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Путь Индии к МСФО: история развития и перспективы на будущее

Аннотация. В этой статье я рассмотрю историю перехода Индии на МСФО. А также проанализирую исторический контекст, текущий прогресс и будущие перспективы этого процесса. Этот путь отражает более широкое стремление Индии привести свою финансовую отчетность в соответствие с мировыми стандартами, сочетая традиции с инновациями. Изучив ключевые особенности этого пути трансформации, мы сможем лучше понять движущие силы, стоящие за развитием системы бухгалтерского учета в Индии. Забегая вперед, отметим, что интеграция МСФО в финансовую систему Индии обещает не только повышение прозрачности, но и повышение конкурентоспособности на международной арене. В этой статье также подробно описывается каждый этап перехода Индии на МСФО, а также дается подробный анализ преобразующих шагов, связанных с этим переходом.

Ключевые слова: Индийские стандарты бухгалтерского учета и МСФО, глобальная интеграция.

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India's Path to IFRS: History of Development and Future Perspectives

Abstract. In this Article I will explore the history of Indian way to implementation of IFRS. And also, will analyze the historical context, current progress and future prospects of this process. This path reflects India's broader commitment to bring its financial statements in line with global standards, combining tradition with innovation. By examining the key features on this transformation path, we will be able to better understand the driving forces behind the development of the accounting system in India. Looking ahead, the integration of IFRS into India's financial system promises not only increased transparency, but also increased competitiveness in the international arena. This article also describes in detail each stage of India's transition to IFRS, as well as provides a detailed analysis of the transformative steps involved in this transition.

Key words: Indian Accounting Standards and IFRS, Global Integration.

Introduction

The global financial reporting system has undergone profound changes over the past few decades, driven by the growing interconnectedness of economies and the need to provide transparent, comparable, and high-quality financial information. India, as one of the fastest growing economies, has realized the strategic importance of bringing its accounting standards in line with international best practices, which has led to a focused and multifaceted transition to International Financial Reporting Standards (IFRS). This process involves more than just regulatory compliance; it reflects India's broader ambitions to integrate into the global financial system, increase investor confidence, and promote sustainable economic growth. Analyzing India's transition trajectory to IFRS provides valuable insights into the complex interrelationships between domestic economic priorities, regulatory reforms, and efforts to bring international standards closer together. The purpose of this article is to highlight the key stages of this transformative process, assess the current state of implementation, and explore the potential challenges and opportunities India faces as it continues to integrate into the global financial reporting ecosystem.

Materials and research methods of this article.

The research is based on a wide range of relevant modern publications. Russian and foreign authors. This research is based on a wide range of relevant modern publications, including works

by both Russian and foreign authors. The information base of the research is formed through the analysis of scientific articles on Indian financial reporting standards and the process of their transition to international financial reporting standards. This scientific research allows for a comprehensive and systematic analysis of the issues under consideration. Further, the results of the study and their discussion are considered in the context of existing knowledge.

Discussion.

Visualize a global financial reporting language – IFRS is intended to be this. But how does India, with its particular history and unique economic framework, deal with this international standard?

In today's globalized world, IFRS is more than just accounting standards. It is a universal “generally accepted standard” for financial reporting developed by the IASB that allows companies around the world to speak the same language and makes their financial information transparent and understandable to all. Currently, more than 140 countries around the world have recognized IFRS and are already using them for financial reporting. This trend is confirmed by the example of Europe, where since 2005 all companies in the European capital markets have been reporting under IFRS. This is an especial system that unites different financial practices into a single global standard. [9]

The acceleration of globalization caused by advances in technology and communications has led to a dramatic increase in cross-border investment, trade and capital flows. TNCs operate in many countries, requiring the seamless exchange of information across borders. Investors seeking opportunities around the world need stable access to consistent and comparable financial data to evaluate investment prospects. This need for transparency and comparability has played a critical role in the transition to IFRS. The interconnectedness of financial markets has further reinforced the need for a generally accepted accounting language.

The emergence road of IFRS began in 1973, when a main concept was accepted between corporations from 10 members and the ISC were established, which then started to interact with the (IFA).

By 1989, it had summarized the accounting practices of the 10-member countries. This led to the creation of the rules and interpretations that became known as IFRS.

In its modern form, international standards were fully formed between 1989 and 1995, when three more countries joined the 10-member states. [4]

The history of IFRS adoption and development in India includes the following periods:

The history of IFRS in India is not just an adoption but a carefully planned evolution. It began in the mid-1800s when the Indian Companies Act first laid the foundations of the accounting profession. Decades later, the desire to harmonize with global standards took root, leading to the creation of institutions tasked with shaping a uniquely Indian approach. [10]

The major step India's integration into IFRS started just when the international transition treaty for IFRS 10 participating states was signed. Another important event in the history of the introduction of IFRS in India is the establishment of the Institute of Certified Public Accountants of India (ICAI) in 1949. In 1973 years, The ICAI became an associate member of the IASB. [1]

And as early as 1977, the ICAI became a key player by establishing the ASB in the same year, a body designed not to imitate but to interpret and translate international accounting principles into the Indian context. The ASB's mission was clear: to implement IFRSs wherever possible, but always keeping in mind India's specific laws, customs, business environment and traditions. [11]

The Auditing and Assurance Standards Board (originally the Auditing Practices Committee) followed suit in 1982, ensuring that audit practices were similarly adapted to changing needs. The official transition process to IFRS began in the early 2000s. The Government of India, realizing the need for global financial standards, initiated discussions with ICAI and other stakeholders to explore the possibility of implementing IFRS. In 2006, the Ministry of Corporate Affairs (MCA) established the National Accounting Standards Advisory Committee (NACAS) to monitor the convergence process. NACAS has played a key role in developing policies and recommendations for the implementation of IFRS in India. [5]

In 2007, the 269th Board Meeting of the ICAI decided to adopt fully FIRS-compliant financial reporting standards for Indian public companies from April 1, 2011.

By this time, IFRS had been widely adopted and used by more than a hundred companies around the world. Leading economies such as Japan and Brazil had already started developing a road map for IFRS adoption. The US was preparing the ground for implementation in early 2014.

The ICAI has proposed to start implementing IFRS in India in 2011. In the first phase, IFRS will be adopted and applied to banks, large, listed companies and insurance companies. In the same year, the implementation of Ind-AS was finalized in April with the introduction of 35 new standards (including accounting for income tax, asset impairment and statement of cash flows). [6]

In 2015, the Ministry of Corporate Affairs provided a road map for the next phases of implementation. The Ind AS near-FIRS standards were to be used for the first time by companies with a net worth of more than Rs. 5 billion on April next year. For companies with half the net worth of Rs 2.5 billion, the transition deadline was extended to April 1, 2017.

With this in mind, the 376 ASB of the Institute of Chartered Accountants of India (ICAI) has decided to set up an IFRS task force. In addition, based on the recommendations of this task force, the ICAI Board decided at its 269th meeting in 2017 to fully converge with IFRS.

However, it did not mean that every company would follow IFRS in India, they were primarily applicable to publicly accountable and large-scale reporting by legal entities. The adoption and subsequent application of IFRS are accounted for as a result of changes in financial statements in India, as they represent the most a widespread global accounting system.

Challenges and adjustments

The implementation of IFRS in India has faced a number of challenges, including resistance from stakeholders, lack of awareness, and the need for significant changes in accounting practices. One of the main problems was the divergence between Indian Accounting Standards (Ind AS) and IFRS. Another major problem that India faced in its transition to IFRS was when Ind-AS were initially mandatory for registered, public organizations and large organizations, starting on April 1, 2017. [8] This step proved to be useless and was observed due to non-compliance with deadlines and unresolved tax issues, among others. However, the failure of the Indian government has highlighted and proven its unrepentant commitment to convergence, which is why other adoption dates were recently announced on February 16, 2018.

The Indian Finance Minister made an announcement in 2018, which he strongly called for the urgent adoption of India's current accounting standards consistent with IFRS and apply them in practice. In addition, to solve this problem, ICAI has developed Ind AS, which are, in fact, IFRS with some modifications to adapt to the Indian context. Indus has been developed to fully comply with IFRS, enabling Indian companies to comply with global standards while adhering to local regulations. ICAI and NASA have been actively working to address these issues through extensive training programs, seminars, and the release of manuals. [8] The regulatory framework for the implementation of IFRS in India has been strengthened through the issuance of several notices and guidelines by the Ministry of Corporate Affairs. The Companies (Indian Accounting Standards) Regulations, 2015 provided a comprehensive framework for the implementation and compliance of Ind AS by companies. The Securities and Exchange Board of India (SEBI) has also played an important role in ensuring compliance with IFRS. SEBI has required public companies to prepare their financial statements in accordance with these standards.

In 2018, it decided to make certain accounting standards mandatory for companies with a net worth of at least Rs 500 crore (\$5 billion) from the accounting period beginning on or after April 1, 2018.

By now, according to ICAI, there are 39 Ind-AS converged to IFRS, are in release and uploaded on the MCA website, up to date, fifteen Ind-AS have been issued in accordance with IFRS.

In May 2018, the ICAI expressed the opinion that the adoption of IFRS was reviewed and supported by the ASB. Target the IFRS Group was established to ensure convergence with international standards. [3]

This strategic approach has yielded tangible results: The financial statements of Indian companies have undergone significant changes and now provide a much more accurate, transparent and accountable view of performance.

Moreover, the convergence of Indian GAAP and IFRS has brought many benefits to the country. Increased access to the global market, increased brand value, increased transparency in financial reporting, realistically reflected the cost of acquisition, this merger also allowed benchmarking with Indian companies and global counterparts, and reduced capital expenditure and avoided multiple reporting.

The Indian government and ICAI continue to work towards further convergence of Ind AS with IFRS, which involves:

- Elimination of remaining differences: Gradual alignment of Indian standards with international requirements.
- New type of education and training: Increase in the number of qualified accountants and auditors able to work according to international standards.
- Wide access to international money markets: Facilitating the process of entry of Indian companies into foreign stock markets by applying uniform reporting standards. [7]

India's transition to IFRS has been a transformative step that has brought significant benefits. This was a great step in economic history of country and has opened up wider access for India to global capital markets, enhanced the reputation and value of businesses, and provided new opportunities for Indian companies around the world. Moreover, by adopting IFRS, the country has not only strengthened its domestic financial landscape but has also begun to create a springboard for commercial competition and thrive on the global stage.

As of 2025, India has made significant progress in the process of implementing IFRS. Most public companies and large enterprises have successfully adopted IFRS, and financial reporting in India has become more transparent and comparable to international standards. In the future, the focus will be on continuous improvement and alignment with the latest developments in the field of IFRS. ICAI and other regulatory authorities will continue to monitor the implementation process, resolve remaining issues, and ensure that Indian companies comply with international accounting standards.

The introduction of International Financial Reporting Standards (IFRS) in India represents an important milestone in the history of financial transparency and standardization in the country. This process, which began in the early 2000s, involved several key steps and caused many problems. Now we will take a detailed look at all stages of the history and process of implementing IFRS in India, starting with the first initiatives and ending with the current state and prospects for the future.

Detailed overview of the implementation stages

First stage:

2008-2011 The first phase of IFRS implementation in India began in 2008 and was aimed at mandatory implementation of standards for public companies and large enterprises. This stage included several key initiatives:

Revenue recognition: The introduction of revenue recognition standards, such as IFRS 15, has provided a more accurate and transparent presentation of revenue in financial statements.

Financial instruments: The introduction of IFRS 9 and other financial instruments standards has improved the reflection of risks and liabilities associated with financial instruments.

Leasing: The introduction of IFRS 16 has changed the way leasing transactions are accounted for, providing a more accurate reflection of assets and liabilities.

The second stage:

2011-2015 At the second stage, which began in 2011, the application of IFRS was extended to non-public companies and small and medium-sized businesses. This stage included:

Harmonization of practice: ensuring uniformity of accounting practices across different sectors and companies, regardless of their size.

Training and Support: Conducting extensive training and support programs for small and medium-sized enterprises to help them adapt to new standards.

Regulation and control: Strengthen regulation and control to ensure that all companies comply with the standards.

Third stage:

2015-2020 The third stage, which began in 2015, was aimed at the final implementation and standard use of Ind AS. This stage included:

Full implementation: Mandatory implementation of Ind AS for all companies, regardless of their size and sector.

Monitoring and Evaluation: Continuous monitoring and evaluation of the implementation process to identify and resolve issues.

Updating and adaptation: Regular updating and adaptation of standards in accordance with changes in international IFRSs.

Fourth stage:

2020-2025 The fourth stage, which began in 2020, was aimed at ensuring the sustainable use of Ind AS and compliance with international standards. This stage included:

Sustainable use: Ensuring the sustainable use of IFRS by all companies.

Global compliance: Regular updating of standards in accordance with changes in international IFRSs.

Innovations and Improvements: Introducing innovations and improvements to the financial reporting process to increase transparency and accuracy.

The introduction of IFRS in India has been a transformative process, accompanied by government support, gradual implementation, and regulatory oversight.

Despite the difficulties, India has successfully moved towards a more transparent and standardized financial reporting system. This transition not only increases the credibility of Indian companies in the global market, but also creates the foundation for future economic growth and development [2].

In the coming years, India's commitment to IFRS will continue to enhance financial transparency, accountability, and global competitiveness, making the country a key player in the international financial arena.

Conclusion

IFRS unites the world into a single circle, where all requirements are written in a unique language. These requirements have become a great experience for understanding each other and exchanging information in the same language, which are offered as recommendations, rather than obligation of countries, allowing them to adopt freely.

Over the last few decades of the 21st century, India achieved significant improvement in its monetary policy. In my paper, I explored the history of the IAS and its prospects for Indian companies globally, as it is an important developing country with the second largest population after China and the fourth largest purchasing power.

Despite a number of problems, the introduction of IFRS in India has significantly changed the content of corporate financial statements, which has led to a more accurate assessment of the company's performance and business condition, wider disclosure of information and, as a result, increased transparency.

Due to the rapid process of liberalization of the world economy, which has also been taking place in India in recent decades, a large number of MNCs are operating in the country.

Moreover, Indian companies are investing in overseas markets. That is why, all the stakeholders in all over the world have started showing interest in Indian GAAP. Thus, the role of Indian accounting standards, which are beginning to converge with IFRS, has increased significantly in terms of global financial reporting.

It may also be noted after the convergence of Indian accounting standards with IFRS, Indian companies using IAC face less difficulty in entering global money markets.

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