

**IMPACT OF IFRS ON INDIAN ACCOUNTING STANDARDS
AND THE FINANCIAL PERFORMANCE OF INDIAN
CORPORATE**

A

Thesis

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in

(COMMERCE)

By

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DECLARATION

I solemnly affirm that the Doctoral Thesis entitled “IMPACT OF IFRS ON INDIAN ACCOUNTING STANDARDS AND THE FINANCIAL PERFORMANCE OF INDIAN CORPORATE” submitted for the doctorate award is entirely an original work carried out by me under the supervision of Dr. Balwinder Singh, faculty, ACSTI, Jalandhar and co- supervision of Dr. Nitin Gupta, Professor and Head, Mittal School of Business, Lovely Professional University, Jalandhar. All ideas and references have been duly acknowledged. It does not contain any work for the award of any degree or diploma at any university.

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CERTIFICATE

I hereby certified that Parmjot kaur has completed her PhD research work on the subject accounting and finance on the topic entitled “IMPACT OF IFRS ON INDIAN ACCOUNTING STANDARDS AND THE FINANCIAL PERFORMANCE OF INDIAN CORPORATE” under my guidance and is being submitted to Lovely Professional University, Jalandhar for the award of degree of Doctor of Philosophy. To the best of my knowledge, the present work is the result of her original investigation and study. No part of the thesis has ever been submitted for any other degree or diploma at any university.

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Dr. Nitin Gupta

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ABSTRACT

Financial Accounting is a business language that aids communication of financial positions and profits to all concerned stakeholders. Accounting professionals have imparted predetermined principles and methods for the presentation of an agreed view for good accounting practices by accounting professionals' bodies and are generally referred to as generally accepted accounting principles (GAAP). The need for the common accounting principles becomes clearer when we contemplate the chaotic conditions that would prevail if every accountant could follow his principles about measuring revenue and expenses.

Accounting standards make an effort to limit the theoretically possible flexibility and to give practitioners realistic working guidelines. If an existing standard is not suitable for the individual circumstances of the particular business, then alternative practice regarded as more suitable can be adopted. It is important to recognize that if standards are neither acceptable nor enforceable but still enforced, then they do not make a meaningful sense. The enforcement is initially essential because if standards are not made compulsory, they lost their utility and ceased to be standards.

To maintain uniform accounting principles, procedures and conventions throughout the world, International Accounting Standard Committee (IASB) came into being on 29th June, 1973, when 16 accounting bodies from 9 nations (USA, Canada, UK, Australia, France, Germany, Japan, Mexico and neither land) signed the agreement and constitution for its formation. The committee's headquarters were in London. (Jain and Narang, 2005).

The increasing demand for Globalization over the last few years has forced most of the nations of the world to the adoption of comparable and constant accounting standards. During these days, IFRS has gained worldwide acceptance and used over 120 countries. Therefore, it is necessary to adopt or converge with IFRS to be a globalized economy.

"IFRS is one of the biggest revolutions in the accounting industry. Before deciding to change from local GAAP to IFRS, a worldwide survey was conducted by the International Accounting Standard Board (IASB). 143 experts from 91 countries participated in the survey and 90% opined that a common set of accounting standards was essential. The changeover from GAAP to IFRS is the need of the hour as many major countries are survived over to it. More than 100 countries across the world had accepted their change to all about standardization in the overall accounting reporting."(Vineetha, 2009)

This research study attempts to know the impact of IFRS on Indian Accounting standards and the financial performance of the Indian corporate. The study also tried to know the perceptions of accounting professionals towards IFRS implementation in India. To accomplish the objectives one by one the researcher used different statistical and accounting techniques according to the need of the objectives.

OBJECTIVES OF THE STUDY:

1. To study the perceptions of accounting professionals regarding pre – IFRS (expected) and post –IFRS (observed) implementation in India.
2. To evaluate the performance of the Indian corporate sector in the pre and post IFRS implementation scenario.
3. To study the differences between Indian GAAP, IFRS, and Ind AS.

4. To compare the performance of public and private sector companies under Indian GAAP and IFRS in India

SCOPE OF THE RESEARCH

This research study is based on the International Financial Reporting Standard, which is a new milestone in the history of accounting. This study is about the convergence of the Indian GAAP to IFRS and its impact on the Indian corporate sector. The study also analyzed the perceptions of accounting professionals towards IFRS implementation in India. This study examined the financial statements of selected Indian companies under I GAAP and IFRS for performance analysis and to study the impact of IFRS on the financial performance of the companies.

This study is significant because the developing economies are going abroad to increase profitability and India is one of them. Therefore, the Indian economy has to comply with IFRS. This gives importance to the use of IFRS being single accounting standards across the globe. This study will expand the field of review and related studies. This study will be beneficial for corporate owners, investors and users of financial information of the companies.

IMPORTANCE OF THE STUDY

Past literature showed that many researchers studied the convergence of local GAAP to IFRS in different countries including India. However, no one has discussed the reasons for the delay of IFRS implementation in India. Consequently, this research attempts to study the implementation of IFRS in India and its impact on the financial performance of the corporate sector. This study will address the reasons for the delay of IFRS implementation in India. This study

is about the convergence of Indian GAAP to IFRS and its impact on the Indian corporate sector. The study also analyzed the perceptions of accounting professionals towards IFRS implementation in India. This study examined the financial statements of selected Indian companies under I GAAP and IFRS for performance analysis and to study the impact of IFRS on the financial performance of the companies.

NEED OF THE STUDY

The researcher selected this study, as IFRS is the recent modification in the accounting history in India. All the companies used accounting standards to evaluate their financial performance at the end of the financial year. Therefore, this is the need of the time to study the impact of IFRS on Indian accounting standards and the financial performance of Indian corporate.

The goal of this research study was to define accounting professionals' perceptions regarding the implementation of IFRS in India. This study identified the perceptions regarding IFRS implementation based on two periods i.e. before implementing IFRS and after implementation of IFRS. In both periods (before and after the implementation of IFRS), respondents have a positive perception regarding IFRS implementation in India. Hence, there is a slight reduction in the number of respondents after the implementation of IFRS who have positive perceptions regarding IFRS implementation since the highest number of respondents has positive perception.

We had converged our accounts with IFRS with half preparedness and less knowledge that is why the date for transition was shifting forward and it would be harmful to implement IFRS with less knowledge. IFRS could bring a great change in earnings due to fair value accounting. Any accounting change will not impact the real economic profit, this will change the way of presentation and disclosure

practices of accounting information and due to these changes in accounting treatment, the profitability will be affected. IFRS will facilitate various areas such as cross border takeover, share-based payments etc.

The present study founded that there is no significant difference between profitability by applying statistical tools as per IFRS and Indian GAAP and the null hypothesis is satisfied in most of the cases. However, statistical tools accept the null hypothesis between profitability as per Indian GAAP and IFRS still there is a significant difference between various profitability measures. The percentages of differences are very short, but amounts are significantly changed and are material in nature, which can affect the decision of any decision-maker. Private sector companies and banking sector companies are highly affected due to the convergence process.

On comparing the performance of public and private sector companies under I-GAAP and IFRS, the present study founded that net profit and ROCE of public and private sector companies are negatively correlated in the case of most of the cases. However, while considering the correlation of ROSF and Basic EPS, there is a negative correlation between public and private sector companies of pharmaceutical and IT industries and a positive correlation between public and private sector companies of telecom industries and results are varied in the case of banking industries.

The newly framed Indian AS is the converged form of IFRS and ICAI and MCA have accepted most of the provisions of IFRS as it is. Almost all the provisions are the same in the case of Ind AS and IFRS. Therefore, it is a good thing about Ind AS that we have not any major changes in I GAAP. There are significant differences between IFRS and Indian GAAP. Indian Accounting Standards have not kept pace with changes in IFRS. This is because Indian Standards remain sensitive to local conditions, including the legal and economic environment.

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LIST OF ABBREVIATIONS

Sr .No	Abbreviations used	Extended form
1	AAA	American Accounting Association
2	AICPA	American Institute of Certified Public Accountants
3	AS	Accounting Standard
4	ASB	Accounting Standard Board
5	ASB, India	Accounting Standard Board, India
6	ASB,UK	Accounting Standard Board, UK
7	ASC, Canada	Accounting Standard Committee, Canada
8	BRIC	Brazil, Russia, India and China
9	BSE	Bombay Stock Exchange
10	BSNL	Bharat Sanchar Nigam Limited
11	CA	Chartered Accountants
12	CEO	Chief Executive Officer
13	CS	Company Secretary
14	CWA	Cost and Work Accountants
15	EPS	Earnings Per Share
16	EU	European Union
17	FASB	Financial Accounting Standard Board
18	FDI	Foreign Direct Investment
19	GAAP	Generally Accepted Accounting Principles
20	HAL	Hindustan Antibiotics Limited
21	HCL	Hindustan Computers Limited
22	HDFC	Housing Development Finance Corporation
23	IAS	International Accounting Standards

24	IASB	International Accounting Standards Board
25	IASC	International Accounting Standards Committee
26	ICAI	Institute of Chartered Accountants of India
27	IFAC	International Federation of Accountants
28	IFRS	International Financial Reporting Standards
29	Ind AS	Indian Accounting Standards (converged)
30	I GAAP	Generally Accepted Accounting Principles in India
31	IT	Information Technology
32	Ltd.	Limited
33	MCA	Ministry of Corporate Affairs
34	MNCs	Multinational Companies
35	NACAS	National Advisory Committee on Accounting Standards
36	NBFC	Non Banking Financial Companies
37	NP	Net Profit
38	PE Ratio	Profit Earning Ratio
39	PRC	People Republic of China
40	ROA	Return on Assets
41	ROCE	Return on Capital Employed
42	ROE	Return on Equity
43	ROSF	Return on Shareholder's fund
44	SBI	State Bank of India
45	SEC	Securities and Exchange Commission
46	SMEs	Small and Medium Sized Enterprises
47	UK	United Kingdom
48	USA	United State of America

CHAPTER 1

INTRODUCTION

Accounting is a vital stone in the history of the business. It facilitates all the economic activities of a business be it a private sector, public sector or nonprofit sector. Financial Accounting is a business language that aids in the communication of financial positions and profit to all concerned people and parties. In all the countries, the accounting professionals have provided predetermined principles and methods for the representation of an agreed view for fair accounting practices known as local GAAP. The common accounting principles happen to be a necessity when we faced the disorganized accounting statements due to use of different principles to measure the revenue and expenses.

AAA defines accounting as “the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information.”

Accounting is an exceedingly preferred business language. This dialect makes a straightforward exploration of the financial operations of businesses. In the absence of accounting actions, it is very troublesome to be aware of the financial information of a financial establishment. The financial information proves successful only with the basic accounting principles and concepts. These concepts are known as GAAP and used as the foundation of accounting.

Every organization keeps up with the prescribed methods and procedures to prepare its financial statements. Therefore, it may be possible that these methods will differ from one organization to another organization. So the need for the common accounting principles aroused for uniformity in income statements. It is the selection of prescribed methods and accounting conventions along with the

principles, which measures the accounting transactions, to be called as accounting standards.

Accounting standards are written documents that lay down the policies framed by expert statutory authorities and different regulatory authorities who cover the required aspects of the presentation and revelation of the financial statements.

Accounting standards endeavor to bind the flexibility and to give practitioners sensible working rule if an existing standard is not appropriate to the individual situation of the particular business, then substitute practice regarded as more suitable can be adopted. It is important to recognize that whether the standards are acceptable or enforceable. If standards are neither acceptable nor enforceable but still they are enforced then they do not make any meaningful sense. The enforcement is initially essential because if standards are not made compulsory, they lost their utility and ceased to be standards.

Accounting standards made accounting practices easier than before. Now, accounting standards are considered as a cornerstone in the reporting of financial and accounting information. It helps practitioners to apply the most suitable accounting practices for the circumstances covered.

Financial performance defines the financial position of the company for a certain period with the inflow and outflow of the finance. It is a measurement of how well a firm can use its assets from its mode of business and earn revenues. The financial performance of the company is essential to measure management as the individuals and groups within the organization that contributes towards the financial objectives of the company.

Financial performance analysis is the process of determining the operating and financial characteristics of a firm from accounting and financial statements. The goal of such analysis is to determine the efficiency and performance of firm's management as reflected in the financial records and reports. The financial

performance analysis is the key priority in all economic decisions of the company. It helps to determine the outcomes of the company from the input resources and the efforts of the managements. It reflects whether the outcomes are satisfactory or not? An investor is always concerned about the company's financial performance analysis as it helps in assessing the operational efficiency and managerial effectiveness of the company.

1.1 EVOLUTION OF ACCOUNTING STANDARDS

Earlier traders and trading groups were bound to satisfy a peer group only. However, during these days, millions of investors and groups invest in companies all over the world and the business organizations are legally bound and responsible to all the investors and groups. Thus, there is a need for accounting standards to ensure that there are no differences in accounting approach and the methods to present the income statements. The global trends are constantly changing and unpredictable.

The parties who are interested in disclosure must have to trust the available financial information. So Accounting principles are formulated to prescribe the rules and regulations of accounting reporting practices to companies working in the global business scenario.

1.1.1 International Level

Accounting standard may be defined as a written statement issued by different accounting professional institutions like ASB, India; FASB; ASB, U.K; ASC, Canada etc.

Besides these institutions/ bodies, International Accounting Standard Committee has been formed at an international level for the formulation of accounting principles in the interest of users of accounting information. These principles are

to be observed while presenting the income reports for promotion of worldwide to capitulate and monitored standards.

The evolution of IAS started in 1966 with a suggestion to set up a worldwide study group. In 1967, the International accountants' group was formed.

To maintain uniform accounting principles, procedures and conventions, throughout the world, IASC came into being on 29 June 1973, with the authorized permission of 16 accounting bodies from different nations. (K.L.Narang, 2005)

The IASC has mainly aimed to the formulation in the interest of public and monitoring standard to be in the presentation of reports, which are audited and promoted for their worldwide attention. IASC made a choice of subjects based on required uniformity and standardization and prepared a draft for financial information and finalizes the draft after circulation to member for their views in respective countries from the date notified by international accounting standard committee.

IAS does not have any legal authority to acquire compulsive associated to legislation. IAS does not impose any legal obligations for presenting statements to adopt the same. Some developing countries such as Pakistan, Malaysia, Malawi, Singapore, & Zimbabwe are using international standards as their local standards. In addition, these standards are forming the basis of research for national standards in some countries. (K.L.Narang, 2005)

1.1.2 National Level

While considering the international developments of accounting, the congress of ICAI constituted the ASB in April 1977, while recognizing the need to harmonize the accounting policies and practices for preparation of income statements, which

will be common/ uniform for all the enterprises in the same industry or different industries.

The role of ASB is the formulation of accounting standards that would be incorporated by the administration of ICAI. During the formulation of the standards, ASB put emphasize on the pertinent laws, usage, customs and prevailing business atmosphere and also given required importance to International Accounting Standards and clubbed them to maximum possible degree with Indian accounting practices.

The establishment of ASB itself marked a commendable effort by ICAI in its endeavor to formulate and harmonize accounting practices, and has played a crucial role in corporate practices for preparation and appearance of income statements. It has been stated by ICAI that accounting standards are the authorities to maintain and present the income of the enterprise in financial records. Accounting Standards are the guide to the accounting profession.

1.2 NEED/ EMERGENCE OF ACCOUNTING STANDARDS

Every economic entity follows an accounting cycle commencing from journal book to financial statements and such a process is adopted to view the financial position of a concern and to communicate various agents concerning to entity/ concern. However, before communicate these accounting results to various parties, the books should be audited by accounting professionals/ auditors, who do the attestation function by issuing their certificate named “auditors’ report”. Once they prepare an audit report of a company, that company’s annual report becomes a legal document or report used and becomes a valid document. An annual report is a communicative tool and informative instrument. Since the annual report has vast capability in society, but due diligence has to take while presenting final statements, so about this, the need for AS has arisen for valid reporting of income statements.

Accounting standards are required to avoid the variances/ differences, which might be aroused between the accounting principles and practices, and to maintain uniformity and diversity among the various principles of accounting.

As an accounting standard provides guidelines to specific issues in accounting and reporting. So if these guidelines are uniformly applied to all over the country or world by different industries or different enterprises in the industry. It becomes easy to compare similar enterprises at national or international level. Investors can make wise and rationale decisions if the financial statements in all the countries are following the uniform accounting principles and reporting guidelines.

There are some reasons, which define the need of accounting standard formulation. These are:

1. To compare the financial position of two firms, it is necessary that both the firms following an identical method of accounting reporting.
2. The firms cannot present their accounts in their own way. There is a prescribed methods defined by accounting principles to follow by an entity or entities for financial reporting.
3. The accounting standards recognize a principle of uniformity and equity applicable for the parties, which are interesting.

Thus, the reasons for setting the standards are nothing but maintaining uniformity and consistency in financial reporting and in order to maintain fair, transparent and consistent accounting information, which satisfied the users of that information.

1.3 ACCOUNTING STANDARD SETTING PROCESS

All the countries of the globe, have established their accounting principles and it poses a problem to the MNCs. National standard setting bodies like FASB of the U.S, ASB of U.K and ASB of India generally formulate accounting standards in a manner to comply with the policy of IASB after taking into account the prevailing laws of the respective country. In India, the council of ICAI, recognized the requirement to harmonize the financial reporting practices and policies and to integrate them with the global standards, established by ASB in April 1977, while formulating accounting standard in India.

Before standard- setting by ASB. The following tasks must be performed:

- Formulation of the standards by ICAI,
- Circulation of formulated standards and enforced those standards to interested parties,
- Issue a note of guidelines and clarification about a particular standard,
- Give a timely review to the formulated standards,
- The clear terminology used in accounting standards;
- Examine various alternatives.

The code of ASB gives accurate representation to all interested parties and it consists of representatives of industry associations, banks and public enterprises. Special care is also taken to involve experts in the relevant fields even at the time of preparation of preliminary drafts by study groups at regional centers.

The process of formulating the accounting standards is assigned to certify the role of all those parties and professional bodies. The procedure for standard setting can be explained through the following steps:

- Identification of broad areas for formulation of accounting standards by ASB.

- Make a draft with a meeting of different expertise in that area.
- Consideration of drafts and revision, if required.
- To discuss on a draft of the proposed AS with council.
- Finalization of drafts and comments are invited from users,
- Consideration of comments and finalization of the draft
- Finalized the draft after modifications.

ASB gives wide publicity amongst the users and regularly communicates with public and private sector organization, educational institutions about the issuance of accounting standards for their co-operation in propagation and implementation of particular accounting standards.

1.4 GLOBALIZATION OF ACCOUNTING STANDARDS

Earlier, all the countries have their local GAAPs as accounting principles, which are to be considered while making the accounting reports. Currently, everyone is running towards a globalized business and in a race to compete with other economies. Especially developing economies are in a race to be a developed economy by setting their business at the global level.

Accounting standards are set of both national and international levels. Since there is a spectrum of accounting standards established by different countries and it poses a serious problem to MNCs. Therefore, it would be beneficial to adopt globalized accounting standards to maintain uniformity and consistency of accounting policies all over the world. A company doing business in more than one nation and found difficulty to comply with multiple standards if valid differences exist among the different set of accounting policies/ standards.

Over the past decade, a business has continued to grow more and more globalized and need to communicate at the global level also increase. Therefore, there is a

globalization of income statements as the statement produced by an entity in one country is used in another country. There is a requirement of globalization of accounting principles and procedures to maintain uniformity in income statements and enhance the comparability of different statements. To make the world a global market, IASB framed IFRS for maintaining uniformity in worldwide Accounting.

1.5 INTERNATIONAL FINANCIAL REPORTING STANDARDS

Now we are in the age of multinational trade and the dependence of economies on one and another. Now, all countries not accessing only their own country's capital but others as well. Due to this globalization, companies are recognizing the requirement of unique and solo standards.

Therefore, a historical milestone is occurring in reporting. In the past, all the countries used their national GAAPs or followed standards set by larger countries. However, this situation is changing in these days. A single set of rules, called IFRS, is now being used by more than 100 economies.

IFRS is a collection of premium reporting standards or global accounting standards developed by IASB. IFRS provide some of the biased information from financial reporting and statements based on consistency and reliability. In the history of accounting, the financial and accounting sectors of different nations had developed their own GAAPs. The arrival of IFRS changed the way companies work.

IFRS are practically principle-based standards and a framework, which was adopted by IASB. These standards are global standards in order to prepare the income statements of the company.

“International Financial Reporting Standards (IFRS) are designed as a common global language for business affairs to make company accounts; understandable

and comparable across international boundaries. They are a consequence of growing international shareholding and trade and are particularly important for companies that have dealings in various countries. They are progressively replacing the many different national accounting standards. The rules to be followed by accountants to maintain books of accounts which are comparable, understandable, reliable and relevant as per the users internal or external.”

1.6 CONVERGENCE TO IFRS

“IFRS is one of the biggest revolutions in the accounting industry. Before taking a decision to change from local GAAP to IFRS, a worldwide survey was conducted by the International Accounting Standard Board (IASB). One hundred forty three experts from 91 countries participated in the survey and 90% opined that a common set of accounting standard was very much essential. The changeover from GAAP to IFRS is the need of the hour as many major countries are survived over to it. More than a 100 countries across the world had accepted their change in order to all about standardization in the overall accounting reporting.”(Vineetha, 2009)

IFRS is a collection of premium standards developed by IASB. IFRS provides some of the biased information from financial reporting and presentation of income statements based on consistency and reliability. For the past few years, most of the financial and accounting sector of different nations had developed their GAAP as per their needs and purposes. The arrival of IFRS has changed the way companies work.

Increasing of global interaction culture has changed the system of global business / international market, has not spared the reporting standards and felt a need for universal standards. Today, all the users of the information and interested parties are looking for global opportunities but the differences in national GAAPs acts as a barrier. So willing investors and the multinational companies do not comply

with multiple accounting standards in different countries at a time. Thus, move of local GAAP to IFRS comes into reality all over the world.

1.7 NEED FOR CONVERGENCE TOWARDS GLOBAL STANDARDS

Earlier, all the countries have their local GAAPs as accounting principles that are to be considered while making the statements. Currently, in the era of globalization everyone is running towards a globalized business and in a race to compete with other economies. Especially developing economies are in a race to be a developed economy by setting their business at the global level.

The increasing demand of globalization over the last few years has force the most of the nations of the world for the adoption of really comparable and constant accounting standards. During these days, IFRS has gained worldwide acceptance and used over 100 countries. Therefore, it is necessary to adopt or converge with IFRS to be a globalized economy.

“Modern economies rely on cross-border transactions and the free flow of international capital. More than one-third of all financial transactions occur across borders, and that number is expected to grow.”

“Investors seek diversification and investment opportunities across the world, while companies raise capital, undertake transactions or have international operations and subsidiaries in multiple countries.”

“In the past, such cross-border activities were complicated by different countries maintaining their own sets of national accounting standards. This patchwork of accounting requirements often added cost, complexity and ultimately risk both to companies preparing financial statements and investors and others using those financial statements to make economic decisions.”

“Applying national accounting standards meant amounts reported in financial statements might be calculated on a different basis. Unpicking this complexity involved studying the minutiae of national accounting standards, because even a small difference in requirements could have a major impact on a company’s reported financial performance and financial position—for example, a company may recognize profits under one set of national accounting standards and losses under another.”

“IFRS Standards address this challenge by providing high quality, internationally recognized set of accounting standards that bring transparency, accountability and efficiency to financial markets around the world. IFRS Standards bring transparency by enhancing the international comparability and quality of financial information, enabling investors and other market participants to make informed economic decisions. IFRS Standards strengthen accountability by reducing the information gap between the providers of capital and the people to whom they have entrusted their money. Our Standards provide information that is needed to hold management to account. As a source of globally comparable information, IFRS Standards are also of vital importance to regulators around the world. Moreover, IFRS Standards contribute to economic **efficiency** by helping investors to identify opportunities and risks across the world, thus improving capital allocation. For businesses, the use of a single, trusted accounting language lowers the cost of capital and reduces international reporting costs.”(www.ifrs.org)

1.8 WORLDWIDE ACCEPTANCE OF IFRS

“A survey carried out in late 2007 by the IFAC, (www.ifac.org) concluded that a greater part of accounting selected authorities all over the world approved the distinct bundle of standards at the global level, which is vital for economic development. Ninety-one respondents from the 143 leaders reported that IFRS

was “very important” or “important” for economic growth in their countries. - a report by IFAC”

All business and individuals increasingly make decisions at the global level. IFRS focused on improving reporting at international level by implementing transparent and high-quality reporting standards. In the present, increasing globalization of an economy offers a globalized base for business decisions. Therefore, it formed a base for global convergence of local GAAP to IFRS to maintain uniformity and consistency in reporting standards.

As universal financial reporting is imperative in globalized market, the need for the common accounting principles was being felt over the years. As the need for the uniform standardized financial reporting was felt, and the countries over the world decided to move towards convergence with IFRS.

“In 2001 IASC was reconstituted into IASB, an independent accounting standard-setter body in the world. In 2002, met jointly and agreed to work together to improve and converge US GAAP to IFRS. Also the European Union (EU) adopted legislation required all listing companies to prepare financial statements using IFRS from 2005 onwards, and becomes the first major capital to require IFRS as universal accounting standards.”

“Australia, New Zealand and Israel have essentially adopted IFRS as their national standards. Brazil started using IFRS in 2010. Canada adopted IFRS in full on jan1, 2011. Mexico will require the adoption of IFRS for all listing companies starting in 2012. Japan is working to achieve IFRS convergence for the fiscal year beginning April 1, 2010 and decided the mandatory use of IFRS is to be made around 2012. Hong Kong has adopted national standards equivalent to IFRS and China is converging its AS with IFRS. Other countries have planned to adopt IFRS or convergence of their national standards with IFRS.”
(www.pcfir.org)

1.9 INDIAN STATUS OF IFRS CONVERGENCE

Earlier each country had its own generally accepted accounting principles for the presentation of financial statements. With the synchronization of the economic world, a need was felt for having uniform rules for depicting financial results and position. IFRS are considered as a single business language in the world.

Now a day's world means of communication have reduced the distance among people settled so far from each other. Similarly, the changing economic environment is making it lucrative for business entities to spread their business beyond the geographical boundaries of their nations. The need for expanded market and customer relationship supported India to explore the international markets and to set up their businesses outside India. Thus, similarly, business entities are not confined to the boundaries of one nation, and so globalized markets opened new opportunities to foreign nationals to India.

India had decided to be in line with other countries regarding the adoption of the IFRS at the earliest. ICAI, regulating bodies in India had fixed 2011 deadlines for adopting IFRS system. However, it has not been adopted in India on the said date. The ICAI formulates accounting and auditing standards and for the healthy and coordinated development of the country as well as of the accountancy profession.

The manpower of India is very qualified and competent. However, they should be well qualified and learned about global financial market in order to produce the available capital from worldwide sources. Indian accountants are indeed as competent as their counterpart, therefore the key area to be look into their knowledge to impart the suitable training on IFRS and make them acquire extra certification having international recognition.

In India, the accounting professionals are not well trained for implementing these standards. IFRS will be difficult to considerate with it's the complexities, which will tend to enhance the probability of convergence. However, IFRS can be

certain for the Indian companies for approaching changes in accounting policies and reporting procedure in advance. It will help to manage the market as well as shared expectations.

“The Ministry of Corporate Affairs (MCA) had earlier notified Ind AS was not notified, as per the press release issued by MCA, primarily due to tax implications. Since then the parliament has passed the New Companies Act, 2013, which is in the process of notifications by the MCA. The new act has introduced various new provisions, including the requirement to prepare consolidated financial statements, which would facilitate the implementation of Ind AS converged with IFRS.” (www.mca.gov.in)

“The recommendations of ICAI to implement Ind AS for preparation of only the consolidated financial statements would have the advantage that Ind AS would have no tax implications as well as implications for computation of managerial remuneration and dividend distribution etc., since, for these purposes, the existing notified accounting standards would continue to be used as is the practice in almost all countries that have adopted or converged with IFRS. The council of the ICAI, at its meeting, held on March 20, 2014, has finalized 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 a net worth in excess of rs. 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 Institute of Chartered Accountants of India (ICAI) has already given a tentative roadmap for implementation of IFRS standards to the Corporate Affairs Ministry. All companies having a net worth of over Rs 1,000 crore should

implement IFRS from April 1, 2015. Those having a net worth of over Rs 500 crore and up to Rs 1,000 crore, IFRS has to be implemented from April 1, 2016 and for companies, having a net worth of below Rs 500 crore but listed, the timeframe would be April 1, 2017” (www.mca.gov.in). “However, this roadmap is not for banking, insurance and NBFC companies.” (Economic Times, April 02, 2013)

1.10 IMPACT OF IFRS AROUND THE WORLD

International Financial Reporting Standard is a unique set of accounting standards to understand and compare the financial positions of an entity around the world. These standards are the result of growing global shareholding and businesses. This is a very essential step for companies that have dealings in various countries.

IFRS gradually replaced the local GAAPs. The set of laws to be followed by the professionals to maintain books of account, which are comparable, comprehensible, trustworthy and appropriate as per the users internal or external. IFRS began as an endeavor to synchronize accounting across the European Union. This quickly made the concept attractive around the world.

An advanced economy relies on multinational transactions across borders. Above thirty percent economic activities of a nation happened across borders and this is rapidly increasing.

“Applying national accounting standards meant amounts reported in financial statements might be calculated on a different basis. Unpicking this complexity involved studying the minutiae of national accounting standards, because even a small difference in requirements could have a major impact on a company’s reported financial performance and financial position—for example, a company may recognize profits under one set of national accounting standards and losses under another.”

“Changing to IFRS Standards does not come without cost and effort. The companies reporting will generally need to change at least some of their systems and practices; investors and others using financial statements need to analyze how the information they are receiving has changed; and securities regulators and accounting professionals need to change their procedures.

But academic research and studies by adopting jurisdictions provides overwhelming evidence that the adoption of IFRS Standards has brought net benefits to capital markets”. (www.ifrs.org)

European Commission, 2015, stated, “IFRS was successful in creating a common accounting language for capital markets.”

Australian Accounting Standard Board, 2016 “provides the evidence which suggests that that IFRS Standards adoption has largely been positive for listed companies.”

Korean Accounting Standard Board, 2016 stated “IFRS adoption affected positively in reducing investment risk in domestic firms, in mitigating the 'Korea discount' and in attracting foreign capital via the overseas stock listing, bond issuance or M&A.”

“In Japan, where the use of IFRS Standards has been voluntary since 2010, a report by the Japanese Financial Services Agency identified business efficiency, enhanced comparability and better communications with international investors as the main reasons why many Japanese companies had chosen to adopt IFRS Standards.”

“IOSCO recognized the benefits of global Standards when, in the year 2000, it recommended to its members that they allow IFRS Standards to be used on their exchanges for cross-border offerings.”

In India, “ICAI believes that Ind AS implementation has provided better insights into the financial affairs of the companies and Ind AS based financial statements reflect the underlying economics of the transactions/ events in a transparent and unbiased manner. It has also improved the comparability and benchmarking of the financials of the Indian companies with global peers, thereby improving the accessibility of Indian companies to global markets.”

IFRS Foundation stated, “Our mission is to develop IFRS that bring transparency, accountability and efficiency to financial markets around the world. Our work serves the public interest by fostering trust, growth and long term financial stability in the global economy.”

IFRS specifies the need to maintain the financial accounts of the businesses along with the methods to present the accounts to investors, public and other users of financial information of the companies. IFRS is the international accounting standards with worldwide acceptance as common accounting standards across the world. IFRS changed the way how the companies work and also changed the methods of presentation of their information. IFRS provides various benefits along with some drawbacks to the worldwide economy. Benefits of IFRS are like Transparency, Accountability and Efficiency, lower cost of capital, cross border acquisitions, improved flow of capital more reliable and relevant financial information etc. And the challenges faced on the way of IFRS are like the difference in GAAP and IFRS, Legal Consideration, taxation effects, fair value measurement etc.

Thus, IFRS strongly impacted the worldwide economy and financial position of the companies as some scholar suggested like (Achalapathi & Bhanusiresha, 2015) recommended that IFRS convergence leads to increase in liquidity, profitability and valuation ratios and this increase is statistically significant. (Das & Saha, 2017) suggested the absolute difference in the quantitative indicators

calculated as per financial statements which were prepared under I GAAP and IFRS. (Prabhu, M & Harshita, R., 2016) suggested IFRS as an easy adoption as there were no significant differences in financial reporting under I GAAP and IFRS. (Bedia & Shrivastava, 2020) observed a positive effect on the value relevance of financial reporting. (Kalra & Vedia, 2016) concluded that IFRS adoption did not have a significant impact on asset turnover ratio, fixed assets turnover ratio, return on assets, net profit margin, receivable turnover and return on equity. (Revannaya, K & Panduranga, v., 2017) suggested that total assets and total equity under IFRS are higher than that of GAAP but total liabilities under IFRS are lesser than that of I GAAP. (Veronica & Lonel, 2010) suggested that IFRS lead to significant improvement in Romanian Accounting System and provided a better quality of reported accounting information.(Tsalavoutas, 2010., Goodwin et al, 2007., Shukla, 2015., and Ahmed et al , 2012) provided the significant contribution of IFRS to the financial performance of the companies. (Sambaru,M and Kavitha, D. N., 2014) examined the significance of IFRS in Indian business surroundings and stated that IFRS brings transparency in the Indian business environment and benefits to all the users and related parties of business information.

1.11 NEED OF THE STUDY

The IASB specified the methods of recording and reporting of financial information. IFRS gained momentum from the beginning of its concept and brought a great change in accounting history worldwide. This present study is about to evaluate the changes due to IFRS in accounting. The researcher attempt to know how acceptance of IFRS affects Indian accounting standards. The researcher studied various reviews of different countries on IFRS, some had done perceptual studies, some had done performance evaluation, and some studied

states the differences in national GAAP and IFRS. But hardly found any study which gives the performance evaluation of companies under national GAAP & IFRS both for the same years.

Past literature showed that many researchers studied the convergence of local GAAP to IFRS in different countries including India. But no one has discussed the reasons for the delay of IFRS implementation in India. Therefore, this study is an attempt to study the implementation of IFRS in India and its impact on financial performance of corporate sector. This study addressed the reasons of delay of IFRS implementation in India.

This study considered the financial performance of different public and private sector companies from different industries and compared the financial measures under I GAAP and IFRS. This study also compared the financial performances of public and private sector companies under IGAAP and IFRS.

Scope of this research is to study the convergence of Indian GAAP to IFRS and their effects on the financial performance of Indian corporate sector. This study is limited up to accounting policy and presentation of the financial reports as per the IAS and IFRS. This study will expand the field of review and related studies.

This research study is consisting of seven chapters from introduction to conclusions.

Chapter 1 is the basic introduction of the theme of this research study.

Chapter 2 containing the literature review; the past literatures studied about the same theme and used as a reference for this study.

Chapter 3 is about the research methodology used in this study.

Chapter 4 is about the impact of IFRS on the financial performance of Indian corporate.

Chapter 5 is about the perception of accounting professionals towards IFRS.

Chapter 6 states the difference between Indian Accounting Standards, IFRS and Ind AS.

Chapter 7 containing results, findings, summary and conclusions of this research study.

CHAPTER 2

LITERATURE REVIEW

IFRS is one of the major changes in accounting. Before decided about to move from local GAAP to IFRS, a worldwide survey was conducted by IASB. 143 experts from 91 countries participated in the survey, and 90% opined that a universal set of accounting standards was essential. The shift from GAAP to IFRS is the need of the hour as many major countries survive. More than 100 countries across the world had accepted their change to all about standardization in the overall accounting reporting (Vinita, 2009)

IFRS is a collection of a premium standard developed by IASB. IFRS provides some biased information from financial reporting and presentation of income statements based on consistency and reliability .For the past few years, most of the financial and accounting sector of different nations had developed their GAAPs as per their needs and purposes. The arrival of IFRS has changed the way companies work.

Increasing global interaction culture has changed the global business / international market system, has not spared the reporting standards and felt a need for single standards. Today, all the users of the information and interested parties are looking for global opportunities but the differences in national GAAPs acts as a barrier. So willing investors and multinational companies do not act in accordance with multiple accounting standards in different countries at a time. Thus, convergence of local GAAP to IFRS comes into existence all over the world.

IFRS gained momentum from the beginning of its concept and brought a great change in accounting history worldwide. This present study is about to evaluate

the changes due to IFRS in accounting. The researchers attempted to know how acceptance of IFRS impacts Indian accounting standards. The researcher studies various reviews of different countries on IFRS; some had done perceptual studies, some had done performance evaluation, and some studied the differences in national GAAP and IFRS. However, hardly found any study that been the performance evaluation of companies under national GAAP & IFRS both for the same years.

Past literature provided the history of IFRS all around the world. Some studies showed the pros and cons of IFRS convergence, whereas some other researchers studied the IFRS's practical performance through financial statement analysis. Here are a few related to IFRS and its impact on financial performances.

2.1 LITERATURES RELATED TO COMPARISON OF GAAP AND IFRS

Akgun, A., (2016) examined the effects of IFRS on the process of financial reporting. The study also measured the effects of IFRS on businesses operating in the stock exchange of Istanbul. The researcher used a multi regression analysis for data analysis. The study concluded that IFRS provides results that are more accurate as compare to local standards. The results indicated that IFRS provided more useful information to investors and contributed positively to the companies' users' profitability.

Bova, F., (2008) studied the IFRS adoption in emerging markets and assessed the determinants of diversity with IFRS by using public and private Kenyan firms as a sample. The study concluded that a higher level of IFRS compliance and reporting quality was positively correlated with a public firm. In case of conflicts between GAAP and IFRS; private companies like to follow GAAPs, where as public companies follow IFRS. IFRS was positively correlated with foreign ownership and share turnover.

Deming, S.H., (2006) talked over the use of IFRS worldwide. Before 2005, the use of IFRSs was not compulsory in any jurisdiction. After that, ninety-four countries permitted the IFRS to public companies. It changed the accounting environment's status and grabbed the place of international standards.

Fanonyomi, B and Kehinde, J.S., (2013) studied the impact of IFRS on Nigerian companies, and figured out that IFRS provide a uniqueness in financial reported and ensured the adequacy of standards across borders.

Goodwin,J., Kamran, A and Richard, H., (2008) attempted to check the effect of IFRS on the accounting excellence in Australia and concluded that IFRS increased total liabilities & decreased total equity and provided a higher leverage ratio. Book value and earnings were more relevant under IFRS than A GAAP, and changes to IFRS accounting for intangibles was too aggressive than A GAAP

Henry, E., Jlin , S.W and Yang , Y.W., (2009) evaluated convergence and adoption of IFRS and differentiated the firms' financial results under US GAAP and IFRS. The study concluded that most firms report stated higher income under IFRS than US GAAP.

Kamal, Y and Bhuyian, N.U., (2003) evaluated the compliance of existing rules and regulations as relevant to IASs & Bangladesh accounting standards and studied the impact of IAS 30 on accounting and reporting the companies in Bangladesh. The author used annual reports of selected banks to analyze the study and concluded that accounting and reporting need up-gradation in the banking industry. IAS helped to develop transparency and accountability, and banks in Bangladesh followed IAS partially and recommended that for full compliance, banking professionals required proper training and monitoring.

Ray, S.,(2011) studied the motivation after IFRS adoption, and the deviation existed among IFRS and Indian GAAP. The researcher concluded with a common business lingo, the users' funds could be easily transferred with different nations.

Sambaru, M and Kavitha, D. N., (2014) examined the significance of IFRS in Indian business surroundings. The study also differentiates the IFRS from the Indian accounting standards. The researcher stated that IFRS brings transparency in the Indian business environment and benefits to all the users and related parties of business information.

Sawani, A., (2009) studied the accounting atmosphere changes at international level by implementing IAS in contrast to U.S. GAAP. The researcher concluded with high quality accounting framework with the use of IFRS. The researcher figured out the factors like social and cultural values, political system, laws, regulations, and economy of a country will be affected in response to use of IFRS.

Struharova, K., Steker, K and Otrusinoval, M., (2012) figured out the challenges and opportunities of IFRS and its impact on Czech companies. The study concluded the challenges of IFRS like divergence among IFRS & CZ GAAP, tax legislation and IFRS cost and improved statements, precise information and enhanced association with stakeholders as benefits of IFRS. Companies are rapidly using IFRS. The study recommended it as the most excellent approach of synchronization of the Czech economy.

Tsalavoutas, I., (2011) evaluated the contrast of IFRS and Greek GAAP by reconciling the companies' statements. The study considered quantitative and qualitative approaches and suggested that IFRS has a great impact on the profitability of Greek listed companies regarding shareholders' equity and liquidity ratios. IFRS had significant contributions to financial performance, net income and return on equity.

2.2 LITERATURES RELATED TO IMPACT OF IFRS ON ACCOUNTING STATEMENTS

Abbasi, E., (2016) investigated the effects of voluntary adoption of IFRS on Indian companies and no significant deviation and fluctuations have been founded in net income and concluded with a significant change in total equity and total liability.

Achalapathi, K.V and Bhanusireesha, P., (2015) studied the impact of IFRS adoption of financial statements by analyzing the financial performance of 10 Indian companies under I GAAP and IFRS. The researcher acknowledged the significant difference between I GAAP and IFRS - based financial ratios and concluded that IFRS acceptance has led to a statistically considerable boost in liquidity, profitability and valuation ratios.

Ahmed, A.S., Neel, M and Wang , D., (2012) studied the role of compulsory acceptance of IFRS in improving accounting quality and concluded that firms with IFRS proves a considerable increase in income smoothing and earning management and those firms lead to improved accounting quality and strong mechanism for accounting. This study issued evidence of a raise in income decrease in instability of net income compared to the instability of cash flows and their correlation among these measures.

Akindele, A. O., (2012) studied the impact of IFRS acceptance on financial statements by considering banks in Nigeria. The study concluded that IFRS had affected the Nigerian GAAP by providing high-quality information transparency and accountability. IFRS adoption required training programmers and awareness of professionals. It will boost investors' confidence. IFRS poses some challenges such as training & education, compliance with laws, modification of IT system, and the difference between N GAAP & IFRS.

Akman, N. H., (2011) investigated the differences in financial statement disclosure due to cultural effects with the use of IFRS. Culture still affects the financial disclosure of the company. There was an insignificant correlation in financial revelation and uncertainty evasion & power distance and positive between disclosures & individualism. And a significant correlation within cultural dimensions. Cultural impact plays an imperative role in financial disclosure with the use of IFRS.

Armstrong, C.S., Barth, M. E., Jagolinzer, A and Reidl, E.J., (2010) studied investors' perceptions and European stock market reactions towards IFRS adoption by analyzing secondary data based on 16 – EU firms. The study found that IFRS adoption led investors to European firms to assess the implications of changes in information environments. There was a positive reaction for lower quality firms and negative for domiciled in code law countries. The investors expected net convergence settlement from IFRS approval.

Aswal, A.K., Agarwal, G and Das, S., (2010) studied the impact of IFRS on Indian corporate and remarked that IFRS would have a major change on Indian corporate due to the large gap of I-GAAP & IFRS . It would increase the debt position, which would be impacted credit rating and financial ratios. Besides these financial issues IFRS would impact payment structure, employees' training, tax planning and IT system. The banking industry significantly impact loan loss provisioning, financial instruments and derivatives accounting which reduce income volatility.

Bedia, D.D and Shrivastava, K., (2020) analyzed the impact of intended acceptance of IFRS on financial information comparability and relevance. The study revealed a considerable quantitative impact of IFRS on accounting statistics. There was an optimistic effect on the financial reporting.

Beke, J., (2010) studied the effects of adopting IFRS and the practical experience of some researchers on IFRS adoption and concluded that IFRS as global standards reduced the cost occurred on the maintenance of the financial system in different countries as per GAAP and also reduced the information irregularity of the owners. The managers and cost of equities had been raised with IFRS as global standards.

Bhargava, V and Shikha, D., (2013) evaluated the issues which are coming out with the move to IFRS and check how IFRS impacted the financial statements and ratios with a case study on Wipro by using a relatively consolidated balance sheet under I GAAP and IFRS. The study selected financial ratios for the analysis of the study. The study concluded that statements maintained under GAAP and IFRS have quite differences; liquidity and profitability were well depicted under the IFRS system due to changes in the concept of revenue identification. IFRS is a fair value accounting that improved the eminence of reports and enhanced the comparability and understanding of financial statements.

Bhattacharjee, S and Islam, M. Z., (2009) recognized the scenario of adoption of IFRS and their impact on the accounting surroundings of Bangladesh by taking into consideration the institutional and financially viable features. The author revealed that IFRS adoption would directly impact on the corporate sector and encourage the foreigners to cross border investment. The study also remarked the enhanced application of accounting standards to make sure a transparent information atmosphere.

Blanchette, M., Raicot, F.E and Sdzro, K., (2013) evaluated the results of IFRS implementation in Canada on economic figures and ratios. IFRS adoption changes the central value that describes the Canadian companies' financial position and performance, but that was not a significant change. Analysts were expectant of particular concentration to finance, management, expert services, real estate and other sectors where the difference between both standards existed.

Borker, D. R., (2012) focused on the analysis of the culturally derived accounting orientations of BRIC countries and compare all economies of BRIC with each other on Grey's accounting value proportions connected with IFRS and compared with outcome from BRIC analysis. The study concluded with the application of Grey's hypothesis to BRIC economies, that Russia and Brazil had greater similarities than to India and China on the matter of disclosure. A plan to regulate for country cultural contour at variance with the IFRS was proposed, and all four BRIC economies differ from one another based on accounting value dimensions.

Cai, F and Wang, H., (2010) examined the effects of acceptance of IFRS on global market incorporation by using a correlation matrix of the stock market index returns on the samples of countries that had adopted IFRS. The study concluded that markets had an advanced degree of incorporation with IFRS adoption.

Callao, S., Jarne, J. I and Lainez, J.A., (2007) studied the move towards IFRS in Spain and its effects on the significance and comparison of reports of accounting issues in Spain. The study aimed at differences in accounting figures and ratios under Spanish standards and IFRS using a sample of IBEX -35 firms. The researcher used both types of presentation of financial statements for comparison and concluded that local comparability was adversely affected by the application of both standards at the same time. There was no perfection in accounting issues IFRS, but improved usefulness attained in medium to long term.

Chandrasekar, V., and Kumar, D. N.S., (2016) studied the impact of voluntary adoption of IFRS on the financial decision makers and its impact on financial performance by analyzing the performance of Wipro Ltd and concluded with a significant increase in liquidity ratios, interest coverage ratio and debt equity ratio but no significant increase in profitability ratio except net profit ratio.

Christensen, H.B., Hail, L. and Leuz, C., (2012) studied the effects of mandatory IFRS on the capital market and its enforcement and concluded that all over the world, mandatory IFRS reporting had an impact on liquidity, it does not change around mandatory adoption but improves around IFRS adoption in EU countries. EU countries made considerable change to the enforcement of financial reporting around mandatory IFRS reporting.

Cohen, G. K., (2011) examined whether a principle-based standard leads auditors to become more focused on economic substance than a rule-based standards. The study used an investigational move with skilled auditors as participants and highlighted that IFRS would not have improved accounting quality.

Cormier, D., (2013) investigated the features of financial reporting and disclosure in Canada under IFRS and compared Canadian GAAP and IFRS based on TSEs statements. IFRS reduced the information gap amid managers and investors. By comparing C GAAP & IFRS, a study provided that

1. Value relevance of earnings was enhanced,
2. Greater impact on value relevance of income by Non GAAP measures.
3. Earnings had a bigger impact on cost of finance
4. IFRS self-announced goal of providing investors with appropriate information was achieved in Canada.

Das, S and Saha, T.R., (2017) compared the financial performance of Indian companies under I GAAP and IFRS. The study concluded with materialistic difference in accounting figures without any statistical support to prove this difference.

Daske, H., Hail, L., Leuz, C and Verdi, R., (2007) looked at the economic penalty of voluntary adoption of IFRS worldwide. The researcher focused on two firms i.e. who adopted IFRS only as a label and others who had seriously committed to IFRS as accounting standards and found the modest effects of voluntary adoption

for firms and also found that firms who adopted seriously had experienced a more substantial effect on the capital's cost and market liquidity than firms who only adopted the label.

DeFond, M., Hu, X., Hung, M and Li, S., (2010) examined the modifications in investment in IFRS users due to obligatory adoption of IFRS. The study concluded that implementation credibility was an important determinant of uniformity, but uniformity did not necessarily lead to comparability. An increase in uniformity attracted foreign mutual fund investment in countries with strong implementation credibility and leads to a larger increase in uniformity.

DeFrain, K., (2010) looked into the results of IFRS on U.S. businesses. The study concluded that IFRS provided significant changes in current accounting practices. U.S. actuaries practiced high-risk margins with less current estimates, reduced uncertainty, most sensitive cost of capital with the use of IFRS. U.S. actuaries would need to understand the concept of IFRS and determine various accounting calculation with IFRS.

Dimitrios,B., Nikolas, E., Konstantinos, P and Dimitrios , D., (2013) studied the effects of IFRS on financial ratios and also impact on calculation of these ratios under GAS and IFRS. The author concluded that there was no important effect from IFRS adoption on the computation of financial ratios. Ratios of two different samples do not differ significantly. A particular characteristic of every faction of companies could not considerably affect the dissimilarities in the company's financial statements after IFRS acceptance.

Eccher, E.A and Healy, P.M., (2000) examined the usefulness of international standards in China and compared the statements prepared under IAS and local china (PRC) standards. The author measured the relevance of earnings and cash flows and their relation to stock price changes. The study concluded that both PRC and IAS standards had a strong positive association with cash flows and stock returns were more highly related to PRC earnings than IAS earnings.

Firoz, M., Ansari, A. A and Akhtar, K.,(2011)examined the impact of IFRS on Indian banking business and critically analyzed the banks' financial statements based on some parameters and the impact thereon of the appropriate requirements regards to IFRS. The author concluded that IFRS implementation could have mainly impact the advances, financial instruments and investments. IFRS could have considerable results over the financial statement of the banking industry.

Fosbre, A.b., Kraft,E.M. and Fosbre, P.B., (2009) looked at the implication of the SEC choice to permit overseas companies for IFRS in financial reporting exclusive of compromising to US GAAP on investors, MNCs, and global accounting standard was required as it reported higher revenues and lead to the stable and prosperous world economy.

Ghosh, T.P., (2019) examined the impact of IFRS convergence on profit and equity and concluded that IFRS convergence has a significant negative impact on equity but no difference in profits occurred with IFRS convergence.

Grosu, V and Bostan, L., (2010) studied the implications of IAS/IFRS in Romania and also evaluated its impact on the Romanian accounting system. The researcher concluded that the implementation of IFRS leads to significant improvement in the Romanian accounting system. This study highlighted the better quality of reported accounting information, clear and higher intelligibility and comparability as benefits of implementing IFRS and lack of trainees, teachers, and professionals as the shortcoming to implementing IAS/IFRS in Romania.

Hail,L., Leuz, C and Wysocki, P., (2009) evaluated economic and political issues associated to prospective acceptance of IFRS and also studied the effect of IFRS in US and exposed that IFRS adoption involved a cost benefits trade-off regarding comparability for investors and future cost-saving benefits and outlined several possible scenarios for future US GAAP and let the firms decided whether and when to adapt to IFRS instead of US GAAP.

Hansen, B., Miletkov, M and Wintoki, M.B., (2013) investigated the connection flanked by foreign ownership and IFRS usage and acceptance on firm-level reporting transparency. The study used a sample of 54000 firms from 72 countries to measure the firm-level reporting transparency. It concluded that with the strong firm-level reporting transparency, foreign ownership was higher, and with more transparent financial disclosures, the level of foreign ownership was raised.

Harper, A.B., Leatherbury, L., Machuca, A and Phillips, J.D., (2012) studied the impact of IFRS on United States corporations and presented that U.S. corporations should adopt IFRS for uniformity & comparability of financial statements. Move to IFRS in U.S was complex and involved challenges such as professional awareness, tax policies etc. The study concluded that domestic businesses did not suffer due to convergence but areas of accounting would be affected by IFRS.

Hou, Q., Jin, Q., Wang, L and Zhang, G., (2011) investigated the impact of compulsory acceptance of IFRS on the role of accounting information in guiding managers' capital investment decisions suggested by capital follow profitability integration. The study used a sample of 6266 firms in china for observation and found a significant reduction in the quality of accounting framework proxies by accurate quality, conservation, which leads to change in capital follow profitability. The study founded a significant negative association between capital investment efficiency and IFRS adoption. Specifically over and less than investment indicated by the divergence of a capital asset from competent value were both deteriorated after IFRS adoption.

Houqea, M.N., Monem, R.M and Zijl, T.v., (2012) examined "the association between country-level government quality and firms' choice of external auditors. The researcher used a cross-sectional sample of 142,193 firm-year observations from 46 countries over 1998-2007." The study concluded that administration

excellence has a considerable outcome in selecting Big 4 auditors by firms. And the countries preferred to choose Big 4 auditors than non-auditors.

Hung, M and Subramanyum, K. R., (2007) investigated the effects of accepting IAS on financial statements and comparison of accounting information reported under HGB with those under IAS. The study reported that IAS improved the accounting reporting quality compared to Germany standards and portrayed a regular image of the financial statement's effects of adopting shareholder-oriented (IAS) from stakeholder oriented accounting system.

Ighian, D. C. ,(2012) identified the aspects specified to the accounting treatment of financial instruments with regards to accounting norms and also analyzed the accounting standards being issued by ASB regarding financial instruments. The author used document analysis by analyzing the bibliographic sources and discussing with specialists professionals. The study concluded that international investors be able to recognize the issues disclosed in statements and also revealed that accounting for financial instruments is likely to remain a challenging area in terms of period and the different number of customs of measurement and the connected rules was one of the key causes of complication of bookkeeping and business atmosphere.

Jeanjean, T and Stolowy, H., (2008) analyzed the effects of mandatory introduction of IFRS on earning value and earning administration by selecting three countries named Australia, France and the UK , which were first-time adopters of IFRS. The study concluded that earning management greater than before in France and remains unchanged in Australia and UK after the transition to IFRS. This study suggested that shift to IFRS was not a key factor of perfection for earning quality and earning management.

Jermakowicz, E.A., (2004) revealed that IFRS had a considerable positive impact on firm's equity and net income still it faced many challenges like fair values,

complex nature of IFRS and tax driven nature of local standards etc. However it had a remarkable and favorable impact on the competitiveness and growth of the financial market.

Kalra, N and Verdia, S., (2016) concluded that IFRS adoption did not have a significant impact on assets turnover ratio, fixed assets turnover ratio, net profit margin, receivable turnover and return on equity.

Kantayya, R and Panduranga, V., (2017) compared the balance sheets of different IT companies under I GAAP and IFRS and concluded with higher total assets and total equity under IFRS in contrast to I GAAP still total liabilities under IFRS are lesser than that of I GAAP.

Kumawat, H.S., (2019) indicated the IFRS as beneficial to attract the world capital market and speedy movement of Indian companies towards IFRS.

Lee, E., Walker, M and Zing, C., (2013) examined the impact of the convergence of Chinese accounting standard with IFRS in china and how it was influenced by institutional factors relevant to capital market development. The study concluded a significant increase in value relevance of reported earning firms for a share listed company and no significant changes in the dual-listed company. The effect of convergence was greater among Chinese companies. The study suggested that mandatory acceptance of IFRS converged CAS had augmented the informativeness of earnings in capital & equity markets.

Muniraju, M.M and Ganesh , S.R., (2014) studied the convergence of IFRS in India and its applicability on the Indian corporate sector with a case study on Wipro Limited. And examined the impact on income statements due to changes in the Wipro co. Ltd by adopting common standards. The study revealed no considerable change in NP ratio, ROE, ROA, and total asset income, but leverage

ratio shows remarkable transform on convergence with IFRS. The result concluded with a strong desire in the IFRS implementation.

Okpala, K. E., (2012) examined the effects of IFRS on FDI and the Nigerian economy with the use of primary data collected from preparers & users of financial reports. The study concluded that there was a considerable relationship between IFRS adoption and FDI in Nigeria. IFRS would increase the confidence level of international investors and investment analysts. Although there were many challenges such as conflicts with government policy, the universal tendency to resist changes tax implications and organizational issues, the benefits outweigh the challenges with more credibility, accountability & transparency.

Palea, V., (2013) discussed the effects of taking on IAS/ IFRS on financial reporting quality and analyzed that IFRS had a greater positive impact on a financial statement regarding the quality of financial statement. IFRS provided a high quality of accounting & financial statement, comparability across worldwide, a high degree of transparency, and higher value relevance of accounting data. Its uses to investors had been increased.

Palea, V., (2013) investigated the effects of IFRS for separate financial statements on a sample of Italian firms and studied if separated financial statements are useful to capital market investors. IFRS is a new applicable option than GAAP. The study founded the relevance of the statement under IFRS instead of GAAP. The study concluded with robust findings for book value, where as provided mixed evidence on net income.

Pavitharan , A., Selvam , M., and Miencha, I.O., (2020) studied the changes in accounting ratios due to the convergence with IFRS and observed the significant higher impact on accounting ratios prepared under IFRS compared to the ratios under Indian GAAP.

Pavitharan, A., Selvam, M., Gopinath, R., and Kathiravan, C., (2018) examined the effects of adoption of IFRS on the financial performance of Indian companies and stated that IT sector is highly affected with IFRS adoption but in pharmaceutical sector, no statistical significant difference noticed on convergence with IFRS during pre and post IFRS period.

Prabhu, M and Harshitha, R., (2016) figured out the increase in total asset's value with IFRS adoption that is not statistically significant.

Rainsbury, E. A., Diego, J.S and Walker, L., (2010) examined the effects and financial impact of IFRS on New Zealand companies and compared the earnings under IFRS and NZ GAAP. The study founded that IFRS adoption significantly increased earnings, assets and liabilities but did not improve the value reliance of accounting numbers, which was lower than that of NZ GAAP. The author suggested that IFRS ought to be requisite for the financial statements for SMEs.

Rakesh, H.M and Shilpa, R., (2013) studied the effects of IFRS acceptance on FDI & Indian economy by analyzing BSE's financial reports and surveyed professionals. There was a significant positive correlation between IFRS adoption & FDI. IFRS increased the confidence of international investors & investment analysts, enhanced uniformity & comparability of financial reports and generated more funds from foreign resources.

Rao., Nageshwar., Bedia,D., and Shrivastava, K., (2020) studied the effect of IFRS and Ind AS on financial performance of listed Indian companies and revealed a positive quantitative impact on the accounting figures and ratios which is statistically significant.

Rastogi, S., (2012) examined the impact of IFRS adoption on the Indian banking industry and its preparedness and challenges to be faced by the industry. This study was based on secondary sources and literature surveyed. IFRS will pose

significant challenges for the banking industry like consolidation of financial statements, IT, derivatives & hedge accounting, compliance burden and tax reporting practices. Indian banks recognized the need for convergence and eager for this. IFRS will impact the financial statements and accounting & financial issues and transcend various other functions.

Ray, S. ,(2012) studied the changes and penalties on financial statements with IFRS implications and observed the effects of intended convergence of IFRS on financials of Wipro Ltd. The researcher used annual reports of Wipro, analyzed the data and concluded that there was not much deviation in net income but it is essential in liability and equity. Returns were not appreciably affected by the move towards IFRS and liquidity, total equity & total liability were significantly affected by convergence to IFRS but not major changes in the position of total assets.

Scheuch, I and Iturriaga, M., (2010) examined the procedure of implementing IFRS for NFCs and its impact on the financial stability of the central bank of Chile. The study concluded that companies faced many challenges such as the learning process, non- standardized information, and an increased number of companies. The study suggested that IFRS provides free reporting, which is a major disadvantage for analyzing aggregate data. It would be problematic to safeguard financial stability & its monitoring.

Sharma, S., (2010) studied the impact of IFRS adoption on the legal profession in different countries through a literature-based survey. The researcher concluded that the legal profession must adapt and global financial reporting system's change through the new laws due to switching lawyers must provide special care for legal documents as per new laws. It faced so many benefits and adverse effects but it had positively helped economic growth.

Shukla, S., (2015) studied the changes in profitability of Indian companies by adopting IFRS and taking four parameters of financial activity i.e. Financial risks,

investment activities, operating activities and debt covenants, with their significance in statistical measurement. All four showed some changes due to IFRS adoption individually but no changes by comparing these activities collectively.

Simona Catuogno, A. A.,(2013) looked into the effects of IFRS acceptance accounting information and P/E ratio along with change in the level of comparability after use of IFRS. The study considered the P/E ratio and method of consolidation from financial statements of Italian listed companies. It concluded that after the use of IFRS level of comparability being medium and the market seems unaffected by IFRS convergence, it also did not affect P/E ratios.

Soderstrom, N.S and Sun, K.J., (2007) considered the penalty of changing standards and discussed the accounting quality with the transition to IFRS and concluded that adopting IFRS as global standards had a positive impact on accounting quality and the factors which impacted on accounting quality were

1. Quality of standards
2. Legal and political system and
3. Financial reporting incentives

Taiwo, F.H and Adajare, A. T., (2014) looked into the results of taking up IFRS on financial statement and cost management alongside its benefits & challenges of accepting IFRS in Nigeria. The author used chi-square and ANOVA on data collected and analyzed that there was tough optimistic connection between IFRS acceptance and financial performance with cost reduction. IFRS improve business effectiveness and efficiency for successful business, reduces earning management costs, and saves the expenses of preparation of multiple financial statements for different jurisdiction.

Tanko, M., (2012) investigated the effects of firms' compliance with the provisions of IFRS on the Nigerian firms quoted on the Nigerian stock market. The study realized that variability of earnings had decreased & leads to low variability in earning in the post-adoption period; similarly, cash flow & growth also decreased after adopting IFRS. IFRS also connotes a reduction in annual % change in common stock. Thus, the adoption of standards had stabilized earnings.

Thappa, S., (2012) examined the impact of IFRS in the Indian banking industry and its different segments of implementation of IFRS in India and the benefits and challenges of IFRS. The author highlighted some challenges like changes in existing law, skilled manpower, increasing cost to Indian banking industry while implementing IFRS in Indian banks and IFRS implementation would have a major effect on tax reporting practices, financial instruments and loan impairment. This study also revealed that the industry had documented the need to move with IFRS. The Indian banks demonstrate excitement towards time-bound implementation and gives top priority to the move with IFRS.

Tripathi, R and Gupta,S., (2012) studied the provision of IFRS and its differences with I GAAP and the result of IFRS adoption in India. The study concluded that IFRS would greatly enhance foreign capital flows and also at a low cost. IFRS will be beneficial for cross border listing & investment, international trade and corporate governance practices. It will provide comparable, reliable, and transparent financial statements.

Tsalavoutas, I., (2010) studied the compliance of companies with all IFRS compulsory revelation obligation by using two index methods, i.e., street and grey and concluded that there was a considerable distinction in compliance scores and illustrated a relatively very low average compliance level with IFRS and significantly high variability of compliance scores.

Vardia, S., Kalra. N., and Soral, G., (2016) studied the effects of mandatory adoption of IFRS on the value relevance of earnings and book value of equity in Indian companies and resulted into no significant relationship between the adoption of IFRS and value relevance of accounting information.

Wright,C and Hoobs, S., (2010) examined the impact and implications of IFRS conversion or convergence through expert interviews. They concluded that IFRS required more disclosures and provided greater flexibility, transparency & accountability of financial statements. IFRS need not undervalue the conversion attempt and to start the preparation process early.

Yadav, S and Sharma , D., (2012) explored the impact of IFRS and its rationale and challenges and also recommended solutions to face various challenges. The study concluded globalized accounting environment and economic growth as the rationale behind IFRS adoption. India will face challenges like awareness of international practices, amendment in existing laws, taxation laws, and risk & complexity involved in adoption. This study recommended to provide adequate training to professionals and to work all interested parties in a team for IFRS adoption. Taxation laws should be addressed the treatment of various taxes under IFRS.

2.3 LITERATURES RELATED TO OPPORTUNITIES AND CHALLENGES

Ball, R., (2005) studied the implementation of IFRS and its uses and drawbacks for investors. It concluded that IFRS issues were conjectural to some extent, the uncontrolled keenness of supposedly humane proponents notwithstanding. The author describe benefits as extraordinary success had been achieved with the implementation of the high-quality standards and highlighted the problems with fair value accounting and stated the risk being concealed by uniformity in accounting practices.

Beke, J., (2011) evaluated the benefits of accounting standards and their contribution to business practices. The author analyzed the effects of cross-national accounting standards on business practices and economic environment and found that universal accounting standard increased market liquidity, decreased costs, and facilitated the international capital formation and flow, and increased the cross-listing and cross-border investments.

Demaki, G. O., (2013) studied the prospects and challenges of IFRS to economic development and accounting practices in Nigeria. This study was based on research papers, journals, news article and concluded the IFRS as a high quality accounting framework. IFRS provided transparency, accountability and integrity in financial reporting which is a pre requisite for attracting investment that promotes economic development. There were some challenges also like public awareness, regulation authorities, and lack of professionals in Nigeria.

Dimtropoulos, P.E., and leventi,S., (2013) studied the benefits and negative effects of completing international accounting standards by using literature surveys. The study resulted in the unmitigated accounting homogeneity among different countries and the affirmative results were of great significance.

Dumitrescue, D and Bobitan, N., (2012) focused on the existed and proposed IFRS guidelines and analyzed the IFRS implementation and the viability of time-bound for IFRS adoption and integration. The study concluded that destination is clear, but the arrival date was unknown. All the countries wished to converge/adopt IFRS, but the time line or dead line was not said.

Flynn, D. K., (2015) focused on issues related to the regulation of financial reporting. The researcher used a structured questionnaire for data collection and applied it to the discriminate analysis on the questionnaire variables for the analysis of data. The study found the disparity between different constituencies with regarding the perceived importance of the specified objectives in standard

setting. The users of financial information were dissatisfied as they were not educated to understand the objectives perceived by APB and were convinced about their appropriateness.

Hegarty, J., Gielen, F., Cristina, A and Barros, H., (2004) studied the challenges to the successful implementation of cross-national accounting & auditing standards and concluded that IFRS was not necessarily appropriate but on the urgent need to develop standards as per businesses. IFRS involves many challenges such as misunderstanding of IASs, complicated efforts to plan, lack of human and financial resources, resources sustainability etc. The study suggested that countries should give greater attention to regulatory pre conditions for successful implementation and efforts should be made to strength & leverage the linkages between various standards.

Herbert, W. E and Tsegba, I.N., (2013) analyzed the economic consequences of adopting IFRS by Nigeria by using the sample of Nigerian academicians and practitioners familiar with the phenomenon of interest. The researcher used frequency analysis, descriptive statistic, KW and chi-square tests to analyze data. The researcher identified the lack of education, understanding and experience by preparers of financial reports using IFRS. The researcher also revealed that significant IFRS adoption would be valuable for preparers, users, auditors, analysts, and standard setters. A proper plan must be required to train and educate users, managements and interest seekers for IFRS adoption.

Herz, R. H and Petrone, K. R., (2005) studied the international convergence of accounting standards from the FASB's perspectives and its challenges & opportunities. The study concluded that significant strides toward international convergence and FASB faced challenges such as balancing the desire for convergence, commonality of global reporting environment, cultural, economic,

and institutional differences, different technical agendas for standard setters, and the majority on joint projects.

Ikpefan, O. A and Akande, A.O., (2012) studied the benefits, obstacle, and intrigues expected from the IFRS's execution. The author used content analysis to conclude the data collected and concluded that peoples were not much awarded about convergence to IFRS and reported it an obstacles to IFRS implementation. The study also recommended that IFRS be a part of academician degrees and suggested for continuous research to go with international standards through mutual international considerate communal objectives and the build of human competence that will support the preparation of financial statements in an organization.

Jain, P. , (2011) studied the utility for IFRS adoption in India and the troubles faced by the stakeholders for adopting IFRS in India and concluded that IFRS adoption in India is inevitable. IFRS adoption would facilitate the right of entry to global markets and global comparability of financial statements. The study recommended that proper awareness and proper training be provided to enforce adoption of IFRS in India and these would facilitate IFRS in India.

Kaur, M., (2014) studied the convergence of accounting standards in India with its benefits and challenges. The study highlighted some benefits like comparability of financial statements, cross border acquisition, profit to the stock market through harmonization of accounting standard but also include some challenges like the development of accounting profession and economy of countries are not at the same stage, different social, political, and economic cultures in other countries, etc.

Madawaki, A., (2012) focused on the adoption process of IFRS in Nigeria based on literature surveys and achieved sources on the globalization of accounting standards and concluded that by implementing IFRS, Nigeria would face

challenges including the improvement of the official regulatory structure, attentiveness and training of human resources. The researcher also suggested that conversion to IFRS in Nigeria was an enormous assignment and also a giant confront. So, it was in the best interest of Nigeria to adopt IFRS.

Mc gee, R.W and Preobragenskaya, G.G., (2004) evaluated the problems of implementing IFRS in Russian countries. The author summarized his view based on respondents' responses through questionnaire, e-mails, telephonic interviews etc. The study concluded that problems for implementing IAS in Russia were like black cash records, investors were not interested, lack of knowledge about IAS, inherent weakness in the study during professional courses etc. Russian professionals were not adequately known with international standards for implementation and Russian accounting associations were not yet organized to offer courses on IAS.

Negash, M., (2015) reviewed the studies of different authors based on the effects of IFRS adoption and concluded that information substance, value relevance and earnings and accounting quality as benefits of attainment of IFRS in different nations and criticized that studies do not take cognizance of the assistance of the literature on combination, income sustainability and market microstructure.

NYOR, T., (2012) expressed the crises suffered by Nigerian firms in financial statements after convergence to IFRS and studied the challenges to the convergence of IFRS in Nigeria. The researcher concluded the study by applying chi-square on a structured questionnaire that IFRS will enhance better accountability and transparency in financial statements. And recommended that Nigeria make use of the Germans' intelligence by making IFRS obligatory only for listed companies and NGAAP should be obligatory for individual' company accounts.

Odia, J.O and Ogiedu, K.O., (2013) studied the IFRS adoption issues and challenges and opportunities during the adoption of IFRS in Nigeria based on literature surveys. The researcher concluded that IFRS adoption brought upgrading in accounting quality with consistent standards. IFRS would lead to greater transparency, understandability lower cost of capital to companies, reduced national standard-setting cost, and increased investment opportunities across borders. Inspire of such huge benefits, some challenges would also be faced by IFRS likely timely interpretation of standards, legal impediments, cultural issues, educational needs, political influences, historical differences in accounting, etc.

Owolabi, A and Iyoha, F. O., (2012) studied the prospects and challenges faced by African countries to adopting IFRS and also dig out the perception of users and prepares about IFRS adoption in African countries. The author collected data from users and preparers of IFRS adoption with the help of a questionnaire. The study concluded that IFRS adoption would benefit the stakeholders and faced some challenges like the ethical environment and corporate transparency in Africa. The author also suggested that an accurate IFRS capacity building programmed be embarked upon by all the bodies, firms and training institutions to grant the required manpower for IFRS execution, monitoring, and observance.

Patil, P. S., (2012) examined the opportunities and challenges of adopting IFRS in India. IFRS will provide benefits with increased economic growth and foreign capital inflows. It facilitates comparability of financial statements, better understanding, accountability, and transparency of accounting information across worldwide. Indian industries will face challenges with critical issues such as training & knowledge, increased initial cost, amendment in laws & regulations and modifications cost of IT system. In the end, IFRS will affect transition/ developing economies like India with harvesting efficiencies and broader exposure.

Paul, A and Burks, E., (2012) discussed the timeline of convergence and addressed the future impact of IFRS on accounting education and its practices. The authors used some pre-conducted surveys to analyze this study and concluded that only a few people were aware of IFRS and were willing to implement IFRS. In an academic environment, most of the academicians had not taken any steps to incorporate IFRS, and only a few persons were ready to integrate IFRS significantly.

Paul, D., (2007) evaluated the harmonization of the global accounting system with its benefits and weaknesses generated by its solutions during the time. The author concluded accountability, comparability and reliability as benefits to global accounting systems and differences in GAAP and IFRS, difference in the political and economic system in different countries as weakness for the globalization of accounting standards.

Paul, D., (2004) analyzed the advantages and disadvantages of implementing IAS through the views of accounting professionals and researchers. He concluded that IFRS would be beneficial for comparability and reliability of foreign financial statements with less cost. There were some hindrances like differences between local GAAP and IFRS, differences in the political and economic system in different countries and lack of strong professional bodies.

Phan, D., Mascitelli, B and Barut ,M., (2013) studied the opinions of three groups of accountants, i.e. auditors, academicians and accountants towards the implementation of IFRS in Vietnam. The researcher used the primary data analysis method and concluded that accounting professionals in Vietnam were confident about likely reimbursement from IFRS acceptance. The study also indicated expected costs and challenges in IFRS implementation.

Razik, A. A.E., (2014) represented the Middle Eastern countries on IASB and studied the challenges of IFRS adoption in the Islamic accounting world. The

study concluded with some challenges like abandoning the particularities, replace their own business reporting culture and exercise the one acknowledged by IASB. Another challenge was the non-availability of high-qualified IFRS auditors and staff in MEC countries.

Shil,N. C., Das, B and Pramanik, A.K., (2009) studied the need for the harmonization of accounting standards in practice and presented harmonization with its benefit and challenges by considering India as a developing country. This study concluded that harmonization was needed to advance the excellence of reporting. The study recommended cost reduction, high quality reporting, and adequate information as benefits and reluctance to IAS norms, diversities between different nations as challenges for harmonization in a developing country.

Simona Catuogno, A. A., (2008) studied the IFRS over worldwide along with its uses and challenges by analyzing secondary sources and literature. IFRS provides benefits such as enabling segment reports, flexibility and transparency, and high analysis level. The companies face many challenges such as changing reporting environment, Multi-GAAP reporting, increased initial cost, and management reporting. The accounting environment required a demanding and uncertain global financial reporting environment.

Tarca, A., (2013) studied the arguments and evidence for global accounting standards and their beneficiaries to the economy based on literature surveys. The study concluded that enhanced effectiveness of capital market operations, promoted global investment and full and balanced combinations of capacity and institutional incentives surrounding the use of IFRS.

Thapa, S., (2012) examined the impact of IFRS in the Indian banking industry and its different segments of implementation of IFRS in India. The author highlighted some challenges like change in existing laws, skilled manpower, and increasing cost to the Indian banking industry while implementing IFRS in Indian banks.

And IFRS implementation would have a major effect on tax reporting practices, financial instruments and loan impairment. This study also revealed that the industry has been acquainted with the need for IFRS convergence and showing keenness towards time- bound completion.

Wong, P., (2004) examined the issues that affect the adoption of IFRS and its challenges and success. The study used focus groups, interviews & other secondary sources for data collection. A globally consistent and uniform financial system provides cost efficiency to businesses and high-quality standards. Investors will be more eager to expand their funds across borders. The study cited some challenges involved in adopting IFRS, like difficulty in understanding global language, potential knowledge shortfall & cultural differences. All the related personnel should take success factors like development & commitment to timely convergence, providing & achieving proper training & knowledge for adoption of IFRS.

Yadav, S and Sharma , D., (2012) explored the impact of IFRS acceptance in India and its rationale and challenges and recommended solutions to face various challenges. The study concluded globalized accounting environment and economic growth as the rationale behind IFRS adoption. India will face challenges like awareness of international practices, amendment in existing laws, taxation laws and risk & complexity involved in adoption. This study recommended providing adequate training to professionals and interested parties to work in a team for IFRS adoption. Taxation laws should be addressed the treatment of various taxes under IFRS.

Yao, D.F., Majella, P and Fang, H., (2014) investigated the accounting choice decisions of banks to use level 3 input in an approximation of the value of their financial assets and liabilities. The study used a sample of 146 banks of 18 nations to find the banks' incentives to use level 3 assessment input linked with firm country-level determinants. The study concluded that fair value accounting

increased the disclosure and provided an avenue for earnings management, when the liquid market did not survive.

Zeff, S.A., (2012) studied the growth of IASB and challenges it faced in this process and concluded that IASB faced many challenges such as to cope up with mutual convergence between U.S. GAAP & IFRS, to manage and balance feedback from current standard setters, to improve the performance of security markets, to compliance affirmation with other countries, differences in the way of business in different countries. The study suggested that IFRS adoption was impressive and universal because of the single international security market.

CHAPTER 3

RESEARCH METHODOLOGY

“Research methodology is the specific procedures or techniques used to identify, select, process, and analyze information about a topic. It is the process used to collect information and data to make decisions. The methodology may include publication research, interviews, surveys, and other research techniques and could include both present and historical information.”

“Planning provides a framework within, which the goals of the research are to be achieved. It facilitates the smooth sailing of the various operations, thereby doing research as efficiently as possible, yield maximum information within the minimal expenditure of effort, time and money. The plan and procedure of any research study are bound up with its purpose. To carry out the research study, a systematic plan and procedure were developed. By methodology of any research, we mean selecting representative samples, collecting relevant data, applying appropriate research tools and techniques, analysis and interpretation of the same for scientific investigation of the problem. The contents of this section deal with the method and procedure of the study.”

This chapter discussed the methodology used for the research. It includes sample and universe of the study, sample size and techniques, tool applied and area of the study etc.

3.1 OBJECTIVES AND IMPORTANCE OF THE STUDY

3.1.1 Objectives of the Study

1. To study accounting professionals' perceptions regarding pre – IFRS (expected) and post –IFRS (observed) implementation in India.
2. To evaluate the performance of the Indian corporate sector in pre and post IFRS implementation scenario
3. To study the difference between Indian GAAP, IFRS and Ind AS.
4. To compare the performance of public and private sector companies under Indian GAAP and IFRS in India

3.1.2 Scope of the Research

This research study is based on the International Financial Reporting Standard, a new milestone in accounting history. The study is about the convergence of Indian GAAP to IFRS and its impact on the Indian corporate sector. The study also analyzed accounting professionals' perceptions towards IFRS implementation in India. This study examined the financial statements of selected Indian companies under I GAAP and IFRS for performance analysis and studied the impact of IFRS on companies' financial performance.

India is a developing country, along with India, most of the developing nations are trading with overseas companies to increase exposure and development and to strengthen the financial and economic position of the country. Therefore, IFRS is the need of the hour to manage overseas trading being a solo accounting standard across the globe. This study will expand the field of review and related studies. This study will be beneficial for corporate owners, investors and users of companies' financial information.

3.1.3 Importance of the Study

Past literature showed that many researchers studied the convergence of local GAAP to IFRS in different countries including India. However, no one has discussed the reasons for the delay of IFRS implementation in India. Therefore, this study is an effort to study the implementation of IFRS in India and its impact on the corporate sector's financial performance. This study will address the reasons for the delay of IFRS implementation in India. This study is about the convergence of Indian GAAP to IFRS and its impact on Indian corporate sector. The study also analyzed accounting professionals' perceptions towards IFRS implementation in India. This study examined the financial statements of selected Indian companies under I GAAP and IFRS for performance analysis and to study the impact of IFRS on companies' financial performance.

3.1.4 Time Frame for the Study

This research study is about IFRS and compared the observations of professionals for two periods i.e. Pre- IFRS implementation and Post-IFRS implementation era from 2006 to 2016. Data for financial performance analysis also has been taken for same period from the year 2006 to 2016.

3.1.5 Hypothesis of the Study

H0 (1): There is no significant impact of IFRS on the financial performance of Indian corporate sector.

H1 (1): There is a significant impact of IFRS on the financial performance of Indian corporate sector.

H0 (2): There is no significant association between accounting professionals' demographics and their perception towards IFRS implementation in India.

H1 (2) There is a significant association between accounting professionals' demographics and their perception towards IFRS implementation in India.

H0 (3): There is no significant difference between Indian accounting standards, IFRS and Ind AS.

H1 (3): There is a significant difference between Indian accounting standards, IFRS and Ind AS.

H0 (4): There is not any significant difference between the financial performance of public and private sector Indian companies under I GAAP and IFRS.

H1 (4): There is a significant difference between the financial performance of public and private sector Indian companies under I GAAP and IFRS.

3.2 RESEARCH METHODOLOGY

In this chapter, methodology adopted for the study has been discussed. It includes the universe and sample of the study. Research design, sampling techniques, sample size, sources of data collection, statistical techniques etc.

3.2.1 Universe and Sample

In this study, sampling unit was the accounting and auditing professionals, i.e. CAs, CSs, CWAs, accountants and CEOs. An instrument considering various

professionals' perception about IFRS prepared and pre- tested on 20 respondents and professionals approved content validity.

This study also covered the major players of public and private sector corporate companies in India for performance analysis and to study the impact of IFRS on the companies' financial performance. These companies are selected from four sector i.e. Telecom sector, Pharmaceutical sector, Banking sector and Information Technologies sector etc.

Table 3.1 Companies Selected for Performance Evaluation

Sector	Public Sector Companies	Private Sector Companies
Telecom	Bharat Sanchar Nigam Limited	Bharti Airtel
Pharmaceutical	Hindustan Antibiotics Limited	Dr. Reddy Lab
Banking	State Bank of India	HDFC Bank
Information Technology	Hindustan Computers Limited	Infosys

3.2.2 Research Design

“Research design is the blue print of the research. It includes research methods as well as the reasons for which the particular methods used in the study and the particular technique applied in the study.” This study is based on analytical research design and evaluated the facts and information related to the current research.

3.2.3 Sampling Technique

“A sampling technique is the name or other identification of the specific process by which the entities of the sample have been selected”. Sampling technique is a method that allows researchers to infer information about a population based on results from a subset of the population instead of investigating every individual. The judgment and convenience sampling method has been used for data collection for this study.

3.2.4 Sources of Data Collection

Data has been composed through primary and secondary sources. The primary data has been collected from responses in the questionnaire filled by different corporate leaders and accounting & auditing professionals. The secondary data has been collected from different sources according to the study’s objectives and literature scanning and annual reports of selected corporate. The primary sources of secondary data were journals, books and official websites of ICAI, ICSI, IFRS, SEBI, CAG, NSE, BSE and annual reports from the selected companies’ official websites for this study.

3.2.5 Sample Size

The sample size for primary data collection was 97 respondents from Punjab. A questionnaire has been sent to 120 accounting professionals out of which only 97 reverted and considered for this study.

3.2.6 Research Instrument

The data has been collected by administering a self-designed, well-structured questionnaire. Some of the statements for the surveys are on five point likert scale.

3.2.7 Reliability of Instrument

“Reliability refers to the degree to which a test is consistent and stable in measuring, what it is intend to measure. It refers the level of consistency of method used to measure something. If the same results can be consistently achieved with same methods under the same circumstances, the measurement is considered reliable. Reliability of data is related with degree of estimates to which a questionnaire or a data set is free from errors”. Data is supposed to be 60% or more than 60% reliable. Cronbach’s alpha is used to analyze the reliability of data. If the Cronbach’s alpha is 0.6 or more, it is said that data is reliable.

3.2.8 Statistical Techniques

For analysis of this research, work following statistical techniques has been used:

1. Reliability Analysis: To check the reliability and level of consistency of the data.
2. Chi Square: To know the association of professionals’ demographics with their perceptions regarding IFRS
3. Factor Analysis: To determine the opportunities and challenges of IFRS in India and determine the factors that caused a delay in IFRS implementation.
4. Frequency Analysis: To determine the general and overall perception of the accounting professionals.

5. Mean Difference: To check the difference between means of financial performance under I GAAP and IFRS.
6. T-Test: To test the significance of financial performance difference between IFRS & I GAAP.
7. Correlation: To compare the performance of public and private sector companies in India.

CHAPTER 4

IMPACT OF IFRS ON FINANCIAL PERFORMANCE

Various researchers in different parts of the world studied the impact of IFRS on financial statements of the corporate. Most of the studies found the positive impact of adoption of IFRS on financial performance of entities. Abbasi, E., (2016) investigated the effects of voluntary adoption of IFRS on Indian companies and concluded with a significant change in total equity and total liability. Ahmed, A.S., Neel, M and Wang , D., (2012) studied the role of compulsory acceptance of IFRS in improving accounting quality and concluded that firms with IFRS proves a considerable increase in income smoothing and earning management and those firms lead to improved accounting quality and strong mechanism for accounting. Bedia, D.D and Shrivastava, K., (2020) analyzed the impact of intended acceptance of IFRS on financial information comparability and relevance. The study revealed a considerable quantitative impact of IFRS on accounting statistics. Blanchette, M., Raicot, F.E and Sdzro, K., (2013) and Cormier, D., (2013) investigated the features of financial reporting and disclosure in Canada under IFRS and compared Canadian GAAP. Kalra, N and Verdia, S., (2016) concluded that IFRS adoption did not have a significant impact on assets turnover ratio, fixed assets turnover ratio, net profit margin, receivable turnover and return on equity and these results are similar with Muniraju, M.M and Ganesh , S.R., (2014) .

In the present chapter of this research study, impact of IFRS on the financial performance of the companies has been studied by analyzing the performance of major players of public and private sector selected companies in India, which has been categorized on a sector basis.

Companies Selected for Performance Evaluation

Sector	Public Sector Companies	Private Sector Companies
Telecom	BSNL	Bharti Airtel
Pharmaceutical	HAL	Dr. Reddy Lab
Banking	SBI Bank	HDFC Bank
Information Technology	Infosys	HCL

To achieve the objective of evaluation of the performance of the Indian corporate sector in pre and post IFRS implementation scenario. The researcher has compared four key profitability ratios of the selected companies under Indian GAAP and IFRS. For this purpose, data has been collected from annual reports of the companies. Some companies have not mentioned their statements under IFRS for some years out of 10 years selected for the study, i.e. 2006-07 to 2015-16. The researcher has prepared their reporting as per data available and measures their financial ratios under IFRS. The researcher reconciled the financial ratios to figure out the variance in ratios due to IFRS convergence. To compare the profit based on I GAAP and IFRS policies, four profitability ratios have been considered. i.e.

1. Net Profit Ratio

2. Return on Capital Employed

3. Return on Shareholders' Fund

4. Basic Earnings per Share (EPS)

4.1 NET PROFIT RATIOS

This is the foremost ratio to check the total profit margin of an entity. This ratio indicates the relation of net profit and net sales of a company.

4.1.1 Net Profit Ratios of Dr. Reddy's Lab

Table 4.1.1 shows the results of net profit ratios calculated from the financial statements of Dr. Reddy Lab. for 10 years. The Table includes net profit under I GAAP, IFRS and Reconciliation. The Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the variations between I GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high net profit ratio under IFRS as compared to the net profit ratio under I GAAP. As in the year, 2006-07 there is a negative reconciliation, i.e., (1.7). It shows that in the year 2006-07 the company had better net profit ratio under IFRS as compare to IGAAP. However, in year 2007-08, 2009-10, 2014-15 and 2015-16 there is a positive reconciliation i.e. 0.76, 3.40, 0.3 and 0.52 respectively. It shows that in the year 2006-07 the company had a worse net profit ratio under IFRS as compared to the I GAAP. Therefore, there is negative reconciliation in the rest of the years. So financial profits under IFRS prove better than the financial profits under I GAAP.

Table 4.1.1 Net Profit Ratios of Dr. Reddy's Lab

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	14.54	16.24	-1.7
2007-08	8.43	7.67	0.76
2008-09	-13.10	-7.44	-4.66
2009-10	4.92	1.52	3.40
2010-11	13.23	14.78	-1.55
2011-12	13.07	14.74	-1.67
2012-13	12.67	14.42	-1.75
2013-14	14.45	16.28	-1.83
2014-15	15.27	14.97	0.3
2015-16	13.47	12.95	0.52

Source: Author's Calculations

4.1.2 Net Profit Ratios of HAL

Table 4.1.2 shows the results of net profit ratios calculated from the financial statements of HAL for 10 years. The Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the variations between Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast negative reconciliation shows vice versa. There is negative reconciliation in all the years. Though the company had a net loss for the years but under IFRS, the loss is lesser as compared to the loss under IGAAP. So financial results under IFRS prove better than the financial results under I GAAP.

Table 4.1.2 Net Profit Ratios of HAL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	-43.61	-32.14	-11.47
2007-08	-17.26	-9.83	-7.43
2008-09	-15.12	-11.26	-3.86
2009-10	-37.13	-25.94	-11.19
2010-11	-50.8	-34.56	-16.24
2011-12	-95	-88.43	-6.57
2012-13	-133	-114.78	-18.22
2013-14	-279	-253.92	-25.08
2014-15	-286	-81.44	-204.56
2015-16	-489	-132.27	-356.73

Source: Author's Calculations

4.1.3 Net Profit Ratios of Airtel

Table 4.1.3 shows the results of net profit ratios of Airtel for 10 years. The Table shows that IFRS have a considerable impact on Indian GAAP as the reconciliation shows the variations between Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high net profit ratio under IFRS as compared to the net profit ratio under I GAAP. As the Table shows that only one year (2009-10) has zero reconciliation, which means that, there is no change in net profit ratio under IFRS and I GAAP. All the other years had negative reconciliation, which shows that financial profits under IFRS prove better than the financial profits under I GAAP.

Table 4.1.3 Net Profit Ratios of Airtel

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	22.05	25.20	-3.15
2007-08	23.67	24	-0.33
2008-09	21.04	21.5	-0.46
2009-10	21.90	21.9	00
2010-11	9.57	9.92	-0.35
2011-12	5.7	6.23	-0.53
2012-13	-1.79	2.95	-1.16
2013-14	-2.91	3.52	-0.61
2014-15	5.15	5.76	-0.61
2015-16	5.32	6.35	-1.03

Source: Author's Calculations

4.1.4 Net Profit Ratios of BSNL

Table 4.1.4 shows the results of net profit ratios calculated from the financial statements of BSNL for 10 years. The Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the variations between I GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high net profit ratio under IFRS as compared to the net profit ratio under I GAAP. As the Table shows that, there is a negative reconciliation for all the 10 years from 2006-07 to 2015-16. Which shows that financial profits under IFRS prove better than the financial profits under I GAAP.

Table 4.1.4 Net Profit Ratios of BSNL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	19.65	22.8	-3.15
2007-08	7.91	13.87	-5.96
2008-09	1.61	2.04	-0.43
2009-10	-4.69	-5.24	-0.45
2010-11	-21.5	-19.91	-1.59
2011-12	-31.68	-30.29	-1.39
2012-13	-29.06	-27.27	-5.16
2013-14	--25.1	-23.9	-1.2
2014-15	-28.74	-28.41	-0.33
2015-16	-11.78	-9.99	-1.79

Source: Author's Calculations

4.1.5 Net Profit Ratios of HDFC

Table 4.1.5 shows the results of the net profit ratio calculated from the financial statements of HDFC BANK for 10 years. The Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences between I GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high net profit ratio under IFRS as compared to the net profit ratio under I GAAP. As the Table shows that, there is a negative reconciliation for all the 10 years from 2006-07 to 2015-16, which shows, that financial profits under IFRS prove better than the financial profits under I GAAP.

Table 4.1.5 Net Profit Ratios of HDFC

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	13.90	34.31	-20.44
2007-08	12.75	39.8	-27.05
2008-09	11.40	33.9	-22.5
2009-10	14.96	40.7	-25.74
2010-11	16.31	39.73	-23.42
2011-12	15.95	34.18	-18.23
2012-13	16.05	33.34	-17.79
2013-14	17.23	34.46	-17.23
2014-15	17.77	35.37	-17.60
2015-16	17.23	34.85	-17.62

Source: Author's Calculations

4.1.6 Net Profit Ratios of SBI

Table 4.1.6 shows the results of net profit ratios calculated from the financial statements of SBI BANK for 10 years. The Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the difference between Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high net profit ratio under IFRS as compared to the net profit ratio under I GAAP. As the Table shows that, there is a negative reconciliation for all the 10 years from 2006-07 to 2015-16. Which shows that financial profits under IFRS prove better than the financial profits under I GAAP

Table 4.1.6 Net Profit Ratios of SBI

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	10.32	15.95	-4.63
2007-08	11.67	17.44	-5.77
2008-09	11.93	17.13	-5.2
2009-10	10.66	16.76	-6.1
2010-11	8.50	22.60	-14.1
2011-12	9.68	23.7	-14.02
2012-13	9.13	23.27	-14.14
2013-14	6.38	22.87	-16.49
2014-15	6.81	25.11	-18.3
2015-16	4.67	24.65	-19.98

Source: Author's Calculations

4.1.7 Net Profit Ratios of Infosys

Table 4.1.7 shows the results of net profit ratios calculated from the financial statements of Infosys for 10 years. The Table shows that IFRS have insignificant impact on Indian GAAP as the reconciliation shows the difference between Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high net profit ratio under IFRS as compared to the net profit ratio under I GAAP. As the Table shows the positive reconciliation for all the 10 years from 2006-07 to 2015-16. Which shows that financial profits under I GAAP prove better than the financial profits under IFRS.

Table 4.1.7 Net Profit Ratios of Infosys

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	27.75	27.56	0.19
2007-08	27.91	27.85	0.06
2008-09	27.60	27.47	0.13
2009-10	27.67	27.33	0.34
2010-11	24.85	24.81	0.04
2011-12	24.70	24.53	0.17
2012-13	23.37	23.32	0.05
2013-14	21.25	21.23	0.02
2014-15	23.28	23.11	0.17
2015-16	21.98	21.60	0.38

Source: Authors' Calculations

4.1.8 Net Profit Ratios of HCL

Table 4.1.8 shows the results of net profit ratios calculated from the financial statements of HCL for 10 years. The Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the difference between Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high net profit ratio under IFRS as compared to the net profit ratio under I GAAP. As the Table shows that there is a positive reconciliation for 6 years out of 10 from 2006-07 to 2010-11 and the year 2013-2014, which shows that financial profits under I GAAP prove better than the financial profits under IFRS and the rest four years having negative correlation which shows that financial profits under IFRS prove better than the financial profits under I GAAP.

Table 4.1.8 Net Profit Ratios of HCL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	21.72	21.08	0.64
2007-08	13.91	13.87	0.04
2008-09	12.90	11.42	1.48
2009-10	10.37	9.69	0.68
2010-11	10.27	10.09	0.18
2011-12	11.51	11.59	-0.08
2012-13	15.58	14.62	-0.04
2013-14	19.83	19.35	0.48
2014-15	19.30	19.56	-0.26
2015-16	17.70	17.86	-0.16

Source: Authors' Calculations

4.2 RETURN ON CAPITAL EMPLOYED

This ratio is to measure the company's profitability from its capital. This ratio indicates the relation of profit before taxes and capital employed.

4.2.1 Return on Capital Employed of Dr. Reddy's Lab

Table 4.2.1 shows the results of the return on capital employed calculated from the financial statements of Dr. Reddy's lab for 10 years. Table shows that IFRS have a considerable impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the

Table shows that, there is a negative reconciliation for all the 10 years from 2006-07 to 2015-16. Which shows that return on capital employed under IFRS prove better than the return on capital employed under I GAAP.

Table 4.2.1 Return on Capital Employed of Dr. Reddy's Lab

Year	Under I GAAP	Under IFRS	Reconciliation
2006-07	22.10	18.17	-3.93
2007-08	9.85	4.34	-5.51
2008-09	15.99	6.98	-9.01
2009-10	16.88	4	-12.88
2010-11	26.38	23.05	-3.33
2011-12	26.8	24.3	-2.5
2012-13	27.65	24.55	-3.10
2013-14	25.84	22.90	-2.94
2014-15	24.62	21.54	-3.08
2015-16	20.31	18.98	-1.33

Source: Author's Calculations

4.2.2 Return on Capital Employed of HAL

Table 4.2.2 shows the results of the return on capital employed calculated from the financial statements of HAL for 10 years. Table shows that IFRS have a considerable impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the Table shows that, there is a negative reconciliation for all the 10 years from 2006-07 to

2015-16. This shows that return on capital employed under IFRS prove better than that of I GAAP.

Table 4.2.2 Return on Capital Employed of HAL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	-21.71	-9.24	-12.47
2007-08	-11.25	-3.90	-7.35
2008-09	-13.35	-6.04	-7.31
2009-10	-27.8	-11.64	-16.16
2010-11	-34.38	-11.37	-23.01
2011-12	-87.45	-30.56	-56.89
2012-13	-99.36	-31.95	-67.41
2013-14	-164.74	-43.41	-121.33
2014-15	-106.89	-9.39	-97.5
2015-16	-124.15	-11.95	-112.2

Source: Author's Calculations

4.2.3 Return on Capital Employed of AIRTEL

Table 4.2.3 shows the results of the return on capital employed calculated from the financial statements of Airtel for 10 years. The reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the Table shows the positive reconciliation in the year 2006-07, 2007-08, 2009-10, 2010-11, 2011-12 and the year 2014-15 . Which shows that return on capital employed under IFRS is lower than the return on capital employed under I GAAP. Moreover, there is a negative reconciliation for the years 2008-09, 2012-

13, 2013-14 and the year 2015-16. This shows that return on capital employed under IFRS prove better than that of I GAAP.

Table 4.2.3 Return on Capital Employed of AIRTEL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	31	28.58	2.42
2007-08	24.6	23.54	1.06
2008-09	21	21.13	-0.13
2009-10	20.8	18.7	2.1
2010-11	8.32	7.01	1.31
2011-12	6.5	6.03	0.47
2012-13	-6.72	4.07	-10.79
2013-14	-17.3	6.22	-23.52
2014-15	9.04	8.10	0.94
2015-16	7.08	7.24	-0.16

Source: Author's Calculations

4.2.4 Return on Capital Employed of BSNL

Table 4.2.4 shows the results of the return on capital employed calculated from the financial statements of BSNL for 10 years. The reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the Table shows the positive reconciliation in the year, 2008-09, and 2011-12 to the year 2015-16. Which shows that return on capital employed under IFRS is lower than the return on capital employed under I GAAP? And there is a negative reconciliation for the years, 2006-07, 2007-08, 2009-10 and the year 2010- 11,

which shows that return on capital employed under IFRS prove better than that of I GAAP.

Table 4.2.4 Return on Capital Employed of BSNL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	8.33	9.78	-1.45
2007-08	4.53	5.77	-1.24
2008-09	1.32	0.78	0.54
2009-10	-2.38	-1.91	-0.47
2010-11	-7.58	-7.21	-0.37
2011-12	-10.67	-11.72	1.05
2012-13	-8.48	-10.84	2.36
2013-14	-10.26	-10.93	0.67
2014-15	-17.13	-15.94	1.19
2015-16	-7.99	-6.33	1.66

Source: Author's Calculations

4.2.5 Return on Capital Employed of HDFC

Table 4.2.5 shows the results of the return on capital employed calculated from the financial statements of HDFC BANK for 10 years. Table shows that IFRS have a considerable impact on Indian GAAP as the reconciliation shows the differences in I GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the Table shows the negative reconciliation for all the 10 years from 2006-07 to

2015-16. Which shows that return on capital employed under IFRS prove better than that of I GAAP.

Table 4.2.5 Return on Capital Employed of HDFC

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	8	18	-10
2007-08	8.18	20.32	-12.14
2008-09	8.73	17.92	-9.19
2009-10	10.33	19.72	-9.39
2010-11	10.76	21.45	-10.69
2011-12	11.21	16.91	-5.7
2012-13	13.83	20.29	-6.46
2013-14	15.17	20.65	-5.48
2014-15	16.51	22.40	-5.89
2015-16	17.31	23.58	-6.27

Source: Author's Calculations

4.2.6 Return on Capital Employed of SBI

Table 4.2.6 shows the results of the return on capital employed calculated from the financial statements of SBI Bank for 10 years. Table shows that IFRS have a considerable impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the Table shows the negative reconciliation for all the 10 years from 2006-07 to 2015-16, which shows that return on capital employed under IFRS prove better than that of I GAAP.

Table 4.2.6 Return on Capital Employed of SBI

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	1.57	2.30	-0.73
2007-08	7.88	12.48	-4.6
2008-09	10.25	15.88	-4.63
2009-10	9.52	10.67	-1.15
2010-11	8.78	23.5	-14.72
2011-12	11.21	19.64	-8.43
2012-13	8.43	15.97	-7.54
2013-14	6.30	14.80	-8.5
2014-15	4.79	15.18	-10.39
2015-16	3.00	13.71	-10.71

Source: Authors' Calculations

4.2.7 Return on Capital Employed of Infosys

Table 4.2.7 shows the results of the return on capital employed calculated from the financial statements of Infosys for 10 years. Table shows that IFRS have no significant impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the Table shows the positive reconciliation for all the 10 years from 2006-07 to 2015-16, which shows that return on capital employed under I GAAP prove better than that of IFRS.

Table 4.2.7 Return on Capital Employed of Infosys

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	37.72	34.43	3.29
2007-08	38.74	33.82	4.92
2008-09	37.76	33.70	4.06
2009-10	34.10	26.74	7.36
2010-11	34.65	26.20	9.45
2011-12	30.29	26.17	4.12
2012-13	27.62	24.63	2.99
2013-14	25.85	23.71	2.14
2014-15	26.07	25.77	0.3
2015-16	25.26	25.17	0.09

Source: Authors' calculations

4.2.8 Return on Capital Employed of HCL

Table 4.2.8 shows the results of the return on capital employed calculated from the financial statements of HCL for 10 years. The reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low net profit ratio under IFRS. In contrast, negative reconciliation shows the high return on capital under IFRS as compared to the return on capital under I GAAP. As the Table shows the positive reconciliation in the year, 2006-07 and 2008-09, this shows that return on capital employed under IFRS is lower than the return on capital employed under I GAAP. In addition, there is a negative reconciliation for the years 2008-09 to 2015-16, which shows that return on capital employed under IFRS prove better than that of I GAAP.

Table 4.2.8 Return on Capital Employed of HCL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	34.30	31.17	3.13
2007-08	27.86	23.76	4.1
2008-09	20.17	25.30	-5.13
2009-10	16.33	20.60	-4.27
2010-11	21.69	24.59	-2.9
2011-12	17.50	33.14	-14.64
2012-13	23.53	39.61	-16.08
2013-14	26.41	38.64	-12.23
2014-15	25.87	37.81	-11.94
2015-16	17.71	25.13	-7.42

Source: Authors' calculations

4.3 RETURN ON SHAREHOLDERS' FUNDS

This ratio shows the return to shareholders' as a percentage of their investments.

This ratio is a relation of profit after taxes and shareholders fund.

4.3.1 Return on Shareholders' Funds of Dr. Reddy's Lab

Table 4.3.1 shows the results of the return on shareholders' of Dr. Reddy's lab for 10 years. Table shows that IFRS have no significant impact on Indian GAAP as the reconciliation shows the minor differences between I GAAP and IF RS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. As the Table

shows the positive reconciliation for all the years except the year 2006-07, which shows that return on shareholders' funds under I GAAP prove better than the return on shareholders' funds under IFRS.

Table 4.3.1 Return on Shareholders' Funds of Dr. Reddy's Lab

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	24.15	28.80	-4.65
2007-08	9.72	8.10	1.62
2008-09	26	12.29	13.71
2009-10	9.31	2.48	6.83
2010-11	24.77	24	0.77
2011-12	26.07	24.82	1.25
2012-13	23.97	22.95	1.02
2013-14	24.96	23.69	1.27
2014-15	23.71	19.92	3.79
2015-16	18.39	15.59	2.80

Source: Author's Calculations

4.3.2 Return on Shareholders' Funds of HAL

Table 4.3.2 shows the results of the return on shareholders' funds calculated from the financial statements of HAL for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the minor differences between Indian GAAP and IFRS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. As the Table shows that, there is a negative reconciliation for all the 10 years from 2006-07 to 2015-16. Which shows that

return on shareholders' fund under IFRS proves better than the return on shareholders' fund under I GAAP.

Table 4.3.2 Return on Shareholders' Funds of HAL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	-46.81	-9.689	-36.92
2007-08	-26.94	-4.19	-22.75
2008-09	-33.79	-6.33	-27.46
2009-10	-66.34	-11.72	-54.62
2010-11	-70	-12.77	-57.23
2011-12	-100.78	-39.79	-60.99
2012-13	-96.74	-45.2	-51.48
2013-14	-117.46	-54.81	-62.65
2014-15	-98.38	-13.04	-85.34
2015-16	-104.41	-17.74	-86.67

Source: Authors' Calculations

4.3.3 Return on Shareholders' Funds of AIRTEL

Table 4.3.3 shows the results of the return on shareholders' funds of Airtel for 10 years. The reconciliation shows the minor differences in Indian GAAP and IFRS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. As the Table shows the positive reconciliation in the year 2008-09, 2009-10, 2010-11, 2011-12, 2014-15 and the year 2015-16, which shows that return on shareholders' funds under IFRS is lower than the return on shareholders' funds under I GAAP. In addition, there is a negative reconciliation for the years 2006-

07, 2007-08 2012-13, and the year 2013-14. Which shows that return on shareholders' funds under IFRS proves better than the return on shareholders' funds under I GAAP.

Table 4.3.3 Return on Shareholders' Funds of AIRTEL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	35.78	40.6	-4.82
2007-08	29.90	29.96	-0.06
2008-09	27.61	24.82	2.79
2009-10	23.47	20.50	2.97
2010-11	12.70	11.43	1.27
2011-12	8.74	7.98	0.76
2012-13	-12.53	4.16	-16.69
2013-14	-19.76	4.72	-24.48
2014-15	12.70	7.95	4.75
2015-16	12.84	8.66	4.18

Source: Authors' Calculations

4.3.4 Return on Shareholders' Funds of BSNL

Table 4.3.4 shows the results of the return on shareholders' funds of BSNL for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the minor differences between I GAAP and IFRS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. . As the Table shows the negative reconciliation for all the 10 years from 2006-07 to 2015-16,

which shows that return on shareholders' funds under IFRS, prove better than that of I GAAP.

Table 4.3.4 Return on Shareholders' Funds of BSNL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	8.85	10.41	-1.56
2007-08	3.63	5.99	-2.36
2008-09	0.64	0.82	-0.16
2009-10	-2.10	-1.94	-0.16
2010-11	-7.97	-7.38	-0.59
2011-12	-12.44	-11.89	-0.55
2012-13	-12.39	-11.70	-0.69
2013-14	-12.20	-11.70	-0.5
2014-15	-17.21	-17.12	-0.09
2015-16	-8.84	-7.53	-1.31

Source: Author's Calculations

4.3.5 Return on Shareholders' Funds of HDFC

Table 4.3.5 shows the results of the return on shareholders' funds of HDFC bank for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the minor differences in Indian GAAP and IFRS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. . As the Table shows the negative reconciliation for all the 10 years from 2006-07 to 2015-16. Which shows that return on shareholders' funds under IFRS proves better than the return on shareholders' funds under I GAAP.

Table 4.3.5 Return on Shareholders' Funds of HDFC

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	17.67	43.34	-25.67
2007-08	13.80	42.8	-29.0
2008-09	15.33	44.28	-28.95
2009-10	14.03	37.98	-23.95
2010-11	15.70	38.06	-22.36
2011-12	17.45	37.17	-19.72
2012-13	18.83	38.88	-20.05
2013-14	19.80	39.54	-19.74
2014-15	16.94	33.64	-16.7
2015-16	17.25	34.81	-17.56

Source: Author's Calculations

4.3.6 Return on Shareholders' Funds of SBI

Table 4.3.6 shows the results of the return on shareholders' funds of SBI Bank for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences between I GAAP and IFRS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. As the Table shows that there is a negative reconciliation for all the 10 years from 2006-07 to 2015-16, which shows that return on shareholders' funds under IFRS prove better than the return on shareholders' funds under I GAAP.

Table 4.3.6 Return on Shareholders' Funds of SBI

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	13.18	20.05	-6.87
2007-08	13.72	20.02	-6.3
2008-09	15.74	22.48	-6.74
2009-10	13.90	21.70	-7.8
2010-11	12.72	33.52	-20.8
2011-12	13.95	33.91	-19.96
2012-13	14.65	34.16	-19.51
2013-14	9.83	32.39	-22.56
2014-15	10.90	36.70	-25.8
2015-16	7.05	33.67	-26.62

Source: Authors' Calculation

4.3.7 Return on Shareholders' Funds of Infosys

Table 4.3.7 shows the results of the return on shareholders' funds of Infosys for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences between I GAAP and IFRS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. As the Table shows that, there is a negative reconciliation for 7 years out of 10 years i.e. 2006-07, 2008-09 and the years 2011-12 to 2015-16, which shows that return on shareholders' funds under IFRS prove better than the return on shareholders' funds under I GAAP. However, for the years 2007-08, 2009-10 and 2010-11 there is a positive reconciliation and better return on shareholders' funds under I GAAP.

Table 4.3.7 Return on Shareholders' Funds of Infosys

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	34.24	40.65	-6.41
2007-08	33.77	29.66	4.11
2008-09	32.74	33.37	-0.63
2009-10	26.71	24.05	2.66
2010-11	26.13	22.07	4.06
2011-12	21.57	22.31	-0.56
2012-13	20.35	22.25	-1.9
2013-14	18.70	20.97	-2.27
2014-15	18.66	22.97	-4.31
2015-16	18.20	22.00	-3.8

Source: Author's Calculations

4.3.8 Return on Shareholders' Funds of HCL

Table 4.3.8 shows the results of the return on shareholders' funds of HCL for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences between I GAAP and IFRS. Positive reconciliation shows the low return on shareholders' funds under IFRS. In contrast, negative reconciliation shows the high return on shareholders' funds under IFRS as compared to the return on capital under I GAAP. As the Table shows the negative reconciliation for 8 years out of 10 years i.e. from the year 2008-09 to the year 2015-16. Which shows that return on shareholders' funds under IFRS proves better than the return on shareholders' funds under I GAAP.

However, for the years 2006-07 and 2007-08, there is a positive reconciliation and better return on shareholders' funds under I GAAP.

Table 4.3.8 Return on Shareholders' Funds of HCL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	31.68	27.93	3.75
2007-08	24.77	21.29	3.48
2008-09	16.58	21.00	-4.42
2009-10	13.96	17.29	-3.33
2010-11	16.72	18.97	-2.25
2011-12	13.21	24.95	-11.74
2012-13	18.03	30.42	-12.39
2013-14	21.71	31.08	-9.37
2014-15	20.72	29.94	-9.22
2015-16	14.25	19.84	-5.59

Source: Author's Calculations

4.4 BASIC EPS

This ratio indicates the allotment of firm's net income to each share of a common stock.

4.4.1 Basic EPS of Dr. Reddy Lab

Table 4.4.1 shows the results of Basic EPS calculated from the financial statements of Dr. Reddy lab for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS.

In contrast, negative reconciliation shows the high EPS under IFRS as compared to the I GAAP. As in the year 2006-07 there is a positive reconciliation i.e. 2.1 and also positive in the years 2007-08, 2009-10, 2014-15 and the year 2015-16 . It shows that the company had better EPS under I GAAP as compare to IFRS. There is negative reconciliation in the years 2008-09, 2010-11, 2011-12, 2012-13 and the year 2013-14 which shows the better EPS under IFRS as compared to the I GAAP.

Table 4.4.1 Basic EPS of Dr. Reddy Lab

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	60.92	58.82	2.1
2007-08	26.07	22.82	3.19
2008-09	-54.48	-30.69	-23.79
2009-10	20.83	6.33	14.5
2010-11	59.06	65.28	-6.22
2011-12	76.76	84.16	-7.4
2012-13	89.93	98.82	-8.89
2013-14	114.45	126.52	-11.07
2014-15	137.18	130.22	6.96
2015-16	126.15	117.34	8.81

Source: Author's Calculations

4.4.2 Basic EPS of HAL

Table 4.4.2 shows the results of Basic EPS calculated from the financial statements of HAL for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences in I GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS. In contrast, negative

reconciliation shows the high EPS under IFRS as compared to the I GAAP. As the Table shows, there is a negative reconciliation for only two years i.e. 2010-11 and 2012-13. All the other years having positive reconciliation, which prove the better EPD under IGAAP as compared to the EPS under IFRS.

Table 4.4.2 Basic EPS of HAL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	-7.61	-8.75	1.14
2007-08	-2.87	-3.76	0.89
2008-09	-3.08	-2.09	0.99
2009-10	-6.97	-6.95	0.02
2010-11	-11.30	-10.69	-0.61
2011-12	-10.07	-11.06	0.99
2012-13	-9.67	-7.36	-2.31
2013-14	-0.01	-0.05	0.04
2014-15	-0.01	-0.05	0.04
2015-16	-0.01	-0.05	0.04

Source: Author's Calculations

4.4.3 Basic EPS of Airtel

Table 4.4.3 shows the results of Basic EPS calculated from the financial statements of Airtel for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences between Indian GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS. In contrast, negative reconciliation shows the high EPS under IFRS as compared to the I GAAP. As the Table shows there is a negative reconciliation for the years 2008-09 , 2011-12 ,2012-13, 2013-14, 2014-15 and the year 2015-16 which shows that EPS is better under IFRS as compared to the I GAAP. There is

positive reconciliation for the years 2006-07, 2007-08, 2009-10 and the year 2010-11 which prove the better EPS under IGAAP as compared to the EPS under IFRS.

Table 4.4.3 Basic EPS of Airtel

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	21.43	10.72	10.71
2007-08	34.23	17.12	17.11
2008-09	20.70	20.75	-0.05
2009-10	24.13	23.67	0.46
2010-11	16.88	15.93	0.95
2011-12	8.48	11.22	-2.74
2012-13	-8.6	6.00	-14.6
2013-14	-16.9	7.02	-23.92
2014-15	11.56	12.97	-1.41
2015-16	11.15	13.72	-2.57

Source: Authors' Calculations

4.4.4 Basic EPS of BSNL

Table 4.4.4 shows the results of Basic EPS calculated from the financial statements of BSNL for 10 years. The reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS. In contrast, negative reconciliation shows the high EPS under IFRS as compared to the I GAAP. As the Table shows there is a negative reconciliation for the years 2010-11 and the year 2013-14 which shows that EPS is better under IFRS as compared to the I GAAP. There is positive reconciliation for the years 2006-07,

2007-08, 2008-09 , 2009-10 , 2011-12 ,2012-13, 2014-15 and the year 2015-16 which prove the better EPS under IGAAP as compared to the EPS under IFRS.

Table 4.4.4 Basic EPS of BSNL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	14.03	13.05	0.98
2007-08	4.44	4.03	0.41
2008-09	1.15	0.95	0.2
2009-10	-3.65	-3.58	0.07
2010-11	-12.77	-13.87	-1.1
2011-12	-17.70	-16.07	1.63
2012-13	-15.77	-15.09	0.68
2013-14	-14.04	-14.56	-0.52
2014-15	-16.47	-16.35	0.12
2015-16	-7.76	-6.56	1.20

Source: Author's Calculations

4.4.5 Basic EPS of HDFC

Table 4.4.5 shows the results of Basic EPS calculated from the financial statements of HDFC Bank for 10 years. Table shows that IFRS have no significant impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS. In contrast, negative reconciliation shows the high EPS under IFRS as compared to the I GAAP. As the Table shows, there is positive reconciliation for all the

years from 2006-07 to the year 2015-16, which prove the better EPS under IGAAP as compared to the EPS under IFRS.

Table 4.4.5 Basic EPS of HDFC

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	36.59	36.36	0.23
2007-08	46.37	45.74	0.63
2008-09	52.95	52.85	0.10
2009-10	68.82	67.60	1.22
2010-11	86.45	85.02	1.43
2011-12	112.25	110.55	1.7
2012-13	145.5	142.45	3.05
2013-14	182.9	177.35	5.55
2014-15	220.5	210.75	9.75
2015-16	254.25	244.2	10.05

Source: Author's Calculations

4.4.6 Basic EPS of SBI

Table 4.4.6 shows the results of Basic EPS calculated from the financial statements of SBI Bank for 10 years. Table shows that IFRS have a significant impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS. In contrast, negative reconciliation shows the high EPS under IFRS as compared to the I GAAP. As the Table shows, there is a negative reconciliation for six years from 2006-07 to the year 2011-12 which shows that EPS is better under IFRS as

compared to the I GAAP. There is positive reconciliation for four years from 2012-13 to the year 2015-16, which prove the better EPS under IGAAP as compared to the EPS under IFRS.

Table 4.4.6 Basic EPS of SBI

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	85.7	86.1	-0.4
2007-08	125.78	126.62	-0.84
2008-09	142.76	143.77	-1.01
2009-10	143.87	144.37	-0.5
2010-11	130.16	130.26	-0.1
2011-12	184.15	184.31	-0.16
2012-13	266.82	210.06	56.76
2013-14	204.00	156.76	47.24
2014-15	227.6	175.5	52.1
2015-16	159.5	129.8	29.7

Source: Author's Calculations

4.4.7 Basic EPS of Infosys

Table 4.4.7 shows the results of Basic EPS calculated from the financial statements of SBI Bank for 10 years. Table shows that IFRS have no significant impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS. In contrast, negative reconciliation shows the high EPS under IFRS as compared to the I GAAP. As the Table shows, there is a negative reconciliation for only one

year out of 10 years i.e. 2008-09 that shows that EPS is better under IFRS as compared to the I GAAP. However, there is positive reconciliation for nine years i.e. the year 2006-07, 2007-08 and the 7 years from the year 2009-10 to the year 2015-16, which prove the better EPS under IGAAP as compared to the EPS under IFRS.

Table 4.4.7 Basic EPS of Infosys

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	69.22	69.21	0.01
2007-08	81.53	81.29	0.24
2008-09	104.60	104.89	-0.29
2009-10	109.84	109.02	0.82
2010-11	119.66	119.45	0.21
2011-12	145.83	145.55	0.28
2012-13	165.01	164.87	0.14
2013-14	186.49	186.35	0.14
2014-15	54.13	53.94	0.19
2015-16	59.85	59.03	0.82

Source: Author's Calculations

4.4.8 Basic EPS of HCL

Table 4.4.8 shows the results of Basic EPS calculated from the financial statements of HCL for 10 years. Table shows that IFRS have no significant impact on Indian GAAP as the reconciliation shows the differences in Indian GAAP and IFRS. Positive reconciliation shows the low EPS under IFRS. In contrast, negative reconciliation shows the high EPS under IFRS as compared to the I GAAP. As the Table shows, there is a negative reconciliation for four years

i.e. 2007-08, 2010-11, 2011-12 and the year 2014-15. Which shows that EPS is better under IFRS as compared to the I GAAP. There is positive reconciliation for six years i.e. 2006-07, 2008-09, 2009-10, 2012-13, 2013-14 and the year 2015-16 which prove the better EPS under IGAAP as compared to the EPS under IFRS.

Table 4.4.8 Basic EPS of HCL

Year	Under IGAAP	Under IFRS	Reconciliation
2006-07	20.20	19.85	0.35
2007-08	15.82	18.27	-2.42
2008-09	19.72	17.91	1.81
2009-10	18.69	17.83	0.86
2010-11	24.09	24.27	-0.18
2011-12	35.06	37.41	-2.35
2012-13	58.95	29.98	28.97
2013-14	46.59	46.12	0.47
2014-15	52.09	52.26	-0.17
2015-16	40.08	39.88	0.2

Source: Author's Calculations

4.5 SIGNIFICANCE OF DIFFERENCES IN FINANCIAL PERFORMANCES

In the above section, material difference between the financial ratios under two sets of accounting sector has been explained by comparing the ratios under IFRS and I GAAP through reconciliation method. After the examination of differences, which is material in nature, the mean difference and significance of the differences has been examined. The researcher has used T-Test to check the significance of differences of financial performances under I GAAP and IFRS.

4.5.1 Test of Significance of differences for Net Profit Ratio

The following Table shows the test of significance of net profit ratio under I GAAP and IFRS. In the table mean difference shows the difference of means of financial ratios under I GAAP and IFRS and the same difference is checked through T test to examine, whether the difference of ratios under two sets of accounting standards are significant or not. The table shows T- value at 95% confidence level and Table value at 5% significance level to check the significance of differences of ratios.

Table 4.5.1 Test of Significance for Net Profit Ratio

Name of the company	Mean Difference	Calculated T value @ 95% level of confidence	Df	Significance value
Dr.Reddy Lab	-0.918	-1.224	9	0.252
HAL	-6.156	-1.599	9	0.144
SAirtel	-1.763	-2.499	9	0.034
oBSNL	-2.506	-3.210	9	0.011
uHDFC	-2.070	-17.550	9	0.000
r SBI	-1.197	-6.591	9	0.000
cInfosys	0.155	3.949	9	0.003
eHCL	0.296	1.758	9	0.113

Source: Author's Calculations

Table shows that Dr. Reddy's Lab, HAL HCL has significance value more than 0.05. So H₀ is accepted and there is no significant difference in the net profit ratio

of these companies under I GAAP and IFRS. However, for all the other companies, the significance value is less than 0.05. Therefore, the null hypothesis is not accepted and there is a significant difference in the net profit ratio of these companies under I GAAP and IFRS. It can be concluded that there are material differences of accounting ratios under I GAAP and IFRS but when it has been checked through statistics, the implementation of IFRS does not bring any significant difference in the net profit of the pharmacy companies but bring significant difference in the net profit of the telecom and banking companies. However, IFRS brings significant differences in the net profit of private sector IT Company but not in public sector IT Company.

4.5.2 Test of Significance Based on T-Test for ROCE

The following Table shows the test of significance of ROCE under I GAAP and IFRS. In the table mean difference shows the difference of means of financial ratios under I GAAP and IFRS and the same difference is checked through T test to examine , whether the difference of ratios under two sets of accounting standards are significant or not. The table shows T- value at 95% confidence level and Table value at 5% significance level to check the significance of differences of ratios.

Table 4.5.2 Test of Significance for ROCE

Name of the company	Mean Difference	Calculated T value @ 95% level of confidence	Df	Significance value

Lab	4.761	4.248	9	0.002
HAL	-5.216	-3.644	9	0.005
Airtel	-2.629	-1.066	9	0.341
BSNL	-0.176	-.427	9	0.679
HDFC	-8.121	-10.579	9	0.000
SBI	-7.240	-5.267	9	0.001
Infosys	3.872	4.223	9	0.002
HCL	-6.878	-3.017	9	0.015

Source: Author's Calculations

Table shows that Airtel and BSNL have significance value more than 0.05. So H₀ is accepted and there is no significant difference in the ROCE of these companies under I GAAP and IFRS. However, for all the other companies, the significance value is less than 0.05. Therefore, the null hypothesis is not accepted and there is a significant difference in the ROCE of these companies under I GAAP and IFRS. It can be concluded that there are material differences of accounting ratios under I GAAP and IFRS but when it has been checked through statistics, implementation of IFRS bring significant difference in the ROCE of the pharmacy, IT and banking industry. However, the IFRS does not bring any considerable variation in the ROCE of the telecom industry.

4.5.3 Test of Significance Based on T-Test for ROSF

The following Table shows the test of significance of ROSF under I GAAP and IFRS. In the table mean difference shows the difference of means of financial ratios under I GAAP and IFRS and the same difference is checked through T test to examine , whether the difference of ratios under two sets of accounting

standards are significant or not. The table shows T- value at 95% confidence level and Table value at 5% significance level to check the significance of differences of ratios.

Table 4.5.3 Test of Significance for ROSF

Name of the company	Mean Difference	Calculated T value @ 95% level of confidence	Df	Significance value
Lab	0.442	0.156	9	0.879
HAL	-5.461	-8.033	9	0.000
Airtel	-2.933	-0.941	9	0.371
BSNL	-0.799	-3.468	9	0.007
HDFC	-2.237	-16.631	9	0.000
SBI	-1.629	-6.147	9	0.000
Infosys	-0.923	-0.814	9	0.437
HCL	-5.108	-2.815	9	0.020

Source: Author's Calculations

Table shows that Dr. Reddy Lab, Infosys and Airtel have significance value more than 0.05. So H₀ is accepted and there is no significant difference in the ROSF of these companies under I GAAP and IFRS. However, for all the other companies, the significance value is less than 0.05. Therefore, null hypothesis is not accepted and there is a significant difference in the ROSF of these companies under I GAAP and IFRS. It can be concluded that there are material differences of accounting ratios under I GAAP and IFRS but when it has been checked through

statistics, implementation of IFRS does not bring significant difference in the ROSF of the Dr. Reddy Lab, Infosys and Airtel. However, implementation of IFRS brings significant difference in the ROCE of the other companies.

4.5.4 Test of Significance Based on T-Test for Basic EPS

The following Table shows the test of significance of Basic EPS under I GAAP and IFRS. In the table mean difference shows the difference of means of financial ratios under I GAAP and IFRS and the same difference is checked through T test to examine , whether the difference of ratios under two sets of accounting standards are significant or not. The table shows T- value at 95% confidence level and Table value at 5% significance level to check the significance of differences of ratios.

Table 4.5.4 Test of Significance for Basic EPS

Name of the company	Mean Difference	Calculated T value @ 95% level of confidence	Df	Significance value
Lab	-2.175	-0.605	9	0.560
HAL	-0.079	-0.241	9	0.815
Airtel	-1.606	-0.443	9	0.668
BSNL	-0.049	-0.173	9	0.866
HDFC	3.371	2.811	9	0.020
SBI	1.827	2.295	9	0.047
Infosys	0.256	2.394	9	0.040
HCL	2.751	0.935	9	0.374

Source: Author's Calculations

Table shows that Dr. Reddy Lab, HAL, Airtel, BSNL and HAL have significance value more than 0.05. So H_0 is accepted and there is no significant difference in the EPS of these companies under I GAAP and IFRS. However, in all other companies, the significance value is less than 0.05. Therefore, null hypothesis is not accepted and there is a significant difference in the EPS of these companies under I GAAP and IFRS. There are material differences of accounting ratios under I GAAP and IFRS but when it has been checked through statistics, IFRS does not bring considerable difference in the EPS of the pharmacy and telecom industry. However, implementation of IFRS brings any significant difference in the EPS of banking companies. However, IFRS brings significant differences in the net profit of private sector IT Company but not in public sector IT Company.

4.6 COMPARISON OF FINANCIAL PERFORMANCE UNDER I GAAP AND IFRS BETWEEN PUBLIC AND PRIVATE SECTOR COMPANIES

In the present section of this research study, the performance of selected companies under I GAAP and IFRS has been compared between public and private sector companies. Correlation analysis has been used to compare the performance of public and private sector companies.

4.6.1 Correlation of Net Profit of the Companies

The correlation of net profit of the selected companies has been tested through correlation analysis. The profits of the companies under IGAAP and under IFRS has been compared in between public and private sector companies and compared under I GAAP and IFRS of the same company.

4.6.1.1 Correlation of Net Profit of Dr Reddy Lab and HAL under I GAAP

Table 4.6.1.1 shows the correlation of net profit of Dr. Reddy lab under me-GAAP and net profit of HAL under I GAAP. As the Table shows, the value of Pearson correlation between two measures is -0.414. Therefore, there is negative correlation between net profit of Dr. Reddy Lab and HAL under I GAAP. However, the significance value is 0.234, which is above 0.05. So the null hypothesis is accepted and there is no significant correlation between net profit of Dr. Reddy Lab and HAL under I GAAP. It can be concluded that there is a negative correlation between net profit of Dr. Reddy Lab and HAL under I GAAP that is not statistically significant.

Table 4.6.1.1 Correlation of Net Profit of Dr Reddy Lab and HAL under I GAAP

	net profit of Dr Reddy under I GAAP	net profit of HAL under I GAAP
net profit of Dr Reddy under I GAAP	1	-.414
Pearson Correlation		
Sig. (2-tailed)		.234
N	10	10

net profit of HAL under I GAAP	Pearson Correlation	-.414	1
	Sig. (2-tailed)	.234	
	N	10	10

4.6.1.2 Correlations of Net Profit of Dr Reddy and HAL under IFRS

Table 4.6.1.2 shows the correlation of net profit of Dr. Reddy lab under IFRS and net profit of HAL under IFRS. As the Table shows, the value of the Pearson correlation between two measures is -.519. Therefore, there is a negative correlation between net profit of Dr. Reddy lab and HAL under IFRS. In addition, the significance value is 0.125, which is above 0.05. The null hypothesis is accepted there is no significant correlation between net profit of Dr. Reddy Lab and HAL under IFRS. It can be concluded that there is a negative correlation between net profit of Dr. Reddy Lab and HAL under IFRS that is not statistically significant.

Table 4.6.1.2 Correlation of Net Profit of Dr Reddy and HAL under IFRS

	net profit of dr. Reddy under IFRS	net profit of HAL under IFRS
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net profit of dr. Reddy under IFRS	Pearson	1	-.519
	Correlation		
	Sig. (2-tailed)		.125
	N	10	10
net profit of HAL under IFRS	Pearson	-.519	1
	Correlation		
	Sig. (2-tailed)	.125	
	N	10	10

Source: Author's Calculations

4.6.1.3 Correlations between Net Profit of AIRTEL and BSNL under IGAAP

Table 4.6.1.3 shows the correlation of net profit of AIRTEL under IGAAP and net profit of BSNL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is 0.560. Therefore, there is a negative correlation between net profit of AIRTEL and BSNL under IGAAP. In addition, the significance value @ 5% significance level is 0.092, which is above 0.05. So H_0 is accepted.

Table 4.6.1.3 Correlations between Net Profit of AIRTEL and BSNL under IGAAP

	net profit of Airtel under I GAAP	net profit of BSNL under I GAAP
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net profit of Airtel under I GAAP	Pearson Correlation	1	.560
	Sig. (2-tailed)		.092
	N	10	10
net profit of BSNL under I GAAP	Pearson Correlation	.560	1
	Sig. (2-tailed)	.092	
	N	10	10

Source: Author's calculations

4.6.1.4 Correlations between Net Profit of AIRTEL and BSNL under IFRS

Table 4.6.1.4 shows the correlation of net profit of AIRTEL under IFRS and net profit of BSNL under IFRS. As the Table shows, the value of Pearson correlation between two measures is -0.596 and the significance value @ 5% significance level is 0.069, which is above 0.05. So, the null hypothesis is accepted. Therefore, there is a negative correlation between net profit of AIRTEL and BSNL under IFRS.

Table 4.6.1.4 Correlations between Net Profit of AIRTEL and BSNL under IFRS

	net profit of Airtel under IFRS	net profit of BSNL under IFRS
net profit of Airtel under IFRS	Pearson Correlation	1
	Sig. (2-tailed)	-.596
		.069

	N	10	10
net profit of BSNL under IFRS	Pearson Correlation	-.596	1
	Sig. (2-tailed)	.069	
	N	10	10

Source: Author's calculations

4.6 .1.5 Correlations between Net Profit of HDFC Bank and SBI Bank under IGAAP

Table 4.6.1.5 shows the correlation of net profit of HDFC under IGAAP and net profit of SBI under IGAAP. As the Table shows, the value of Pearson correlation between two measures is $-.877$ and the significance value @ 5% significance level is 0.001 , which is less than 0.05 . So H_0 is not accepted. Therefore, there is a correlation between net profit of AIRTEL and BSNL under IGAAP.

Table 4.6 .1.5 Correlations between Net Profit of HDFC Bank and SBI Bank under IGAAP

	net profit of HDFC under IGAAP	net profit of SBI under IGAAP
net profit of HDFC under IGAAP	Pearson Correlation	1
	Sig. (2-tailed)	$-.877^{**}$
	N	$.001$
net profit of SBI under IGAAP	Pearson Correlation	$-.877^{**}$
	Sig. (2-tailed)	1
	N	10

	Sig. (2-tailed)	.001	
	N	10	10

Source: Author's calculations

4.6 1.6 Correlations between Net Profit of HDFC Bank and SBI Bank under IFRS

Table 4.6.1.6 shows the correlation of net profit of HDFC under IFRS and net profit of SBI under IFRS. As the Table shows, the value of Pearson correlation between two measures is -.338 and the significance value @ 5% significance level is 0.340, which is greater than 0.05. So, the null hypothesis is accepted. Therefore, there is a negative correlation between net profit of AIRTEL and BSNL under IGAAP.

Table 4.6 1.6 Correlations between Net Profit of HDFC Bank and SBI Bank under IFRS

	net profit of HDFC under IFRS	net profit of SBI under IFRS
net profit of HDFC under IFRS	1	-.338
Pearson Correlation		
Sig. (2-tailed)		.340
N	10	10
net profit of SBI under IFRS	-.338	1
Pearson Correlation		
Sig. (2-tailed)	.340	
N	10	10

Source: Authors' calculations

4.6.1.7 Correlation between Net Profit of Infosys and HCL under I GAAP

Table 4.6.1.7 shows the correlation of net profit of Infosys under I GAAP and net profit of HCL under I GAAP. As the Table shows, the value of Pearson correlation between two measures is $-.371$ and the significance value @ 5% significance level is 0.3291 , which is greater than 0.05 . So the null hypothesis is accepted. Therefore, there is a negative correlation between net profit of Infosys and HCL under IGAAP.

Table 4.6.1.7 Correlation between Net Profit of Infosys and HCL under I GAAP

	net profit of Infosys under I GAAP	net profit of HCL under I GAAP
net profit of Infosys under I GAAP	1	$-.371$
Pearson Correlation		$-.371$
Sig. (2-tailed)		$.291$
N	10	10
net profit of HCL under I GAAP	$-.371$	1
Pearson Correlation	$-.371$	
Sig. (2-tailed)	$.291$	
N	10	10

Source: Authors' calculations

4.6.1.8 Correlation between Net Profit of Infosys and HCL under IFRS

Table 4.6.1.8 shows the correlation of net profit of Infosys under IFRS and net profit of HCL under IFRS. As the Table shows, the value of Pearson correlation between two measures is $-.431$ and the significance value @ 5% significance level is 0.214 , which is greater than 0.05 . So the null hypothesis is accepted. Therefore, there is a negative correlation between net profit of Infosys and HCL under IFRS.

Table 4.6.1.8 Correlation between Net Profit of Infosys and HCL under IFRS

	net profit of Infosys under IFRS	net profit of HCL under IFRS
net profit of Infosys under IFRS	1	-.431
Pearson Correlation		
Sig. (2-tailed)		.214
N	10	10
net profit of HCL under IFRS	-.431	1
Pearson Correlation		
Sig. (2-tailed)	.214	
N	10	10

Source: Authors' Calculations

4.6.2 Correlation between Return on Capital Employed of the companies

Correlation of ROCE of the selected companies has been tested through correlation analysis. The return of the companies under IGAAP and under IFRS has been compared in between public and private sector companies.

4.6.2.1 Correlations between ROCE of Dr Reddy and HAL under IGAAP

Table 4.6.2.1 shows the correlation of ROCE of Dr. Reddy lab under IGAAP and net profit of HAL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is -.605 and the significance value @ 5% significance level is 0.064, which is above 0.05. So H_0 is accepted. Therefore,

there is a negative correlation between ROCE of Dr. Reddy lab and HAL under IGAAP.

Table 4.6.2.1 Correlations between ROCE of Dr Reddy and HAL under IGAAP

	return on capital employed of Dr Reddy under IGAAP	return on capital employed of HAL under IGAAP
return on capital employed of Dr Reddy under IGAAP	1	-.605
Pearson Correlation Sig. (2-tailed)		.064
N	10	10
return on capital employed of HAL under IGAAP	-.605	1
Pearson Correlation Sig. (2-tailed)	.064	
N	10	10

Source: Author's calculations

4.6.2.2 Correlations between ROCE of Dr Reddy and HAL under IFRS

Table 4.6.2.2 shows the correlation of ROCE of Dr. Reddy lab under IFRS and net profit of HAL under IFRS. As the Table shows, the value of Pearson correlation between two measures is -.619 and the significance value @ 5%

significance level is 0.056 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between ROCE of Dr. Reddy lab and HAL under IFRS.

Table 4.6.2.2 Correlations between ROCE of Dr Reddy and HAL under IFRS

	return on capital employed of dr. Reddy under IFRS	return on capital employed of HAL under IFRS
return on capital employed of dr. Reddy under IFRS	1	-.619
Pearson Correlation		.056
Sig. (2-tailed)		
N	10	10
return on capital employed of HAL under IFRS	-.619	1
Pearson Correlation	.056	
Sig. (2-tailed)		
N	10	10

Source: Author's calculations

4.6 .2.3 Correlations between ROCE of AIRTEL and BSNL under IGAAP

Table 4.6.2.3 shows the correlation of ROCE of AIRTEL under IGAAP and ROCE of BSNL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is 0.739 and the significance value @ 5%

significance level is 0.015, which is less than 0.05. So H_0 is not accepted. Therefore, there is a correlation between ROCE of AIRTEL and BSNL under IGAAP.

Table 4.6.2.3 Correlations between ROCE of Airtel and BSNL under IGAAP

	return on capital employed of Airtel under IGAAP	return on capital employed of BSNL under IGAAP
return on capital employed of Airtel under IGAAP Pearson Correlation Sig. (2-tailed) N	1 10	.739* .015 10
return on capital employed of BSNL under IGAAP Pearson Correlation Sig. (2-tailed) N	.739* .015 10	1 10

Source: Author's calculations

4.6 2.4 Correlations between ROCE of AIRTEL and BSNL under IFRS

Table 4.6.2.4 shows the correlation of ROCE of AIRTEL under IFRS and ROCE of BSNL under IFRS. As the Table shows, the value of Pearson correlation between two measures is .933 and the significance value @ 5% significance level

is 0.000, which is less than 0.05. So H_0 is not accepted. Therefore, there is a correlation between net profit of AIRTEL and BSNL under IFRS.

Table 4.6.2.4 Correlations between ROCE of Airtel and BSNL under IFRS

	return on capital employed of Airtel under IFRS	return on capital employed of BSNL under IFRS
return on capital employed of Airtel under IFRS	1	.933**
Pearson Correlation		.000
Sig. (2-tailed)		
N	10	10
return on capital employed of BSNL under IFRS	.933**	1
Pearson Correlation	.000	
Sig. (2-tailed)		
N	10	10

Source: Author's calculations

4.6.2.5 Correlations between ROCE of HDFC Bank and SBI Bank under IGAAP
 Table 4.6.2.5 shows the correlation of ROCE of HDFC under IGAAP and ROCE of SBI under IGAAP. As the Table shows, the value of Pearson correlation between two measures is -.331 and the significance value @ 5% significance level is 0.351 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between ROCE of AIRTEL and BSNL under IGAAP.

Table 4.6.2.5 Correlations between ROCE of HDFC Bank and SBI Bank under IGAAP

	return on capital employed of HDFC under I GAAP	return on capital employed of SBI under IGAAP
return on capital employed of HDFC under I GAAP Pearson Correlation Sig. (2-tailed) N	1 10	-.331 10 .351
return on capital employed of SBI under IGAAP Pearson Correlation Sig. (2-tailed) N	-.331 10 .351	1 10

Source: Author's calculations

4.6.2.6 Correlations between ROCE of HDFC Bank and SBI Bank under IFRS

Table 4.6.2.6 shows the correlation of ROCE of HDFC under IFRS and ROCE of SBI under IFRS. As the Table shows the value of the value of Pearson correlation between two measures is 0.178 and the significance value @ 5% significance level is 0.622 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between ROCE of HDFC Bank and SBI Bank under IFRS

Table 4.6.2.6 Correlations between ROCE of HDFC Bank and SBI Bank under IFRS

	return on capital employed of heft under IFRS	return on capital employed of SBI under IFRS
return on capital employed of heft under IFRS Pearson Correlation Sig. (2-tailed) N	1 10	.178 .622 10
return on capital employed of SBI under IFRS Pearson Correlation Sig. (2-tailed) N	.178 .622 10	1 10

Source: Author's calculations

4.6.2.7 Correlation between ROCE of Infosys and HCL under I GAAP

Table 4.6.2.7 shows the correlation of ROCE of Infosys under I GAAP and ROCE of HCL under I GAAP. As the Table shows the value of the value of Pearson correlation between two measures is 0.243 and the significance value @ 5% significance level is 0.499 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between ROCE of Infosys and HCL under I GAAP.

Table 4.6.2.7 Correlation between ROCE of Infosys and HCL under I GAAP

	return on capital employed of Infosys under I GAAP	return on capital employed of HCL under I GAAP
return on capital employed of Infosys under I GAAP	1	.243
Pearson Correlation		.499
Sig. (2-tailed)		
N	10	10
return on capital employed of HCL under I GAAP	.243	1
Pearson Correlation	.499	
Sig. (2-tailed)		
N	10	10

Source: Authors' Calculations

4.6.2.8 Correlation between ROCE of Infosys and HCL under IFRS

Table 4.6.2.8 shows the correlation of ROCE of Infosys under IFRS and ROCE of HCL under IFRS. As the Table shows the value of the value of Pearson correlation between two measures is -0.426 and the significance value @ 5% significance level is 0.219 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between ROCE of Infosys and HCL under IFRS.

Table 4.6.2.8 Correlation between ROCE of Infosys and HCL under IFRS

	return on capital employed of Infosys under IFRS	return on capital employed of HCL under IFRS
return on capital employed of Infosys under IFRS	1	-.426
Pearson Correlation		.219
Sig. (2-tailed)		
N	10	10
return on capital employed of HCL under IFRS	-.426	1
Pearson Correlation	.219	
Sig. (2-tailed)		
N	10	10

Source: Authors' Calculations

4.6.3 Correlation between Return on shareholders' funds of the companies

Correlation of ROSF of the selected companies has been tested through correlation analysis. The returns of the companies under IGAAP and under IFRS have been compared in between public and private sector companies.

4.6.3.1 Correlations between ROSF of Dr Reddy and HAL under IGAAP

Table 4.6.3.1 shows the correlation of ROSF of Dr. Reddy lab under IGAAP and ROSF of HAL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is -.081 and @ 5% significance level is 0.824 which is greater than 0.05. So H_0 is accepted. Hence, there is a negative correlation between ROSF of Dr. Reddy lab and HAL under IGAAP.

Table 4.6.3.1 Correlation between ROSF of Dr. Reddy lab and HAL under IGAAP

	return on shareholders' fund of Dr Reddy under IGAAP	return on shareholders' fund of HAL under IGAAP
return on shareholders' fund of Dr Reddy under IGAAP	1	-.081
Pearson Correlation		.824
Sig. (2-tailed)		
N	10	10

return on shareholders' Pearson			
fund of HAL under I Correlation		-.081	1
GAAP	Sig. (2-tailed)	.824	
	N	10	10

Source: Author's calculations

4.6.3 .2 Correlations between ROSF of Dr Reddy and HAL under IFRS

Table 4.6.3.2 shows the correlation of ROSF of Dr. Reddy lab under IFRS and ROSF of HAL under IFRS. As the Table shows , the value of Pearson correlation between two measures is -.481 and the significance value @ 5% significance level is 0.160 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between ROSF of Dr. Reddy lab and HAL under IFRS.

Table 4.6.3.2 Correlations between ROSF of Dr Reddy and HAL under IFRS

	return on shareholders' fund of Dr Reddy under IFRS	return on shareholders' fund of HAL under IFRS
return on shareholders' fund of Dr Reddy under IFRS	1	-.481
Pearson Correlation		.160
Sig. (2-tailed)		
N	10	10
return on shareholders' fund of HAL under IFRS	-.481	1
Pearson Correlation		.160
Sig. (2-tailed)		
N	10	10

Source: Author's calculations

4.6 .3.3 Correlations between ROSF of AIRTEL and BSNL under IGAAP

Table 4.6.3.3 shows the correlation of ROSF of AIRTEL under IGAAP and ROSF of BSNL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is 0.771 and the significance value @ 5% significance level is 0.009, which is less than 0.05. So H_0 is not accepted. Therefore, there is a correlation between ROSF of AIRTEL and BSNL under IGAAP.

Table 4.6.3.3 Correlations between ROSF of Airtel and BSNL under IGAAP

	return on shareholders' fund of AIRTEL under IGAAP	return on shareholder s' fund of BSNL under IGAAP
return on shareholders' fund of AIRTEL under IGAAP Pearson Correlation Sig. (2-tailed) N	1 10	.771** .009 10
return on shareholders' fund of BSNL under IGAAP Pearson Correlation Sig. (2-tailed) N	.771** .009 10	1 10

Source: Author's calculations

4.6 .3.4 Correlations between ROCE of AIRTEL and BSNL under IFRS

Table 4.6.3.4 shows the correlation of ROSF of AIRTEL under IFRS and ROSF of BSNL under IFRS. As the Table shows, the value of Pearson correlation between two measures is .957 and the significance value @ 5% significance level is 0.000, which is less than 0.05. So H_0 is not accepted. Therefore, there is a correlation between ROSF of AIRTEL and BSNL under IFRS.

Table 4.6.3.4 Correlations between ROSF of Airtel and BSNL under IFRS

	return on shareholders' fund of AIRTEL under IFRS	return on shareholders' fund of BSNL under IFRS
return on shareholders' fund of Pearson AIRTEL under IFRS	1	.957**
Correlation		
Sig. (2-tailed)		.000
N	10	10
return on shareholders' fund of Pearson BSNL under IFRS	.957**	1
Correlation		
Sig. (2-tailed)	.000	
N	10	10

4.6 .3.5 Correlations between ROSF of HDFC Bank and SBI Bank under IGAAP

Table 4.6.3.5 shows the correlation of ROSF of HDFC under IGAAP and ROSF of SBI under IGAAP. As the Table shows, the value of Pearson correlation between two measures is $-.378$ and the significance value @ 5% significance level is 0.282 which is greater than 0.05 . So H_0 is accepted. Therefore, there is a negative correlation between ROSF of AIRTEL and BSNL under IGAAP.

Table 4.6.3.5 Correlations between ROCE of HDFC Bank and SBI Bank under IGAAP

	return on shareholders' fund of HDFC under IGAAP	return on shareholder's fund of SBI under IGAAP
return on shareholders' fund of HDFC under IGAAP	1	-.378
Pearson Correlation		.282
Sig. (2-tailed)		
N	10	10
return on shareholders' fund of SBI under IGAAP	-.378	1
Pearson Correlation	.282	
Sig. (2-tailed)		
N	10	10

Source: Author's calculations

4.6 .3.6 Correlations between ROSF of HDFC Bank and SBI Bank under IFRS

Table 4.6.3.6 shows the correlation of ROSF of HDFC under IFRS and ROSF of SBI under IFRS. As the Table shows, the value of Pearson correlation between two measures is -.793 and the significance value @ 5% significance level is 0.006, which is less than 0.05. So H_0 is not accepted. Therefore, there is a correlation between ROSF of AIRTEL and BSNL under IFRS.

Table 4.6.3.6 Correlations between ROSF of HDFC Bank and SBI Bank
Under IFRS

	return on shareholders' fund of HDFC under IFRS	return on shareholders' fund of SBI under IFRS
return on shareholders' fund of HDFC under IFRS	1	-.793**
Pearson Correlation		
Sig. (2-tailed)		.006
N	10	10
return on shareholders' fund of SBI under IFRS	-.793**	1
Pearson Correlation		
Sig. (2-tailed)	.006	
N	10	10

Source: Authors' Calculations

4.6.3.7 Correlation between ROSF of Infosys and HCL under IGAAP

Table 4.6.3.7 shows the correlation of ROSF of Infosys and HCL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is .491 and the significance value @ 5% significance level is 0.150 which is greater than 0.05. So H_0 is accepted. Therefore, there is no correlation between ROSF of Infosys and HCL under IGAAP

Table 4.6.3.7 Correlation between ROSF of Infosys and HCL under IGAAP

	return on shareholders' fund of INFOSYS under IGAAP	return on shareholders' fund of HCL under IGAAP
return on shareholders' fund of INFOSYS under IGAAP	1	.491
Pearson Correlation		.150
Sig. (2-tailed)		
N	10	10
return on shareholders' fund of HCL under IGAAP	.491	1
Pearson Correlation		.150
Sig. (2-tailed)		
N	10	10

Source: Authors' Calculations

4.6.3.8 Correlation between ROSF of Infosys and HCL under IFRS

Table 4.6.3.8 shows the correlation of ROSF of Infosys and HCL under IFRS. As the Table shows, the value of Pearson correlation between two measures is -0.20 and the significance value @ 5% significance level is 0.955 which is greater than 0.05. So H_0 is accepted. Therefore, there is no correlation between ROSF of Infosys and HCL under IFRS.

Table 4.6.3.8 Correlation between ROSF of Infosys and HCL under IFRS

	return on shareholders' fund of INFOSYS under IFRS	return on shareholders' fund of HCL under IFRS
return on shareholders' fund of INFOSYS under IFRS	1	-.020
Pearson Correlation		.955
Sig. (2-tailed)		
N	10	10
return on shareholders' fund of HCL under IFRS	-.020	1
Pearson Correlation		.955
Sig. (2-tailed)		
N	10	10

Source: Authors' Calculations

4.6.4 Correlation between Basic EPS of the companies

Correlation of EPS of the selected companies has been tested through correlation analysis. The returns of the companies under IGAAP and under IFRS have been compared in between public and private sector companies.

4.6 .4 .1 Correlation between EPS of Dr Reddy and HAL under IGAAP

Table 4.6 .4 .1 shows the correlation of EPS of Dr. Reddy lab under IGAAP and EPS of HAL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is .243 and the significance value @ 5% significance level is 0.499, which is above 0.05. So H_0 is accepted. Therefore, there is a negative correlation between EPS of Dr. Reddy lab and HAL under IGAAP.

Table 4.6 .4 .1 Correlations between EPS of Dr Reddy and HAL under IGAAP

	basic EPS of Dr Reddy under IGAAP	basic EPS of HAL under IGAAP
basic EPS of Dr Reddy under IGAAP	1	.243
Pearson Correlation		.499
Sig. (2-tailed)		
N	10	10
basic EPS of HAL under IGAAP	.243	1
Pearson Correlation	.499	
Sig. (2-tailed)		
N	10	10

Source: Author's calculations

4.6.4 .2 Correlations between EPS of Dr Reddy and HAL under IFRS

Table 4.6.4.2 shows the correlation of EPS of Dr. Reddy lab under IFRS and EPS of HAL under IFRS. As the Table shows, the value of Pearson correlation between two measures is .230 and the significance value @ 5% significance level is 0.522, which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between EPS of Dr. Reddy lab and HAL under IFRS.

Table 4.6.4.2 Correlations between EPS of Dr Reddy and HAL under IFRS

	basic EPS of Dr Reddy under IFRS	basic EPS of HAL under IFRS
basic EPS of Dr Reddy under IFRS Pearson Correlation	1	.230
Sig. (2-tailed)		.522
N	10	10
basic EPS of HAL under IFRS Pearson Correlation	.230	1
Sig. (2-tailed)	.522	
N	10	10

Source: Authors' Calculations

4.6.4.3 Correlations between EPS of AIRTEL and BSNL under IGAAP

Table 4.6.4.3 shows the correlation of EPS of AIRTEL under IGAAP and EPS of BSNL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is 0.659 and the significance value @ 5% significance level is 0.038, which is less than 0.05. So H_0 is not accepted. Therefore, there is a correlation between EPS of AIRTEL and BSNL under IGAAP.

Table 4.6.4.3 Correlations between EPS of AIRTEL and BSNL under IGAAP

	basic EPS of AIRTEL under IGAAP	basic EPS of BSNL under IGAAP
basic EPS of AIRTEL under IGAAP	1	.659*
Pearson Correlation		
Sig. (2-tailed)		.038
N	10	10
basic EPS of BSNL under IGAAP	.659*	1
Pearson Correlation		
Sig. (2-tailed)	.038	
N	10	10

Source: Authors' Calculations

4.6.4. 4 Correlations between EPS of AIRTEL and BSNL under IFRS

4.6.4.4 Shows the correlation of EPS of AIRTEL under IFRS and EPS of BSNL under IFRS. As the Table shows, the value of Pearson correlation between two measures is .376 and the significance value @ 5% significance level is 0.284 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between EPS of AIRTEL and BSNL under IFRS.

Table 4.6.4. 4 Correlations between EPS of AIRTEL and BSNL under IFRS

	basic EPS of AIRTEL under IFRS	basic EPS of BSNL under IFRS
basic EPS of AIRTEL under IFRS	1	.376
Pearson Correlation		
Sig. (2-tailed)		.284
N	10	10
basic EPS of BSNL under IFRS	.376	1
Pearson Correlation		
Sig. (2-tailed)	.284	
N	10	10

Source: Authors' Calculations

4.6.4.5 Correlations between EPS of HDFC Bank and SBI Bank under IGAAP

Table 4.6.4.5 shows the correlation of EPS of HDFC under IGAAP and EPS of SBI under IGAAP. As the Table shows, the value of Pearson correlation between two measures is .634 and the significance value @ 5% significance level is 0.049, which is less than 0.05. So H_0 is not accepted. Therefore, there is a correlation between EPS of AIRTEL and BSNL under IGAAP.

Table 4.6.4.5 Correlations between EPS of HDFC Bank and SBI Bank under IGAAP

	basic EPS of HDFC under I GAAP	basic EPS of SBI under IGAAP
basic EPS of HDFC under I GAAP	1	.634*
Pearson Correlation		.049
Sig. (2-tailed)		
N	10	10
basic EPS of SBI under IGAAP	.634*	1
Pearson Correlation		.049
Sig. (2-tailed)		
N	10	10

Source: Authors' Calculations

4.6.4.6 Correlations between EPS of HDFC Bank and SBI Bank under IFRS

Table 4.6.4.6 shows the correlation of EPS of HDFC under IFRS and EPS of SBI under IFRS. As the Table shows, the value of Pearson correlation between two measures is .419 and the significance value @ 5% significance level is 0.228 which is greater than 0.05. So H_0 is accepted. Therefore, there is negative correlation between EPS of AIRTEL and BSNL under IFRS.

Table 4.6.4.6 Correlations between EPS of HDFC Bank and SBI Bank under IFRS

	basic EPS of HDFC under IFRS	basic EPS of SBI under IFRS
basic EPS of HDFC under IFRS	1	.419
Pearson Correlation		.228
Sig. (2-tailed)		
N	10	10
basic EPS of SBI under IFRS	.419	1
Pearson Correlation	.228	
Sig. (2-tailed)		
N	10	10

Source: Authors' Calculations

4.6.4.7 Correlations between EPS of Infosys and HCL under IGAAP

Table 4.6.4.7 shows the correlation of EPS of Infosys under IGAAP and EPS of HCL under IGAAP. As the Table shows, the value of Pearson correlation between two measures is .333 and the significance value @ 5% significance level is 0.347 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between EPS of Infosys and HCL under IGAAP.

Table 4.6.4.7 Correlations between EPS of Infosys and HCL under IGAAP

	basic EPS of INFOSYS under I GAAP	basic EPS of HCL under I GAAP
basic EPS of Pearson INFOSYS under I Correlation GAAP	1	0.333
Sig. (2-tailed)		0.347
N	10	10
basic EPS of HCL Pearson under I GAAP Correlation	0.333	1
Sig. (2-tailed)	0.347	
N	10	10

Source: Authors' Calculations

4.6.4.8 Correlations between EPS of Infosys and HCL under IFRS

Table 4.6.4.8 shows the correlation of EPS of Infosys under IFRS and EPS of HCL under IFRS. As the Table shows, the value of Pearson correlation between two measures is .099 and the significance value @ 5% significance level is 0.786 which is greater than 0.05. So H_0 is accepted. Therefore, there is a negative correlation between EPS of Infosys and HCL under IFRS.

Table 4.6.4.8 Correlations between EPS of Infosys and HCL under IFRS

	basic EPS of INFOSYS under IFRS	basic EPS of HCL under IFRS
basic EPS of INFOSYS under IFRS	1	.099
Pearson Correlation		.786
Sig. (2-tailed)		
N	10	10
basic EPS of under IFRS	.099	1
HCL Pearson Correlation	.786	
Sig. (2-tailed)		
N	10	10

Source: Authors' Calculations

In this chapter, impact of IFRS on financial performance has been studied. The researcher compared the profitability measures of the companies for both set of standards, i.e., I GAAP and IFRS by analyzing the accounting ratios of the selected companies. This study founded the positive impact of IFRS on financial performance of the companies . Detailed analysis of the findings is given below:

1. While comparing profitability with statistical tools, it was found that the difference between profitability as per IFRS and Indian GAAP is not statistically significant as the null hypothesis is satisfied in most of the cases. Though statistical tools accept null hypothesis, still a significant difference between various profitability measures is found. That is material in nature.
2. Private sector companies and banking sector companies are highly affected due to convergence process.
3. Financial profits under IFRS prove better than the financial profits under IGAAP in all the selected companies except the companies under IT industries. In IT industries, most of the expenses are related to employees because of its service nature. In service sector , net profits is better under IGAAP because of variations in provision of ESOP costs valuation under fair value accounting , which leads to increase in employee costs and decrease in profits. Depreciation also causes decrease in profits under IFRS due to change in methods of depreciations.

4. Return on Capital Employed describes the profitability efficiency in terms of capital .So higher the profits higher will be the ROCE. ROCE under IFRS proves better than the Return on Capital Employed under IGAAP in all the selected companies. However, in IT companies return on capital employed is better under I GAAP in private company i.e. Infosys and under IFRS in public company i.e. HCL.
5. Return on Shareholders fund under IFRS proves better than the Return on Shareholder Fund under IGAAP in all the selected companies except Dr. Reddy lab. ROSF is lower under IFRS for the companies paying high dividends because of changes in provisions of the recognition of proposed dividends.
6. Basic EPS under IGAAP prove better than Basic EPS under IFRS except for Dr. Reddy lab. I GAAP gives better EPS due to the provision of treatment of redeemable preference shares as a part of equity whereas the same is treated as interest costs under IFRS which reduces the EPS . Some major repairs are treated as an expense under IGAAP whereas it is being capitalized under IFRS that also leads to lower EPS.
7. There are material differences of net profit ratios under I GAAP and IFRS but when it has been checked through statistics, the implementation of IFRS does not bring any significant difference in the net profit of the pharmacy companies but bring significant difference in the net profit of the telecom and banking companies. However, IFRS brings significant differences in the net profit of private sector IT Company but not in public sector IT Company.

8. There are material differences of ROCE under I GAAP and IFRS but when it has been checked through statistics, implementation of IFRS bring significant difference in the ROCE of the pharmacy, IT and banking industry. However, the IFRS does not bring any considerable variation in the ROCE of the telecom industry.
9. There are material differences of ROSF under I GAAP and IFRS but when it has been checked through statistics, implementation of IFRS does not bring significant difference in the ROSF of the Dr. Reddy Lab, Infosys and Airtel. However, implementation of IFRS brings significant difference in the ROCE of the other companies.
10. There are material differences of Basic EPS under I GAAP and IFRS but when it has been checked through statistics, IFRS does not bring considerable difference in the EPS of the pharmacy and telecom industry. However, implementation of IFRS brings any significant difference in the EPS of banking companies. However, IFRS brings significant differences in the net profit of private sector IT Company but not in public sector IT Company.
11. On comparing public and private sector performance, it has been founded that there is a negative correlation between the net profit of public and private sector companies under IGAAP and IFRS except banking sector under IGAAP.
12. There is a negative correlation between ROCE of public and private sector companies under IGAAP and IFRS except telecom sector under IGAAP and IFRS.
13. There is a negative correlation between ROCE of public and private sector companies under IGAAP and IFRS except telecom sector under IGAAP and IFRS.

There is a negative correlation between ROSF of both the companies of the pharmacy sector and IT industries under IGAAP and IFRS , positive correlation between ROSF of public and private sector companies of Telecom sector under IGAAP and IFRS and there is a negative correlation between ROSF of public and private sector companies of Banking sector under IGAAP and positive correlation between ROSF of both the companies of the Banking sector under IFRS.

14. There is a negative correlation between ROCE of public and private sector companies under IGAAP and IFRS except telecom sector under IGAAP and IFRS. There is a negative correlation between ROSF of both the companies of the pharmacy sector and IT industries under IGAAP and IFRS , positive correlation between ROSF of public and private sector companies of Telecom sector under IGAAP and IFRS and there is a negative correlation between ROSF of public and private sector companies of Banking sector under IGAAP and positive correlation between ROSF of both the companies of the Banking sector under IFRS. There is a negative correlation between EPS of both the companies of pharmacy sector and IT industries under IGAAP and IFRS , there is a positive correlation between EPS of both the companies of Telecom and the Banking sector under I GAAP and negative correlation under IFRS.

CHAPTER 5

ACCOUNTING PROFESSIONALS' PERCEPTION TOWARDS IFRS IMPLEMENTATION

“Accounting is the universal language of business. The single most important innovative shaping capital market was the development of sound accounting principles. The accounting is featured about the identification, measurement and communication of the financial reports to related users of the information.”

Income statements are important means by which a company can communicate its financial information to the users. However, some financial information can be better provided by financial reporting rather than financial statements.

Now we are in the age of multinational trade and the dependence of economies on one and another. The nations are not accessing only their own country's capital but others as well. Due to this globalization, companies are recognizing the requirement of single standards.

Therefore, a historical milestone is occurring in reporting monetary and business issues. In the past, various countries used their national GAAPs or followed standards set by larger countries. However, this situation is changing these days. More than 100 economies are now using a single set of rules, called IFRS.

IFRS is a collection of premium standards or global accounting standards developed by IASB. IFRS provide some biased information from financial reporting and financial statements presentation based on consistency and reliability. For the past few years, in most financial and accounting sectors,

different nations had developed their GAAP. The arrival of IFRS changed the way companies work.

IFRS are practically principle-based standards and a framework that was adapted by IASB. These standards are universal to organize the monetary statements of the company.

“International Financial Reporting Standards (IFRS) are designed as a common global language for business affairs to make company accounts; understandable and comparable across international boundaries. They are a consequence of growing international shareholding and trade and are particularly important for companies with dealings in various countries. They are progressively replacing the many different national accounting standards. The rules to be followed by accountants to maintain books of accounts which are comparable, understandable, reliable and relevant as per the users internal or external.”

All the countries have their local GAAPs as accounting principles to be considered while maintaining the income statements. In the era of globalization, everyone is running towards a globalized business and in a race to compete with other economies. Specially developing economies are in a race to be a developed economy by setting their business at globally.

Over the last few years, the increasing demand for globalization has force the most of the nations in the world to adopt comparable and constant accounting standards. During these days, IFRS has gained worldwide approval and used over 100 countries. Therefore, it is necessary to adopt or converge with IFRS to be a globalized economy.

With the convergence towards globalized accounting standards, the accounting professionals' perception has been changed with the lapse of time. Therefore, this

study attempts to study the accounting professionals' perception towards IFRS implementation.

In the present chapter of the study, an effort has been made to know the accounting professionals' perceptions moving to IFRS implementation in India regarding pre and post IFRS implementation and then compare their perceptions about expected and observed impact of IFRS implementation in India.

To know the accounting professionals' perceptions towards IFRS implementation in India. This research study has applied frequency analysis, chi-square and factor analysis. Results and conclusion of these tests are used to know the accounting professionals' perceptions towards IFRS implementation in India. This chapter analyzes the issues related to reliability of data, the frequency distribution of respondents, nature of IFRS acceptance, effects of IFRS adoption, the applicability of IFRS in India, opportunities and challenges provided by IFRS, knowledge of accounting professionals regarding IFRS i.e., whether they had expertise on IFRS and they are under training. This chapter also analyzed the association between accounting professionals' perceptions and their demographic profile, and factors, which caused the delay of IFRS implementation in India from the target date i.e., April 2011 to the effective date i.e., April 2016.

The present chapter of this research study has been divided into three sections; i.e.

1. Perception of accounting professionals towards IFRS before the implementation of IFRS in India.
2. Perception of accounting professionals towards IFRS after the implementation of IFRS in India.
3. Comparison of Perception of accounting professionals towards IFRS during pre IFRS implementation and post IFRS implementation.

5.1 PERCEPTION OF ACCOUNTING PROFESSIONALS TOWARDS IFRS BEFORE THE IMPLEMENTATION OF IFRS IN INDIA.

This section covers the accounting professionals' perception towards IFRS before the implementation of IFRS in India.

5.1.1 Reliability of Data

“Reliability refers to the degree to which a test is consistent and stable in measuring, what it is intend to measure. It refers the level of consistency of method used to measure something. If the same results can be consistently achieved with same methods under the same circumstances, the measurement is considered reliable. Reliability of data is related with degree of estimates to which a questionnaire or a data set is free from errors”. Data is supposed to be 60% or more than 60% reliable. Cronbach’s alpha is used to analyze the reliability of data. If the Cronbach’s alpha is 0.6 or more, it is said that data is reliable.

At the first instance instrument contain 13 statements on 5-point likert scale and data was 52.6% reliable as shown in the Table given below.

Table 5.1.1a Initial Reliability Statistics

Cronbach's Alpha	N of Items
0.526	13

Source: Author’s Calculations

After this to increase the data reliability, the statement “Do you think The Indian Accounting Standards are outdated” which has the least value of corrected item-total correlation has been deducted from the data. Reliability has been increased to 57.2%.

Table 5.1.1b Reliability Statistics

Cronbach's Alpha	N of Items
.572	12

Source: Author's Calculations

After this to increase the data reliability, the statement “IFRS is better than the Indian GAAP” which has least value of corrected item-total correlation has been deducted from the data. Reliability has been increased to 61.7%.

Table 5.1.1c Reliability Statistics

Cronbach's Alpha	N of Items
.617	11

Source: Author's Calculations

Finally, Cronbach's alpha test value is .617, which shows that data is 61.7% reliable.

This instrument contains another 16 statements on a 5-point Likert scale. Therefore, reliability test being applied to these statements and at first instance, data was 64.4% reliable as shown in the Table given below.

Table 5.1.1d Initial Reliability Statistics

Cronbach's Alpha	N of Items
0.644	16

Source: Author's Calculations

As the Table shows, data is 64.4 % reliable, which is greater than 60%. So further reliability test is not required to increase the value of Cronbach’s alpha. So data is 64.4% reliable.

5.1.2 Factors Responsible for Delay of IFRS Implementation in India

“Factor analysis has been used to know the factors responsible for the delay of IFRS implementation in India. Factor analysis is a beneficial statistical technique for reducing data complexity by reducing the number of studied variables. Factor analysis has been applied to the responses provided by respondents. Factor analysis is a good way of identifying latent or underlying factors from an array of seemingly important variables.” (Nargundkar, 2008)

“Measure of sample adequacy such as Bartlett’s test of sphere city and KMO value showed that data was fit for factor analysis. Generally, KMO value greater than 0.5 is desirable.” As per the Table 5.1.2a, the KMO value is 0.544, so data is fit for this test.

Table 5. 1.2 a KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.603
Bartlett's Test of Sphericity	Approx. Chi-Square	290.086
	Df	120
	Sig.	0.000

Source: Author’s Calculations

The further step in this succession is to reveal the factors to be resulting in numbers. Number of factors is to be derived by analyzing the principal

component analysis. Table 5.1.2b explains the seven factors, which are having greater than 1 Eigen values. The total variance made clear by extracted seven factors is 69.128.

Table 5.1.2b Total Variance Explained

Component	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	2.997	18.732	18.732	2.208	13.798	13.798
2	1.875	11.718	30.449	1.636	10.224	24.022
3	1.547	9.668	40.117	1.560	9.752	33.775
4	1.350	8.440	48.557	1.547	9.670	43.445
5	1.195	7.466	56.023	1.545	9.656	53.101
6	1.078	6.739	62.762	1.319	8.243	61.344
7	1.018	6.365	69.128	1.245	7.784	69.128

Source: Authors' Calculations

Naming the factors

All the seven factors extracted have been given names based on the different variables included in each case. Seven factors have been named as:

F1: Lack of coherence between regulatory bodies and the Indian government.

F2: Lack of Educational and Professionals Programs

F3: Complexity and difficulty of IFRS.

F4: Reluctant Indian Government

F5: Lack of Financial Resources

F6: Lack of Trained Professionals

F7: Lack of Educational Institutions

The structure of these factors has been discussed in detail:

F1: Lack of Coherence between Regulatory Bodies and the Indian Government.

This is the most significant factor with maximum Eigen value of 2.997 in the rotated component matrix. Total four variables have been covered under this factor and sequenced based on their loading value in the Table. The first factor responsible for the delay in IFRS implementation in India has been the “Lack of Coherence between regulatory bodies and the Indian government.” revealed with the Eigen value of 2.997.

Table 5.1.2c: Lack of Coherence between Regulatory Bodies and the Indian Government

Sr. No.	Variables	Loadings
1	Lack of coherence between qualification and standard-setting bodies.	0.764
2	There is a lack of better information for management decisions.	0.725
3.	Lack of coherence between existing laws and IFRS.	0.702
4.	The absence of involvement of regulatory bodies/ auditors makes enforcement difficult.	0.629

Source: Authors' Calculations

Table 5.1.2c reveals that all the statements under F1 describes the lack of cooperation between regulatory bodies and the Indian government to implement IFRS in India and IFRS does not correlate with the Indian laws. This factor

describes the reasons of delay of IFRS implementation in India. These statements represents a lack of coherence between regulatory bodies and the Indian government as the first and the most important reason for the delay of IFRS implementation in India.

F2: Lack of Educational and Professional Programs

The second important factor, which was responsible for the delay in IFRS execution in India has been the “Lack of Educational and Professional Programs”, revealed with Eigen value 1.875. Three variables have been covered under this factor and sequenced based on their loading value in a Table.

Table5.1.2d Lack of Educational and Professional Programs

Sr. No.	Variables	Loadings
1.	There is a lack of readiness by professional organizations and entities for IFRS implementation.	0.803
2.	There is an atmosphere of selective adoption of IFRS, therefore creating inconsistencies in the level of adoption.	0.765
3.	There is a lack of coherence between educational programs and professional programs.	0.465

Source: Authors' Calculations

Table 5.1.2d reveals all the statements under F2 describe the lack of educational and professional programs. Professional organizations and accounting experts were not willing for IFRS implementation in India and proper education was not providing regarding IFRS to students and professionals.

F3: Complexity and Difficulty of IFRS

The third important factor responsible for the interruption in IFRS implementation in India has been the “Complexity and Difficulty of IFRS” revealed with the Eigen value of 1.547. Total 2 variables have been covered under this factor and sequenced based on their loading values in the Table.

Table 5.1.2e Complexity and Difficulty of IFRS

Sr. No.	Variables	Loadings
1.	There is a lack of adequate communication about developments in accounting.	0.782
2.	IFRS is too complex and therefore too difficult to enforce	0.715

Source: Authors’ Calculations

Table 5.1.2e reveals that IFRS is too complex and challenging and not an easy task for professionals who are perfect under I GAAP.

F4: Reluctant Indian Government

The fourth important reason for the delay in IFRS implementation with an Eigen value of 1.350 is “Reluctant Indian Government”. Total 2 variables have been covered under this factor and sequenced based on their loading values in Table.

Table 5.1.2f Reluctant Indian Government

Sr. No.	Variables	Loadings
1.	The Indian government is somewhat reluctant towards transparency in financial reporting system.	0.778
2.	CPD is not well monitored	0.507

Source: Authors’ Calculations

F5: Lack of Financial Resources

The fifth factor responsible for the delay of IFRS implementation in India has been the ‘Lack of Financial Resources’ revealed with the Eigen value of 1.195. Total two variables have been covered under this factor and sequenced based on their loading value in the Table.

Table 5.1.2g: Lack of Financial Resources

Sr. No.	Variables	Loadings
1.	The lack of financial resources impacts directly on educational, technical, institutional and enforcement constraints.	0.807
2.	There is a serious lack of financial resources	0.642

Source: Authors’ Calculations

Table 5.1.2g reveals that all the loadings under F5 describe the lack of financial resources in India to implement IFRS and due to scarce financial resources, educational, technical and institutional trainings are being effective.

F6: Lack of Trained Professionals

The sixth important reason for the delay in IFRS implementation with an Eigen value of 1.078 is “Lack of Trained Professionals” in India for the training, coaching, and education of professionals and students. Total 2 variables have been covered under this factor and sequenced as per their loadings.

Table 5.1.2h Lack of Trained Professionals

Sr. No.	Variables	Loadings
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1.	There is a lack of adequately trained professional accountants.	0.878
2.	CPD is not well monitored	0.591

Source: Author's Calculations

The factor describes a lack of qualified people in India who have expertise in IFRS to provide training and education and IFRS is as difficult as compare to The Indian GAAP.

F7: Lack of Educational Institutions

'Lack of Educational Institutions' is the last important factor with Eigen value 1.018, which becomes responsible for delaying IFRS implementation in India. Total two variables have been loaded on this factor.

Table 5.1.2 i Lack of Educational Institutions

Sr. No.	Variables	Loadings
1.	There is a shortage of educational institutions.	0.761
2.	There is a lack of understanding of IFRS requirements and the reasons behind the requirements.	0.463

Source: Author's Calculations

The factor describes lack of qualified people and educational institutions with expertise with IFRS to provide training and education in India.

5.1.3 Association between accounting professionals' perception and Their Demographic Profile

To determine the association of accounting professionals' opinions and their demographic attributes, Pearson's chi-square test has been used and hypothesis have been tested on the basis of results drawn out by chi-square. The study aimed to identify the accounting professionals' perceptions regarding IFRS in India. The study (Table 5.1.3a) showed that before implementation of IFRS in India out of 97 respondents, 88 respondents have a positive (agree), and only 9 respondents have neutral, and no one has negative (disagree) perceptions towards IFRS implementation in India.

Table 5.1.3a Overall Accounting Professionals' Perceptions towards IFRS Implementation

Perception	Frequency	Percentage
Agree	88	90.7
Neutral	9	9.3
Disagree	0	0
Total	97	100

Source: Author's Calculations

Hypothesis of the study

H1: There is no significant association between age of the accounting professionals and their perception towards IFRS implementation in India.

H2: There is no significant association between gender of the accounting professionals and their perception towards IFRS implementation in India.

H3: There is no significant association between academic qualification of the accounting professionals and their perception towards IFRS implementation in India.

H4: There is no significant association between designation of the accounting professionals and their perception towards IFRS implementation in India.

H5: There is no significant association between professional experience of the accounting professionals and their perception towards IFRS implementation in India.

5.1.3.1 Association between Age and Perception towards IFRS Implementation in India.

Table 5.1.3b explains the relationship between age of accounting professionals and their opinions towards IFRS implementation in India. Before implementation of IFRS, about 23 respondents are of (20-30) age group , 33 respondents are of (30-40) age group , 19 respondents belongs to age group (40-50) and 13 respondents are from age group (50-60), have favorable perception towards IFRS implementation in India. And only 9 respondents belonging to different age groups have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the age group (30-40), which is followed by respondents of 20-30 years of age.

Respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is 0.283, which is above 0.05. So the null hypothesis is accepted. Thus, there is no considerable relationship

between age of the accounting professions and their opinions towards IFRS implementation in India.

Table 5.1.3b Association between Age and Perception towards IFRS Implementation in India.

Age	Agree	Neutral	Disagree	Total
20-30	23	1	0	24
30-40	33	6	0	39
40-50	19	2	0	21
50-60	13	0	0	13
Total	88	9	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		3.804	3	0.283

Source: Author's Calculations

5.1.3.2 Association between Gender and Perception towards IFRS Implementation in India.

Table 5.1.3c explains the relationship between gender of accounting professionals and their perception with IFRS implementation in India. Before implementation of IFRS, about 60 male respondents, and 28 female respondents have a positive perception towards IFRS implementation in India. And only 9 respondents from the both category have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the male respondents than female respondents.

Respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is 0.553, which is above 0.05. So

the null hypothesis is accepted. Therefore, there is no considerable association between gender of the accounting professionals and their perception towards IFRS implementation in India.

Table 5.1.3c Association between Gender and Perception towards IFRS Implementation in India.

Gender	Agree	Neutral	disagree	Total
Male	60	7	0	67
Female	28	2	0	30
Total	88	9	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		0.352	1	0.553

Source: Author's Calculations

5.1.3.3 Association between Educational Qualification and Perception towards IFRS Implementation in India.

Table 5.1.3d gives explanation about the association of educational qualification of professionals and their perception towards IFRS implementation in India. Before implementation of IFRS, about 3 respondents who are graduate, 18 respondents who are postgraduate, 34 CAs, 20 CSs, and 13 respondents who are CWA have a positive perception towards IFRS implementation in India. And only 9 respondents having different level of academic and professional qualification have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the CWAs than others.

Respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is 0.022, which is less than 0.05.

So the null hypothesis is not accepted. Therefore, there is a considerable association of educational qualification of the accounting professionals and their perception with IFRS implementation in India.

Table 5.1.3d Association between Qualification and Perception towards IFRS Implementation

Qualification	Agree	Neutral	Disagree	Total
Graduate	3	0	0	3
Post graduate	18	6	0	24
CA	34	1	0	35
CS	20	0	0	20
CWA	13	2	0	15
Total	88	9	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		11.407	4	0.022

Source: Author's Calculations

5.1.3.4 Association between Designation and Perception towards IFRS Implementation in India.

Table 5.1.3e explains the association between designation of the respondents and their perception towards IFRS implementation in India. Before implementation of IFRS about 32 CAs, 20 CSs, 11 and CWAs, 14 accountants and 11 CEOs have a positive perception towards IFRS implementation in India. And only 9 respondents having different designation have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the CSs than others.

Respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is 0.081, which is above 0.05. So the null hypothesis is accepted. Therefore, there is no considerable relationship between designation of the accounting professionals and their perception with IFRS implementation in India.

Table 5.1.3e Association between Designation and Perception towards IFRS Implementation

Designation	Agree	Neutral	Disagree	Total
CA	32	1	0	33
CS	20	0	0	20
CWA	11	2	0	13
Accountant	14	4	0	18
CEO	11	2	0	13
Total	88	9	0	97
Chi-square test	Pearson chi-square	value	Df	Significance
		8.310	4	0.081

Source: Author's Calculations

5.1.3.5 Association between Professional Experience of Accounting Professionals and Perception towards IFRS Implementation in India

Table 5.1.3f explains the association between professional experience of the respondents and their perception towards IFRS implementation in India. Before implementation of IFRS about 53 respondents having experience of (0-10) years , 15 respondents having experience of (10-20) years , 11 respondents having experience of (20-30) years and only 9 respondents having experience of (30-40)years have a positive perception towards IFRS implementation in India. And only 9 respondents having varying experience have a neutral response. There is

the highest positive perception towards the IFRS implementation in India in the 0-10 experienced respondents than others.

Thus, respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level 0.157, which is above 0.05. So the null hypothesis is accepted. Therefore, there is no considerable association between professional experience of the accounting professionals and their perception with IFRS implementation in India.

Table 5.1.3f Association between Experience and Perception towards IFRS Implementation in India.

Experience	Agree	Neutral	Disagree	Total
0-10	53	5	0	58
10-20	15	4	0	19
20-30	11	0	0	11
30-40	9	0	0	9
Total	88	9	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		5.205	3	0.157

Source: Author's Calculations

5.1.4 Demographic Summary of the Respondents

This study has been considered 97 accounting professionals for data collection and frequency distribution. It has been used to know the frequency of professionals based on different parameters of their demographic profile.

Table 5.1.4 shows that most of the surveyed professionals belonged to age between (30-40) years, i.e., 39 (40.2%), and after this next highest number of the

respondent of the sample belonged to age between 20 to 30 years i.e., 24 (24.7%), and the next age group is 41 to 50 years to which 21 respondents (21.6%) belonged and there were only 13(13.4%) respondents who are above 50 years of age. This study consists of 67 (69.1%) male respondents, and 30 (30.9%) female respondents. Out of 97 accounting professionals, most of the professionals are CAs i.e., 35 (36.1%), the second highest majority of the professionals are postgraduates i.e., 24 (24.7%), and after this 20(20.6%), 15 (15.5%) and 3 (3.1%) respondents are CSs, CWAs and graduates respectively. This study consists of various numbers of targeted respondents on the basis of their designation like CA, CS, CWA, accountant and CEO. Most of the respondents are CAs i.e., 33 (34%), after that 20 CSs (24.6%), 18 accountants (18.6%), 13 CWAs and CEOs (13.4%) both. Most of the respondents have professional experience about (0-10) years i.e., 58 (59.8%) followed by (10-20) years of experience of 19(19.6%) respondents, and (20-30) years of experience of 11 respondents and only 9 respondents have experience for more than 30 years.

Table 5.1.4 Demographic Profile of the Professionals

Demographic variables	Options	Number of respondents	Percentage
Age	20-30	24	24.7
	30-40	39	40.2
	40-50	21	21.6
	50-60	13	13.4
	Total	97	100
Gender	Male	67	69.1
	Female	30	30.9
	Total	97	100
Qualification	Graduation	3	3.1

	Post-graduation	24	24.7
	CA	35	36.1
	CS	20	20.6
	CWA	15	15.5
	Total	97	100
Designation	CA	33	34
	CS	20	24.6
	CWA	13	13.4
	Accountant	18	18.6
	CEO	13	13.4
	Total	97	100
Professional Experience	0-10	58	59.8
	10-20	19	19.6
	20-30	11	11.3
	30-40	9	9.3
	Total	97	100

Source: Author's Calculations

5.1.5 General Perception of the Accounting Professionals

This section describes the general accounting professionals' perception before the implementation of IFRS in India, what they perceived about IFRS implementation

5.1.5.1. Nature of IFRS Adoption

This covers the nature of IFRS Adoption, whether IFRS is just a technical accounting change or change the way of business transactions are currently conducted. The Table shows that, out of 97, 34 respondents considered IFRS as both (accounting change and change in mode of business transaction and 44

respondents considered IFRS As change in mode of business transaction and 19 respondents as just an accounting change.

Table 5.1.5.1 Nature of IFRS Adoption

Nature	No. of respondents	Percentage
Accounting change	19	19.6
Change in mode of business transactions	44	45.4
Both	34	35.1
Total	97	100

Source: Author's Calculations

5.1.5.2 Effects of IFRS Adoption

This section of the study consists of main effects of IFRS, whether it provides true disclosure, true financial performance and comparability. Table 5.1.5.2 shows that 77(79.4%) respondents believed that IFRS would provide true disclosure, true financial performance and comparability. Only 20 respondents believed that IFRS would not provide true disclosure, true financial performance, and comparability.

Table 5.1.5.2 Effects of IFRS Adoption

Options	No. of respondents	Percentage
Yes	77	79.4
No	20	20.6
Total	97	100

Source: Author's Calculations

5.1.5.3 Applicability of IFRS

This section describes the applicability of IFRS in India. Table 5.1.5.3 shows that 66(68%) respondents said that IFRS should be applicable to all companies and

24(24.8%) respondents said that should be applicable to listed companies only. Still only seven (7.2%) respondents believed that IFRS should be applicable to public companies.

Table 5.1.5.3 Applicability of IFRS

Applicable to ...	No. of respondents	Percentage
All companies	66	68
Listed companies	24	24.8
Public companies	7	7.2
Total	97	100

Source: Author's Calculations

5.1.5.4 Level of Confidence of Professionals

This section describes the confidence level of accounting professionals in respect of IFRS. Table 5.1.5.4 shows that 46 respondents had required expertise and 45 respondents were under training to procure knowledge and expertise in IFRS, and only six respondents had no expertise

Table 5.1.5.4 Level of Confidence of Professionals

Level of Confidence	No. of respondents	Percentage
Confident- have required expertise	46	47.4
Active training in progress	45	46.4
No – expertise	6	6.2
Total	97	100

Source: Author's Calculations

4.1.5.5. Expert Professional Supervision

This section describes the professional supervision and expertise of accounting professionals in respect of IFRS. Table 5.1.5.5 shows that 56 respondents had required expertise professional supervision and 21 respondents have no requirement of professional supervision as per the requirement of their professions and 20 respondents felt the need to take the same.

Table 5.1.5.5 Expert Professional Supervision

Expert Professional Supervision	No. of Respondents	Percentage
Yes	56	57.7
Not required	21	21.6
Still need to do	20	20.7
Total	97	100

Source: Authors' Calculations

4.1.5.6 Requirement of Divulgence of Nuances

This section describes the requirement of passing information of differences of IFRS with that of local GAAP to investors, bankers and users of financial information. Table 5.1.5.6 shows that Out of 97, 50 respondents believe that it is necessary to divulge the nuances to interested parties whereas 27 respondents are with no such necessity and 20 respondents are silent in this particular area .

Table 5.1.5.6 Requirement of Divulgence of Nuances

Requirement of Divulgence of Nuances	No. of respondents	Percentage
Yes	50	51.5
No	27	27.8
Can't say	20	20.7
Total	97	100

Source: Authors' Calculations

5.1.5.7 Opportunities and Challenges of IFRS

Results arising from the investigation conducted on accounting professionals highlighted the opportunities and challenges of IFRS in India. The researcher dig out the opportunities and challenges from previous literature of different countries. Respondents were asked to select the variable as opportunity or challenge as per their perception towards IFRS and frequency analysis has been used to know the results.

Table 5.1.5.7 shows that all the variables have varied number of responses that whether a variable is an opportunity or challenge according to the perception of accounting professional towards IFRS. The study investigated some opportunities and challenges regarding the implementation of IFRS. The Table shows total 8 opportunities and 7 challenges. The Table shows global comparability, international market accessibility, lower cost of capital, high-quality accounting framework , economic growth , transparency , trained & skilled manpower and derivatives & hedge accounting as opportunities and Divergence between IFRS & IAS, Amendment in existing laws, legal & regulatory considerations, compliance burden and tax reporting practices as challenges faced through IFRS implementation.

Table 5.1.5.7 Opportunities and Challenges of IFRS

Variables	Opportunity	Challenge
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	No. of responses	Percentage %	No. of responses	Percentage %
Global Comparability	71	73.2	26	26.8
International Market Accessibility	69	71.1	28	28.9
Lower Cost of Capital	85	87.6	12	12.4
High-Quality Accounting Framework	75	77.3	22	22.7
Economic Growth	75	77.3	22	22.7
Transparency	75	77.3	22	22.7
Divergence Between IFRS & IAS	43	44.3	54	55.7
Amendment in Existing Laws	22	22.7	75	77.3
Legal & Regulatory Considerations	34	35.1	63	64.9
Trained & Skilled Manpower	69	71.1	28	28.9
Compliance Burden	21	21.6	76	78.4
Tax Reporting Practices	38	39.2	59	60.8
Derivatives & Hedge Accounting	67	69.1	30	30.9

Source: Author's Calculations

5.2 PERCEPTION OF ACCOUNTING PROFESSIONALS TOWARDS IFRS AFTER THE IMPLEMENTATION OF IFRS IN INDIA.

This section covers the perception of accounting professionals towards IFRS after the implementation of IFRS in India

5.2.1 Reliability of Data

“Reliability refers to the degree to which a test is consistent and stable in measuring, what it is intended to measure the reliability of data is concerned with estimates of the degree to which an instrument is free from errors. Data must be 60% or more than 60% reliable for research. Cronbach’s alpha is used to analyze the reliability of data. If the Cronbach’s alpha is 0.6 or more, it is said that data is reliable.”

At the first instance instrument contained 13 statements on 5-point likert scale, and data was 59.5% reliable as shown in the Table given below.

Table 5.2.1a Initial Reliability Statistics

Cronbach's Alpha	N of Items
0.605	13

Source: Author's Calculations

After this to increase the reliability of data, the statement "adoption of IFRS reduced the rate of financial frauds occurred in India" which has least value of corrected item total correlation has been deducted from the data and reliability has been increased to 61.9%.

Table 5.2.1b Reliability Statistics

Cronbach's Alpha	N of Items
0.619	12

Source: Author's Calculations

As the Table shows data is 61.9% reliable, which is greater than 60%, so a further reliability test is not required to increase the value of Cronbach's alpha. So the data is 61.9% reliable.

5.2.2 Association between Accounting Professionals' Perception and Their Demographic Profile

To check the connection between opinions of accounting professionals and their demographic status Pearson' chi-square test has been used and hypothesis has been tested on the basis of results drawn out by chi-square. The study aimed to identify the accounting professionals' perceptions regarding IFRS implementation in India. Table 5.2.2.1 showed that out of 97 respondents, 71 respondents have a positive (agree), and 26 respondents have neutral perceptions towards IFRS implementation in India.

Table 5.2.2.1 Overall Accounting Professionals' Perceptions towards IFRS Implementation

Perception	Frequency	Percentage
Agree	71	73.2
Neutral	26	26.8
Disagree	0	0
Total	97	100

Source: Author's Calculations

5.2.2.2 Association between Age and Perception towards IFRS Implementation in India.

Table 5.2.2.2 explains the association of age of accounting professionals and their perception with IFRS in India. As the Table showed that about 21 respondents having age group (20-30) , 28 respondents having age group (30-40) ,14 respondents having age group (40-50), and only 8 respondents having age group (50-60) have a positive perception towards IFRS implementation in India. And total 26 respondents belonging to different age groups have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the age group (30-40) than others. Thus, respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is 0.273, which is above 0.05. So H₀ is accepted. Therefore, there is no considerable association between age of the accounting professions and their opinions towards IFRS implementation in India.

Table 5.2.2.2 Association between Age and Perception towards IFRS Implementation in India.

Age	Agree	Neutral	disagree	Total
20-30	21	3	0	24
30-40	28	11	0	39
40-50	14	7	0	21
50-60	8	5	0	13
Total	71	26	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		3.899	3	0.273

Source: Author's Calculations

5.2.2.3 Association between Gender and Perception towards IFRS Implementation in India.

Table 5.2.2.3 gives the explanations about the association between gender of accounting professionals and their opinions with IFRS in India. The Table showed that about 48 male respondents and 23 female respondents have a positive perception towards IFRS implementation in India. And total 26 respondents have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the male respondents than female respondents. Respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is 0.606 after the implementation of IFRS, which is above 0.05. So H₀ is accepted. Therefore, there is no considerable relationship between gender of the accounting professionals and their perception with IFRS implementation in India.

Table 5.2.2.3 Association between Gender and Perception towards IFRS Implementation in India.

Gender	Agree	Neutral	Disagree	Total
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Male	48	19	0	67
Female	23	7	0	30
Total	71	26	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		0.267	1	0.606

Source: Author's Calculations

5.2.2.4 Association between Educational Qualification and Perception towards IFRS Implementation in India.

Table 5.2.2.4 shows the relationship between educational qualification of accounting professionals and their perception of IFRS implementation in India. As below the Table showed that, about 3 respondents who are graduate, 17 respondents who are postgraduate, 25 CAs, 13 CSs, and 13 respondents who are CWA have a positive perception towards IFRS implementation in India. Only 26 respondents having different level of academic and professional qualification have a neutral response.

Thus, respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is 0.510, which is above 0.05. So H₀ is accepted. Therefore there is no considerable relationship between educational qualification of the accounting professionals and their perception with IFRS implementation in India.

Table 5.2.2.4 Association between Qualification and Perception towards IFRS Implementation

Qualification	Agree	Neutral	Dis-agree	Total
Graduate	3	0	0	3

Post graduate	17	7	0	24
CA	25	10	0	35
CS	13	7	0	20
CWA	13	2	0	15
Total	71	26	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		3.295	4	0.510

Source: Author's Calculations

5.2.2.5 Association between Designation and Perception towards IFRS Implementation in India.

Table 5.2.2.5 explains the association between designation of the respondents and their perception towards IFRS implementation in India. As below the Table showed that 24 CAs and 11 CWA, 13 CSs and 12 accountants, and 11 CEOs have a positive perception towards IFRS implementation in India. And total 26 respondents having different designation have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the CWAs than others.

Thus, respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% level of significance .591, which is above 0.05. So H₀ is accepted. Therefore, there is no considerable relationship between designation of the accounting professionals and their perception with IFRS implementation in India.

Table 5.2.2.5 Association between Designation and Perception towards IFRS Implementation

Designation	Agree	Neutral	Disagree	Total
CA	24	9	0	33
CS	13	7	0	20
CWA	11	2	0	13
Accountant	12	6	0	18
CEO	11	2	0	13
Total	71	26	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		2.808	4	0.591

Source: Author's Calculations

5.2.2.6 Association between Professional Experience of Accounting Professionals and Perception towards IFRS Implementation in India

Table 5.2.2.6 explains the association between professional experience of the respondents and their perception towards IFRS implementation in India. As the Table showed that about 43 respondents having experience of (0-10) years ,15 respondents having experience of (10-20) years , 7 respondents having experience of (20-30) years and only 6 respondent having experience of (30-40)years have a positive perception towards IFRS implementation in India. And total 26 respondents having varying experience have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the 0-10 experienced respondents than others.

So respondents have a positive perception regarding IFRS implementation in India. The significance value @ 5% significance level is .462, which is above 0.05. So H0 is accepted .Therefore there is no considerable relationship between

professional experience of the accounting professionals and their perception with IFRS implementation in India.

Table 5.2.2.6 Association between Experience and Perception towards IFRS Implementation in India.

Experience	Agree	Neutral	disagree	Total
0-10	43	15	0	58
10-20	15	4	0	19
20-30	7	4	0	11
30-40	6	3	0	9
Total	71	26	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance
		3.603	4	.462

Source: Author's Calculations

5.2.3 General Perception of the Accounting Professionals

This section describes the general accounting professionals' perception for after implementing IFRS in India, what they perceived about IFRS implementation.

5.2.3.1 Nature of IFRS Adoption

This covers the nature of IFRS Adoption, whether IFRS is just a technical accounting change or change the way business transactions are currently conducted. The Table shows that out of 97 respondents considered IFRS as both (accounting change and change in mode of business transaction i.e., 70 (72.2%). And 17 respondents considered IFRS As change in mode of business transaction and only 10 respondents as just an accounting change.

Table 5.2.3.1 Nature of IFRS Adoption

Nature	No. of respondents	Percentage
Accounting change	10	10.3
Change in mode of business transactions	17	17.5
Both	70	72.2
Total	97	100

Source: Author's Calculations

5.2.3.2 Effects of IFRS Adoption

This section of the study consists of main effects of IFRS, whether it provides true disclosure, true financial performance, and comparability. Table 5.2.3.2 shows that 60 respondents believed that IFRS had provided true disclosure, true financial performance and comparability. And only 37 respondents thought that IFRS had not provided true disclosure, true financial performance, and comparability.

Table 5.2.3.2 Effects of IFRS Adoption

Options	No. of respondents	Percentage
Yes	60	61.9
No	37	38.1
Total	97	100

Source: Author's Calculations

5.2.3.3 Applicability of IFRS

This section describes the applicability of IFRS in India. Table 5.2.3.3 shows that 79(81.4%) respondent said IFRS was made applicable to listed companies only and only 18 (18.6%) said that It should apply to all companies.

Table 5.2.3.3 Applicability of IFRS

Applicable to...	No. of respondents	Percentage
All Companies	18	18.6
Listed Companies	79	81.4
Public Companies	0	0
Total	97	100

Source: Author's Calculations

5.2.3.4 Level of Confidence of Professionals

This section describes the confidence level of accounting professionals in respect of IFRS. Table 5.2.3.4 shows that 64 respondents have required expertise and the rest are under training.

Table 5.2.3.4 Level of Confidence of Professionals

Level of Confidence	No. of respondents	Percentage
Confident- Have Required Expertise	64	66
Active Training in Progress	33	34
No – Expertise	0	0
Total	97	100

Source: Author's Calculations

4.2.3.5 Expert Professional Supervision

This section describes the professional supervision and expertise of accounting professionals in respect of IFRS. Table 5.2.3.5 shows that 75 respondents had required expertise professional supervision, and 22 respondents have no

requirement of professional supervision as per the requirement of their professions.

Table 5.2.3.5 Expert Professional Supervision

Expert professional supervision	No. of respondents	Percentage
Yes	75	77.3
Not required	22	22.7
Still need to do	0	0
Total	97	100

Source: Authors' Calculations

5.2.3.6 Requirement of Divulgence of Nuances

This section describes the requirement of passing information on the differences of IFRS with that of local GAAP to investors, bankers and users of financial information. Table 5.2.3.6 shows that Out of 97, 62 respondents believe it is necessary to divulge the nuances to interested parties whereas 35 respondents are with no such necessity and 20 respondents are silent in this particular area .

Table 5.2.3.6 Requirement of Divulgence of Nuances

Requirement of Divulgence of Nuances	No. of respondents	Percentage
Yes	62	63.9
No	35	36.1
Can't say	0	0

Total	97	100
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Source: Authors' Calculations

5.2.3.7 Opportunities and Challenges of IFRS

Results arising from the investigation conducted on accounting professionals highlighted the opportunities and challenges of IFRS in India. The study considered some opportunities and challenges from previous literature of different countries. Respondents were asked to select the variable as an opportunity or challenge as per their perception of IFRS and frequency analysis has been used to know the results.

Table 5.2.3.7 shows that all the variables have varied responses to whether a variable is an opportunity or challenge according to perception of accounting professional towards IFRS. The study investigated some opportunity and challenge towards the implementation of IFRS. The Table shows 6 opportunities and 7 challenges; global comparability, international market accessibility, lower cost of capital, high-quality accounting framework , economic growth and trained & skilled manpower as opportunities and , transparency , derivatives & hedge accounting Divergence between IFRS & IAS, Amendment in existing laws, legal & regulatory considerations, compliance burden and tax reporting practices as challenges faced through IFRS implementation.

Table 5.2.3.7 Opportunities and Challenges of IFRS

Variables	Opportunity		Challenge	
	No. of responses	Percentage %	No. of responses	Percentage %
Global	66	68	31	32

Comparability				
International Market Accessibility	85	87.6	12	12.4
Lower Cost Of Capital	74	76.3	23	23.7
High Quality Accounting Framework	61	62.9	36	37.1
Economic Growth	71	73.2	26	26.8
Transparency	37	38.1	60	61.9
Divergence Between IFRS & IAS	30	30.9	67	69.1
Amendment In Existing Laws	35	36.1	62	63.9
Legal & Regulatory Considerations	42	43.3	55	56.7
Trained & Skilled Manpower	70	72.2	27	27.8

Compliance Burden	32	33	65	67
Tax Reporting Practices	40	41.2	57	58.8
Derivatives & Hedge Accounting	37	38.1	60	61.9

Sources: Author's Calculations

5.3 COMPARISON OF PERCEPTIONS OF ACCOUNTING PROFESSIONALS TOWARDS IFRS DURING PRE IFRS IMPLEMENTATION AND POST IFRS IMPLEMENTATION

In this section of the present chapter, accounting professionals' perception towards IFRS implementation has been compared with in the period before and after the implementation of IFRS in India.

5.3.1 Association between Perceptions of Accounting Professionals and Their Demographic Profile

To check the connection between opinions of accounting professionals and their demographic status Pearson's chi-square test has been used and hypothesis have been tested on the basis of results drawn out by chi-square. The study was aimed at identifying the accounting professionals' perceptions regarding IFRS

implementation in India. This study identified the perceptions relating to IFRS implementation based on two periods, i.e., before and after implementing IFRS. The Table 5.3.1 showed that before implementation of IFRS in India, out of 97 respondents, 88 respondents have a positive (agree), and only nine respondents have a neutral, and no one have negative (disagree) perceptions towards IFRS implementation in India. As Table 5.3.1 showed, after implementing IFRS in India, out of 97 respondents, 76 respondents have a positive (agree), and 21 respondents have a neutral perceptions towards IFRS implementation in India.

Table 5.3.1 Overall Accounting Professionals' Perceptions towards IFRS Implementation

Perception	Before Implementation		After Implementation	
	Frequency	Percentage	Frequency	Percentage
Agree	88	90.7	71	73.2
Neutral	9	9.3	26	26.8
Disagree	0	0	0	0
Total	97	100	97	100

Source: Author's Calculations

5.3.1.1 Association between Age and Perception towards IFRS Implementation in India.

Table 5.3.1.1 shows the association between the age of respondents and their perception towards IFRS implementation in India. Before implementation of IFRS about 23 respondents are of (20-30) ,33 respondents are of (30-40) , 19

respondents belongs to age group (40-50) and 13 respondents are from age group (50-60), have favorable perception towards IFRS implementation in India. And only nine respondents belonging to different age groups have neutral responses. There is the highest positive perception towards the IFRS implementation in India in the age group (30-40) than others.

But with the change of time, when IFRS has been implemented in India, perception of some respondents changed. As below the Table showed that about 21 respondents are having age group (20-30), 28 respondents having age group (30-40), 14 respondents having age group (40-50), and only 8 respondents having age group (50-60) have positive perception towards IFRS implementation in India. And total 26 respondents belonging to different age groups have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the age group (30-40) than others.

So, in both periods respondents have a positive perception regarding IFRS implementation in India. Therefore, there is a slight reduction in number of respondents after implementing IFRS with a positive perception regarding IFRS implementation since the highest number of respondent have a positive perception.

The significance value before the implementation of IFRS @ 5% significance level is 0.283, which is above 0.05 and 0.273 after the IFRS implementation, which is also above 0.05. So H₀ is accepted in both cases.

Therefore, there is no considerable association in age of the accounting professionals and their perception of IFRS implementation in India, whether it may be for before implementing IFRS in India or after the IFRS in India.

Table 5.3.1.1 Association between Age and Perception towards IFRS Implementation in India.

Period	Before implementation				After implementation			
Age	Agree	Neutral	Dis-agree	Total	Agree	Neutral	Dis-agree	Total
20-30	23	1	0	24	21	3	0	24
30-40	33	6	0	39	28	11	0	39
40-50	19	2	0	21	14	7	0	21
50-60	13	0	0	13	8	5	0	13
Total	88	9	0	97	71	26	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance	Pearson chi-square	Value	Df	Significance
		3.804	3	0.283		3.899	3	0.273

Source: Author's Calculations

5.3.1.2 Association between Gender and Perception towards IFRS Implementation in India.

Table 5.3.1.2 shows the association of gender of accounting professionals and their perception towards IFRS implementation in India. Before implementing IFRS, about 60 male respondents, and 28 female respondents have positive

perceptions towards IFRS implementation in India. And only nine respondents have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the male respondents than female respondents. .

But with the change of time, when IFRS has been implemented in India, perception of some respondents changed. As the Table, 5.3.1.2 showed that about 48 male respondents and 23 female respondents have a positive perception towards IFRS implementation in India. And total 26 respondents have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the male respondents than female respondents. .

So in both periods (before and after the implementation of IFRS) respondents have a positive perception regarding IFRS implementation in India. Therefore, there is a slight reduction in number of respondents after the implementing IFRS with a positive perception regarding IFRS implementation since the highest numbers of respondents have a positive perception.

The significance value before the implementation of IFRS @ 5% significance level is 0.553, which is above 0.05 and 0.606 after the implementation of IFRS, which is also above 0.05. So H₀ is accepted in both cases.

Therefore, there is no considerable association between the gender of the accounting professionals and their perception towards IFRS implementation in India, whether it may be for before implementing IFRS in India or after the IFRS in India.

Table 5.3.1.2 Association between Gender and Perception towards IFRS Implementation in India

Period	Before implementation				After implementation			
Gender	Agree	Neutral	Dis-agree	Total	Agree	Neutral	Dis agree	Total
Male	60	7	0	67	48	19	0	67
Female	28	2	0	30	23	7	0	30
Total	88	9	0	97	71	26	0	97
Chi-square test	Pearson chi-square	Value	Df	Significance	Pearson chi-square	value	Df	Significance
		.0352	1	0.553		0.267	1	0.606

Source: Author's Calculations

5.3.1.3 Association between Educational Qualification and Perception towards IFRS Implementation in India.

Table 5.3.1.3 shows the association of educational qualification of accounting professionals and their perception related to IFRS implementation in India. Before implementing IFRS, about three respondents who are graduate, 18 post graduate respondents, 34 CAs, 20 CSs, and 13 respondents who are CWA have positive perceptions towards IFRS implementation in India. And only nine respondents having different level of academic and professional qualification have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the CWAs than others.

But with the change of time, when IFRS has been implemented in India, perception of some respondents changed. The below Table showed that about 3 respondents who are graduates, 17 post graduate respondents, 25 CAs, 13 CSs and 13 respondents who are CWA have positive perception towards IFRS implementation in India. And only 26 respondents, who had a different level of academic and professional qualification, have a neutral response.

So, in both periods (before and after the implementation of IFRS), respondents have a positive perception regarding IFRS implementation in India. Therefore, there is a slight reduction in number of respondents after the implementation of IFRS. They have a positive perception regarding IFRS implementation since the highest number of respondents has a positive perception.

The significance value before implementing IFRS @ 5% significance level is 0.022, which is less than 0.05, So H_0 is not accepted but with the change of time and after the implementation of IFRS, significance value is 0.510, which is also above 0.05. So H_0 is accepted.

Therefore there is a considerable relationship of educational qualification of the accounting professionals and their perception towards IFRS implementation in India before implementation in India, but after the implementation of IFRS in India their responses have changed and there is no considerable relationship of educational qualification of the accounting professionals and their perception towards IFRS implementation in India after implementation in India

Table 5.3.1.3 Association between Qualification and Perception towards IFRS Implementation

Period	Before Implementation				After Implementation			
	Agree	Neutral	Disagree	Total	Agree	Neutral	Disagree	Total
Graduate	3	0	0	3	3	0	0	3
Post graduate	18	6	0	24	17	7	0	24
CA	34	1	0	35	25	10	0	35
CS	20	0	0	20	13	7	0	20
CWA	13	2	0	15	13	2	0	15
Total	88	0	0	97	71	26	0	97
Chi-square test	Pearson chi-square	value	Df	Significance	Pearson chi-square	value	Df	Significance
		11.407	4	0.022		3.295	4	0.510

Source: Authors' Calculations

5.3.1.4 Association between Designation and Perception towards IFRS Implementation in India.

Table 5.3.1.4 explains the association between the designation of the respondents and their perception towards IFRS implementation in India. Before implementing IFRS, about 32 CAs, 20 CSs, 11 CWAs, 14 accountants, and 11 CEOs have positive perceptions towards IFRS implementation in India. And only nine respondents with different designation have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the CSs than others.

But with the change of time, when IFRS has been implemented in India, perception of some respondents changed. The below Table showed that 24 CAs and 11 CWA, 13 CSs and 12 accountant and 11 CEOs have positive perceptions towards IFRS implementation in India. And total 26 respondents on different designation have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the CWAs than others.

So in both periods (before and after the implementation of IFRS) respondents have a positive perception regarding IFRS implementation in India. Therefore, there is a slight reduction in number of respondents after the implementation of IFRS with positive perception regarding IFRS implementation since the highest number of respondents has a positive perception.

The significance value before implementing IFRS @ 5% significance level is 0.081, which is above 0.05 and after the implementation of IFRS .591, which is also above 0.05. So, H₀ is accepted in both cases.

Therefore, there is no considerable relationship of designation of the accounting professionals and their perception with IFRS implementation in India, whether it may be for before implementing IFRS in India or after the IFRS in India.

Table 5.3.1.4 Association between Designation and Perception towards IFRS Implementation

Period	Before Implementation				After Implementation			
	Agree	Neutral	Disagree	Total	Agree	Neutral	Disagree	Total
CA	32	1	0	33	24	9	0	33
CS	20	0	0	20	13	7	0	20
CWA	11	2	0	13	11	2	0	13
Accountant	14	4	0	18	12	6	0	18
CEO	11	2	0	13	11	2	0	13
Total	88	9	0	97	71	26	0	97
Chi-square test	Pears on chi-square	Value	Df	Significance	Pears on chi-square	Value	Df	Significance
		8.310	4	0.081		2.808	4	0.591

Calculations

5.3.1.5 Association between Professional Experience of Accounting Professionals and Perception towards IFRS Implementation in India

Table 5.3.1.5 explains the association between the professional experience of the respondents and their perception towards IFRS implementation in India. Before implementing IFRS, about 53 respondents with experience of (0-10) years, 15 respondents with experience of (10-20) years, 11 respondents having experience of (20-30) years, and only 9 respondents having experience of (30-40) years have a positive perception towards IFRS implementation in India. And only nine respondents with various experiences have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the 0-10 experienced respondents than others.

But with the change of time, when IFRS has been implemented in India, perception of some respondents changed. The below Table showed that about 43 respondents having experience of (0-10) years, 15 respondents having experience of (10-20) years, 7 respondents having experience of (20-30) years, and only 6 respondent having experience of (30-40) years have a positive perception towards IFRS implementation in India. And total 26 respondents having varying experience have a neutral response. There is the highest positive perception towards the IFRS implementation in India in the 0-10 experienced respondents than others.

So in both periods (before and after the implementation of IFRS) respondents have positive perceptions regarding IFRS implementation in India. Therefore, there is slightly reduction in number of respondents after the implementation of IFRS with positive perception regarding IFRS implementation since the highest number of respondents has positive perception.

The significance value before implementing IFRS @ 5% level of significance 0.157, which is above 0.05 and .462 after the implementation of IFRS, which is also above 0.05. So H0 is accepted in both cases.

Therefore, there is no considerable association between professional experience of the accounting professions and their perceptions with IFRS implementation in India, whether it may be for before implementing IFRS in India or after the implementation of IFRS in India.

Table 5.3.1.5 Association between Experience and Perception towards IFRS Implementation in India.

Period	Before Implementation				After Implementation			
	Agree	Neutral	Dis-agree	Total	agree	Neutra l	Dis- agree	Total
0-10	53	5	0	58	43	15	0	58
10-20	15	4	0	19	15	4	0	19
20-30	11	0	0	11	7	4	0	11
30-40	9	0	0	9	6	3	0	9
Total	88	9	0	97	71	26	0	97
Chi-square test	Pearson chi- square	value	df	Signif icanc e	Pearson chi- square	Value	df	Signifi cance

		5.205	3	0.157		3.603	4	0.462
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Source: Author's Calculations

5.3.2 General Perception of the Accounting Professionals

This section describes the general accounting professionals' perception before and after the implementation of IFRS in India. What they perceived about IFRS implementation

5.3.2.1. Nature of IFRS Adoption

This covers the nature of IFRS Adoption, whether IFRS is just a technical accounting change or change the way business transactions are currently conducted .The Table shows that before the implementation of IFRS, out of 97, the respondents who considered IFRS as both (accounting change and change in the mode of a business transaction, i.e., 34 (35.1%) but it increases to 70(72.2%) after the implementation of IFRS. And 44 respondents considered IFRS as change in mode of business transaction and 19 respondents as just an accounting change before implementation of IFRS, still it reduced to only 17 and 10 respectively, after IFRS implementation.

Table 5.3.2.1 Nature of IFRS Adoption

Nature	Before the Implementation of IFRS		After the Implementation of IFRS	
	No. of respondents	Percentage	No. of respondents	Percentage
Accounting change	19	19.5	10	10.3

Change in mode of business transactions	44	45.4	17	17.5
Both	34	35.1	70	72.2
Total	97	100	97	100

Source: Author's Calculations

5.3.2.2 Effects of IFRS Adoption

This section of the study consists of main effects of IFRS, whether it provide true disclosure, true financial performance and comparability. Table 5.3.2.2 shows that before implementing IFRS, 77 respondents believed that IFRS would provide true disclosure, true financial performance, and comparability, but it is reduced to 60 after the implementation of IFRS. And only 20 respondents believed that IFRS will not provide true disclosure, true financial performance, and comparability before the implementation of IFRS, but it increases to 37 when IFRS is implemented in India.

Table 5.3.2.2 Effects of IFRS Adoption

Options	Before the Implementation of IFRS		After the Implementation of IFRS	
	No. of respondents	Percentage	No. of respondents	Percentage
Yes	77	79.4	60	61.9
No	20	20.6	37	38.1
Total	97	100	97	100

Source: Author's Calculations

5.3.2.3 Applicability of IFRS

This section describes the applicability of IFRS in India. Table 5.3.2.3 shows that before IFRS implementation, 66 (68%) respondents said that IFRS should be applicable to all companies, and 24 respondents said that it should be applicable to listed companies only, but only seven respondents believed that IFRS should be applicable to public companies. But after the implementation of IFRS, 79 respondent said IFRS being made applicable to listed companies only and only 18 respondents said that IFRS being made applicable to all companies.

Table 5.3.2.3 Applicability of IFRS

Applicable to ...	Before the Implementation of IFRS		After the Implementation of IFRS	
	No. of respondents	Percentage	No. of respondents	Percentage
All Companies	66	68	18	18.6
Listed Companies	24	24.8	79	81.4
Public Companies	7	7.2	0	0
Total	97	100	97	100

Source: Author's Calculations

5.3.2.4 Level of Confidence of Professionals

This section describes the confidence level of accounting professionals in respect of IFRS. Table 5.3.2.4 shows that before the implementation of IFRS, 46 respondents had required expertise and 45 respondents were under training and only six respondents had no expertise, but with a lapse of time till IFRS being implemented, 64 respondents have required expertise and rest are under training.

Table 5.3.2.4 Level of Confidence of Professionals

Level of confidence	Before the implementation of IFRS		After the implementation of IFRS	
	No. of respondents	Percentage	No. of respondents	Percentage
Confident- have required expertise	46	47.4	64	66
Active training in progress	45	46.4	33	34
No – expertise	6	6.2	0	0
Total	97	100	97	100

Source: Author's Calculations

5.3.2.5 Expert Professional Supervision

This section describes the professional supervision and expertise of accounting professionals in respect of IFRS. The Table shows that before implementation, 56 respondents had required expertise professional supervision and 21 respondents have no requirement of professional supervision as per the requirement of their

professions and 20 respondents felt need to take the same. But with a lapse of time the response are changes. As the Table shows that 75 respondents had required expertise professional supervision and 22, respondents have no professional supervision requirement as per the requirement of their professions.

Table 5.3.2.5 Expert Professional Supervision

Expert professional supervision	Before the implementation of IFRS		After the implementation of IFRS	
	No. of respondents	Percentage	No. of respondents	Percentage
Yes	56	57.7	75	77.3
Not required	21	21.6	22	22.7
Still need to do	20	20.7	0	0
Total	97	100	97	100

Source: Authors' Calculations

5.3.2.6 Requirement of Divulgence of Nuances

This section describes the requirement of passing information on differences of IFRS with that of local GAAP to investors, bankers and users of financial information. The Table shows that before implementation of IFRS in India, Out of 97, 50 respondents believe that it is necessary to divulge the nuances to interested parties whereas 27 respondents are with no such necessity and 20 respondents are silent in this particular area. But with the time change, responses are also changed. As the Table shows that after implementation of IFRS in India,

Out of 97, 62 respondents are of view that it is necessary to divulge the nuances to interested parties whereas 35 respondents are with no such necessity.

Table 5.3.2.6 Requirement of Divulgence of Nuances

Requirement of Divulgence of Nuances	Before the implementation of IFRS		After the implementation of IFRS	
	No. of respondents	Percentage	No. of respondents	Percentage
Yes	50	51.5	62	63.9
No	27	27.8	35	36.1
Can't say	20	20.7	0	0
Total	97	100	97	100

Source: Authors' Calculations

5.3.2.7 Opportunities and Challenges of IFRS

Results arising from the investigation conducted on accounting professionals highlighted the opportunities and challenges of IFRS in India. The researcher used some opportunities and challenges from previous literature of different countries. And respondents were asked to select the variable as an opportunity or challenge as per their perception towards IFRS and frequency analysis has been used to know the results.

Table 5.3.2.7 shows that all the variables have varied number of responses that whether a variable is opportunity or challenge according to perception of accounting professional towards IFRS. The study investigated some opportunity

and challenge before implementation of IFRS and after the implementation of IFRS. The Table shows 8 opportunities and 7 challenges which includes two variables(transparency and derivatives & hedge accounting) for which perception of respondents has been changed with the implementation of IFRS but study considered the highest responses . Besides these variables the Table shows global comparability, international market accessibility, lower cost of capital, high quality accounting framework , economic growth , transparency , trained & skilled manpower and derivatives & hedge accounting as opportunities and Divergence between IFRS & IAS, Amendment in existing laws, legal & regulatory considerations, compliance burden and tax reporting practices as challenges faced through IFRS implementation.

Table 5.3.2.7 Opportunities and Challenges of IFRS

Variables	Before the Implementation of IFRS				After the Implementation of IFRS			
	Opportunity		Challenge		Opportunity		Challenge	
	No. of responses	Percentage %	No. of responses	Percentage %	No. of responses	Percentage %	No. of responses	Percentage %
Global comparability	71	73.2	26	26.8	66	68	31	32
International market	69	71.1	28	28.9	85	87.6	12	12.4

accessibility								
Lower cost of capital	85	87.6	12	12.4	74	76.3	23	23.7
High quality accounting framework	75	77.3	22	22.7	61	62.9	36	37.1
Economic growth	75	77.3	22	22.7	71	73.2	26	26.8
Transparency	75	77.3	22	22.7	37	38.1	60	61.9
Divergence between IFRS & IAS	43	44.3	54	55.7	30	30.9	67	69.1
Amendment in existing laws	22	22.7	75	77.3	35	36.1	62	63.9
Legal & regulatory considerations	34	35.1	63	64.9	42	43.3	55	56.7
Trained & skilled manpower	69	71.1	28	28.9	70	72.2	27	27.8
Compliance	21	21.6	76	78.4	32	33	65	67

burden								
Tax reporting practices	38	39.2	59	60.8	40	41.2	57	58.8
Derivatives & hedge accounting	67	69.1	30	30.9	37	38.1	60	61.9

Source: Author's Calculations

The present chapter is about the accounting professionals' perceptions towards IFRS implementation. In this chapter, the study used factor analysis to know the factors responsible for delaying IFRS implementation in India. After applying a factor analysis test on data, the study found seven factors that cause a delay in implementation of IFRS in India. These factors are:

- F1: Lack of coherence between regulatory bodies and the Indian government.
- F2: Lack of Educational and Professionals Programs
- F3: Complexity and difficulty of IFRS.
- F4: Reluctant Indian Government
- F5: Lack of Financial Resources
- F6: Lack of Trained Professionals
- F7: Lack of Educational Institutions

To check the association of accounting professionals' perception and their demographic profile Pearson's chi-square test has been used and hypothesis have been tested on the basis of result drawn out by chi-square. The study was aimed at identifying the accounting professionals' perceptions regarding IFRS implementation in India. This study identified the perceptions regarding IFRS

implementation based on two periods, i.e., before implementing IFRS and after implementation of IFRS. The study showed that before implementing IFRS in India, out of 97 respondents, 88 respondents have a positive (agree), and only 9 respondents have a neutral and no one has negative (disagree) perceptions towards IFRS implementation in India but when IFRS has been implemented then perceptions of respondents changed about IFRS. After implementation of IFRS in India, out of 97 respondents, 71 respondents have a positive (agree), and 26 respondents have a neutral perceptions towards IFRS implementation in India.

In both periods (before and after the implementation of IFRS), respondents have a positive perception regarding IFRS implementation in India. There is slightly reduction in number of respondents after the implementation of IFRS. They have a positive perception regarding IFRS implementation since the highest number of respondents has a positive perception. The study used various demographic variables to compare the perception of respondents with the change of time and showed that:

1. There is no considerable association between the age of the accounting professionals and their opinions regarding IFRS implementation in India, whether it may be for before implementing IFRS in India or after the implementation of IFRS in India.
2. There is no considerable association between the gender of the accounting professionals and their opinions regarding IFRS implementation in India, whether it may be for before implementing IFRS in India or after the implementation of IFRS in India.

3. There is a considerable association between the qualification of the accounting professionals and their opinions regarding IFRS before implementing IFRS in India. But with the lapse of time and implementation of IFRS, perceptions of different professionals are changed and there is no considerable association between qualification of the accounting professionals and their opinions regarding IFRS implementation in India.
4. There is no considerable association between the designation of the accounting professionals and their opinions regarding IFRS implementation in India, whether it may be for before implementing IFRS in India or after the implementation of IFRS in India.
5. There is no considerable association between the professional experience of the accounting professionals and their opinions regarding IFRS implementation in India, whether it may be for before implementing IFRS in India or after the implementation of IFRS in India.

The study also considered some general reviews about IFRS, which changed with the implementation of IFRS in India. But study considered the highest responses.

Most of the respondents considered IFRS as an accounting change and a change in the mode of business transactions. Most of the respondents are of viewed that IFRS must be applicable to all the companies. But they said that presently IFRS has been applicable to only listed companies. Some of the respondents are the expertise of IFRS and some are gaining expertise in this accounting change. Most of the respondents are professionally supervised and prepared for IFRS. Most of the respondents are of the view to disclose nuances of financial information to bankers, investors and users of financial information to make them known the true picture of the companies.

There are eight opportunities and seven challenges including two variables (transparency and derivatives & hedge accounting) for which perception of respondents has been changed with the implementation of IFRS but the study considered the highest responses. Besides these variables ,global comparability, international market accessibility, lower cost of capital, high- quality accounting framework , economic growth , transparency , trained & skilled manpower and derivatives & hedge accounting as opportunities and Divergence between IFRS & IAS, Amendment in existing laws, legal & regulatory considerations, compliance burden and tax reporting practices as challenges faced through IFRS implementation.

CHAPTER 6

INDIAN GAAP, IFRS AND IND AS – A COMPARISON

“To make the globe a world market International Accounting Standards Board (IASB) framed International monetary news Standards for making uniformity in accounting everywhere the globe. International monetary news Standards (IFRS) adopted by International Accounting Standards Board (IASB) may be a standardized format of economic news that's gaining momentum worldwide and may be a single consistent accounting framework and is probably going to become a predominant collection in times to return. In this world of globalization during which Indian economy has conjointly flourished, adopting IFRS would not solely build Indian firms at par with different world firms however shall conjointly.”

“There are certain deviations in Ind AS from IFRS. However, few deviations are unavoidable due to the regulatory and legal framework as well as business practices, which are peculiar to the economic environment in India. In order to minimize the deviations, there is a need to discuss the deviations with IASB to see if IFRSs could incorporate the Indian concerns and thereby reduce the deviations.”

“IFRS is not a monster which is going to gobble up the existing financial reporting system practices by corporate in India. Implementation of convergence with IFRS is not at all a complex exercise giving tension, stress and sleepless nights to CEOs and CFOs. It is the refined system of international financial reporting, which is going to be benefited to all the corporate in the world. For achieving this goal of convergence, there is a need to identify the key difference between IFRS and Indian Accounting Standards.”

The present section of this research studies the comparison of Indian GAAP, IFRS and Ind AS by analyzing the various accounting standards and studies. The table below explains the difference between three standards

Table 6.1 INDIAN GAAP, IFRS AND IND AS – A COMPARISON

BASIS	INDIAN GAAP	IFRS	IND AS
Financial Statements' presentation	<p>“AS 1 Disclosure of Accounting Policies.”</p> <p>“AS 5 net profit / loss for the period, prior period items and change in accounting policies”.</p>	<p>“IAS 1 Presentation of Financial Statements”</p>	<p>“Ind AS 1 Presentation of Financial Statements”</p>
Financial Statements' Components	<p>Based on Companies Act 1956, Balance sheet, Profit & loss Account, Cash flow statement, and notes with the policies used to maintain financial statements are required.</p> <p>Comparative figures for one year are must be presented.</p> <p>All the companies are required to maintain stand-alone</p>	<p>Under IFRS, Statement of financial position with profit / loss, Statement of cash flows and changes in equity must be disclosed with notes.</p> <p>Comparative figures for one year are must be presented</p>	<p>Same as IFRS</p>

	statements and companies with subsidiaries have to submit their consolidated financial statements.		
Financial Statement's Formats	Financial statements should be based on the formants required by laws and regulations..	Some formats are prescribed.	No format is prescribed
Material Defined	All the material items ought to be disclosed which influenced the users' decisions.	Omissions are material if they effect the economic decisions of the users.	Same as IFRS
Fair Presentation	Should be compliance with all applicable requirements of companies act, 1956 and all other regulating authorities. Departures from above requirements are prohibited unless permitted by regulating authorities.	Faithful presentation of the effects of the transaction is required If departures of required application is desired , a clear reason and financial impact are to be disclosed	Same as IFRS

Statement of Comprehensive Income	An analysis of expenses is required by its nature. Profit or loss of minority interest is to be shown as deduction from P/L as an item of income or expense.	Expenses are presented either on the base of the nature of expenses or their function. In comprehensive statements, the profit and loss of minority interest and equity holders is disclosed.	Expenses are presented based on the nature of expenses.
Extraordinary Items	Disclose separately in profit and loss statement.	No disclosure required	Same as IFRS
Capital	Does not require any disclosures of information relating to capital.	Requires disclosures of information relating to capital.	Same as IFRS
Inventories	“AS 2 Valuation of Inventories”	“IAS 2 Inventories”	“Ind AS 2 Inventories”
Scope of inventories	Not applicable for exemption	IAS 2 does not applies to stock of such material	Same as IFRS

Deferred Statement Terms	AS 2 does not deal with inventories purchased on deferred settlement. Whereas payment from such settlement is treated as cost of inventory with certain conditions.	Purchase price of inventory (-) amount paid as deferred settlement = interest expense	Same as IFRS
Reversal of Write Down of Inventory	No guidelines are provided .	Written down inventories are reversed when inventories to be written down below cost with clear evidence.	Same as IFRS
Classification of Inventories	Inventories are classified as raw material, work in progress, finished goods, trading stock and stores.	No specific requirements.	Same as IFRS
Cash Flow Statements	“AS 3 Cash Flow Statements”	“IAS 7 Statement of Cash Flows”	“Ind AS 7 Statement of Cash Flows”
Bank Overdraft	Financing activities	Cash & cash equivalents	Same as IFRS

Cash Flows from Extra Ordinary Items	To be classified as operating, financing and investing activities.	No extraordinary items in IFRS.	Same as IFRS
Interest and Dividend	For financial entities: Interests paid/received are to be received as financing activities and dividend paid to be classified as financing activities. For other entities: Interest/dividends received are to be classified as investing activities. Interest/dividend paid is to be classified as financing activities	May be classified as operating/investing/financing activities in a manner consistent from time to time.	Same as Indian GAAP
Changes in Ownership Interest	No specific guidance	Treated as financing activities.	Same as IFRS

Events occurring After The Reporting Period- Primary Literature	“AS 4 – contingencies and events occurring after the balance sheet date”	“IAS 10 – events after the reporting period”	“Ind AS 10 – events after the reporting period”
Dividends	Proposed dividends must be disclosed in notes .	Declared dividend is recognized only when it is declared	Same as IFRS
Accounting Policies, Changes In Accounting Estimates And Errors- Primary Literature	“AS 5- net profit or loss for the period, prior period items and changes in accounting policies”	“IAS 8 – Accounting policies, changes in accounting estimates and errors”	“Ind AS 8 – Accounting policies, changes in Accounting Estimates and Errors”
Accounting Policies changes	Changes are made only when it is required by the law.	The adjustment of the opening balance of each component of equity requires the changes in policies.	Same as IFRS
Definition Of Prior Period Items	prior period items’ definition included only with income and	All the financial transactions are included .	Same as IFRS

	expenses.		
New Accounting Pronouncements	No such revelation is required.	Requires revelation of any new accounting pronouncements under IAS 8.	Same as IFRS
Disclosure Of Extra Ordinary Items	Requires separate disclosure of extra ordinary items	No requirements of disclosure of extra ordinary items	Same as IFRS
Property , Plant And Equipment	“AS 6- DEPRICIATION ACCOUNTING AS 10 - ACCOUNTING FOR FIXED ASSETS”	“IAS 16- Property, plant and equipment IFRIC 1 – changes in existing decommissioning, Restoration and Similar Liabilities”	“IND AS 16- Property, plant and equipment IND AS 16 – Appendix A- Changes in existing decommissioning, restoration and similar liabilities”
Scope	No exemption	Investment property is excluded from IAS 16	Same as IFRS

Change In Method Of Depreciation	Will covered under change in accounting policy	Will covered under change in accounting estimates.	Same as IFRS
Cost Of Major Inspection	These cost are expensed when incurred	These costs are covered with property carrying costs.	Same as IFRS
Revaluation	No specific requirements	Revaluation is required to check the material differences.	Same as IFRS
Transfer From Revaluation Reserve	Transfer will be happened with profit and loss account.	Transfers are not through profit or loss account.	Same as IFRS
Residual Value	No estimations are required	Estimations are required at the end of the year.	Same as IFRS
Routine Sale Of Assets Previously Held For Rental Purpose	No guidance	Should be recognized as revenue .	Same as IFRS

Construction Contracts- Primary Literature	“AS 7 construction contracts”	“IAS 11 construction contracts”	“Ind AS 11 construction contracts”
Measurement Of Construction Revenue	AS 7 does not refer to fair value and states that contract revenue is measured at the cost of consideration	Under IAS 11, construction revenue is measured at the fair value of the consideration.	Same as IFRS
Revenue- Primary Literature	“AS 9- Revenue recognition Guidance Note on accounting “	“IAS 18 – Revenue”	“Ind AS 18 – Revenue Ind AS 18 – appendix A, B, C”
Definition	Revenue is the gross amount received from goods sold and services rendered.	Revenue is the gross inflow of economic benefits due to increases in equity.	Same as IFRS
Revenue Recognition	AS 9 does not contain any such stipulation	Under IAS 18, revenue from sale cannot be known with the control of ownership over the goods.	Same as IFRS

Foreign Exchange --- Primary Literature	“AS 11 – The Effects of Changes in Foreign Exchange Rates”	“IAS 21 – The Effects of Changes in Foreign Exchange Rates”	“Ind AS 21 – The Effects of Changes in Foreign Exchange Rates”
Functional And Presentation Currency	The currency in which income statements are prepared is used as presentation currency.	Functional currency is the Currency with which the entity operates. The currency in which income statements are prepared is used as presentation currency.	Same as IFRS
Forward Contracts	Forward contracts not proposed for trading or assumption purposes.	Accounted for as a derivative.	Same as IFRS
Treatment For Integral	There is a provision of separate treatment for both the operations.	Same treatment for both the operations.	Same as IFRS

And Non Integral Operations			
Government Grants - Primary Literature	“AS 12 - Accounting for Government Grants”	“IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance”	“Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance”
Assistance Of Government	Deals only with government grants. No separate disclosure of government support is required.	Government grants and support are treated separately.	Same as IFRS
Forgivable Loans	No provision for forgivable loans.	Forgivable loans are considered with the specific reasons	Same as IFRS
Investment Property: Primary Literature	“AS 13 Accounting for investment”	“IAS 40 investment property”	“Ind AS 40 investment property”
Measurement	Classified as long-term investment and measured at cost less impairment. As per	Investment property can be measured using the cost or the fair value model, with	Measured using the cost model only.

	schedule VI, they are classified as noncurrent investments.	changes in fair value recognized in profit or loss.	
Business Combinations- Primary Literature	“AS 14 – Accounting for Amalgamations”	“IFRS 3 (2008) – Business Combinations”	“Ind AS 103 – Business Combinations”
Business Combinations – Scope	There is no comprehensive standard	Applies to a deal in which an acquirer is having the control of one or more businesses.	Similar to IFRS except that Ind AS103 contains guidance on control transactions.
Goodwill Measurement	Surplus of the consideration amount in excess of the value of the net assets of the company.	Surplus of the fair value consideration amount in excess of the value of the net assets of the controlling company.	Same as IFRS.
Valuation Of Assets And Liabilities	Valuation at carrying value	Valuation at fair value	Same as IFRS
Employee Benefits: Primary Literature	“AS 15 (Revised 2005) – Employee Benefits”	“IAS 19 - Employee Benefits”	“Ind AS 19 - Employee Benefits”

Definitions	The benefits must be payable in 12 months from the end of the period of services rendered.	The benefits must be due within 12 months after the end of the reporting period.	Same as IFRS
Short Term Absences.	Absences “are expected to occur within 12 months after the end of the period in which the employees render the related service”,	Absences “are expected to occur within 12 months after the end of the period in which the employees render the related service”,	Same as IFRS
Borrowing Costs- Primary Literature	“AS 16 - Borrowing Costs”	“IAS 23 - Borrowing Costs”	“Ind AS 23 - Borrowing Costs”
Scope	No scope exemption under AS 16.	Capitalization of Borrowing cost is exempted.	Same as IFRS
Disclosure Of Capitalization Rate	No discloser required	Disclosure for capitalization rate is required.	Same as IFRS

Segments- Primary Literature	“AS 17 segment reporting”	“IFRS 8 operating segments”	“Ind AS 108 operating segments”
Scope	Not applicable to the listing status	applicable to the listing status	Applicable to companies to which the converged standards are required to apply.
Determination Of Segments	Two sets of segments are required for identification.	Identification is based on financial information.	Same as IFRS
Measurement	Same measurement as in case of consolidated.	No definition for differential profits losses for individual segments.	Same as IFRS
Related Party Disclosures - Primary	“AS 18 – Related Party Disclosures”	“IAS 24 – Related Party Disclosures”	“Ind AS 24 – Related Party Disclosures”

Literature			
Definition Of Related Party	Parties who has ability to control the other parties.	Persons related to the reporting entity are called related party.	Same as IFRS
Definition Of Close Member Of The Family	No such definition.	Members who can influence the decisions of the party.	Similar to IFRS
Leases – Primary Literature	“AS 19 – Leases”	“IAS 17 – Leases”	“Ind AS 17 – Leases”
Interest In Leasehold Land	Will be treated as fixed assets.	Treated under operating lease or finance lease	Similar to IFRS
Transactions Of Legal Form	No specific guidance	Will be treated as single transaction.	Same as IFRS
Earnings Per Share – Primary	“AS 20 – Earnings Per Share”	“IAS 33 – Earnings Per Share”	“Ind AS 33 – Earnings Per Share”

Literature			
Scope	No prescribed applicability is listed under AS 20.	IAS 33 is applicable to the both income statements of an entity whether it is separate or consolidated.	Same as IFRS
Disclosure In Separate Financial Statements	Disclosure of both EPS is mandatory.	Disclosure is voluntary.	Disclosure of both EPS is mandatory
Disclosure Of EPS From Continuing And Discontinued Operations	No separate disclosure is required.	Separate disclosure is required.	Same as IFRS
Extraordinary Items	EPS is presented even in case of extraordinary items.	EPS is not presented in case of extraordinary items.	Same as IFRS

Consolidated Financial Statements – Primary Literature	“AS 21 - Consolidated Financial Statements”	“IAS 27 (2008) Consolidated and Separate Financial Statements IFRS 10 – Consolidated Financial Statements IFRS 12 – Disclosure of Interests in Other Entities”	“Ind AS 27 - Consolidated and Separate Financial Statements Ind AS 110 – Consolidated Financial Statements Ind AS 112 – Disclosure of Interests in Other Entities”
Financial Statements – Scope	No prescribed rules for the presentation of consolidated income statements.	A consolidated financial statement is mandatory.	Presentation is not mandatory.
Definition Of Control	“Control is: a. “the ownership, directly or indirectly through subsidiary(is), of more than one-half of the voting power of	Control is the power to check the financial and operating policies of an entity so as to obtain benefits from its activities	Same as IFRS

	<p>an enterprise or Control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other enterprise so as to obtain economic benefits from its activities.”</p>		
Dual Control	<p>“In a rare situation, when an enterprise is controlled by two enterprises one which controls by virtue of ownership of majority of the voting power and the other which controls, by virtue of an agreement or otherwise, the composition of the board of directors, the first mentioned enterprise will be considered to be as subsidiary of both the controlling enterprises.</p>	<p>Only one entity can have control (as distinct from joint control) over another entity. Therefore, when two or more entities each hold significant voting rights, certain factors are reassessed to determine which party has control.”</p>	<p>Same as IFRS</p>

	Therefore, both the enterprises will need to consolidate the financial statements of that enterprise.”		
Potential Voting Rights	“Potential voting rights are not considered in assessing control. “	“The existence and effect of potential voting rights that are Currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing control.”	Same as IFRS
Exclusion Of Subsidiaries, Associates And Joint Ventures	“Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary was acquired with intent to dispose of within 12 months or if it operates under severe long-term restrictions which significantly	If on acquisition a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is included in the consolidation but accounted for under that standard	Same as IFRS

	impair its ability to transfer funds to the parent?”		
Reporting Dates	“The difference between the reporting date of the subsidiary and that of the parent shall be no more than six months.”	“The difference between the reporting date of the subsidiary and that of the parent shall be no more than three months.”	Same as IFRS
Non-Controlling Interest	Minority interests are shown in the consolidated balance sheet independently from liabilities and the equity.	Presented in balance sheet separately from the statement of owners’ entity.	Same as IFRS
Disposals	No prescribed provisions.	Partial disclosure of disposals is required for parent and subsidiary entity.	Same as IFRS
Income Taxes - Primary Literature	“AS 22: Accounting for Taxes on Income “	“IAS 12: Income Taxes “	“Ind AS 12 income taxes”

Deferred Income Taxes	Arises due to profit and loss in income statement for tax purposes.	Computed profit and loss on a temporary basis for tax computations.	Same as IFRS
Recognition Of Deferred Tax Assets And Liabilities	May vary with time as it is for the computation of the actual taxable amount	Temporary assets and liabilities are considered.	Same as IFRS
Investments In Associates - Primary Literature	“AS 23 – Accounting for Investments in Associates in Consolidated Financial Statements”	“IAS 28 – Investments in Associates”	“Ind AS 28 – Investments in Associates”
Vital Influence	“It is the power to participate in both or single, the financial and/or operating policy decisions.” These policies are out of the control of the participant.”	“It is the power to participate in both the financial and/or operating policy decisions. These policies are out of the control of the participant.”	Same as IFRS
Potential Voting	“Potential voting rights are not	“The existence and effect of potential	Same as IFRS

Rights	considered in assessing significant influence”.	voting rights are considered when assessing significant influence”.	
Scope	There is no exemption at present.	There are definite revelations required to comply with for exemption.	Investments by venture capital organizations are exempted.
Share Of Losses	If the loss exceeds the carrying amount of investment, then that loss is not recognized.	If the loss exceeds the investors’ investment only then it is recognized.	Same as IFRS
Discontinuing Operations- Primary Literature	“AS 24 - Discontinuing Operations”	“IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations”	“Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations”
Recognition And	The retired assets are measured at the lower of the book value or net	The retired assets are measured at carrying value or fair value of	Same as IFRS

Measurement	value.	the assets, whichever is lower.	
Non-Cash Assets Held for distribution To Owners	No prescribed rules	„Held for distribution to owners“.	Same as IFRS
Classification	“An operation is being discontinued with sale of particular assets and with the approval of the board of the company”.	An operation is being discontinued with sale of particular assets and disposed of the assets.	Same as IFRS
Interim Financial Reporting - Primary Literature	“AS 25 - Interim Financial Reporting”	“IAS 34 - Interim Financial Reporting”	“Ind AS 34 - Interim Financial Reporting”
Minimum Components	No disclosure is required	It includes statement of changes in equity.	Same as IFRS
Change In Accounting Policy	Requires statement current financial year only	Requires statement of current financial year and previous years.	Same as IFRS

Treatment For Provision	AS 25 does not address such issues specifically	Separate guidance is available for provisions.	Same as IFRS
Intangible Assets – Primary Literature	“AS 26 - Intangible Assets”	“IAS 38 - Intangible Assets”	“Ind AS 38 - Intangible Assets”
Measurement	Only cost is considered for measurement.	Cost and revalued amounts are considered for measurement.	Same as IFRS
Useful Life	Ten years only	Indefinite period.	Same as IFRS
Interests In Joint Ventures - Primary Literature	“AS 27 – Financial Reporting of Interests in Joint Ventures “	“IAS 31 – Interests in Joint Ventures “ “IFRS 11 – Joint Arrangements”	“Ind AS 31 - Appendix A - Jointly Controlled Entities -Non-Monetary Contributions by Ventures” Ind AS 111 – Joint Arrangements

Scope	There is no scope exemption.	Securities investments are exempted under IAS 31&IFRS 11.	Same as IFRS.
Separate Financial Statement Of The Venture	Measured by deducting the impairment losses from the cost.	Measured at cost or fair value.	Same as IFRS
Alternative Accounting Methods	Consolidation is used as for jointly controlled entities.	Consolidation and equity method is used as for jointly controlled entities.	Same as IFRS
Impairment Of Assets - Primary Literature	“AS 28 impairment of assets”	“IAS 36 impairment of assets”	“Ind AS 36 impairment of assets”
Test Of Goodwill Allocation	“bottom-up/top-down” approach is used to test the goodwill allocation in case of impairment of assets.	Good will is allocated to different impaired assets proportionately.	Same as IFRS

Annual Impairment Test	Annual impairment test is done only in case of impairment of goodwill and other intangible assets.	Impairment test is mandatory on annually basis.	Same as IFRS
Reversal Of Impairment Loss For Goodwill	If the impairment loss for goodwill occurred due to specific external event, then it will be reversed.	Reversal is prohibited.	Same as IFRS
Provisions, Contingent Assets And Contingent Liabilities – Primary Literature	“AS 29 – Provisions, Contingent Liabilities and Contingent Assets”	“IAS 37 – Provisions, Contingent Liabilities and Contingent Assets”	“Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets”
Discounting	No discounting is permitted for the liabilities.	Discounting is permitted.	Same as IFRS
Contingent Assets	These are not disclosed and recognized except in the report of board of directors.	These are not and recognized but disclosed in income statements.	Same as IFRS
Financial	“AS 30 – Financial Instruments: Recognition and	“IFRS 9 (2014) – Financial	“Ind AS 109 – Financial

Instruments – Primary Literature	Measurement.”	Instruments”	Instruments”
General Recognition Principle	No prescribe definition of financial Instrument.	Financial instruments help to raise the financial assets of a company and financial liability of its competitors.	Same as IFRS
Initial Measurement	No prescribed rules	Measured as: Fair value of the company + financial assets- liabilities.	Same as IFRS
Financial Instruments: Presentation - Primary Literature	“AS 31 – Financial Instruments: Presentation”	“IAS 32 – Financial Instruments : Presentation”	“Ind AS 32 – Financial Instruments : Presentation”
Classificatio n Of Financial Liabilities	There is a legal form for the classification of the financial instruments as equity or a liability.	There is no legal form for the classification of the financial instruments as equity or a liability. Classifications are done under	Same as IFRS

		contractual agreements.	
Treasury Shares	Hold of treasury shares is permitted in certain circumstances only.	Treasury shares are treated as subtraction from equity.	Same as IFRS
Offsetting	No prescribed rules.	Offsetting can be done only with legal enforcement right.	Same as IFRS
Classification Of Convertible Debts	Classification is based on its legal form.	Classification is done by Splitting the instrument into liability and equity.	Similar to IFRS
Puttable Instruments Etc	No prescribed rules.	The instruments which impose an obligation to deliver shares on prorata basis are treated as equity.	Same as IFRS
Classification Of Rights	No prescribed rules.	Rights issues are classified on pro rata as equity and non-	Same as IFRS

Issue		derivatives.	
Financial Instruments: Disclosures – Primary Literature	“AS 32 – Financial Instruments: Disclosures”	“IFRS 7 – Financial Instruments:”	“Ind AS 107 – Financial Instruments: Disclosures”
Some Improved Disclosures	No disclosure is required based on categories.	Category wise disclosure is compulsory.	Same as IFRS
Reporting In Hyperinflationary Economies – Primary Literature	There is no corresponding standard.	“IAS 29 – Financial Reporting in Hyperinflationary Economies”	“Ind AS 29 – Financial Reporting in Hyperinflationary Economies”
Hyperinflationary	There is no equivalent standard	when the cumulative inflation rate of an economy exceeds 100% in 3 years is called hyperinflationary	Same as IFRS

Basic Principle	There is no equivalent standard	Income statements are considered for current and previous years.	Same as IFRS
Disclosure	There is no corresponding standard.	Financial statement figures for previous periods and general purchasing power of the functional currency is disclosed.	Same as IFRS
Applying The Restatement Approach Under IAS 29	There is no corresponding standard.	If the economy of a country being hyperinflationary always, then there is a requirement of application of restatement approach	Same as IFRS
Agriculture – Primary Literature	There is no corresponding standard	“IAS 41 – Agriculture”	“Ind AS 41 – Agriculture”
Scope	There is no corresponding standard	There are some exemption from the scope of IAS 41: Production of bearer plants, agriculture lands, and intangible	Same as IFRS

		assets related to agriculture etc.	
Measurement	There is no corresponding standard	Measured as: fair value – cost value of assets.	Same as IFRS
First Time Adoption – Primary Literature	“There is no corresponding standard under Indian GAAP”.	“IFRS 1 – First Time Adoption of International Financial Reporting Standards”.	“Ind AS 101 – First Time Adoption of Indian Accounting Standards”
Date Of Transition	Not applicable.	When an entity starts its financial statements under IFRS. That date is the date of transition. However, in the first year the entities have to present statements under I GAAP & IFRS both.	Same as IFRS.
Share-Based Payment – Primary Literature	There is no equivalent standard. But guidance notes to be followed	“IFRS 2 – Share-based Payment”	“Ind AS 102 – Share-based Payment (covers share-based payments both

			for employees and non-employees and transactions involving receipt of goods and services”)
Recognition	Similar to IFRS.	Expenses are recognized when the services are rendered.	Same as IFRS
Measurement	According to guidance noted to determine the costs of benefits from share-based payments intrinsic value method or the fair value method to be used	Measurement is done based on fair value.	Same as IFRS
Insurance Contracts – Primary Literature	No corresponding standard.	“IFRS 4 – Insurance Contracts.”	“Ind AS 104 – Insurance Contracts”
General	No standard under I GAAP.	Applicable to insurance and reinsurance contracts	Same as IFRS

Exploration For And Evaluation Of Mineral Resources – Primary Literature	No corresponding standard. However there is a Guidance Note on Accounting for Oil and Gas Producing Activities (Revised 2013).	“IFRS 6 – Exploration for and Evaluation of Mineral Resources”	“Ind AS 106 – Exploration for and Evaluation of Mineral Resources”
General, Impairment And Disclosures	There are two methods for acquisition, exploration and development of cost. One of which can be used for general impairment and disclosure. These two methods are the Successful Efforts Method and the Full Cost Method.	Exploration and evaluation assets are measured as : cost or revaluation Less: amortization Less: impairment loss.	Same as IFRS

Fair Value – Primary Literature	No corresponding standard	“IFRS 13 – Fair value Measurements”	“Ind AS 113 – Fair value Measurements”
Scope	No corresponding standard.	Scope of IFRS 13 depends on the use of fair value concept by other IFRSs.	Same as IFRS

(Source: Deloitte, Indian GAAP, IFRS and Indian AS: A comparison & modified

“The above table shows the major difference between Indian GAAP, IFRS and Ind AS. Ind AS is the converged form of IFRS and ICAI and MCA has accepted most of the provisions of IFRS as it are. The table of difference shows that except few items almost all the provisions are same as IFRS. Therefore, it is a good thing about Indian AS that we have not any major changes in India GAAP. There are significant differences between IFRS and Indian-GAAP. In fact, Indian Accounting Standards are not going in a manner to cover up the speed with changes in IFRS. As Indian Standards are not coping up with the international environment.”

“IFRS is a bundle of global accounting and reporting standards which will help to set off company’s’ information, increase the transparency of accounting and ensure that investors receive more accurate and consistent report. Despite several benefits as may be looked out by different people, IFRS impacted Indian Accounting Standards within these differences.”

1. Convergence towards IFRS means that the complete bundle of previous standards will be required to go in the course of several changes, as there are ample of differences between the two reporting standards.

2. IFRS is the standards form of International Financial Reporting Standards, whereas I GAAP is the standards form of Indian Accounting Standards.
3. IFRS is a principle based accounting reporting system whereas I GAAP is rules based accounting reporting system.
4. IFRS is used for multinational companies all over the world, around 110 countries but I GAAPs are followed in India only.
5. A company which is using IFRS needs to mention in the note that their financial statements comply with IFRS, on the other hand, when a company is said to follow the I GAAP , it is presumed that it is complying with it and showing a true and fair view of its financial affairs.
6. Revenue is taken as the fair value of returns receivable or received in case of IFRS, on the other hand, As per I GAAP, revenue is used when the companies charge for products/ services and also the benefits received by using their resources.
7. In case of IFRS, IFRS 1 provides guidelines on how to adopt IFRS for first time but I GAAP does not give any guidelines on the first time adoption.
8. Under I GAAP, the reporting needs are governed by a variety of regulators in India and their provisions override with laws. IFRS does not require such overriding laws.

9. Under I GAAP, a company is allowed to use the LIFO methods for inventory estimates however; under IFRS, the LIFO method is not allowed. In addition to having different methods of tracking inventory fewer than two reporting standards, methods for inventory reversal are also different. Under GAAP, if market value of asset increases, the amount of written down cannot be reversed. However, under IFRS, it can be reversed.

10. A company's development costs can be capitalized as long as certain criteria are met under IFRS but under I GAAP, it must be expensed the year only in which it occurs.

The most important part of the IFRS vs. I GAAP is the context. In which context, we are using these make a huge difference. By looking at these two standards, we get an idea about the benchmark of these two standards set for them. What works in India may not work in other countries and vice-versa. That is why the applicability of both standards stays relevant in respective context.

CHAPTER 7

SUMMARY AND CONCLUSIONS

To make the world a global market IASB framed IFRS for creating uniformity in accounting all over the world. IFRS adopted by IASB is a prescribed approval of accounting reporting at the global level, is a unique reliable accounting structure, and is going to remove the hold of local GAAPs in the accounting history.

Convergence can be defined as “to design and maintain national accounting standards in a way that financial statements prepared in accordance with national accounting standards draw an unreserved statement of compliance with IFRSs”.

IFRS is one of the biggest revolutions in the accounting industry. Before decided to move from local GAAP to IFRS, a worldwide survey was conducted by International IASB. 143 experts from 91 countries participated in the survey and 90% opined that a common set of accounting standard was very much essential. The changeover from GAAP to IFRS is the need of the hour as many major countries are survived over to it. More than a 120 countries had accepted their change in order to all about equivalence in the overall accounting reporting (Vineetha, 2009)

IFRS is a collection of an expert accounting reporting standards developed by IASB. IFRS provides some of the biased information from financial reporting and presentation of income statements based on consistency and reliability .For the past few years, most of the financial and accounting sector of different countries had their own GAAPs as per their needs and purposes. The arrival of IFRS has changed the way companies work.

Increasing of global interaction culture has changed the system of global business / international market, has not spared the reporting standards and felt a need for universal standards. Today, all the users of the information and interested parties are

looking for global opportunities but the differences in national GAAPs acts as a barrier. So willing investors and the multinational companies does not complied with multiple accounting standards in different countries at a time. Thus, move from local GAAP to IFRS comes into subsistence all over the world.

7.1 RESULTS OF THE STUDY

This research is based on four objectives to know the perceptions of accounting professionals towards IFRS and to study the impact of IFRS on financial performance of Indian companies. Based on the objectives of the study results are:

1. There are total seven factors which caused delay in IFRS implementation in India from the tentative date in 2011 to next proposed date 2015 and finally partially implemented in 2016 -17. Some companies had adopted IFRS voluntarily before its mandatory implementation. These factors have been extracted by employing factor analysis on data. These factors are:

F1: Lack of coherence between regulatory bodies and Indian government.

F2: Lack of Educational and Professionals Programs

F3: Complexity and difficulty of IFRS.

F4: Reluctant Indian Government

F5: Lack of Financial Resources

F6: Lack of Trained Professionals

F7: Lack of Educational Institutions

2. The study aimed to identify the perceptions of accounting professionals regarding IFRS implementation in India. This study identified the perceptions regarding IFRS implementation based on two periods i.e. before IFRS implementation and after IFRS implementation. To examine the association of perception of accounting professionals and the demographic profile, Pearson's chi-square test has been employed on data and hypothesis have been tested statistically .The study showed

that before implementation, in India out of 97 respondents 88 respondents have a positive (agree), and only 9 respondents have neutral and no one have negative (disagree) perceptions towards IFRS implementation in India but when IFRS has been implemented then perceptions of respondents changed about IFRS . After IFRS implementation in India out of 97 respondents 71 respondents have a positive (agree), and 26 respondents have neutral perceptions towards IFRS implementation in India. In both periods (before and after the IFRS implementation) respondents have positive perception regarding IFRS implementation in India. There is slightly reduction in number of respondents after the IFRS implementation who have positive perception regarding IFRS implementation since the highest number of respondents has positive perception.

3. The study used various demographic variables to compare the perception of respondents with the change of time and showed that:

There is no considerable association between age, gender, designation and professional experience of the accounting professionals and their opinions regarding IFRS implementation in India, whether it may be for before IFRS implementation in India or after the IFRS implementation in India. However, there is a considerable association between qualification of the accounting professionals and their opinions regarding IFRS before the IFRS implementation in India. However, with the lapse of time and IFRS implementation perceptions of different professionals are changed and there is no considerable association between qualification of the accounting professionals and their opinions regarding IFRS implementation in India.

4. The study also considered some general reviews about IFRS, which had been changed with the IFRS implementation in India. However, study considered highest responses. Most of the respondents considered IFRS as an accounting change and a change in mode of business transactions. Most of the respondents are of viewed that IFRS must be applicable to all the companies. However, they said presently IFRS

have been applicable to only listed companies. Some of the respondents are expertise of IFRS and some are gaining expertise in this accounting change. Most of the respondents are professionally supervised and prepared for IFRS. Most of the respondents are of view to disclose nuances of financial information to bankers, investors and users of financial information to make them known the true picture of the companies.

5. There are 8 opportunities and 7 challenges which includes two variables(transparency and derivatives & hedge accounting) for which perception of respondents has been changed with the IFRS implementation but study considered the highest responses. Besides these variables table shows global comparability, international market accessibility, lower cost of capital, high quality accounting framework , economic growth , transparency , trained & skilled manpower and derivatives & hedge accounting as opportunities and Divergence between IFRS & IAS, Amendment in existing laws, legal & regulatory considerations, compliance burden and tax reporting practices as challenges faced through IFRS implementation.

6. An attempt has been made to know the impact of IFRS on financial performance of the companies. The researcher has compared four financial ratios of the selected companies under Indian GAAP and IFRS. For this purpose, data has been collected from annual reports of the companies. Some companies have not mentioned there reporting under IFRS for some years out of 10 years selected for the study, i.e. 2006-07 to 2015-16. The researcher has prepared their reporting as per data available and measures their financial ratios under IFRS. The study also reconciled the profitability measures to find out differences due to convergence with IFRS. On comparing profitability as per IFRS and Indian GAAP for the financial year 2006-07 to the year 2015-16. Researcher has been reached at following conclusions that, while comparing profitability with statistical tools, it was found that the difference between profitability as per IFRS and Indian GAAP is not statistically significant as the null

hypothesis is satisfied in most of the cases. Though statistical tools accept null hypothesis, still a significant difference between various profitability measures is found. That is material in nature. Private sector companies and banking sector companies are highly affected due to convergence process.

7. Financial profits under IFRS prove better than the financial profits under IGAAP in all the selected companies except the companies under IT industries. Return on Capital Employed under IFRS proves better than the Return on Capital Employed under IGAAP in all the selected companies. However, in IT companies return on capital employed is better under I GAAP in private company i.e. Infosys and under IFRS in public company i.e. HCL. Return on Shareholders fund under IFRS proves better than the Return on Shareholder Fund under IGAAP in all the selected companies except Dr. Reddy lab. Basic EPS under IGAAP proves better than Basic EPS under IFRS except Dr. Reddy lab.

8. On comparing public and private sector performance, it has been founded that there is a negative correlation between net profit of public and private sector companies under IGAAP and IFRS except banking sector under IGAAP. There is a negative correlation between ROCE of public and private sector companies under IGAAP and IFRS except telecom sector under IGAAP and IFRS. There is a negative correlation between ROSF of both the companies of pharmacy sector and IT industries under IGAAP and IFRS , positive correlation between ROSF of public and private sector companies of Telecom sector under IGAAP and IFRS and there is a negative correlation between ROSF of public and private sector companies of Banking sector under I GAAP and positive correlation between ROSF of both the companies of Banking sector under IFRS. There is a negative correlation between EPS of both the companies of pharmacy sector and IT industries under IGAAP and IFRS , there is a positive correlation between EPS of both the companies of Telecom and Banking sector under I GAAP and negative correlation under IFRS.

9. This research study compared Indian GAAP, IFRS and Ind AS by analyzing the various accounting standards and studies.

1. Convergence towards IFRS means that the complete bundle of previous standards will be requisite to go in the course of several changes, as there are more than enough differences between the two reporting standards.

2. IFRS is the standards form of International Financial Reporting Standards, whereas I GAAP is the standards form of Indian Standards.

3. IFRS is a rule based reporting system whereas I GAAP is rules based accounting reporting system.

4. IFRS is used for multinational companies all over the world, around 110 countries but I GAAPs are followed in India only.

5. A company which is using IFRS needs to reveal in a note that their financial statements comply with IFRS, on the other hand, when a company is said to follow the I GAAP, it is presumed that it is complying with it and showing a true and fair view of its financial affairs.

6. Revenue is taken as the fair value of returns, which are receivable at all, times or received in case of IFRS, on the other hand, As per I GAAP, revenue is considered when the companies charge for products/ services and also the benefits received by using their resources.

7. In case of IFRS, IFRS 1 gives clear guidelines on how to accept IFRS for first time but I GAAP does not give any guidelines on the first time adoption.

8. Under I GAAP, it is permissible to use the LIFO methods for inventory approximation however under IFRS LIFO is not a permissible method. In addition to having different methods of tracking inventory fewer than two reporting standards,

methods for inventory reversal are also different. Under GAAP, if market value of asset raises, the reversal of written down is not permitted. However, under IFRS, it can be reversed.

9. A company's increment costs can be capitalized as long as certain criterion is met under IFRS but under I GAAP, it must be expensed the year only in which it occurs.

10. The most important part of the IFRS vs. I GAAP is the context. In which context, we are using these standards make a huge difference. By looking at these two standards, we get an idea about the benchmark of these two standards set for them. What works in India may not work in other countries and vice-versa. That is why the applicability of both standards stays relevant in respective context.

7.2 SUMMARY AND CONCLUSIONS

In this section of the study, the researcher reached at some conclusions. A researcher has summarized the results of the study and recommends some view to various concerned parties.

The study was designed to identifying the opinion of accounting professionals regarding IFRS implementation in India. This study identified the perceptions regarding IFRS implementation based on two periods i.e. before IFRS implementation and after IFRS implementation. In both periods (before and after the IFRS implementation) respondents have positive perception regarding IFRS implementation in India. Therefore, there is a slight reduction in number of respondents after the IFRS implementation with positive perception regarding IFRS implementation since the highest number of respondents has positive perception.

This study identified the opinion of accounting professionals regarding IFRS implementation in India, whether the accounting professionals are ready for IFRS or

not? Whether they are in support of IFRS implementation in India or not? The study concluded with the positive perceptions of accounting professionals regarding IFRS implementation in India. Most of the professionals are in favor of IFRS implementation and perceived this accounting change as a reward to Indian accounting system and professionals.

IFRS provides various opportunities like global comparability, international market accessibility, lower cost of capital, high quality accounting framework, economic growth, transparency, trained & skilled manpower in India. However, with these opportunities, India has to face many challenges like Divergence between IFRS & IAS, Amendment in existing laws, legal & regulatory considerations, compliance burden and tax reporting practices with IFRS implementation.

It was found that there is a difference between Profitability by applying statistical tools as per IFRS and Indian GAAP but this difference is not statistically significant and null hypothesis is satisfied in most of the cases . Though statistical tools accepts the null hypothesis, still there is differences in profitability measures. The percentage difference is minor but these differences are material in nature. Private sector companies and banking sector companies are highly affected due to convergence process.

Indian accounting standards, IFRS and Ind AS are differing from each other in some context. In India, Ind AS is the converged form of IFRS. The table of difference shows that except few items almost all the provisions are same as IFRS. There are major differences in IFRS and Indian GAAP.

7.3 SUGGESTIONS:

The findings of this study as above discussed, may prove to be of great use to the government and accounting standard setting bodies to formulate standards or

convergence with international accounting standards. It may also be helpful to accounting professionals for their professional practice and comparison of financial statements for both I GAAP and IFRS. After analyzing the statistical and theoretical results, the researcher would like to suggest all the parties who are linked with the process of move towards IFRS. The following suggestions should be considered by Indian regulatory and professional bodies and by industry at large to ensure smooth flow of IFRS in India.

1. The existing laws and regulations relating to accounting system must be updated with the required amendments to make them consistent with IFRS.
2. There should be adequate infrastructure in Indian firms to ensure smooth of hassle free transition to IFRS.
3. There must be a helpline desk for guidance by government and regulatory bodies to provide adequate training and practical knowledge of IFRS to professionals.
4. All the interested parties like regulators, investors, professionals must work as a team to enjoy the benefits of IFRS and to overcome the challenges faced with the IFRS implementation in India.

7.4 SCOPE FOR FURTHER RESEARCH:

Accounting standards and IFRS are broad areas to do research. No one can study all the extent of this. A survey from the professionals to study their perceptions about implementation is not a standard aspect. It can vary from one instance to another and person-to-person. Even same person can change his / her views with a lapse of time.

As IFRS is a new area in accounting research, there is a huge scope of research in this particular area. Further, financial performance of the companies can be evaluated with some other financial measures and with some different parameters. Same research can be conducted for the measuring the IFRS impact on profitability measure of diverse companies for another period. Further research can be also conducted with diverse ratios other than profitability ratios.

7.5 USEFULNESS OF THE STUDY FOR ADVANCEMENT OF THEORY AND PRACTICE

The increasing demand of globalization over the last few years has force the most of the nations of the world for the adoption of really comparable and constant accounting standards. During these days, IFRS has gained worldwide acceptance and used over 100 countries. Therefore, it is necessary to adopt or converge with IFRS to be a globalized economy. Modern economies rely on cross-border transactions and the free flow of international capital. More than one-third of all financial transactions occur across borders, and that number is expected to grow. Investors seek diversification and investment opportunities across the world, while companies raise capital, undertake transactions or have international operations and subsidiaries in multiple countries.

IFRS is an advanced method of accounting. This particular research is extremely useful for the accounting practitioners and standard setting bodies in India. It would also be useful for the government while implementing the new policies regarding financial reporting standards.

7.6 LIMITATIONS OF THE STUDY:

1. This study is limited up to accounting policy and presentation of the financial reports as per the past the IAS and IFRS.
2. For the purpose of this study, only eight companies have been considered for the profitability measure of the companies.
3. Due to time boundation and non-availability of data, only four profitability measures have been considered.

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S.No:

QUESTIONNAIRE 1

Dear respondent, I, Parmjot kaur Ph.D student of Lovely Professional University, Phagwara conducted a research study on “Impact of IFRS on Indian Accounting Standards and The Financial Performance of Indian Corporate”. I would be grateful if you spare some of your precious time to complete the following questionnaire. I assure you that all the information given by you will be treated as confidential and will not be issued to any professionals.

A. Personal profile

1. Name of the respondent.....
 2. Age: a.20- 30 b. 30-40 c. 40-50 d. 50-60
 3. Gender : a. male b. female
 4. Qualification: a. graduate b. post graduate c. CA d. CS e. CWA
 5. Designation/ profession : a. CA b. CS c. CWA d. Accountant e. CEO
 6. Professional experience: a. 0-10 b. 10-20 c. 20-30 d. 30-40
-

1. Do you think the adoption of IFRS would be just a technical accounting exercise or will change the way business transactions are currently conducted?
 - a. Accounting change
 - b. Change in mode of business transactions
 - c. Both
 - d. can't say

2. Do you believe the adoption of IFRS will provide in terms of disclosure, true financial performance and comparability?
 - a. Yes

b. No

3. Should IFRS be made applicable to

- a. All companies
- b. Listed companies only
- c. Public companies only

4. Which of the following do you think as opportunities and challenges of IFRS in India?

Items	Opportunity	Challenge
Global comparability		
International markets accessibility		
Lower cost of capital		
High quality accounting framework		
Economic growth		
Transparency		
Divergence between IFRS & IAS		
Amendment in existing laws		
Legal & regulatory considerations		
Trained and skilled manpower		
Compliance burden		
Tax reporting practices		
Derivatives & hedge		

accounting		
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5. Are you confident in terms of having expertise on IFRS as per options mentioned:
 - a. Confident- have required expertise
 - b. Active training in progress
 - c. No expertise

6. Have you taken expert professional supervision to support the convergence process?
 - a. Yes
 - b. Not required
 - c. Still need to do

7. Is it essential to divulge the nuances to the investors, bankers and other users of financial reports to make the information more meaningful to them?
 - a. Yes
 - b. No
 - c. Can't say

8. Indicate your level of agreement on following perceptual statements on five point scale
 1. Strongly agree
 2. Slightly agree
 3. Neutral
 4. Slightly disagree
 5. Strongly disagree

s.no	Statement	1	2	3	4	5
1.	IFRS should be implemented in India.					
2.	Do you think Indian Accounting standard (GAAP) is outdated?					
3.	IFRS is better than Indian GAAP.					
4.	Indian statement of accounting standards is not sufficiently comprehensive enough to become a basis for preparation of high quality financial statement.					
5.	IFRS would be difficult or cumbersome unless certain regulatory requirements are amended before the date of convergence.					
6.	Adoption of IFRS will facilitate investment decisions for investors.					
7.	IFRS will provide transparency to Indian Financial Reporting System.					
8.	IFRS will provide accountability to Indian Financial Reporting System.					
9.	IFRS will provide comparability to Indian Financial Reporting System.					
10.	IFRS will promote economic growth of the country.					
11.	IFRS adoption will enhance the skills of accounting professionals.					
12.	Adoption of IFRS will reduce the rate of financial frauds a\occurred in India.					
13.	The cost of adopting IFRS is too high as compare to the benefits that will be enjoyed.					

9. Indicate your level of agreement for following factors as contributors to the non-adoption of IFRS in India on five point scale

1. Strongly agree
2. Slightly agree
3. Neutral
4. Slightly disagree
5. Strongly disagree

s.no	Factors	1	2	3	4	5
1.	There is a serious lack of financial resources.					
2.	The lack of financial resources affects directly on educational, technical, institutional and enforcements constraints.					
3.	There is a shortage of educational institutions.					
4.	There is a lack of adequately trained professional accountants.					
5.	There is a lack of coherence between educational programs and professional programs.					
6.	There is a lack of adequate communication about developments in accounting.					
7.	There is an atmosphere of selective adoption of IFRS, therefore creating inconsistencies in the level of adoption.					
8.	There is a lack of readiness by professional organizations and entities for IFRS					

	implementation.					
9.	There is a lack of understanding of IFRS requirements and the reasons behind the requirements.					
10.	IFRS is too complex and therefore too difficult to enforce.					
11.	Continuous professional development (CPD) is not well monitored.					
12.	Indian government is somewhat reluctant towards transparency in financial reporting system.					
13.	There is a lack of coherence between the qualification and standard setting bodies.					
14.	There is a lack of better information for management decisions.					
15.	Lack of coherence between existing laws and IFRs.					
16.	Absence of involvement of regulatory bodies / auditors makes enforcement difficult.					

Thanks and regards

S.No: ...

QUESTIONNAIRE 2

Dear respondent, I, Parmjot kaur PhD student of Lovely Professional University, Phagwara conducted a research study on “Impact of IFRS on Indian Accounting Standards and The Financial Performance of Indian Corporate”. I would be grateful to you if you spare some of your precious time to complete the following questionnaire. I assure you that all the information given by you will be treated as confidential and will not be issued to any professionals.

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 6. Professional experience: a. 0-10 b. 10-20 c. 20-30 d. 30-40
-

1. Adoption of IFRS is just a technical accounting exercise or change the way business transactions was previously conducted.
 - e. Accounting change
 - f. Change in mode of business transactions
 - g. Both
 - h. can't say

2. Do you believe adoption of IFRS provided in terms of disclosure, true financial performance and comparability?

c. Yes

d. No

3. IFRS made applicable to

d. All companies

e. Listed companies only

f. Public companies only

4. Which of the following do you think as opportunities and challenges of IFRS in India?

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Divergence between IFRS & IAS		
Amendment in existing laws		
Legal & regulatory considerations		
Trained and skilled		

manpower		
Compliance burden		
Tax reporting practices		
Derivatives & hedge accounting		
Any others (please specify)		

5. Are you confident in terms of having expertise on IFRS as per options mentioned:
 - a. Confident- have required expertise
 - b. Active training in progress
 - c. No expertise

6. Have you taken expert professional supervision to support the convergence process?
 - a. Yes
 - b. Not required
 - c. Still need to do

7. Is it essential to divulge the nuances to the investors, bankers and other users of financial reports to make the information more meaningful to them?
 - a. Yes

- b. No
- c. Can't say

8. Indicate your level of agreement on following perceptual statements on five point scale

- 1. Strongly agree
- 2. Slightly agree
- 3. Neutral
- 4. Slightly disagree
- 5. Strongly disagree

s.no	Statement	1	2	3	4	5
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5.	IFRS is difficult or cumbersome unless certain regulatory requirements are amended before the date of convergence.					
6.	Adoption of IFRS facilitates investment decisions for investors.					
7.	IFRS provides transparency to Indian Financial Reporting System.					
8.	IFRS provides accountability to Indian					

	Financial Reporting System.					
9.	IFRS provides comparability to Indian Financial Reporting System.					
10.	IFRS promote economic growth of the country.					
11.	IFRS adoption enhanced the skills of accounting professionals.					
12.	Adoption of IFRS reduced the rate of financial frauds a\occurred in India.					
13.	The cost of adopting IFRS is too high as compare to the benefits of it.					

THANKS and REGARDS