

Implementation of IFRS in India : A Study of Chartered Accountants' Perspective

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Accounting is the language of business while financial reporting is the medium through which the language is communicated. Accounting and financial reporting are regulated by Generally Accepted Accounting Principles (GAAP) comprising accounting standards, company law, stock market regulations, and so on. GAAP for accounting and financial reporting gives answers to differences in business communication between countries. The global GAAP that is seeking to unify accounting and financial reporting world is the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards (IASs; International Financial Reporting Standards (IFRSs); Standing Interpretations Committee (SICs) pronouncements; and International Financial Reporting Interpretations Committee (IFRICs) guidelines.

Accounting Framework has been shaped by International Financial Reporting Standards (IFRS) to provide for recognition, measurement, presentation and disclosure requirements relating to transactions and events that are reflected in the financial statements. IFRS was developed in the year 2001 by the International Accounting Standard Board (IASB) in the public interest to provide a single set of high quality, understandable and uniform accounting standards. Users of financial statement world require sound understanding of financial statement but this can only be made possible if there is General Accepted Accounting Practice (GAAP). With globalization of finance gaining ground, it will enable the world to exchange financial information

in a meaningful and trustworthy manner. International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) is now used almost in every country as the reporting standard. First move was when European Union adopted IFRS and made it mandatory as reporting standard for consolidated financial report of corporation listed in European stock market.

Usage of IFRS in Europe show an accounting standard change, from previous national GAAP (which is different one another) to IFRS. Another business entity (non-listed in European stock market) also plans to use IFRS as their reporting standard so their report will be in accordance with global standard (IFRS). In the progress of IFRS adoption, now there are more than 122 countries using IFRS or in convergence period.

There are two approaches used in IFRS adoption: convergence and full adoption. In convergence, standard setter will adjust national GAAP so the usage of this new-adjusted national GAAP will be same or similar with IFRS. While in full adoption, all IFRS will be fully implemented.

India today has become an international economic force. To stay as a leader in the international market, India opted the changes it needs to interface Indian stake-holders, the international stakeholders and comply with the financial reporting in a language that is understandable to all of them. The International Financial Reporting Standards (IFRS) aims to make international financial reporting comparisons as easy as possible because each country has its own set of accounting rules. It is a set of international accounting and reporting standards that will help to harmonize company financial information, improve the transparency of accounting, and ensure that investors receive more accurate and consistent reports.

The introduction of IFRS represents a fundamental change in financial reporting. It is not something that can be handled in a few weeks prior to adoption. Planning for it, generating the necessary awareness, educating stakeholders and managing the required changes will take considerable commitment and time to achieve a successful transition. IFRS brings groups and collective working to achieve profits, brings about fair value in the business. Now, as the world globalizes, it has become imperative for India also to make a formal strategy for convergence with IFRS with objective to harmonise with GAAP.

Beginning from 1st April 2011, companies listed in National Stock Exchange (Nifty 50), Bombay Stock Exchange (Sensex 30), Companies whose stocks are listed outside India and companies which are listed or not but which have their net worth exceeding Rs 1000 crores are required to carry out the convergence of Indian Accounting Standard with IFRS. Reliable, consistent and uniform financial reporting is important part of good corporate governance practices worldwide in order to

enhance the credibility of the businesses in the eyes of investors to take informed investment decisions. In pursuance of G-20 commitment given by India, the process of convergence of Indian Accounting Standards with IFRS has been carried out in Ministry of Corporate Affairs through wide ranging consultative exercise with all the stakeholders. Thirty five Indian Accounting Standards converged with International Financial Reporting Standards (henceforth called IND AS) was notified by the Ministry of Company Affairs of India. In India, The Ministry of Corporate Affairs (MCA) has issued the roadmap for convergence to IFRS recently that is applicable to all companies excluding banking and insurance companies. Accordingly, all the companies need to reconvert their opening Balance Sheet in accordance to the IFRS in phased manner. The industry that is most affected by the adoption of IFRS in India is the banking industry. All insurance companies will convert their opening balance sheets with IFRS from April, 2012, while non-banking finance companies (NBFCs), which are part of the NSE or BSE or have a net worth of over Rs 1,000 crore, will converge their opening books of accounts with IFRS norms from April 1, 2013.

Following are the deadlines for companies other than banking, insurance and non banking financial companies :

Table 1

Phase	Companies Covered	Opening Balance-sheet	First Financial Statements
Phase I	<ul style="list-style-type: none"> ● Companies that are part of NSE-Nifty 50 Index ● Companies that are part of BSE Sensex 30 Index ● Companies that have shares or other securities listed in overseas stock exchanges; and ● Listed and Unlisted Companies with net worth in excess of Rs.1000 Crores 	1st April, 2011	31st March, 2012
Phase II	<ul style="list-style-type: none"> ● Listed and Unlisted Companies with network in excess of Rs. 500 Crores but not exceeding Rs. 1000 Crores 	1st April, 2013	31st March, 2014
Phase III	<ul style="list-style-type: none"> ● Listed entities with network of Rs. 500 Crores or less 	1st April, 2014	31st March, 2015

Source : The road to IFRS in India: A practical guide to IFRS 1 and first-time adoption by Grant Thornton

At present, Accounting Standards Board (ASB) formulates and issues accounting standards in India which are more or less in line with IFRS except for a few instances where departure is necessary to comply with the legal, regulatory and economic environment. Council of the Institute of Chartered Accountants of India (ICAI) opined in May 2006 that adopting IFRS was considered and supported by the ASB. IFRS task force was set up to provide a road map for convergence and it decided to converge with IFRS from the accounting period commencing on or after 1 April 2011. In India, Ministry of Corporate Affairs carried out the process of convergence of Indian Accounting Standards with IFRS after a wide range of consultative process with all the stakeholders in pursuance of G-20 commitment and as result thirty five Indian Accounting Standards converged with International Financial Reporting Standards (henceforth called IND AS).

STATEMENT OF PROBLEM

As IFRS implementation is in process in India, and many problems have been arising in its implementation process. Many perceptions have been emerging regarding its adoption process, changes brought by it, comparability, disclosures, transparency etc. Thus, it becomes important to study the perception of the accounting professionals in India. Accounting system of any country has important responsibility to provide for recognition, measurement, presentation and disclosure requirements relating to transactions and events. The emphasis of this study is highlight the problems associated with the implementation process and suggest solutions for the same.

SIGNIFICANCE OF THE STUDY

IFRS implementation will have a serious impact on the Indian economy. Thus, with the help of the study, an attempt has been made to put some light on the following points:

1. Perceptions of chartered accountants towards implementation of IFRS in India.
2. Scope of IFRS bringing in transparency, disclosures, comparable aspects.

OBJECTIVE OF STUDY

The study is undertaken to analyse the perceptions of the chartered accountants with the following objectives in mind :

1. To study the Implementation Process of International Financial

Reporting Standards from the Chartered Accountants' perspective specifically with regard to

- (A) Transparency
- (B) Disclosures
- (C) Stakeholders' needs
- (D) Training

2. To study the problems of implementation of IFRS in India from the chartered accountants' perspective.

REVIEW OF LITERATURE

The available literature on IFRS implementation mainly covers the data from the European countries which are at the advanced stage of implementation of IFRS in their respective countries. There are proponents as well as opponents who have arguments for and against the global adoption of IFRS. Only few studies are available which highlights the problems related to the implementation of IFRS in India. Most of the literature available on IFRS implementation in India is conceptual in nature without any empirical evidence. This section briefly reviews more recent empirical studies conducted to examine the perceptions of Chartered accountants regarding implementation of IFRS. The Securities and Exchange Commission (SEC) has the primary role in the progress and development towards adoption, using the Financial Accounting Standards Board (FASB) to accomplish the implementation. In September 2002, the SEC announced its support of the Norwalk Agreement. This agreement was formed between the FASB and the International Accounting Standards Board (IASB) to "develop high quality, compatible accounting standards that could be used for both domestic and cross-border financial reporting." This was the first step towards adoption; the initial full adoption date was set for April 2005. In April 2005, the SEC published a "Roadmap," a proposed timeline for adopting iGAAP, which included a series of key milestones. Leuz and Wüstemann, (2004) stated that the role of accounting is not so much to publicly disseminate information, but to facilitate relationship-based financing, for instance, by limiting the claims of outside shareholders to dividends, which protects creditors and promotes internal financing. Ball (2006) stated that many developing countries where the quality of local governance institutions is low, the decision to adopt IFRS will be beneficial. Kabir & Laswad (2007) contributed to the growing literature on the relative importance on accounting standards vs reporting incentives and institutional environments. They examined that accounting quality is jointly determined by accounting standards, reporting incentives and institutional environments. They also predicted that accounting quality will vary even under the IFRS regime. Callao et al. (2007) examined

on financial data of Spanish firms revealed that local comparability is adversely affected if both IFRS and local Accounting Standards are applied in the same country at the same time. The study, therefore calls for an urgent convergence of local Accounting Standards with that of IFRS. Jain (2007) tried to analyze the IFRS adoption procedure in India and the utility for India in adopting IFRS. He discussed the problems faced by the stakeholders (Regulators, Accountants, Firms etc) in the process of adoption of IFRS in India and presented the ways through which these problems can be addressed. Yadav & Sharma (2007) outlined that all parties concerned with financial reporting need to share the responsibility of international harmonization and convergence. IFRS is more a principle based approach with limited implementation and application guidance and moves away from prescribing specific accounting treatment, therefore, all accountants whether practicing or non-practicing have to participate and contribute effectively to the convergence process. Chand & White (2007) studied the convergence of Domestic Accounting Standards and IFRS and also demonstrated that the influence of Multinational Enterprises and large international accounting firms can lead to transfer of economic resources in their favour, wherein the public interests are usually ignored. Barth (2007), focused on the adoption of a common body of international standards is expected to have the following benefits: lower the cost of financial information processing and auditing to capital market participants as users, familiarity with one common set of international accounting standards instead of various local accounting standards by Accountants and Auditors of financial reports, comparability and uniformity of financial statements among companies and countries making the work of investment analysts easy, attraction of foreign investors in addition to general capital market liberalization. Ramanna & Sletten (2009) examined the heterogeneity in the countries decision to adopt International Financial Reporting Standards (IFRS). They used economic theory of networks to develop their hypothesis. They find that a country will be more likely to adopt IFRS if its trade partners or countries within in its geographical region are IFRS adopters. They had not confirmed that IFRS lowers information costs in more globalized economies. Pilcher & Dean (2009) determined the impact financial reporting obligations and, in particular, the International Financial Reporting Standards (IFRS) have on local government management decision making. In turn, this will lead to observations and conclusions regarding the research question: "Does reporting under the IFRS regime add value to the management of local government?" Jacob & Madu (2009) examined the academic literature on the quality of International Financial Reporting Standards (IFRS), formerly International Accounting Standards (IAS), which are poised to be the universal accounting language to be adopted by all companies regardless of their place of domicile. Hail,

Leuz & Wysocki (2009) considered how a switch to IFRS may affect worldwide competition among accounting standards and standard setters, and discuss the political ramifications of such a decision on the standard setting process and on the governance structure of the International Accounting Standards Board. The analysis shows that the decision to adopt IFRS mainly involves a cost-benefit trade off between recurring comparability benefits for investors & recurring future cost savings that will largely accrue to multinational companies. Ahmad & Khan (2009) stated that Adopting International Financial Reporting Standards (IFRS) by Indian Corporate is going to be very challenging but at the same time could be very rewarding. Convergence of standards will break the ice for convergence in other areas including auditing and help in efficient functioning of the economy because investors, creditors, auditors and other rely on credible, transparent and comparable financial information. Mustafayev (2009) opined that managements should consider accounting as the major tool of the decision making process. The adoption of IFRS is necessary in order to accomplish efficient and effective accounting system that is in consistency with the market economy. Together with the privatization and legal reforms, thorough accounting reforms also have to be performed in the transition to the market economy. Swamynathan & Sindhu (2009) stated that India has decided to move towards IFRS but still the mandatory switch over is not finalized. So they suggested ways to identify it like IFRS can be included as a subject, ensure consistency between various regulations and Accounting Standards converged with IFRSs. Cai & Wong (2010) in their study of global capital markets summarized that the capital markets of the countries that have adopted IFRS have higher degree of integration among them after their IFRS adoption as compared to the period before the adoption. Lin & Tanyi (2010) indicated that investors of U.S. companies in IFRS industries perceive the convergence benefit from IFRS adoption. Further evidence, however, shows that overall investors of U.S. companies welcomed the convergence projects between Financial Accounting Standards Board and International Accounting Standards Board but negatively reacted to the potential adoption of IFRS in the U.S. Siqu Li (2010) concluded that on average, the IFRS mandate significantly reduces the cost of equity for mandatory adopters. He also suggested in his research that this reduction is present only in countries with strong legal enforcement and that increased disclosures and enhanced information comparability are two mechanisms behind the cost of equity reduction. Chen et al. (2010) did a study of financial data of publicly listed companies in 15 member states of European Union (EU) before and after the full adoption of IFRS in 2005 thereafter found that the majority of Accounting Quality indicators improved after IFRS adoption in the EU and as there is less of managing earnings towards a target, a lower magnitude of absolute discretionary

accruals and higher accruals quality. The study also showed that the improved accounting quality is attributable to IFRS, rather than changes in managerial incentives, institutional features of capital markets and general business environment. Byard, Li & Yu (2011) stated that those foreign analyst who are familiar with IFRS do experience an incremental improvement in forecast accuracy relative to domestic analyst. They highlighted that both familiarity with IFRS and quality of countries enforcements environments play key roles in determining the extent to which information can be symmetrised between foreign and domestic analyst. Dholakia (2011) studied to identify and evaluate the materiality of the impact of IFRS adoption on companies' financial position, performance of the financial year, examine individual standards and its effect on shareholders' equity. Study suggested there is need to remember that convergence to a single set of globally accepted high quality standards is ultimately in the best interests of the public, contributing to efficient capital flows within countries and across borders. D'souza (2011) examined that India should converge to the IFRS as there is growing recognition and acceptance that reporting model in India should be much more aligned to IFRS. It is conveyed that adoption to IFRS is a goal that needs to be pursued more vigourously with discipline & in a defined time frame. Jarva & Lantto (2011) analysed that IFRS earnings provide marginally greater information content than Finnish Accounting Standards (FAS) earnings for predicting future cash flows. In the end of their study they suggested that strong institutional framework substitutes for high quality accounting standards. Ray (2011) examined that the return on equity, return on asset, total asset turnover and net profit ratios are not significantly affected by converging to IFRS but the leverage ratio shows significant change on converging with IFRS. CS Rastogi & Dr. Agarwal (2012) examined the effect of IFRS convergence will pose the significant challenges in front of banks involving higher disclosures by banks. It is a conceptual paper discussing various aspects of new accounting system and its comparison with the existing IAS with its effect on the financial statements of banks, describing the preparedness of Indian banks to adopt the new accounting system, the challenges before it and the areas on which the banks must focus on to adopt the system. Okpala (2012) examined that IFRS has been adopted in Nigeria but only fraction of companies has implemented with deadline for the others to comply. It is perceived that IFRS implementation will promote FDI inflows and economic growth. It was recommended that all stakeholders should endeavour to have full implementation to reap benefits of the global GAAP and principle - based standards. Leung & Joos (2012) tried to assess whether investors perceive the switch to IFRS as beneficial or costly. Study suggested that investors' reaction to IFRS adoption is more positive in cases where IFRS is expected to lead to convergence benefits and a less positive

market reaction for firms with higher litigation risk, which is consistent with investors' concerns about greater discretion and less implementation guidance under IFRS for these firms. Rusu (2012) provides an updated description of the process of IFRS adoption in the E.U. and worldwide, pointing out its effects on the information presented in financial statements, on the markets efficiency and on the accounting harmonization. GAB (2012) stated that one of the demerits that will be experienced by countries adopting of IFRS include: forgoing the benefits of any past and potential future innovations in local reporting standards specific to their economies.

RESEARCH METHODOLOGY

In the process of achieving the objectives of the study, it is very important to follow a systematic scientific approach so as to present and interpret the results of the study or investigation conducted. The present study is the outcome of extensive efforts made after the formulation of the problem in accurate concerns after discussing it thoroughly with the experts which provided a direction to follow during the research process to achieve the objectives. The sample size in order to conduct the research was decided upon after a lot of deliberation on the nature of the research and the effect of various variables involved. For the research a sample of 200 from the state of Punjab were selected from the directory of Chartered Accountants and the respondents were mailed questionnaires through post and email but only 110 valid questionnaires were received and considered for analysis. All the respondents were contacted personally also through telephones, emails and in most of the cases physically to get their queries cleared about the purpose and intention of the survey to make the survey more accurate and error free. The sample was selected randomly from the directory of chartered accountants. The response rate was 55% of the questionnaires mailed. The sample is quite diversified in terms of age of respondents, almost chartered accountants of all age were included in the sample. Majority (75%) of respondents lie in age group of 20-50 and 25% respondent are greater than age of 50 in the sample. This enhances the validity of the survey . The survey questionnaire was designed in such a way that it addressed the perception of chartered accountants clearly. Questionnaire was kept on the basis of five point Likert scale only, so that analysis part could be facilitated. Likert summated rating method has been used and reverse scoring was carefully done while calculating the summated scores for negative sentences. Prior to the questionnaire was frozen and administered, constant dialogue by the authors with experts and practising chartered accountants helped in getting valuable inputs and feedback on the effectiveness of the questionnaire. The data collected have been analysed using the Statistical Package for Social Sciences (SPSS)

version 20.0 . The data analysis begins with categorizing and evaluating the collected data after collecting the filled questionnaires. Factor analysis has been used to analysed the responses of the charetered Accountants . Before using the factor analysis for data reducation , reliability analysis has been performed in order to identify how each item in the questionnaire relates to each other. Cronbach's Alpha for data reliability is an important step to make sure that the quality of the questions is good and it allows avenue for further research. A questionnaire can be deemed to be reliable when it provides consistent scores in each measurement. Before making further analysis both Bartlett test of Sphericity and Keiser-Meyer-Olkin (KMO) test were applied to examine the correlation of the different variable of the assumption and also whether conducting factor analysis was appropriate. Principal component analysis was used for factor extraction. This method studies the spatial distribution of the objects so as to identify groupings and the relationships between them. The first factor extracted is the one that accounts for the maximum possible variance in the data set. The second component, independent of the first, will be the one that explains the greatest possible share of the remaining variance, and so on, without the components being correlated with each other. The choice of the number of factors was first based on the Kaiser criterion, namely eigenvalues over 1.0. This is the most frequently used criterion in factor analysis, and the theoretical basis behind it is that each retained factor should explain more variance than the original variable in the data set. The choice of the number of factors was first based on the Kaiser criterion, namely eigenvalues over 1.0. This is the most frequently used criterion in factor analysis, and the theoretical basis behind it is that each retained

Table 2**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.531
Bartlett's Test of Sphericity	
Approx. Chi-Square	780.902
df	231.00
Sig.	.000

factor should explain more variance than the original variable in the data set.

The results of the Bartlett's test of sphericity and the value of KMO were both statistically significant. KMO measure of sampling adequacy of this study is considered to be good or significant. There is no need for remedial action.

The communalities for the i th variable are computed by taking the sum of the squared loadings for that variable. This is expressed below :

Table 3
Communalities

	Initial	Extraction
1. Accounting Harmonisation-A tool for Developing Global Economy	1.000	.690
2. Accounting harmonisation reduce the gap between different accounting Systems in each country	1.000	.535
3. Accounting harmonisation encourage global economic activities	1.000	.894
4. IFRS Adoption ensures comparable accounting figures	1.000	.584
5. IFRS adoption ensures higher quality disclosures	1.000	.780
6. IFRS adoption ensures more information additional disclosures	1.000	.690
7. IFRS adoption ensures more value relevant accounting	1.000	.784
8. IFRS adoption results in difficult financial statements	1.000	.803
9. IFRS leads to efficient monitoring by shareholders	1.000	.793
10. IFRS leads to efficient monitoring by creditors and ensures better creditor protection	1.000	.833
11. IFRS leads to more cost less benefits	1.000	.633
12. Fair value accounting has strong impact on accounting figures	1.000	.762
13. Adoption of Fair value accounting is a costly affair	1.000	.428
14. The adoption of Fair Value results in more value relevant accounting figures	1.000	.753
15. IFRS implementation is costly Information systems have to be reorganised, the information required by IFRS being not available in its entirety	1.000	.731
16. The information required by IFRS will be available but it has to be reprocessed in depth	1.000	.618
17. It will require in-depth training of people involved in the adoption process	1.000	.732
18. The lack of clarity of several IFRS standards will require in-depth analysis and interpretations of these standards	1.000	.827
19. Will require a specific training because these standards differ significantly from those used previously	1.000	.747
20. Will be complex because of accounting figures that they were not easily comparable with those disclosed in the previous statements	1.000	.754
21. Switching to IFRS Will increase the time spent to process accounting information and financial statements	1.000	.599
22. Switching to IFRS Will improve the relevance of our forecasts forecasts & recommendations	1.000	.817

Extraction Method : Principal Component Analysis.

Table 4
Total Variance Explained

Component	Initial Eigenvalues		Extraction Sums of Squared Loadings		Rotation Sums of Squared Loadings	
	Total	% of Variance	Total	% of Variance	Total	% of Variance
1	3.845	17.478	3.845	17.478	3.514	15.971
2	3.084	14.016	3.084	14.016	2.880	13.093
3	2.697	12.258	2.697	12.258	2.263	10.286
4	1.859	8.449	1.859	8.449	2.168	9.856
5	1.653	7.513	1.653	7.513	1.913	8.694
6	1.517	6.898	1.517	6.898	1.591	7.231
7	1.130	5.137	1.130	5.137	1.456	6.619
8	.910	4.138				
9	.815	3.703				
10	.744	3.384				
11	.648	2.947				
12	.578	2.629				
13	.463	2.103				
14	.406	1.844				
15	.354	1.609				
16	.326	1.480				
17	.308	1.398				
18	.207	.939				
19	.133	.603				
20	.131	.594				
21	.126	.573				
22	.067	.306				
		100.000				

Extraction Method : Principal Component Analysis.

$$\hat{h}_i = \sum_{j=1}^m \hat{l}_{ij}^2$$

The communality for a given variable can be interpreted as the proportion of variation in that variable explained by the factors.

Next comes a table showing the importance of each of the all 22 principal components. Only the first seven have eigenvalues over 1.00, and together these explain over 71.750 % of the total variability in the data. This leads us to the conclusion that a seven factor solution will probably be adequate.

NAMING OF THE FACTORS

As shown in the Table 5 the factor analysis has extracted seven factors which are named as follows :

1. Relevance of Fair Value
2. Complexity and Cost
3. Harmonisation and Additional Disclosure
4. Monitoring and Global Economic Activity
5. Comparable accounting with higher disclosure but with complexity and cost 5
6. Future Fore-casting
7. Impact of Fair Value Accounting

Component 1 : Relevance of Fair Value

Rotated Component Matrix shows that it is the most important factor which explains 17.478% of variations. The three parameters representing the added value to the accounting figures, difficult financial statements and value relevance to the accounting are grouped under this component. The factor loadings to this component are .852, .834 and .771 and considered to be very strong because all the factor loadings are greater than .50 and highly significant. This shows that professional accountants considered Fair Value as highly relevant because it add value to the accounting figures. The Professional Accountants are also of the strong view that the adoption of Fair Value will make financial statements difficult to understand which need to be simplified in the further drafts of IFRS to make them more value relevant for the stake-holders of accounting information. It shows that accountants has apprehensions about the "Concept of Fair Value" in their mind which needs to be corrected either through training and development or through more explanations in the Reporting standards.

Component 2 : Complexity and Cost

Table 5
Rotated Component Matrix (a)

	Component						
	Fair Value Relevance	Complexity and Cost	Harmonisation and Additional Disclosure	Monitoring and Global Economic Activity	Comparable accounting with higher disclosure but with complexity and cost	Future Forecasting	Impact of Fair Value Accounting
The adoption of Fair Value results in more value relevant accounting figures	.852						
IFRS adoption results in difficult financial statements	.834						
IFRS adoption ensures more value relevant accounting	.771						
Will require a specific training because these standards differ significantly from those used previously		.842					
Will be complex because of accounting figures that they were not easily comparable with those disclosed in the previous statements		.817					
IFRS implementation is costly Information systems have to be reorganised, the information required by IFRS being not available in its entirety		.713					
Switching to IFRS Will increase the time spent to process accounting information and financial statements		.542					
IFRS adoption ensures more information additional disclosures			.691				

Contd. Table 5

Accounting Harmonisation-A tool for Developing Global Economy					.660				
Accounting harmonisation encourage global economic activities					.611				
Accounting harmonisation reduce the gap between different accounting Systems in each country					.576				
Accounting harmonisation encourage global economic activities						.871			
IFRS leads to efficient monitoring by creditors and ensures better creditor protection						.865			
IFRS Adoption ensures comparable accounting figures							.719		
IFRS adoption ensures higher quality disclosures							.626		
IFRS adoption results in difficult financial statements							.608		
IFRS leads to more cost less benefits							.570		
Switching to IFRS Will improve the relevance of our forecasts & recommendations								.889	
It will require in-depth training of people involved in the adoption process								.489	
The information required by IFRS will be available but it has to be reprocessed in depth									.718
Fair value accounting has strong impact on accounting figures									.660
Adoption of Fair value accounting is a costly affair									.353

Extraction Method : Principal Component Analysis. Rotation Method : Varimax with Kaiser Normalization. Rotation converged in 12 iterations.

This factor explains 14.016% of variations. The four parameters which focusses on training needs for implementation, complexity of preparing the financial statements costly information system for its implementation and time consuming process . The factor loadings for these parameters are .842, .817, .713 and .542 are considered to be strong which explains that professional accountants considered the dire need for training and development in the field of IFRS Implementation. The cost factor need to be minimised by removing the complexity of the information system and timely presentaiton of the financial information . This require the efforts of the accounting and professional bodies to work .

Component 3 : Harmonisation and Additional Disclosure

This factor explains the 12.258% of variations. The four parameters representing the factor focussed on strong view of the professional accountants regarding the assurance of additional disclosure, increase in global economic activity, a tool for developing global economy and an instrument to reduce the gap between the various accoutnign practices pravelent in the world. The factor loadings of various parameters are .691, .660, .611 and .576 are considered to be very strong which explains the relevance of IFRS in promoting harmonisation and additional disclosure.

Component 4 : Monitoring and Global Economic Activity

This factor explains the 8.449% of variations. The two parameters representing the factor focussed on increased global economic activity through monitoring by the providers of capital i.e Creditors. The factor loadings of various parameters are .871 and .865 and considered to be very strong which explains the urgency of implementation of these standards .

Component 5 : Comparable Accounting with Higher Disclosure but with Complexity and Cost

This factor explains the 7.513% of variations. The four parameters representing the factors focussed on assurance of comparable accounting figures, high quality disclosoures, complexity of financial statements and high cost. The factor loadings of various parameters are .719, .626, .608 and .570 which are considered to be high . It explains the agreement of the professional accountants that IFRS implementation is sure to promote comparability of accounting statements with high quality disclosure but apprehensions regarding the aspect of complexity of information and cost factor remains which need to be addressed.

Component 6 : Future Forecasting

This factor explains the 6.898% of variations. The two parameters representing this factor are future forecast and recommendations and training needs. The professional accountants are of the strong view and agree that implementation of IFRS will ensure that accounting information supplied by the IFRS compatible accounting statements will provide tools for better future forecast and recommendations but their opinion over the indepth training needs for IFRS implementation are divided.

Component 7 : Impact of Fair Value Accounting

This factor explains 5.317% of variance. The parameters representing this factor are indepth reprocessing of information , strong impact on accounting figures and its related cost. The chartered accountants agreed that adoption of fair value accounting will result in indepth reprocessing of information (factor loading .718) and it will have great impact on the disclosure practices (.660) but a small segment of chartered accountants has worries about the cost factor relating to the implementation of fair value accounting (factor loading less than 0.5 i.e .353).

CONCLUSION AND RECOMMENDATIONS

The study is concluded with following observations and recommendations :

1. The chartered accountants are aware about the relevance of concept of "fair value" but they have lot of misconceptions and apprehensions about the its conceptual meaning which need more training to the professional accountants in terms of conceptual clarity, implementation methodologies and clarity about making the accounting information more disclsoure based with less complexity.
2. This study shows that most of the CA's considered convergence as better option with reference to the Indian context rather than full fledges adoption of IFRS.
3. The chartered accountants agree on the notion that, IFRS implementation in India is done due to its future orientation, not merely because of its fame, it is going to provide better future for India in the global environment.
4. All the respondents perceived that there is more cost involved in the initial implementation of the IFRS, but afterwards there will be more benefits in the future. Most of the respondents have perceived that

deferment of IFRS on the year-to-year basis is making India to lose its shine in globalised world.

Following recommendations could be quoted with regard to the IFRS implementation in India. These recommendations have been as follows :-

1. Proper training & resources should be imparted to those who have been involved in the IFRS adoption process.
2. More awareness should be imparted to the industry with regard to the benefits attached to IFRS implementation.
3. Converged accounting standards be given, and these should be implemented at the earliest.
4. Present dilution under AS 11 should be continued in IFRS also and fair value accounting norms should be relaxed in the context of smaller companies.
5. More sincere effort should be done by the government for the clarity in the minds of the industry people regarding implementation of IFRS in India.
6. More efforts should be made by the Government to escalate the early implementation of IFRS in India.
7. More disclosure on related party transactions, disclosure on movement of equity, recording of assets and liabilities at fair value and easy to understand framework of financial statements.
8. Implementation of IFRs should not be deferred for the better future of India.
9. Indian economic culture & business environment should be taken into consideration for convergence with IFRS.
10. Adoption of IFRS is better as future accounting system but more efforts should be made to Educate and trains the relevant sections of the society.

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