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   INTRODUCTION

   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

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   ACKNOWLEDGMENTS

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   APPENDIX/ANNEXURE

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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
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- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

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- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

IFRS CONVERGENCE AND ITS APPLICABILITY ON INDIAN CORPORATE SECTOR

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ABSTRACT

Financial reporting system, providing indispensable financial information about the company to its shareholders and other stakeholders, needs to be reliable, free from bias and should enable comparison on the basis of common benchmarks. In India, accounting standards are issued by the Institute of Chartered Accountants of India (ICAI). So far, ICAI has issued 32 accounting standards. Every country has its own accounting standards. This worked well, till trade was confined to domestic country. Liberalization made economies open to globe. This created the need to have uniform accounting standards for comparison of financial statements. International Accounting Standards Committee (IASC) initially issued International Standards which worked well for twenty-seven years. IASC was replaced by International Accounting Standards Board (IASB). IASB issued International Financial Reporting Standards (IFRS) from time to time. So far, IASB issued 14 IFRS Standards. This study is analytical in nature. Study is based on secondary data. Secondary data on selected variables sourced from the published annual reports of Wipro ltd. for the year 2011-12. Other sources are annual general reports, journals, interview with auditors, newspapers, e-IFRS and concerned websites. Article examines the impact and consequences on financial statements due to changes in the adoption of uniform standard maintained by Wipro Company limited. The result concluded with a strong desire in the IFRS implementation with a fair valuation of financial statements and its comfortableness in using unique standard.

KEYWORDS

Indian generally accepted accounting principles (IGAAP), international accounting standards board (IASB), international financial reporting standards (IFRS).

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PROLOGUE

International standards were issued by the IASB's predecessor organization between 1973 and 2000, the international accounting standard committee (IASC), a body established in 1973 by the professional accountancy bodies (***Dr.U.V.Panchal 2012)*** in Australia, Canada, France, Germany, Japan, Mexico, Netherlands, United Kingdom and Ireland and the United States. During the period, the IASC's rules were described as 'international accounting standards' (IAS). Since April 2001, this rule-making function has been taken over by a newly-reconstituted IASB. The IASB describes its rules under the new label "international financial reporting standards" (IFRS), though it continues to recognize the prior rules (IAS) issued by the old standard setter International Accounting Standard Committee ***(Annexure 1)***. The IASB is better-founded, better-staffed and more independent than its predecessor, the IASC. Nevertheless, there has been substantial continuity across time in its viewpoint and in its accounting standards. International Financial Reporting Standards (IFRS) is fast becoming the global accounting language. Over 125 countries have now adopted IFRS (**Prof. Jyoti H. Pohane)** and many more have committed to make the transition in the next few years.

IFRS are accounting rules (standards) issued by the international accounting standards board (IASB), an independent organization based in London, UK. They purport to be a set of rules that ideally would apply equally to financial reporting by public companies worldwide. Adopting a single global accounting language will ensure relevance, completeness, understandability, reliability, timeliness, neutrality, verifiability, consistency, comparability and transparency of financial statements and these bring about a qualitative change in the accounting information reports (***Dr. Naseem Ahmad)*** which will strengthen the confidence and empower investors and other users of accounting information around the world. It will also help acquirers to assess the actual worth of the target companies in cross border deals and thereby furthering the economic growth and business expansion globally.

NEED FOR CONVERGENCE WITH IFRS

1. To prevent material manipulation or errors in financial statements
2. To ensure reliable and high quality financial reporting, in certain cases, it can prove to be crucial to the economic and financial development of a country.
3. To enables a systematic review and evaluation of the company performance of a MNC's having subsidiaries and associates in various countries.
4. To make the comparison of the performance of a company against its domestic and international peers easier and more meaningful.
5. To provide a level playing field where no country is advantaged or disadvantaged by its GAAP and disclosures.
6. To help in global harmonization.

IFRS IN INDIA

As India converges with international financial reporting standards, there are certain basic things that the users should be aware of. First and foremost, India is converging with IFRS and not adopting IFRS. The Indian IFRS will be called Ind-AS, which would diverge from IFRS on some matters ***(Annexure 2)***. The level of acceptability of Ind-AS financial statements outside India will be somewhat discounted as those will not be in compliance with IFRS as issued by the International accounting standard board (IASB). This aspect could be somewhat mitigated by a reconciliation statement between IFRS and Ind-AS in the Ind-AS financial statements.

A lot of remarkable developments have been witnessed by Indian economy in the post-globalization era like increasing participation of the FIIs in capital market, launching of derivative instruments, spiraling growth in FDI, introduction of GDR and ADR enabling the Indian companies to raise capital from international markets **(Nikhil Chandra Shil,2009)**, overseas acquisition by the Indian companies as soon. In order to reap the benefits of convergence; ICAI has already taken a great stride to revise the existing AS to make them compatible with the IFRS. The institute has already declared a roadmap for applicability of the converged accounting standards in different phases ***(Annexure 3)***.

At the same time there are few risks involved in introducing IFRS in India that the researchers feel that the biggest risk in converging Indian GAAP with IFRS is the fact that the accounting entities underestimate the complexity involved in the process. Instead it should be recognized well in advance that teething problems would definitely creep in. converting to IFRS will increase the complexity with the introduction of concepts such as present value and fair value. Similarly there are some recognition and measurement issues that would create quite a lot of controversy.

Implementing IFRS has increased financial reporting risk due to technical complexities, manual workarounds and management time taken up with implementation. Another risk involved is that the IFRS do not recognize the adjustments that are prescribed through court schemes and consequently all such items will be recorded through income statement.

In IFRS framework, treatment of expenses like premium payable on redemption of debentures, discount allowed on issue of debentures, underwriting commission paid on issue of debentures etc., is different than the present method used. This would bring about a change in income statement leading to enormous confusion and complexities.

REVIEW OF LITERATURE

The study investigates empirically by **Sarbapriya Ray (2012)** the effect of voluntary adoption and convergence of IGAAP with IFRS. It has been found from the study that there is not much deviations and fluctuations in the net income position as disclosed by financial statement under IFRS reporting and Indian GAAP. But deviation is rather prominent when observing the total liability and equity position which is mainly because of reclassification between equity and total liability. The provision under IFRS is reduced mainly because dividend provision is not recognized in IFRS. The impact of mandatory change in financial reporting standards in European Union **(Capkun et al. 2008)** analyzed and found that the transition from local GAAP to IFRS had a small but statistically significant impact on total assets, equity, total liabilities and among assets the most pronounced impact on intangible assets and property plant and equipment.

Review related the issues of convergence between US Generally Accepted Accounting Principles (GAAP) and IFRS **(Elena et al 2009)** were of the opinion that the adoption of IFRS in the USA undoubtedly would mark a significant change for many US companies. It would require a shift to a more principles-based approach, place for greater reliance on management (and auditor) judgment, and spur major changes in company processes and systems. There are so many aspects relating to IFRS convergence which still need to be clarified, **(Dr. Kishore J. Bhagat. 2012)** such as IFRS first time adoption standard, compliance of comparative previous period figures with IFRS, changes required to the Companies Act to comply with IFRS, changes to the Income-Tax Act, the Reserve Bank of India's requirements for banks, etc.

The study conducted by **(Sunitha Ajaykumar Rai 2012)** says in IFRS – problems challenges in first time adoption that corporate needs to gear themselves for constant updating in all the uniform standards to have a systematic approach in the financial statements. One of the major recommendation given by **B. Kapoor and jyoti ruhela (2013)** under her paper titled IFRS implementation – issues and challenges for India that Proper education and training of employees about IFRS and format of separate committee for IFRS process leads to overcome the challenges faced by India.

The study conducted (**Armstrong et al 2010)** on 1084 European Union firms during the period of 1995-2006 and result showed a positive reaction to IFRS adoption events for firms with high quality pre adoption information, consistent with investors expecting net convergence benefits from IFRS adoption It is increasingly felt that IFRSs would be the right choice for a single global standard, since it has been prepared with much considerations and consultations (**Pinky Dholakia)**. Bearing in mind the pace of the current global development on convergence, substantial convergence is targeted for 2011 across global capital markets and it gives a true and fair view of international accounting system**.**

From the literature review it is found not many studies are of IFRS convergence in Indian corporate sector. The present study identified Wipro Limited to find the effect financial statements from 4 years of financial data.

STATEMENT OF THE PROBLEM

Different countries adopt different accounting treatments and disclosure patterns with respect to the same economic event. This may create confusion among the users while interpreting the financial statements. Financial statements that are based on a single, universally accepted and used GAAP will enable the world to exchange financial information in a meaningful and trustworthy manner. This will accelerate the globalization of finance. Therefore, there is need to the study shows the attitude towards IFRS Convergence by India and its effectiveness in Indian corporate sector.

OBJECTIVES OF THE STUDY

1. To examine the effects of voluntary convergence of IFRS on financial statements – a case study on WIPRO (2011-12)
2. To study the challenges and risks specific to India in adoption of IFRS.
3. To know about the likely beneficiaries of convergence.

METHODOLOGY

It is an analytical study. Wipro limited is taken for case study. There are only 11 companies around India are showing their financial statements under IGAAP and IFRS like Wipro, Infosys Technologies, NIIT, Mahindra & Mahindra, Dabber, Tata Motors, Bombay Dyeing, Dr Reddy's Laboratories, etc., Wipro limited was chosen for study because it gives the financial statements under IGAAP and IFRS. The items chosen from balance sheet for study is seen in all 4 years financial statements. Other sources are annual general reports, journals, interview with auditors, newspapers, e-IFRS and concerned websites.

SUMMARY OF FINDINGS AND DISCUSSIONS

Effect on Indian Corporate Sector: Adopting IFRS by Indian Corporates is going to be challenging but at the same time could also be rewarding. Indian corporates are likely to reap significant benefits from adopting IFRS. The European Union's experience highlights many perceived benefits as a result of adopting IFRS. Overall, most investors, financial statements preparers and auditors were in agreement that IFRS improved the quality of financial statements and that IFRS implementation was a positive development for EU financial reporting. With Indian GAAP converging with the International Financial Reporting Standards (IFRS), most accounting areas will undergo a significant change. The impact on financial statements of some of the changes are outlined below:

- Business combinations,
- Consolidation of special purpose entities
- Employee stock ownership plans,
- Financial instruments
- Derivatives,
- Revenue recognition
- Presentation and disclosures

TABLE-1: FINANCIAL STATEMENT COMPARISON BETWEEN IGAAP AND IFRS OF WIPRO (2011-12) (Rs. In Millions)

Particulars	Amount as per IGAAP	Amount as per IFRS	Effect of transition to IFRS	% of change
Goodwill	67,961	67,937	24	0.04
PPE and intangibles	59,860	63,217	-3,357	-5.61
Available for sale investment	41,483	41,961	-478	-1.15
Investment in equity accounted	3,232	3,232	0	0
Inventories	10,662	10,662	0	0
Trade receivables	80,387	80,328	59	0.07
Cash and cash equivalents	77,666	77,666	0	0
Other non-current assets	9,168	11,781	-2613	-28.5
Other current assets	35,566	25,743	9823	27.62
Other assets	46,596	53,474	-6878	-14.76
Total assets	**4,32,581**	**4,36,001**	**-3420**	**-0.8**
Share capital	4,915	4,917	-2	-0.04
Retained earnings	2,65,258	2,80,397	-15,139	-5.71
Minority interest	849	849	0	0
Loans and borrowings	22,510	22,510	0	0
Other non-current liabilities	4,160	9,643	-5,483	-131.80
Short term borrowings	35,480	36,448	-968	-2.73
Trade payables	47,736	47,258	478	1.00
Other liabilities	51,673	33,979	17,694	34.24
Total liabilities	**4,32,581**	**4,36,001**	**-3420**	**-0.8**

The above table reveals that the financial statement of Wipro for the year 2011-12 it is observed there is 0.8% increase in the total assets value as per IFRS when computed with the total assets as per Indian GAAP.

Under IFRS, the company has recognized Rs. 24 of contingent consideration as additional goodwill and liability. This adjustment has no impact on equity. The amortization charge in respect of finite life intangibles assets is recorded in proportion of economic benefits. Under GAAP, finite life intangible assets are amortized usually on a straight line basis over their useful life.

Under IFRS, the available for sale of investments are measured at fair value at each reporting date. Under GAAP, short term investments are measured at lower of cost or fair value. Under GAAP, a liability is recognized in respect of proposed dividend on company's equity shares, even though the dividend is expected to be approved by the shareholders. Under IFRS, liability for dividend is recognized only when it is approved by shareholders.

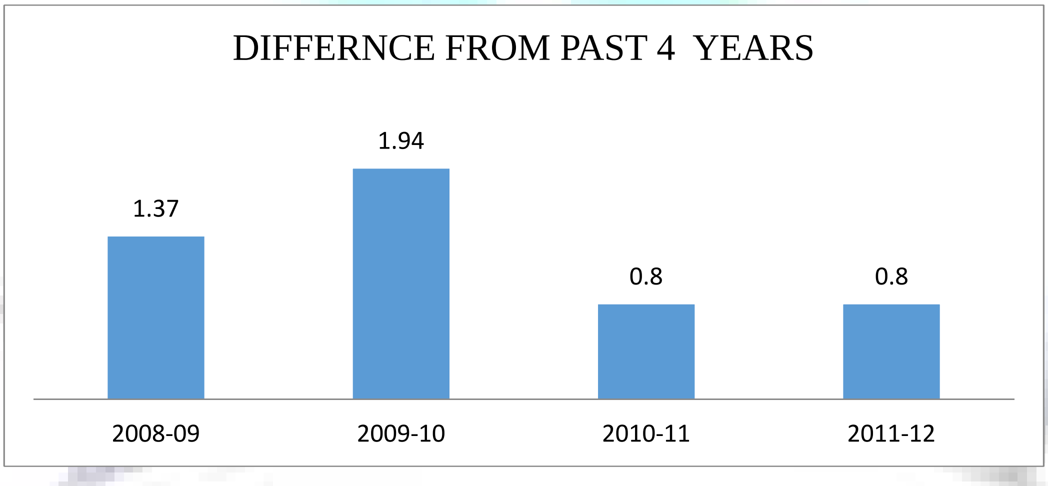
Under IFRS, minority interest is reported as a separate item within equity, whereas previous GAAP requires minority interest to be presented separately from equity. This presentation shows no difference between IFRS and IGAAP.

There is a high increase in the value of net tax assets including deferred taxes in IFRS reporting compared to Indian AS. The reason being as per IAS 12, a deferred tax assets should be recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that is probable that taxable profit will be available in the future to realize the tax benefits and balance sheet approach is followed in recognizing high deferred taxes.

TABLE-2: A COMPARISON BETWEEN IGAAP AND IFRS IN THE CONSOLIDATED FINANCIAL STATEMENTS FROM PAST 4 YEARS (Rs. In Millions)

YEAR	IGAAP	IFRS	Difference	%
2008-09	2,12,327	2,15,235	2908	1.37
2009-10	2,72,018	2,77,290	5272	1.94
2010-11	3,68,341	3,71,443	3102	0.8
2011-12	4,32,581	4,36,001	3420	0.8

CHART 1: A COMPARISON BETWEEN IGAAP AND IFRS IN THE CONSOLIDATED FINANCIAL STATEMENTS FROM PAST 4 YEARS



CHALLENGES FACED BY INDIA FROM THE ADOPTION OF IFRS

1. Indian GAAP is different from us GAAP. Due to this it's become difficult to synchronizing the financial statement of two.
2. IFRS implementation brings change in new standard, due to this it's become complex for users to how to finalize the old and new accounting data.
3. When preparing financial statement by the use of IFRS old and new standard seems confusing.
4. In India there is no separate committee for implementation, follow up and feedback process of IFRS.
5. Lack of proper training and guidance program in India, postponed the process of IFRS implementation.
6. A new system always considers value of money, so that it becomes mandatory for companies to find out cost-benefit analysis.
7. Taxation system also impact after implementation process of IFRS in India.
8. As we know GAAP and regulatory body of each country has different set of rules so that it is a biggest hurdle of companies to adopt uniform accounting standard for whole world.
9. IFRS simply a principal set by IASC but it not provide detailed rules to follow up.

10. IFRS mainly focuses on presenting its financial statement and focus is very less on the users of accounting standard.
11. One of the biggest threats of adopting IFRS is mandatory adaptation of uniform standard for each country business but it reduce the competition from the market and without competition there is threat of monopoly.
12. Lack of awareness between users about the international financial reporting practices.
13. IFRS uses fair value and market value as measurement base before it asset valued as per book value due to this financial statement of any company impact significantly.
14. Lack of proper data (primarily and secondary) impact the effective implementation of IFRS process.
15. For comparison purpose IFRS need to covert historical data into market value due to this IFRS become more subjective.
16. Coordination with different countries for IFRS implementation is a challenging.
17. Stick rules effect hedge accounting process in all over the world.
18. Lack of proper resources also effects the IFRS implementation successfully.

BENEFICIARIES FROM THE CONVERGENCE

1. IFRS provides better financial information for the shareholders and regulatory system.
2. IFRS enhance global ability and improve transparency of results.
3. With the use of IFRS users can increase ability to secure cross boarder listing.
4. With the help of IFRS one can improve management of global operations and better access the capital market.
5. IFRS eliminates of multiple reporting, likewise Tata, Birla and Ambani firstly register in India and then outside India before implementing IFRS system.
6. IFRS facilitate global investment opportunities inbound and outbound and also reduced cost of capital.
7. Reduce barriers to enter global market and lowered the risk associated with dual filings of accounts.
8. IFRS provides new and enhanced services especially in the field of business process outsourcing (BPO) and professional services firms.
9. With the help of IFRS one can conduct once-only review of financial reporting and information system for control.
10. Uniform accounting standard enabled investors to understand investment opportunity as against two different set of national accounting standard.
11. With the help of IFRS corporate and investors would know it's true worth because fair valuation is mandated for many balance sheet items.

SIGNIFICANCE FINDINGS

The total assets under IFRS are more than the Indian accounting standards by 0.8% which shows that Indian accounting is more conservative. The most probable reasons are its fair value measurement, difference in the basis of interest capitalization, deferred tax asset recognition and difference in accounting for foreign currency forward contracts. It shows than the Indian accounting standards are conservative. The equity under IFRS has increased by 6% (approx.) when compared to Indian accounting standard. Minority interest are treated as part of equity and under IFRS 1 first time adoption, adjustments required to move from previous GAAP to IFRS should be recognized directly in retained or if appropriate another category of equity at the date of transition to IFRS.

From the above table and the graphical representation shows a drastic change in the past 2 years difference between the IGAAP and IFRS. Because, the data shows there is a high difference between IGAAP and IFRS in the years 2008-09 and 2009-10. But the last 2 years data shows less as well as similarity in the changes i.e., 0.8%. The reason because, the national standards are revising more similar with IFRS and also a new Schedule VI to the Companies Act has also been announced. The new Schedule takes into account all requirements of IFRS, particularly the distinction between current and non-current assets. This may be the reason why, the Wipro company's financial statement are more similar each other.

SCOPE FOR FURTHER RESEARCH

Further research shall be looked into measuring the country's growth, stakeholder's perspective and its outcome from the convergence of IFRS by using primary data. The study can be extended to know the effect of convergence on Insurance and Banking Sector

CONCLUSION

The overall result shows the return on equity, return on asset, total asset turnover and net profit ratio are not significantly affected by converging to IFRS but the leverage ratio shows significant change on converging with IFRS. There is an also significant change in the total equity and total liability position on convergence to IFRS, but not prominent changes in the total asset position. All these observations make us conclude that IFRS is fair value oriented and balance sheet oriented accounting where there are more transparent disclosures and Indian GAAP is conservative approach. The changes or transition helps in uniformity in the standards in all levels of sector worldwide.

The companies will find comfort in using accounting standards converged with IFRS if their accountants, auditors, shareholders and other stake holders along with the rating agencies and investment analysts are conversant with such new standards. It is true that during the transition period some problems may have to be faced by any of the aforesaid persons due to lack of adequate knowledge and experience. But such problems can be mitigated if the professional institutes and industry groups take initiative for imparting intensive training to the accounting and auditing professionals on the practical implications and applications.

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ANNEXURE

ANNEXURE 1: INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE AT 30 JUNE 2012

IFRS1 (2008): First-time Adoption of International Financial Reporting Standards	IFRS 8: Operating Segments
IFRS 2: Share-based Payment	IFRS 9 (2010): Financial Instruments (as of now only partially completed)
IFRS 3 (2008): Business Combinations	IFRS 10: Consolidated Financial Statements
IFRS 4: Insurance Contracts	IFRS 11: Joint Arrangements
IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	IFRS 12: Disclosure of Interests in Other Entities
IFRS 6: Explorations for and Evaluation of Mineral Resources	IFRS 13: Fair Value Measurement
IFRS 7: Financial Instruments: Disclosures	IFRS 14: Regulatory Deferral Accounts

ANNEXURE 2: THE INDIAN ACCOUNTING STANDARDS (INDAS) CONVERGED WITH IFRS

Ind-AS1 Presentation of Financial Statements	Ind-AS31 Interest in Joint Ventures
Ind-AS2 Inventories	Ind-AS32 Financial instruments – presentation
Ind-AS7 Statement of Cash Flows	Ind-AS33 Earning Per Share
Ind-AS8 Accounting Policies	Ind-AS34 Interim Financial Reporting
Ind-AS10 Events after the reporting period	Ind-AS36 Impairments of Assets
Ind-AS11 Construction Contracts	Ind-AS37 Provisions, contingent liabilities
Ind-AS12 Income taxes	Ind-AS38 Intangible Assets.
Ind-AS16 Property, plant and equipment	Ind-AS39 Financial Instruments - recognition and measurements.
Ind-AS17 Leases	Ind-AS40 Investment Property
Ind-AS18 Revenues	Ind-AS101 First time adoption of Indian AS.
Ind-AS19 Employee Benefits	Ind-AS102 Share Based Payment
Ind-AS20 Government Grants.	Ind-AS103 Business Combinations.
Ind-AS21 Effects of Changes in Forex	Ind-AS104 Insurance Contracts
Ind-AS23 Borrowing Costs	Ind-AS105 Non-current assets held for sale and discontinued operations
Ind-AS24 Related Party Disclosures	Ind-AS106 Exploration of mineral
Ind-AS27 Consolidated Financial Statements	Ind-AS107 Financial Instruments – Disclosures
Ind-AS28 Investment in Associates.	Ind-AS108 Operating Segments
Ind-AS29 Financial reporting on Hyperinflationary Economies.	

ANNEXURE 3: ROADMAP FOR COMPANIES OTHER THAN BANKING, INSURANCE COMPANIES

Phase	Companies covered	Opening balance sheet
Phase I	Companies that are part of NSE - Nifty 50 Index Companies that are part of BSE Sensex 30 Index Companies that have shares or other securities listed in overseas stock exchanges ; and Listed and Unlisted Companies with net worth in excess of Rs 1000 Crores	1 April; 2011, (First financial statements on 31st march 2012)
Phase II	Listed & Unlisted Companies with net worth in excess of Rs 500 Crores but not exceeding Rs. 1000 Crores.	1 April; 2013 (First financial statements on 31st mar 2014)
Phase III	Listed entities with net worth of Rs 500 Crores or less	1 April; 2014, (First financial statements on 31st March 2015)

ANNEXURE 4: OUTLINE FOR THE PREPARATION OF FINANCIAL STATEMENTS

IFRS financial statements consist of following:

1. Statement of financial position
2. Comprehensive income statement
3. Statement of changes in equity (SOCE) or a statement of recognized income or expense (SORIE)
4. Cash flow statement or statement of cash flows.
5. Notes (including summary of the significant accounting policies)

ANNEXURE 5: IFRS & INDIAN ACCOUNTING STANDARDS: A COMPARATIVE ANALYSIS*

Area	IFRS	IGAAP
First time adoption	Full retrospective application of IFRS to P&L and BS. Reconciliation of PL and BS in Respect of last year reported Numbers under previous GAAP.	No needs to prepare reconciliation on first time adoption
Components of Financial Statements	Comprises of Balance sheet, Profit and Loss A/c. Cash flow Statement, changes in Equity and accounting policy and notes to Accounts	Comprises of Balance sheet, P and L A/c. CFS (if applicable), and Notes to Accounts
Balance Sheet	No particular format, a current/ non-current presentation of Assets and liabilities is used.	As per Format Prescribed in Schedule VI for Companies, Adherence to Banking Regulation.
Income Statement	No particular format Prescribed (IAS-1)	As per Format Prescribed in Schedule VI (AS-1)
Cash Flow Statement	Mandatory for all entities (IAS-7)	Level 3 entities are exempted (AS-3)
Depreciation	Over the useful life of the asset. (IAS-16)	Over the useful life of the asset, or schedule xiv rates, whichever is higher (AS-10)
Dividends	Liability to be recognized in the Period when dividend is Declared. (IAS-10)	Recognized as an appropriation against the Profit, and recorded as liability at B/S date even if declared Subsequent to reporting period But before the approval of Financial statements (AS4)
Revaluation	Revaluation (if done) to be updated periodically so that carrying amount does not differ from fair value at the end period. Revaluation to be done for entire class of assets (IAS-16)	No specific requirement for Revaluation. Revaluation can be done on systematic basis like for one location leaving aside the assets of other location. (AS-10)
Change in the method of depreciation	Considered as a change in Accounting estimate. To Be Applied prospectively. (IAS-16 and IAS 8)	Change in Accounting policy, retrospective Computation and excess or deficit is adjusted in same Period. Required to be Disclosed (AS-6)
Earnings per share	Disclosure to be made in only consolidated financials of the Parent Co. (IAS-33)	Disclosure of EPS in both Consolidated and separate Financials. (AS-20)
Intangible assets	Intangible assets can have indefinite useful life and hence Such assets are tested for impairment and not amortized.	There is no concept of indefinite useful life. Assets have definite life.(usually 10 years)
Reporting currency	Profit using the functional Currency. Entities may, however, Present financial statements in a different currency. (IAS-21)	Schedule VI to the Companies Act, 1956 specifies Indian rupees as the reporting currency. (AS-11)
Uniform accounting policies	Prepared using uniform Accounting policies across all entities in a group. (IAS-27)	Policies may differ due to impracticability. (AS-21)
Disclosure of extra ordinary items	Prohibits such disclosure (IAS-1). No such term in IFRS	Disclosure to be made in Notes (AS-5)

Source: Tripati & Gupta (2011) adapted.

* Only financial statements related analysis has been made.

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