INTERNATIONAL JOURNAL OF RESEARCH IN COMPUTER APPLICATION & MANAGEMENT

IJRCM

A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Open J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)], Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 4064 Cities in 176 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography: Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** ***anytime*** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website (***FOR ONLINE SUBMISSION, CLICK HERE***).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____________

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF ____.**

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Education/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled '____' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the authors have seen and agreed to the submitted version of the manuscript and their inclusion of names as co-authors.

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR	:
Designation	:
Institution/College/University with full address & Pin Code	:
Residential address with Pin Code	:
Mobile Number (s) with country ISD code	:
WhatsApp or Viber is active on your above noted Mobile Number (Yes/No)	:
Landline Number (s) with country ISD code	:
E-mail Address	:
Alternate E-mail Address	:
Nationality	:

NOTES:

a) The whole manuscript is required to be in ***ONE MS WORD FILE*** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/ Engineering/Mathematics/other, please specify)
c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
d) The total size of the file containing the manuscript is required to be below **500 KB**.
e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.
g) The author (s) name or details should not appear anywhere on the body of the manuscript, except the covering letter and cover page of the manuscript, in the manner as mentioned in the guidelines.

2. **MANUSCRIPT TITLE**: The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS**: The author (s) **full name**, **designation**, **affiliation** (s), **address**, **mobile/landline numbers**, and **email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ACKNOWLEDGMENTS**: Acknowledgements can be given to reviewers, funding institutions, etc., if any.

5. **ABSTRACT**: Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

6. **JEL CODE**: Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at **www.aeaweb.org/econlit/jelCodes.php**

7. **KEYWORDS**: JEL Code must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

8. **MANUSCRIPT**: Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. *It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited*.

9. **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

10. **SUB-HEADINGS**: All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

11. **MAIN TEXT**: The main text should follow the following sequence:

    INTRODUCTION
    REVIEW OF LITERATURE
    NEED/IMPORTANCE OF THE STUDY
    STATEMENT OF THE PROBLEM
    OBJECTIVES
    HYPOTHESES
    RESEARCH METHODOLOGY
    RESULTS & DISCUSSION
    FINDINGS
    RECOMMENDATIONS/SUGGESTIONS
    CONCLUSIONS
    LIMITATIONS
    SCOPE FOR FURTHER RESEARCH
    REFERENCES
    APPENDIX/ANNEXURE
    It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

12. **FIGURES & TABLES**: These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

13. **EQUATIONS/FORMULAE**: These should be consecutively numbered in parentheses, horizontally centered with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word should be utilized. If any other equation editor is utilized, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that do not have the editor.

14. **ACRONYMS**: These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on first use in each section: Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.

15. **REFERENCES**: The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. Also check to make sure that everything that you are including in the reference section is cited in the paper. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- Headers, footers, endnotes and footnotes may not be used in the document, but in short succinct notes making a specific point, may be placed in number orders following the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS
- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS
- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES
- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS
- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS
- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES
- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

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

IMPLEMENTATION OF IFRS IN INDIA: OPPORTUNITIES AND CHALLENGES

H.RADHIKA
SR. ASST. PROFESSOR
DEPARTMENT OF BUSINESS MANAGEMENT
BADRUKA COLLEGE P.G. CENTRE
KACHIGUDA

ABSTRACT
The purpose of Accounting Standards is to standardize the diverse accounting policies and practices to eliminate the non-comparability of financial statements and their reliability to the extent possible. As it is essential to provide financial information of a company to all its stakeholders in accordance with internationally accepted financial norms. A number of multi-national companies are establishing their businesses in various countries and are increasingly accessing the global markets to fulfill their capital needs by getting their securities listed on the stock exchanges outside their country in which India is one of them, and also decided to converge to International Financial Reporting Standards in a phased manner with the suggestions of regulators, standard setters and law makers by the road map. A wide section of the industry is already debating about the impact that they are going to have on transitioning to IFRS. This paper provides the information regarding the adoption process of IFRS in India, the utility and challenges of adopting it. It also discussed the problems faced by the stakeholders in the process of adoption of IFRS in India It was found from the study that regulatory bodies and laws related to various acts need to be amended , and there is a need to educate and train various levels of employees and authorities in the organizations. Even at academic level to the students for their future careers. The result of implementation of IFRS in India will be known only when it is implemented in full fledge.

KEYWORDS
Adoption process, benefits, challenges of implementation of IFRS, need for IFRS in India.

INTRODUCTION
Provision of essential financial information about a company to its shareholders and other stakeholders in accordance with internationally accepted financial norms is considered as an integral and important part of good corporate governance. As number of multi-national companies are establishing their businesses in various countries to expand their business. In the emerging economy most of the companies are accessing international markets for capital requirements by getting their securities listed on the stock exchanges outside their country, even Indian companies are also being listed on overseas stock exchanges. To take investment decisions investors need to compare the financial positions of various organizations established in the country as well outside the country, to cater this need all the organizations across the world need to follow uniform standards and policies to prepare their financial statements. Sound financial reporting structure is imperative for economic well-being and effective functioning of capital markets. To ensure this and to achieve a single set of high quality global accounting standards, the Indian Government has taken a decision to achieve convergence of Indian Accounting Standards with IFRS in a phased manner beginning with April, 2011. The policy of 'convergence' of Indian Accounting Standards with IFRS would provide reliable and comparable financial information to investors globally. Such converged accounting standards also aim at bringing more transparency in financial matters, thus seek to protect the interests of investors and improve standards of good corporate governance.

REVIEW OF LITERATURE
- **Atul khurana(2014):** In order to ensure transparency consistency, comparability, adequacy and reliability of financial reporting, it is essential to standardize the accounting principles and policies, Accounting Standards provide framework and standard accounting polices so that the financial statements of different enterprises become comparable.
- **Atul khurana(2014):** Objective of Accounting Standards is to standarize the diverse accounting policies and practices with a view to eliminate to the extent possible the non-comparability of financial statements and the reliability to the financial statements.
- International Financial Reporting Standards (IFRS) are principle based standards as against the rule based standards currently in force; that establishes recognition, measurement, presentation and disclosure requirements relating to transactions in the financial statements. IFRS was developed in the year 2001 by the International Accounting Standards Board (IASB) to provide a single set of high quality, understandable and uniform accounting standards.
- **Dr Vidhi Bhargava (2013)**IFRS adoption will not only open up a bundle of benefits to Indian Corporates but it will also open up a host of opportunities for accounting professionals. As IFRS is principle based, it will provide cross border activities to professionals including accountants, valuers, auditors & actuaries, which will boost the growth prospects for BPO/KPO segments in India. The mobility of accounting professionals in industry also increases in all parts of the world.
- **Pawan Jain(2011):**The process of financial reporting of business activities was started in 2005 when European Union made it mandatory for publicly traded companies to present consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) starting from January 01, 2005. Earlier, since the late 1990s, companies in some European and Asian countries were allowed to use International Accounting Standards (IAS) as a substitute for their respective domestic Accounting Standards. But IFRSs were adopted legally first time in 2005 by European Union. Other countries with developed capital markets have adopted or in the process of adopting IFRS for reporting purposes.

India as a developing country is encouraging multinational companies to encourage foreign investments and even is allowing domestic companies to establish their entities in other countries to grab the market by entering in their capital markets for which the companies need to provide relevant data of financial statements to investors to take investment decision. This led to adoption of common accounting standards by the entire companies world wide.

OBJECTIVES OF STUDY
1. To study the need for adopting IFRS in India
2. To discuss the IFRS adoption procedure in India
3. To discuss the utility for India in adopting IFRS
4. To discuss the problems faced by the stakeholders in the process of adoption of IFRS in India

RESEARCH METHODOLOGY
The study is conceptual in nature and is qualitative. The data has been collected through secondary sources from journals, news papers, text books, and IFRS website. As IFRS implementation procedure is yet to be completed in India. The paper, therefore, does not discuss the post IFRS implementation impact on Indian corporate ate financial reporting system.

HISTORY OF IAS/ IFRS

The developing accounting and corporate reporting led to the acceptance of **Generally accepted accounting principles** (**GAAP**) which refers to the guidelines for financial accounting used in any given jurisdiction generally known as accounting standards.

The GAAP led to:

- Different countries started using their own accounting standards due to cultural differences.
- Accounting rules which were different in various countries though they followed a set of accounting standards established by accounting regulators to rule and regulate the accounting profession. E.g. the UK had SSAP/FRS, USA had US GAAP, Canadian GAAP and Ghana had GNAS. Etc. These differences resulted in lack of uniformity in financial statements prepared in different countries which failed to meet the quality of financial statements.
- Translations of companies' financial statements into other countries GAAP has resulted in to losses.
- Due to different legislations and regulations for different countries, Working in different countries as accounting professional or auditor in those countries became difficult

The International Accounting Standards Committee (IASC) was established in mid-1973 with mandated of developing new international standards, which would be accepted and implemented globally. In April 2001 it got transformed in to IASB.A series of accounting standards, known as the International Accounting Standards, were released by the IASC between 1973 and 2000. The series started with IAS 1, and concluded with the IAS 41, in December 2000. In April 2001, when IASB become operational, they agreed to adopt the set of standards that were issued by the IASC, i.e. the IAS 1 to 41, but any standards to be published after that would follow a series known as the International Financial Reporting Standards (IFRS).

Many countries recognized the need for adopting of accounting standards and are moving towards its implementation where others are more passive in their approach.

The timeline for the governance of India with IFRS is given in the year 2010 was as follows.

TIME LINE FOR ADOPTION OF IFRS

Phase		Target date for convergence to IRFS
I-	India Companies with net worth of Rs. 1000 crore and those which are part of BSE sensex, NIFTY and companies listed in overseas exchanges.	April 2011
II-	India All companies with a net worth between Rs. 500- 1000 Crore and banks & non banking finance companies.	April 2013
III-	Listed entities with net worth of 500 crores or less	April 2014

Sources: Knowledge for markets, Vol.1, No.3 April 5,2010

Following are the deadlines for Insurance, Banking, Non banking financial companies:

Class of companies	Criteria for phased implementation	Target date for convergence to IRFS
Insurance companies	All insurance companies	1 April 2012
Banking companies	✓ All scheduled commercial banks and urban co-operative banks with networth in excess of Rs. 300 crores. ✓ Urban co-operative banks with net worth in excess of Rs. 200 crores but not exceeding Rs. 300 crores.	1 April 2013 1Aptil 2014
Nonbanking financial companies	✓ NBFCs which are part of NSE- NIFTY 50 index. ✓ NBFCs which are part of BSE- SENSEX 30 index. ✓ Listed and unlistrd NBFCs with netwoth in excess of Rs. 1000 crores. ✓ All listed NBFCs which do not fall under the above category. ✓ Unlisted NBFCs which do not fall under the above category which have a net worth in excess of Rs. 500 crores .	1 April 2013 1 April 2014 1 April 2014

Source: IJCEM International Journal of Computational Engineering & Management, Vol. 15 Issue 6, November 2012 ISSN (Online): 2230-789, www.IJCEM.org.

The Council of the ICAI, on March 20-22, 2014, has finalised the roadmap. The revised roadmap recommends Ind AS to be implemented for the preparation of Consolidated Financial Statements of listed companies and unlisted companies having net worth in excess of Rupees 500 crore from the accounting year beginning on or after 1st April, 2016, with previous year comparatives in Ind AS for the year 2015-16. The stand-alone financial statements will continue to be prepared as per the existing notified Accounting Standards which would be upgraded over a period of time.

The Ministry of Corporate Affairs (MCA) had earlier notified Ind AS converged with IFRS in 2011, but the Ind AS were not notified, as per the Press Release issued by the MCA, primarily due to tax implications. Since then the Parliament has passed the new Companies Act, 2013, which is in the process of notification by the MCA. The new Act has introduced various new provisions, including requirement to prepare Consolidated Financial Statements, which would facilitate implementation of Ind AS converged with IFRS.

IFRS ADOPTION PROCEDURE IN INDIA

To establish uniformity in accounting practices the Indian Government in 1949 established Institute of Charted Accountants of India (ICAI act 1949) for the same reason ICAI constituted Accounting Standard Board (ASB). The objectives of the Board are: (i) conceive of and suggest new areas in which Accounting Standards are needed, (ii) formulation of Accounting Standards, (iii) examine how far IAS and IFRS can be adopted while formulating the accounting standards and (iv) review the existing Accounting Standards and revise them regularly based on the necessity. In 2006, a task force was set up by ICAI to prepare a road map for the adoption of IFRS.

THE 3 STEP PROCESS WAS RECOMMENDED BY THE TASK FORCE FOR THE ADOPTION OF IFRS IN INDIA IS GIVEN BELOW:

Step 1 – IFRS Impact Assessment: In this step, the firm assess the impact of IFRS adoption on Accounting and Reporting Issues, on systems and processes, and on Business of the firm then it will decide the key conversion dates and accordingly an IFRS training plan will be laid down. Once the training plan is in place, the firm will have to identify the key Financial Reporting Standards that will be applied by the firm and also the differences among current financial reporting standards which are followed by the firm and IFRS. The firm will also identify the loopholes in the existing systems and processes.

Step 2 – Preparations for IFRS Implementation: This step will carry out the activities required for IFRS implementation process. It will begin with documentation of IFRS Accounting Manual. The firm will than revamp the internal reporting systems and processes. IFRS 1 will guide the first time IFRS adoption procedure. To make the convergence process smooth, some exemptions are available under IFRS 1.These exemptions are identified and applied.

Step 3 – Implementation This step involves actual implementation of IFRS. The first activity carried out in this phase is to prepare an opening Balance Sheet at the date of transition to IFRS. proper understanding of the impact of the transition from Indian Accounting Standards to IFRS is to be developed. This will follow the complete application of IFRS as and when required. First time adaptation of IFRS requires to the training to the accounting practitioners and auditors, they may experience some difficulties. To ensure a smooth transition from Indian Accounting Standards to IFRS, Continuous training to staff and addressing all the difficulties that would be experienced while carrying out the implementation is also required.

UTILITIES FOR INDIA IN ADOPTING IFRS

As how companies in different countries are getting benefited by adopting IFRS .India being a developing country by adopting IFRS would get benefits to spread in the global market.

1. **EASY ACCESS TO CROSS-BORDER CAPITAL MARKETS**

Indian economy has emerged as strong economy during last decade. Indian companies are not only establishing plants in other countries but also acquiring other entities across the world. To serve this purpose, the firm requires funds at cheaper cost which is available in American, European and Japanese Capital Markets. To acquire the capital from these countries Indian need to meet the regulatory requirements of the above stated market by maintaining their financial reports according to IFRS guidelines. Hence the adoption and implementation of IFRS will helps Indian firms in accessing global markets for the requirement of funds and also makes available funds at cheaper cost.

2. **COMPATIBILITY IN COMPARISON**

The adoption of IFRS by Indian companies makes easy to compare one company with other. With this reporting process Investors, Bankers and Lenders and prospective investors can easily compare the two financial statements as Indian firms have to provide financial results to interested parties while raising funds from cross border capital markets. As major Indian business entities are operating European Capital markets by preparing and presenting financial statements according to IFRS and the firms are getting easy accessibility to such markets.

3. **EASY LISTING OF COMPANIES IN GLOBAL MARKET**

It will be easy for Indian companies to acquire capital from the global market by adopting IFRS in preparation of financial statements.This will help them in listing in various stock markets by disclosing financial information in IFRS standards.

4. **QUALITATIVE FINANCIAL REPORTING**

Implementation of IFRS ensures better quality of financial reporting due to regular application of Accounting Principles and improves the reliability of financial statements and accounting practices. As IFRS follows a concept of true/ fair value which will help Indian entities to reflect their true worth of Assets in the financial statements.

5. **ELIMINATION OF MULTIPLE REPORTING**

Most of Indian companies are not only listed in Indian stock markets but also outside India in European and American capital markets. The corporate houses registered in India are maintaining their accounts as per Indian Accounting Standards whereas the firms registered outside India, prepare their financial statements as per the Accounting Standard of the respective country. By adopting IFRS, multiple financial reporting standards can be eliminated by such firms as they are following common standard financial reporting.

CHALLENGES IN THE PROCESS OF ADOPTION OF IFRS IN INDIA

ICAI set up a task force in 2006 to study and suggest a path for adoption of IFRS in India. They have recommended a 3 phase programme which was discussed above. Many professional explained about the benefits of adoption of IFRS, but some practical problems may arise while adopting the IFRS. Some of them have been mentioned below

1. AWARENESS OF IFRS PRACTICES AMONG STAKEHOLDERS

Adoption of IFRS means a complete set of different reporting standards have to be implemented. Most of the stake holders like Firms, Banks, Stock Exchanges, and Stock Exchanges etc. do not have awareness of adoption of IFRS. To bring a complete awareness of these standards among these parties is a difficult task.

2. TRAINING AND EDUCATION TO THE PROFESSIONALS

For successful implementation of IFRS, Accountants, Government officials, Chief Executive Officers, Chief Information officers should be well trained and educated as they are responsible for a smooth adoption process and implementation of IFRS. India lack training facilities to train such a large group. It has been observed that India does not have enough number of fully trained professionals to carry out this task of adoption of IFRS in India.

3. AMENDMENTS TO THE EXISTING LAWS

In India, Accounting Practices are governed mainly by Companies Act 1956 and Indian Generally Accepted Accounting Principles (GAAP). Existing laws such as Securities Exchange Board of India regulations, Indian Banking Laws & Regulations, Foreign Exchange Management Act also provide some guidelines on preparation of Financial Statements in India. But,IFRS does not recognize the presence of these laws so, accountants will have to follow the IFRS fully with no overriding provisions from these laws. Indian Lawmakers will have to make necessary amendments to ensure a smooth transition to IFRS.

4. TAXATION

IFRS adoption will affect most of the items in the Financial Statements and consequently, the tax liabilities would also undergo a change. Currently, Indian Tax Laws do not recognize the Accounting Standards. A complete change of Tax laws is the major challenge faced by the Indian Law Makers in this short tenure. Enough changes are to be made in Tax laws is not a small task.

5. USE OF FAIR VALUE FOR VALUATION OF ASSETS AND LIABILITIES

Fair value means the amount at which the asset could be sold or bought in a transaction between two parties. Presently Indian companies valuing their assets and liabilities at historical cost. According to IFRS companies need to value the assets at their fair value, which generates lot of volatility and subjectivity in financial statements .Because of which the changes in gains and losses of assets and liabilities will have impact on income statement and the adjusted values of the these assets and liabilities will show impact on the balance sheet. Therefore Indian Corporate World which has been preparing its Financial Statements on Historical Cost Basis will have tough time while shifting to Fair Value Accounting.

6. FINANCIAL REPORTING SYSTEM

Indian corporations need to make changes in their reporting system which suits the reporting system of IFRS. The amended reporting system will take care of various new requirements of IFRS. The above challenges can be overcome by bringing a proper Internal Control & Reporting system in place. Firms, Regulators and Stock Exchanges in India should take some guidelines from the countries which have adopted the IFRS and have similar economic, political and social conditions.

SUGGESTIONS

The solution to the problems arises while adopting of IFRS in India.

- All the stakeholders in the organization should be trained and educated about IFRS practices specially accountants, auditors in preparation of financial statements.
- IFRS should be introduced as a full time subject in the universities.
- Timely steps should be taken to ensure amendments in the existing laws to the extent they are inconsistent with the provisions of IFRS.
- Taxation laws should make amendments in the treatment of tax liability as per IFRS
- Indian Firms will have to ensure that existing business reporting method is amended to suit the requirements of IFRS.
- All regulatory authorities like SEBI, RBI,IRDA, Companies act, Foreign Exchange Management Act, Tax laws need to come together and make required amendments in their respective areas to smoothen the process of IFRS adoption.
- Adopting International Financial Reporting Standards is not enough. Each interested party, namely Top Management and Directors of the Firms, Independent Auditors and Accountants and Regulators and Law Makers will have to come together and work as a team for a smooth adoption of IFRS procedure.
- Indian banks and other institutions need to gear up the process of hiring consultants to train their employees in International Financial Reporting Standards (IFRS).
- To ensure that all the Firms are complying with adoption procedure, Indian lawmakers and Accounting Body (ICAI) should have a Financial Reporting Compliance Monitoring Board. Other than the internal monitoring department for every firm, the board can play the advisory role also for the firms on IFRS Adoption Procedure.

REFERENCES

JOURNALS

1. Dr. Vidhi Bhargava (2013), "The impact of international financial reporting standards on financial statements and ratios", the international journal of management ,Vol: 2,Issue :2 , ISSN 2277-5846 April, 2013Pp.3, www.theijm.com 1.
2. Dr. Kishore kumar Das, Priya bratha Panda,Sovan Mishra, "Issues and Challenges to Indian Banking sector due to convergence with IFRS", Orissa Journal of Commerce, Vol.XXXIV, No. 1,pp- 33-44, ISSN 0974-8482.
3. Dr. Mahender K. Sharma , Prof. Jignesh r. Vaja, (2013),"IFRSand india - its problemsand challenges", International Multidisciplinary Journal of Applied Research, International Multidisciplinary Journal of Applied Research, volume : 1,issue : 4, July 2013 ISSN 2320 – 7620, pp.78.
4. Pawan Jain (2011), "IFRS Implementation in India: Opportunities and Challenges", World Journal of Social Sciences Vol. 1. No. 1. March 2011. Pp.125.
5. Russell Pavera, Jamil Khatri (2008), "FRS : Implementation Challenges and Approach for Banks in India" , CAB CALLING July-September, 2008.
6. S Yadav, Deependraa Sharma (2012),"Convergence to IFRS: What Needs to be Done by Indian Corporate to Meet the Emerging Challenges?", IJCEM International Journal of Computational Engineering & Management, Vol. 15 Issue 6, November 2012 ISSN (Online): 2230-7893 pp.38,42.

WEBSITES

7. http://taxguru.in/chartered-accountant/accounting-standards-ifrs.html
8. http://taxguru.in/finance/icai-has-decided-that-indian-accounting-standards-will-converge-with-ifrs-by-april-2011.html
9. http://www.icai.org/new_post.html?post_id=10491
10. http://www.ifrs.org/Use-around-the-world/Education/Pages/Education.aspx
11. https://www.academia.edu/9004884/CONVERGENCE_TO_IFRS
12. WWW.asa.in
13. www.iica.in/leftcontrolpages/convergence.aspx

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Computer Application & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you tosupply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail**infoijrcm@gmail.com** for further improvements in the interest of research.

If youhave any queries please feel free to contact us on our E-mail **infoijrcm@gmail.com**.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals