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## RESEARCH ARTICLE

### IFRS IN INDIA: REASONS IN FAVOUR AND AGAINST

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#### ABSTRACT

IFRS would serve to enhance the comparability between financial statements of various companies across the globe. The industry would be able to raise capital from foreign markets at lower cost if they are able to create confidence in the minds of foreign investors that their financial statements comply with globally accepted accounting standards. It would provide professional opportunities to serve international clients and increase their mobility to work in different parts of the world. The major objectives of this study are to find out the key reasons for implementation of IFRS and reasons for resistance to IFRS in India. Therefore, a survey has been conducted by administering a structured questionnaire to a sample of 400 Chartered Accountants in India. The study concluded that the investment opportunities and comparability of financial statements are the major reasons for applying IFRS by corporate world and mandatory application of these new standards and uniform accounting systems are the least preferred major reasons for being positive in applying IFRS in India. The analysis of survey results has revealed that lack of knowledge of these new standards has turned out to be the major constraints in applying IFRS, even though the broad changes in accounting world are viewed as the least important reasons by sampled respondents for not applying IFRS in India.

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#### INTRODUCTION

Indian Accounting Standards (Ind AS) based on and substantially converged with IFRS has adopted by India. The Companies Act 1956 has been revised and the new Companies Act 2013 has been come in front of accounting world. The revised Companies Act does not give SEBI the authority to continue the IFRS option. IFRS, being principle based standards, are expected to provide many benefits in different ways to economy, companies/industries and investors. It is felt that these will benefit the economy by increasing the growth of international business and international investing in the form of more foreign capital inflows into the country. Now, investors want more relevant, reliable, timely and comparable information across different jurisdictions. IFRS would serve to enhance the comparability between financial statements of various companies across the globe. The industry would be able to raise capital from foreign markets at lower cost if they are able to create confidence in the minds of foreign investors that their financial statements comply with globally accepted accounting standards. It would provide professional opportunities to serve international clients and increase their mobility to work in different parts of the world. Charanjit Attra, Executive Director, 3i Infotech, said Indian Companies

who have voluntarily adopted full IFRS would have to rethink on opting for the option of presenting full IFRS financial statements as IND AS financial statements would be very similar to full IFRS financial statements. Sandip K Khetan, Partner, S. R. Batliboi and Co, said implementation of accounting standard on revenue (IND-AS 115) and financial instruments (IND AS 109) can be a significant challenge for companies that are voluntarily adopting “full IFRS” (Business Line 2015). However they will be mandatorily required to adopt IND –AS 109 and 115 for reporting obligations under Indian Companies Act 2013.

So this creates a dilemma for these companies and they need to choose carefully”, he said (Business Line 2015). Prior to and during convergence a lot of exposure and experience has been gained by the people of this profession regarding impediments, challenges, merits and limitations of convergence of accounting standards with IFRS. To circumvent their predicaments and apprehensions, countrywide training programs, seminars, work-shops and conferences have been conducted by the ICAI during which rich literature has also been handed over to them to supplement live discussions. Therefore, they are the right people to divulge useful information and considered views on IFRS issues of all manifestations. An empirical study was, therefore, conducted by administering a structured questionnaire to a sample of 400 Chartered Accountants in India. This study covers the analysis

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of their perspectives on issues like major reasons favouring or resisting implementation of IFRS in India.

### Review of Literature

There are very few studies conducted in India on this subject. The available studies cover the general issues in their implementation. Some are relating to difference between Indian accounting standards and IFRS. There are only one or two studies which attempted to measure the effect of convergence with IFRS on the financial statements of companies. Some of such studies are reviewed hereafter.

Gassen and Sellhorn (2006) analyzed the determinants and consequences of voluntary IFRS adoption by publicly traded German firms during the period 1998-2004. The study inferred that the voluntary adoption of IFRS for German firms was influenced by size, international exposure, and dispersion of ownership. In addition, it was attractive for young firms to adopt IFRS. Comparing a sub-sample of these voluntary IFRS adopters with comparable German-GAAP (HGB) firms, it was revealed that IFRS firms have more persistent and more conditionally conservative earnings. Fearnley and Hines (2007) traced the development of attitudes towards financial reporting solutions for entities which did not follow the European Union (EU) regulations. These regulations are mandated application of IFRS to the listed companies for the group accounts for beginning the financial years from 1 January 2005. The study evaluated the alternatives in the light of changing attitudes towards IFRS, and the model of accounting being adopted; particularly focusing on the problems facing smaller companies. It was found that IFRS was overly complex for appropriate form of financial reporting for entities not covered by the EU regulations.

Wines *et al.*, (2007) examined the change in accounting treatment for goodwill pursuant to IFRS by reference to the Australian reporting regime and highlighted that the identification and valuation of cash generating units would require numerous assumptions in estimating fair value, value in use and recoverable amount. The researchers suggested that future research should examine the effect of new goodwill accounting treatment on preparing the financial reports and its auditing. Cairns *et al.*, (2009) investigated the use of fair value measurement by 228 listed companies in the UK and Australia, around the time of adoption of IFRS from 1 January 2005. The study showed that the mandatory requirements of IAS 39 had increased comparability, most strongly in relation to derivatives. The results suggested that the managers support the historical cost/modified historical cost as the preferred model for many of the assets reported in the balance sheet. Panchal (2012) explored the likely opportunities and challenges to be faced by Indian industries and provided some suggestions for successful implementation of IFRS. The study revealed that implementation of IFRS required some changes in formats of accounts and their disclosures. The researcher argued that all concerned parties need to share the responsibility of international harmonization and convergence. The study also suggested that IASB should encourage the members of regulatory bodies to formulate and reformulate their rules and regulations as per IFRS. Nagale and Bapat (2013) studied the effect of transition to IFRS on the equity and net profit reported under these IFRS and IGAAP. The

study depicted that there was a significant difference in net profit reported as per IGAAP and IFRS in case of Dr. Reddy laboratories and Tata motors. In addition to this, in case of equity, the difference was maximum in case of Dr. Reddy's Laboratories where the equity as per IFRS was more by 14.07% compared to Indian GAAP. In case of other companies the difference in equity was less than 10%.

### Research Objectives

The major objectives of this study are to find out the key reasons for implementation of IFRS and reasons for resistance to IFRS in India.

## RESEARCH METHODOLOGY

To accomplish the above objective, a structured questionnaire was administered to sampled CAs for collecting information. The respondents were asked to give first rank to most preferred reason and fifth rank to the least preferred reason and so on. The sample consists of four hundred Chartered Accountants (CAs), having imperative knowledge on IFRS. The responses from respondents were coded and tabulated in SPSS 16.0. For analyzing the data, mean, standard deviation (SDs), t-test and F-test were used. The tests were conducted at five (5) percent level of significance. Weighted mean is used to know the highly important reasons for implementation of IFRS and resistance to IFRS in India. The t-test was used to measure the gender-wise differences and their effects on perception about these issues. Here we used F-test for measuring the differences across nature of jobs and years of experience.

### Analysis & Interpretation

Here in this section, analysis and interpretation is presenting on the basis of the data collected. The results are as follows:

#### Reasons for Favouring Implementation of IFRS

This section brings out the results of analysis on major reasons which support the implementation of IFRS in India. For this, I considered six reasons including transparency, comparability, investment opportunity, statutory requirement, better corporate governance and uniformity of accounting system. The respondents were asked to give first rank to most preferred reason and fifth rank to the least preferred reason and so on. The frequency distribution and percentages of respondents according to the ranks assigned by them to different reasons favouring implementation of IFRS in India are presented in Table 1 for the overall sample.

When we consider the highest percentage of respondents giving a particular rank to a major reason, it emerges that investment opportunity (1<sup>st</sup> rank with 28.25 % responses) falls at the top, followed by comparability (2<sup>nd</sup> rank with 38.50 % responses), transparency (3<sup>rd</sup> rank with 37.50 % responses), better corporate governance (4<sup>th</sup> rank with 36.25 % responses), statutory requirement (5<sup>th</sup> rank with 36.5% responses) and lastly uniformity of accounting system (6<sup>th</sup> rank with 45.80 % responses). In terms of weighted means, weight being assigned to 1<sup>st</sup> rank for the lowest mean value and 6<sup>th</sup> rank to the highest mean value of the ranks given by respondents, the analysis

shows different results. The results reveal that comparability and transparency with mean values 4.31 and 4.00 respectively obtain the first and second position. Statutory requirement and better corporate governance with mean values 2.69 and 3.14 respectively, have turned out the least important factors in support of IFRS adoption. It is worthwhile to note that investment opportunity and comparability are the major reasons for applying IFRS by the corporate area and statutory requirement of these new standards and uniformity of accounting system are the least important reasons for being positive in applying IFRS in India. Independent variable-wise position in this regard is brought out in subsequent paragraphs.

The gender-wise respondents' distributions according to the ranking of major reasons for being positive in applying IFRS in India are shown in Table 2. The table reveals that in terms of highest percentage of respondents going in favour of a particular reason, there is no difference between males and females. Further, the results also are in keeping with the results presented in Table 1 and discussed earlier. Same trend appear across age groups, nature of the job, specialization of job and length of years of experience as there are no age wise, nature of job wise, specialization wise and length of years of experience wise differences discerned in Table 3, 4, 5 and 6 respectively.

**Table 1. Respondents' Distribution According to Ranking of Reasons for Favouring IFRS**

Reasons	Transparency	Comparability	Investment opportunity	Statutory requirement	Better corporate Governance	Uniformity of accounting system
Ranks	Frequency & Percent	Frequency & Percent	Frequency & Percent	Frequency & Percent	Frequency & Percent	Frequency & Percent
1	48 (12)	86 (21.50)	113 (28.25)	46 (11.50)	17 (4.25)	97 (24.25)
2	91 (22.80)	154 (38.50)	39 (9.75)	34 (8.50)	34 (8.50)	56 (14)
3	150 (37.50)	53 (13.25)	41 (10.25)	21 (5.25)	90 (22.50)	46 (11.50)
4	56 (14)	44 (11)	61 (15.25)	51 (12.75)	145 (36.25)	42 (10.50)
5	35 (8.75)	30 (7.50)	90 (22.50)	146 (36.50)	74 (18.50)	25 (6.25)
6	20 (5)	33 (8.25)	56 (14)	102 (25.50)	40 (10)	134 (33.50)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)
Weighted Mean	4.00	4.31	3.64	2.69	3.14	3.39

**Table 2. Respondents' Gender-wise Distribution According to Ranking of Reasons for Favouring IFRS**

Gender	Reasons/Ranks	Transparency	Comparability	Investment opportunity	Statutory requirement	Better corporate governance	Uniformity of accounting system
Male	1	35	58	83	34	14	74
	2	67	109	24	26	29	44
	3	111	39	33	17	64	34
	4	39	40	42	34	108	32
	5	28	20	63	113	55	16
	6	15	29	50	71	25	95
Female	1	13	28	30	12	3	23
	2	24	45	15	8	5	12
	3	39	14	8	4	26	12
	4	17	4	19	17	37	10
	5	7	10	27	33	19	9
	6	5	4	6	31	15	39

**Table 3. Respondents' Age-wise Distribution According to Ranking of Reasons for Favouring IFRS**

Age (Years)	Reasons/Ranks	Transparency	Comparability	Investment opportunity	Statutory requirement	Better corporate Governance	Uniformity of accounting system
20-30	1	17	32	42	12	3	30
	2	32	43	13	10	13	20
	3	41	22	13	10	35	10
	4	15	12	20	21	48	13
	5	16	7	29	46	24	9
	6	10	15	14	32	8	49
30-40	1	21	34	45	16	7	42
	2	40	63	16	17	16	19
	3	63	19	19	8	40	19
	4	27	23	22	19	57	20
	5	9	16	40	62	27	13
	6	7	12	28	45	20	51
40-50	1	3	10	21	14	5	16
	2	11	28	10	5	3	12
	3	30	11	4	3	8	9
	4	10	7	9	5	30	4
	5	8	5	11	25	14	2
	6	3	4	10	13	5	22
Above 50	1	7	8	10	4	2	6
	2	8	20	0	2	2	5
	3	16	1	5	0	7	8
	4	4	2	9	6	11	5
	5	2	2	10	13	9	1
	6	0	2	4	10	7	14

**Table 4. Respondents' Nature of Job-wise Distribution According to Ranking of Reasons for Favouring IFRS**

Job Nature	Reasons/ Ranks	Transparency	Comparability	Investment opportunity	Statutory requirement	Better Corporate governance	Uniformity of accounting system
Self practices	1	20	28	34	14	9	32
	2	36	37	14	13	18	19
	3	43	21	18	8	34	13
	4	24	26	18	9	44	19
	5	8	17	34	52	21	5
	6	6	8	19	41	11	49
Employed in audit firms	1	12	43	44	19	2	27
	2	31	60	18	10	6	23
	3	56	16	13	3	36	17
	4	19	4	17	23	58	15
	5	12	10	39	45	22	12
	6	10	7	9	40	16	46
Employed in industry	1	16	15	38	13	6	35
	2	24	57	7	11	10	14
	3	51	16	10	10	20	16
	4	13	14	26	19	43	8
	5	15	3	17	49	31	8

**Table 5. Respondents' Job-Specialization-wise Distribution According to Ranking of Reasons for Favouring IFRS**

Job Specialization	Reasons/ Ranks	Transparency	Comparability	Investment opportunity	Statutory requirement	Better corporate governance	Uniformity of accounting system
<b>Accounts</b>	1	10	19	21	9	2	20
	2	28	35	8	5	8	6
	3	28	6	17	6	19	14
	4	12	10	13	7	32	13
	5	5	8	16	37	16	4
	6	3	6	13	22	9	29
<b>Audit</b>	1	15	26	27	6	2	16
	2	17	35	10	12	5	10
	3	36	8	6	2	26	8
	4	8	9	16	20	27	9
	5	4	4	19	28	20	14
	6	9	6	12	21	9	32
<b>Taxation</b>	1	4	5	11	7	1	10
	2	5	11	6	5	4	7
	3	11	8	0	2	10	7
	4	10	4	9	1	13	0
	5	6	6	8	11	4	3
	6	0	4	4	11	7	12
<b>Others</b>	1	19	33	57	24	12	51
	2	41	73	15	12	17	33
	3	75	31	18	11	35	17
	4	24	21	23	23	74	20
	5	20	12	47	70	34	4
	6	8	17	27	47	15	62

**Table 6. Respondents' Years of Experience-wise Distribution According to Ranking of Reasons for Favouring IFRS**

Years of Experience	Reasons/ Ranks	Transparency	Comparability	Investment opportunity	Statutory requirement	Better corporate governance	Uniformity of accounting system
0-5	1	15	25	43	24	8	40
	2	33	50	18	11	14	22
	3	51	30	13	9	31	15
	4	25	19	15	16	60	13
	5	16	10	36	56	22	8
	6	8	14	23	32	13	50
5-10	1	13	21	28	12	3	21
	2	19	30	14	12	10	13
	3	33	8	11	7	29	10
	4	15	17	12	13	29	12
	5	11	9	16	31	17	14
	6	7	13	17	23	10	28
10-15	1	5	16	20	9	3	18
	2	25	29	5	4	2	7
	3	27	14	4	4	11	8
	4	6	4	18	6	24	6
	5	3	3	16	24	22	0
	6	2	2	6	21	6	28
Above 15	1	15	23	24	1	3	17
	2	14	45	2	7	8	14
	3	39	1	13	1	19	13
	4	10	4	16	16	32	11
	5	5	8	22	35	13	3
	6	3	4	10	26	11	28

**Table 7. Respondents' Distribution According to Ranking of Reasons for Resisting IFRS**

Reasons	High cost of adoption	Lack of knowledge	Human psychology	Lack of training	Broad changes in accounting field
Ranks	Frequency & Percent	Frequency & Percent	Frequency & Percent	Frequency & Percent	Frequency & Percent
1	50 (12.50)	142 (35.50)	120 (30)	54 (13.50)	51 (12.80)
2	92 (23)	82 (20.50)	108 (27)	82 (20.50)	38 (9.50)
3	71 (17.80)	57 (14.30)	66 (16.50)	149 (37.30)	42 (10.50)
4	93 (23.30)	77 (19.30)	54 (13.50)	86 (21.50)	86 (21.50)
5	94 (23.50)	42 (10.50)	52 (13)	29 (7.30)	183 (45.80)
Total	400 (100)	400 (100)	400 (100)	400 (100)	400 (100)
Weighted Mean	2.77	3.51	3.48	3.11	2.22

Note: Figures in parentheses are percentages.

**Table 8. Respondents' Gender-wise Distribution According to Ranking of Reasons for Resisting IFRS**

Gender	Reasons/Ranks	High cost of adoption	Lack of knowledge	Human psychology	Lack of training	Broad changes in accounting field
Male	1	31	106	89	51	31
	2	61	59	79	76	22
	3	52	48	47	108	28
	4	80	49	45	49	67
	5	71	33	35	11	147
Female	1	19	36	31	3	20
	2	31	23	29	6	16
	3	19	9	19	41	14
	4	13	28	37	9	19
	5	23	9	17	18	36

**Table 9. Respondents' Age-wise Distribution According to Ranking of Reasons for Resisting IFRS**

Age	Reasons/Ranks	High cost of adoption	Lack of knowledge	Human psychology	Lack of training	Broad changes in accounting field
20-30	1	10	42	38	32	14
	2	26	33	34	32	6
	3	29	19	24	37	18
	4	36	18	22	23	32
	5	30	19	13	7	61
30-40	1	25	61	49	16	24
	2	44	34	43	28	19
	3	29	21	25	70	16
	4	27	40	24	38	35
	5	42	11	26	15	73
40-50	1	12	23	25	4	6
	2	16	11	15	13	10
	3	9	11	10	24	6
	4	14	17	5	13	12
	5	11	7	10	7	31
Above50	1	3	16	8	2	7
	2	6	4	16	9	3
	3	4	6	7	18	2
	4	13	6	3	8	7
	5	11	5	3	0	18

**Table 10. Respondents' Nature of Job-wise Distribution According to Ranking of Reasons for Resisting IFRS**

Job Nature	Reasons/Ranks	High cost of adoption	Lack of knowledge	Human psychology	Lack of training	Broad changes in accounting field
Self practices	1	19	49	45	17	18
	2	18	26	40	34	19
	3	29	18	20	52	10
	4	37	26	19	24	27
	5	34	18	13	10	63
Employed in audit firm	1	22	47	45	8	21
	2	42	32	33	23	10
	3	22	17	23	55	21
	4	24	29	39	16	33
	5	30	16	22	15	55
Employed in industry	1	9	47	29	29	12
	2	32	24	35	25	9
	3	20	22	23	42	11
	4	32	22	19	23	26
	5	30	8	17	4	65

**Table 11. Respondents' Job-Specialization-wise Distribution According to Ranking of Reasons for Resisting IFRS**

Job specialization	Reasons/Ranks	High cost of adoption	Lack of knowledge	Human psychology	Lack of training	Broad changes in accounting field
Accounts	1	11	27	28	14	9
	2	21	20	20	16	9
	3	22	15	15	28	4
	4	17	19	17	15	18
	5	15	9	6	9	46
Audit	1	11	33	20	6	20
	2	20	16	27	18	8
	3	6	10	19	39	14
	4	23	19	8	21	19
	5	22	11	22	5	28
Taxation	1	3	15	12	3	6
	2	11	8	8	6	5
	3	5	4	7	20	1
	4	9	8	10	7	4
	5	10	3	7	2	16
Others	1	25	67	60	31	16
	2	33	38	60	42	16
	3	38	28	25	62	23
	4	44	35	25	39	39
	5	47	19	17	13	93

**Table 12. Respondents' Years of Experience-wise Distribution According to Ranking of Reasons for Resisting IFRS**

Years	Reasons/Ranks	High cost of adoption	Lack of knowledge	Human psychology	Lack of training	Broad changes in accounting field
0-5	1	21	45	38	33	17
	2	32	31	47	29	10
	3	26	22	18	53	23
	4	36	29	21	26	34
	5	34	21	24	7	63
5-10	1	11	38	30	13	12
	2	21	19	22	25	11
	3	20	14	32	19	9
	4	22	19	17	21	18
	5	27	5	10	7	48
10-15	1	8	20	28	3	9
	2	19	15	12	14	8
	3	13	11	13	25	6
	4	15	19	9	14	11
	5	13	8	6	7	34
Above15	1	10	39	24	5	13
	2	20	17	27	14	9
	3	12	10	16	39	4
	4	7	12	24	20	22
	5	20	8	12	8	38

The above results imply that, in general, the respondents, irrespective of their gender, age, nature of job, specialization of job and length of experience hold investment opportunity and comparability as the most important factors favoring IFRS implementation.

### Reasons for Resistance to IFRS

This section presents the major reasons for resistance in implementation of IFRS in India. On the basis of research review we considered five major reasons including high cost of adoption, lack of knowledge, human psychology (resistance to adopt new things), lack of training and broad changes in accounting area. It is expected an organization needs to provide proper training to their accounting professionals so that they can easily adopt to the convergence with IFRS reporting, even though it will add to the cost for an organization. As it is not mandatory for all organizations to implement IFRS, the accounting professionals and managers tend to have insufficient knowledge about IFRS reporting. There is no denying the fact that it is human psychology to resist the adoption of new things and, therefore, it can be

considered as a major reason for resistance to adopt IFRS. In India, there are very few people who have imperative knowledge about IFRS and providing training to them is no less costly for an organization. Therefore, the study considered lack of training as another reason for resistance to implement IFRS. There are various areas where IGAAP and IFRS are not in consonance with each other and implementation of IFRS will bring a lot of changes in accounting field. To meet the need of our research objectives, the respondents were asked to assign first rank to most preferred reason and fifth rank to the least preferred reason for resistance. The frequency distribution and percentage of respondents according to the ranks assigned by them to the different reasons for not applying IFRS in India are presented in Table 7 for the gross sample. When we consider the highest percentage of respondents giving a particular rank to a major reason for not applying IFRS in India, it emerges that lack of knowledge (1<sup>st</sup> rank with 35.50 % responses) falls at the top, followed by human psychology (2<sup>nd</sup> rank with 27 % responses), lack of training (3<sup>rd</sup> rank with 37.30 % responses), high cost (4<sup>th</sup> rank with 23.30 % responses) and, lastly, broad changes in accounting area (5<sup>th</sup> rank with 45.80 %). When we consider the

weighted means of the ranks given by respondents for the major reasons for being negative in applying IFRS, it presents the same results. It is worthwhile to note that lack of knowledge of these new standards has turned out to be the top priority and broad changes in accounting area is the least preferred major reasons for not applying IFRS in India as perceived by sampled respondents. Independent variable-wise analyses follows here-in-after.

The gender-wise respondents' distributions according to the ranking of major reasons for being negative in applying IFRS in India are shown in Table 8. The table reveals that in terms of the largest percentage of respondents going in favor of a particular reason, there is no difference between males and females. Further, the results are also in keeping with the results at overall level as presented in Table 7 and discussed earlier. The differences are noted with respect to the second and fourth rank across the genders. As per responses of male respondents, second rank is given to human psychology and fourth rank to high cost, while in the case of female respondents these ranks worked out for the high cost and human psychology respectively. Thus, it is apparent from this analysis that lack of knowledge is the main reason for being negative in applying IFRS in India and broad changes in accounting area is the least important reason across both genders. An age-wise respondents' distribution according to the ranking of major reasons for being negative in applying IFRS in India is presented in Table 9. The Table shows that the results with respect to the age groups of 20-30 and above 50 years are almost in keeping with the results at overall level presented in Table 7 and discussed previously. However, the age group of 30-40 years have the same results for the first, third and fifth rank but give different picture for the second and fourth rank as second rank is given to high cost and fourth rank is given to lack of knowledge. The same difference is noted with respect to the age group of 40-50 years. Therefore, it can be inferred that respondents belonging to different age groups do not hold same opinion with respect to the said reasons. As it appears from Table 10, the respondents in self-practice and those employed in industry hold the same opinion regarding major reasons for resistance to IFRS in India which is consistent with the results presented in Table 7. Hence, it can be concluded that respondents in self-practice and those employed in industry have similar perceptions about the major reasons but the respondents from audit firms carry different opinions. The reason for differences in responses can be ascribed to typically different nature of work done by respondents from audit firms and those in self-practice and in industry employment.

The results of analyses according to the respondents' area of specializations are presented in Table 11. The results for the responses of audit and other category of job specialization have the same trend as are presented in Table 7 and Table 8. As per the responses of respondents belonging to accounts specialization, the first, second, third, fourth and fifth ranks are assigned to human psychology, high cost, lack of training, lack of knowledge and broad changes in accounting area, respectively. However, the respondents from tax specialization have given first rank to lack of knowledge and fourth rank to human psychology. Thus, the results present that respondents belonging to different job specializations have different opinions for the major reasons of resistance to IFRS. A scrutiny of Table 12 reveals that the length of experience of 0-

5 years does not make any difference from the results obtained in Table 7 for the overall sample. In the case of respondents having experience of 10-20 years, 2<sup>nd</sup> and 3<sup>rd</sup> ranks are given to lack of training and human psychology respectively. Similarly, in the case of respondents with above 15 years experience, high cost received 2<sup>nd</sup> and human psychology 4<sup>th</sup> rank. The respondents with an experience of 10-15 years gave 1<sup>st</sup> rank to human psychology, 2<sup>nd</sup> rank to high cost and 4<sup>th</sup> rank to lack of knowledge. By implication, it concludes that the major reasons for resistance to IFRS introduction comprise human psychology and lack of knowledge, while change in accounting area does not appear to carry much significance.

## Conclusion

As viewed by sampled respondents, the investment opportunities and comparability of financial statements are the major reasons for applying IFRS by corporate world and mandatory application of these new standards and uniform accounting systems are the least preferred major reasons for being positive in applying IFRS in India. The analysis of survey results has revealed that lack of knowledge of these new standards has turned out to be the major constraints in applying IFRS, even though the broad changes in accounting world are viewed as the least important reasons by sampled respondents for not applying IFRS in India. But we cannot deny that this harmonization process would bring a lot of benefits to Indian companies, investors, regulators and accounting professionals etc. Therefore, Indian companies should harmonize Indian accounting standards with IFRS.

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