**India to adopt global financial standards from April 2015**

The corporate affairs ministry is likely to notify within a month all sections and rules of the new Companies Act and start immediately thereafter the process of converging Indian accounting standards with the International Financial Reporting Standards (IFRS), which have to be implemented from April 2015 for companies with a [net worth](http://economictimes.indiatimes.com/topic/net%20worth) of more than Rs 1,000 crore.

"The ministry has said, 'let the Companies Act get notified and then we will take up the convergence of IAS-IFRS'," said K Raghu, president of the Institute of Chartered Accountants of India, the accounting regulator which had written to the corporate affairs ministry and given a revised road map for the implementation of IFRS from next April.

Raghu, who took over charge from Subodh Kumar Agrawal this month, said the implementation of IFRS would be the [prime focus](http://economictimes.indiatimes.com/topic/prime%20focus) of the institute. "We want to see IFRS being implemented by large-sized companies because it has already been adopted by 130 countries. So we have no choice but to align ourselves with what is happening globally," he said.

The IFRS, which mandates extensive disclosures, is considered a more credible tool for accounting.

In the first phase, it will be implemented at companies that have a net worth of over Rs 1,000 crore. The second phase will begin from April 1, 2016 and involve both listed and unlisted companies with a net worth of over Rs 500 crore but less than Rs 1,000 crore.

"We have decided that we will roll it out in a phased manner because we, along with our members, are completely ready. We believe that this is one big change in the way accounting is done," said Raghu.

The ministry did not touch upon this subordinate legislation for years citing problems raised by companies and unresolved taxation issues. Industry bodies such as Ficci, CII and Assocham had sought postponement arguing that the companies needed more time to adopt the global standards.

The new accounting standards will deal with mark-to-market projections and valuation of financial assets, among other things. Indian companies listed overseas including the ones doing business abroad currently prepare financial statements as per international standards.

"The implementation will have a significant impact on all sectors, especially banking and real estate," said Rahul Chattopadhyay, partner, Price Waterhouse & Co.

For instance, a realtor can currently account for his revenues as and when a unit of a real estate project is sold to a buyer. After the adoption of IFRS, however, revenues will be recognised only after the buyer gets the possession, he said.

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