPORTUNITIES**

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Ankit Goel\*  
Prof. K. S. Thakur\*\*  
Dr. Rajendra K. Khatik \*\*\*

### **Abstract**

The key of Economic Development of any country is strong governance, maintaining steady quality standards and strong regulatory structure. Globalization is causing a convergence of economic, trading, political and social process. At the wake of this globalization, an attempt to bring in parity in the reporting of Financial Statements before the users has been made by the professional accounting bodies by trying to formulate a single set of accounting standards to be followed by the world. Adopting a single global accounting language will ensure relevance, completeness, understandability, reliability, timeliness, neutrality, verifiability, consistency, comparability and transparency of financial statements across international boundaries and these bring about a qualitative change in the accounting information reports which will strengthen the confidence and empower investors and other users of accounting information around the world. It will also help acquirers to assess the actual worth of the target companies in cross border deals and thereby furthering the economic growth and business expansion globally. India being an important emerging global economy, too, decided to converge to International Financial Reporting Standards (IFRS). Adoption of IFRS means the use of the International Financial Reporting Standards as the primary GAAP by the domestic listed and unlisted companies in their consolidated Financial Statements for the external Financial Reporting. In India, ICAI has decided to adopt the IFRS by April 2011 but the date of implementation has been postponed from April 2011 to April 2015. On 2 January 2015, the Press Information Bureau, Government of India, Ministry of Corporate Affairs (MCA) issued a note outlining the various phases in which Indian Accounting Standards converged with IFRS (Ind AS) is proposed to be implemented in India, for Companies other than Banking Companies, Insurance Companies and NBFCs. Conversion to IFRS offers entities a number of important potential benefits. The objective of the present paper is to present the road map of adoption of IFRS in India and to explore the challenges faced in the process of adoption. Secondary data from various sources is used a research methodology. The paper also portrays the problems faced by the stakeholders (Regulators, Accountants, and Firms etc.) in the process of adoption of IFRS in India. The paper concludes by exploring the benefits & opportunities to corporate in future by a convergence process.

*Keywords: IFRS, GAAP, Globalization, IND-AS, MCA, Global Mergers and Acquisitions.*

### **Introduction**

Both domestically and internationally there has been always a persistent and endless efforts are in concern for Standardization of Accounts by numerous accounting bodies. Standards are actually a set of guidelines and procedures which are designed for making accounts more relevant, understandable,

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\* Research Scholar, School of Commerce & Business Studies, Jiwaji University, Gwalior, M.P.

\*\* Head, School of Commerce & Business Studies, Jiwaji University, Gwalior, M.P.

\*\*\* Assistant Professor, School of Commerce & Business Studies, Jiwaji University, Gwalior, M.P.