

PRESS RELEASE

Ministry of Corporate Affairs, after wide consultations with all stakeholders and regulators, has drawn up a clear roadmap for implementation of Indian Accounting Standards converged with IFRS. Converged Standards will have to be followed by Phase-I companies w.e.f. 01.04.2011. The Phase I group excludes banks, insurance companies and smaller companies. National Advisory Committee on Accounting Standards (NACAS) has almost finalized drafting of the converged accounting standards. Under the Converged Accounting Standards, the Schedule VI will have two parts viz. Part-A and Part-B. Part-A will be as per the existing notified accounting standards and Part-B will be based on converged accounting standards. The NACAS has also finalized and recommended Part-A and Part-B of the Schedule-VI.

One of the issues raised by stakeholders is the tax implications in following converged standards. ICAI had set up a Group for identifying tax issues arising on convergence. The group includes nominees from Ministry of Finance. The Group has prepared a draft report identifying certain options which could be adopted to achieve tax neutrality. Secretary, MCA held a meeting with members of the Group, and instructed it to come up in a time bound manner with a specific proposal which will be revenue neutral and acceptable to the Ministry of Finance, while also compatible with IFRS and meeting the needs of the Corporate sector. The implementation of converged accounting standards with IFRS will go on as per schedule.

PRESS RELEASE - 8/2010

No. 1/1/2009-IFRS

Dated the 4th November, 2010

Ministry of Corporate Affairs

The Press Information Officer, Press Information Bureau, Ministry of Information and Broadcasting, with the request that the above mentioned Press Note may be given wide publicity.

(Renuka Kumar)

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