

### 3i- Infotech Ltd elaborates on Adoption of Indian Accounting Standards – 'Ind-AS -101'

**Ahmedabad:** Ministry of Company Affairs has issued a latest road map for implementation of Ind AS – India's accounting standards converged with IFRS. Ind AS will become mandatory in a phased manner effective April 1, 2016 (with comparatives for the year March 31, 2016) for certain specified classes of companies. Companies will also have an option to voluntarily adopt Ind AS for the current financial Year.

Mr. Charanjit Attra, Executive Director- New initiatives and Strategies, 3i Infotech Ltd. on the Implications & Impact of IFRS on the Indian Corporate Sector:-

Why should India adopt International Financial Reporting Standards?

India, as a country is on growth path and the world is looking at investing in the country's companies. Further the foreign investments are also required in the country to bridge the fiscal and current deficits. One of the key requirements of the investors would be a transparent set of financial reporting by the Companies through its financial statements. The accounting standards in the present form have certain limitations which require the essential additions or modifications; for example:-

The standards did not have specific accounting standards for key areas like financial instruments including derivatives, consolidation, employee stock options, loan loss provisioning etc though they were covered by the regulators only for the regulated entities.

The entire accounting was based on historical costs convention through which it was difficult to gauge the current value of the assets and liabili-



ties of the Companies fully. The introduction of fair value accounting would surely bridge the gap.

Today a lot of Indian companies have international offices and businesses. It was not possible for the investors to do a comparison with their peers due to the differences in the accounting standards.

The aforesaid factors required adoption of a set of accounting standards which would make financial statements more transparent and had disclosures which would improve the understanding of the company's businesses. IFRS provided that set of accounting standards. The ICAI and NACAS has reviewed these standards in detail and issued IND AS which have the necessary carve outs to suit the Indian business environment.

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