



Confederation of Indian Industry

## **CFO Session : Discussion on IFRS**

### **A brief report**

With the announcement to introduce new Indian Accounting Standards converged with IFRS, various sea changes are happening in India in the area of Accounting policies and Standards. International Accounting Standards Board (IASB), an independent standard-setting body responsible for the development and promotion of application / use of IFRSs, is quite keen to understand Indian Industry's perspectives on India's convergence efforts and share the international experience on convergence/adoption, etc.

With this background CII had organised a **closed door Interaction on IFRS** on **13 November 2014** in **New Delhi**. This session would be addressed by **Mr Ian Mackintosh, Vice Chairman, IASB** and **Mr Ajai Das Mehrotra, Joint Secretary, Ministry of Corporate Affairs, Government of India**.

Mr Ian Mackintosh made a detailed presentation on *Applying IFRS in India*. In his presentation, Mr Mackintosh highlighted India's approach on IFRS and strongly recommended that India should apply IFRS with minimum carve outs to crystallise the full benefits of moving to a globally accepted GAAP. He further added that during the interim period, voluntary application of IFRS for those companies that want to apply IFRS, as issued by the IASB, should be allowed. He stressed that applying of full IFRS (adoption of IFRS) has significant benefits for Indian multinationals operating across the world and for multinationals operating in India i.e. it would enhance the international comparability of financial statements and make the capital market more attractive; reduce capital costs and facilitate international fund-raising by Indian companies; improve the management of overseas operations; enhance the international competitiveness

of Indian companies and enhance the international standing of the profession. Lastly, Mr Mackintosh shared the international experience on IFRS with other jurisdictions – Japan, South Korea and China.

Mr Ajai Das Mehrotra in his address stated that the Ministry is committed to ensure that the new Accounting Standards converged with IFRS is introduced from 2015-16 on voluntary basis. He intimated that the Ministry of Corporate Affairs has recently constituted National Advisory Committee on Accounting Standards (NACAS) to formulate and lay down the Accounting Policies and Accounting Standards for adoption by the Companies. While intimating the process being followed in the finalization of the new Indian Accounting Standards, Mr Mehrotra stressed on the fact that MCA has ensured the presence of Stakeholders Consultation in the formulation of the standards in each stages.

He further stated that the said development being introduced with an aims to align Indian accounting standards with internationally accepted standards and bring in better comparability, accountability and transparency in the financial reporting.

While Interaction, Mr Mehrotra responded to the IFRS related issues raised by the members and also invited members to forward to him the implementation and other relevant issues concerning IFRS, which would be considered by the MCA, while finalizing the new Accounting Standards.

In addition Dr Sanjeev Singhal, Chairperson, CII Sub Group on Accounting Standards and Auditing Standards highlighted the key issues in the new IFRS and requested IASB and MCA to address these issues.

This session provided a unique opportunity for the participants to interact with IASB & MCA officials on IFRS and its implementation issues.

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