International Accounting Standards Board (IASB) wants full IFRS adoption in India

The International Accounting Standards Board (IASB) has requested the government to adopt the global accounting standards IFRS in toto or at least allow companies to voluntarily do so and not go ahead with the convergence approach.Stating it is in India"s own interest to adopt the International Financial Reporting Standards (IFRS, as India"s problems will soon be the problems of the global community too, IASB Board member Prabhakar Kalavacherla said "we (IASB) strongly encourage adoption as against convergence."

"If this is not possible," he said over the weekend here, "to begin with please give domestic companies the option of full IFRS adoption while keeping the carve-outs. Let the market decide what is correct. In five years, India can revisit the issue and see what should be done."

"Secondly, India needs to get more actively involved in the global standard-setting process (on accounting)."

The London-based IASB is the global accounting body that is spearheading implementation of the new financial reporting standards across the globe. The move for IFRS implementation got a leg-up after the financial meltdown when the G-20 Governments agreed to usher in a more robust and common language for financial reporting for better stability.

In February this year, the government had postponed convergence of Ind AS (the modified Indian version of the IFRS) with the international standards, following lobbying by corporates, and unresolved taxation issues. Earlier, the Government had announced converge from April 1, 2011 in a phased manner