

## PROLOGUE

As the markets become increasingly global, more and more investors see the need for common set of accounting standards. India being a key global player, migration to International Financial Reporting Standards (IFRS) will enable Indian companies to have hassle free access to international capital markets. It will lower cost of raising funds and will facilitate companies to set targets and milestones based on global business environment rather than inward domestic perspective. As in December 2013, more than 110 countries around the world require IFRS reporting.

In July 2014, the Finance Minister in his Budget speech proposed the adoption of the new Indian Accounting Standards (Ind AS - the converged IFRS standards) by Indian companies voluntarily from FY 2015-16 and mandatory from FY 2016-17.

The corporate affairs ministry will soon start 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 of more than Rs 1,000 crore. 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.

At the instance of National Handloom Development Corporation, Lucknow Management is organizing a two day MDP on *International Financial Reporting Standards* for senior Finance Executives to sensitize them about nuances of IFRS. Lead faculty of the programme is Mr. Eish Taneja Chartered Accountant who has provided the material contained in this document for supplementary reading of the participants. LMA thankfully acknowledges his contribution.

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