

## **IFRS CONVERGENCE: OPPORTUNITIES AND CHALLENGES IN INDIA**

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### **ABSTRACT**

Past decade has witnessed several changes in the process of conduct of business activities across the world especially due to the wave of globalization. It has also made drastic changes in the process of financial reporting under which the most obvious is the continuing adoption of IFRS-International Financial Reporting Standards worldwide. IFRS are high quality, understandable, enforceable and globally acceptable accounting standards issued by IASB (International Accounting Standard Board). Thus these are a set of international accounting standards stating how a particular type of transaction and other events should be reported in the financial statements. Thus IFRS are designed as a common global language for business affairs so that company accounts are understandable and comparable across international boundaries. IFRS is becoming the global language of business with over 40% of the world adopting this as their standard for reporting. India too has decided to converge to IFRS from 1<sup>st</sup> April 2016 in a phased manner, which in turn improves the financial statement comparability and transparency that helps to attract greater cross border investments. This paper focuses on the convergence of IFRS with Indian Accounting Standards, its utility, issues and challenges faced by the stake holders. It also throws light to the ways through which problems can be addressed.

**KEY WORDS:** Globalisation, IFRS, Accounting Standards, Financial Reporting, Stake holders, Financial Statements.

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