

## VISIT : [SJ MENTORSHIP GROUP](#)

Here's a clear and simplified comparison of Indian vs. Foreign Accounting Standards — especially IFRS, US GAAP, UK GAAP, and Indian Accounting Standards (Ind AS) — ideal for students, Indian CAs, and those entering foreign accounting:

### Difference between Indian & Foreign Accounting Standards

Point of Comparison	Indian Accounting Standards (Ind AS)	IFRS (International)	US GAAP	UK GAAP
<b>Framework Base</b>	Based on IFRS with some modifications	Principles-based	Rules-based	Principles-based
<b>Issued By</b>	MCA & ICAI (India)	IASB (International Accounting Standards Board)	FASB (Financial Accounting Standards Board)	FRC (Financial Reporting Council - UK)
<b>Applicability</b>	Companies in India as per thresholds	Used in 140+ countries	Primarily USA	UK-based companies
<b>Inventory Valuation</b>	Lower of Cost or NRV (FIFO, Weighted Avg)	Same as Ind AS	LIFO allowed (only under US GAAP)	Similar to IFRS
<b>Revenue Recognition</b>	Ind AS 115 (aligned with IFRS 15)	IFRS 15	ASC 606	FRS 102 (similar in intent)
<b>Leases</b>	Ind AS 116	IFRS 16	ASC 842	FRS 102 (Section 20)
<b>Financial Instruments</b>	Ind AS 109	IFRS 9	ASC 320–860	FRS 102 (Section 11/12)
<b>Development Costs</b>	Capitalized under conditions	Capitalized	Expensed (mostly)	Capitalized under certain rules
<b>Fair Value Measurement</b>	Ind AS 113	IFRS 13	ASC 820	Similar fair value approach
<b>Presentation of FS</b>	Balance Sheet, P&L, CF, Notes	Same as Ind AS	More detailed disclosures	Similar to IFRS
<b>Consolidation</b>	Ind AS 110	IFRS 10	ASC 810	Similar to IFRS

## ★ Key Highlights:

### ◆ Indian Accounting Standards (Ind AS)

- **Converged with IFRS**, but not identical
- Certain **carve-outs** for local conditions (e.g., treatment of government grants, foreign exchange)
- Mandated in phases based on net worth

### ◆ IFRS (International Financial Reporting Standards)

- **Global standard** in 140+ countries
- Used in **Europe, Middle East, Canada, Australia**
- More **principles-based**, allowing interpretation

### ◆ US GAAP

- **Highly detailed and rules-based**
- Dominates **American companies, SEC filings**
- Allows **LIFO** for inventory
- Different treatment in **revenue, leases, R&D**

### ◆ UK GAAP

- Based on **FRS (Financial Reporting Standards)**
- Small companies use **FRS 102**, medium/large may adopt **IFRS**
- Similar to IFRS but with optional simplifications



## What Indian CAs Need to Know:

- If you're handling **foreign clients**, you'll mostly encounter **US GAAP, IFRS, or UK GAAP**.
  - Learn **differences in revenue recognition, lease accounting, financial instruments, and disclosures**.
  - Most **outsourced bookkeeping** work is on **cash/accrual basis**, but **tax & reporting clients** may follow GAAP-specific adjustments.
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