

## **PRESS NOTE**

Ministry of Corporate Affairs had set up a high powered group comprising various stakeholders under the Chairmanship of Shri Anurag Goel, Secretary, to discuss and resolve implementation challenges with regard to convergence of Indian Accounting Standards with International Financial Reporting Standards (IFRS) from the year 2011. The Core Group is supported by two sub-groups. The first sub-group headed by Shri Y.H. Malegam, Chairman, NACAS is to identify changes required in various laws, regulations and accounting standards for convergence with IFRS and to prepare a clear roadmap for achieving the same. The second sub-group of CFOs under the Chairmanship of Shri Mohandas Pai, Director, Infosys would interact with various stakeholders in order to understand their concerns on the issue of convergence with IFRS, identify problem areas and ascertain the preparedness of the stakeholders for such convergence.

A joint meeting of the Core Group and the two sub-groups was held today, August 6, 2009 at Mumbai at SEBI Bhavan to assess the preparedness of industry and to arrive at a roadmap for convergence. The meeting was chaired by Shri Anurag Goel and was attended by Shri C.B. Bhavne, Chairman, SEBI, Shri Y.H. Malegam, Chairman, NACAS, Shri Mohandas Pai, Director, Infosys, Smt. Usha Thorat, Deputy Governor, RBI, Mr. Kannan, Member, IRDA, Mr. Uttam Agarwal, President, ICAI and other senior government officials, CFOs of the industries, representatives of ICAI, IBA and other stakeholders.

There were detailed deliberations on the presentations made by the two sub-groups on various implementation challenges especially those related to legal and accounting framework and transitional issues. Further, sector specific challenges especially in the banking, insurance, shipping, small & medium enterprises were also discussed. The ICAI presented the details of a comprehensive capacity building programme which the Institute is carrying on to prepare the CA profession for this transition and stated that a large number of professionals have undergone training and the process is being accelerated. The Chairman of the Accounting Standards Board of ICAI placed on record that the convergence project is at an advanced stage of completion. CFOs present in

the meeting stated that industry was getting prepared though there were some concerns from smaller companies. They also requested amendments to the Companies Act and other Regulations and also the early exposure of accounting standards which are IFRS compliant, to enable them to prepare for meeting the deadline.

The discussions were encouraging and witnessed strong support for convergence from all participants in the meeting. The Core Group expressed satisfaction about the progress in developing necessary capacity and capability to bring about the convergence and decided to accelerate efforts to engage with more stakeholders in this process. The Core Group expressed confidence in the issuance of the roadmap at an early date for convergence to enable adherence to the targeted date of 2011.

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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.

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