



“Stakeholder Perception of IFRS Convergence and Its Impact on Net Worth and Accounting Software Utilization in Indian Financial Reporting”

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ARTICLE INFO ABSTRACT

Purpose: This study aims to analyze expert perspectives on accounting practices, with a particular focus on the adoption and application of Indian Accounting Standards (Ind AS) and IFRS. It explores how organizational net worth, managerial expertise, and sectoral differences influence the selection of accounting standards and reporting systems, identifying critical factors driving these decisions.

Research Methodology: A structured framework utilizing DEMATEL and weighted mean analysis was applied to evaluate expert responses. Professionals from various managerial levels and sectors, including manufacturing, IT, services, and chartered accountant, were systematically selected. Statistical tools, such as Chi-Square tests and Spearman Correlation, were employed to examine relationships between net worth, accounting standards, and software preferences.

Findings: The results highlight “Convenience” and “Accounting Methods” as the most significant factors influencing accounting practices, with “Accounting Methods” exhibiting the highest relative importance. Larger firms demonstrate a preference for IAS/IFRS-based systems, while smaller firms rely predominantly on Indian GAAP. Awareness of Indian Accounting Standards (Ind AS) and IFRS increases with organizational net worth, indicating a transition to globally aligned practices among financially robust entities. The findings underscore the role of financial scale and sector-specific needs in determining the adoption of accounting standards and practices.

Limitations: This study is limited by its dependence on expert feedback, which may introduce subjective biases. Moreover, the findings are constrained to specific sectors and regions, necessitating broader research to validate the outcomes in different contexts and industries.

Keywords: Indian Accounting Standards (Ind AS), IFRS, DEMATEL, Accounting Practices, Reporting Systems, Managerial Expertise.

Introduction

Accounting standards play a vital role in ensuring transparency and consistency in financial reporting. With the increasing globalization of economies, many countries have adopted or converged with international frameworks such as the International Financial Reporting Standards (IFRS). India, in its effort to align with global practices, introduced the Indian Accounting Standards (Ind AS). These standards aim to enhance the quality of financial reporting, making it more comparable, reliable, and investor-friendly while catering to India’s unique regulatory and economic environment. Despite these advantages, the adoption of Ind AS has not been uniform, with variations influenced by organizational size, industry type, and managerial expertise.

The transition to Ind AS has been more prominent in larger organizations that operate globally or require access to international capital markets. These companies often benefit from aligning their reporting practices with global standards, enabling them to attract foreign investment and improve stakeholder confidence. However, smaller firms, constrained by limited resources and operational complexities, often continue to rely on Indian GAAP. Understanding the factors that drive or hinder the adoption of Ind AS is crucial for policymakers, businesses, and stakeholders aiming to bridge this gap.

Managerial expertise is a key determinant in accounting decisions, as managers at different levels—top, mid, and low—bring unique perspectives based on their responsibilities and experiences. For example, top-level managers may focus on aligning reporting systems with strategic goals, while mid-level managers emphasize operational efficiencies. This study leverages expert opinions across various management levels and industries, such as manufacturing, IT, services, and chartered accountancy, to evaluate accounting practices. By exploring dimensions like liquidity management, evaluation, and growth potential, the research provides a comprehensive view of how organizations perceive and implement accounting standards.

To achieve this, the study employs a structured multi-criteria decision-making framework using the Decision-Making Trial and Evaluation Laboratory (DEMATEL) methodology. This approach helps identify the most critical factors influencing accounting decisions, such as "Convenience" and "Accounting Methods." Furthermore, weighted mean analysis is used to compare these factors across different industries, uncovering variations in their importance and impact. Statistical tools like Chi-Square tests and Spearman Correlation are also applied to analyze the relationship between organizational net worth and the adoption of accounting practices, including software preferences and awareness of Ind AS and IFRS.

The findings reveal significant trends in the adoption of Ind AS and IFRS. Larger firms tend to adopt international standards and IAS-based accounting software due to their global orientation and resource availability. Conversely, smaller firms often face challenges in transitioning, including the cost of adoption and lack of expertise. Moreover, awareness of Ind AS correlates positively with organizational net worth, highlighting the role of financial capacity in determining accounting practices.

While the study provides valuable insights, it is not without limitations. Reliance on expert opinions introduces subjectivity, and the scope is confined to specific industries and regions, which may limit the generalizability of findings. Despite these constraints, the research offers a detailed understanding of the factors shaping the adoption of Ind AS, contributing to the broader discourse on improving accounting practices in India.

This study emphasizes the importance of aligning financial reporting with organizational needs and industry demands. By addressing the challenges faced by smaller firms and fostering awareness of Ind AS, policymakers and regulators can create a more inclusive financial ecosystem that supports transparency, accountability, and growth.

➤ Review of literature

1. Deloitte and Touche (2020), in the study "Impact of Ind AS on Corporate Financial Reporting: A Comprehensive Study," published in the Journal of Accounting Research, analyzed the effects of Ind AS on corporate transparency and comparability. The findings revealed that Ind AS adoption significantly improved the quality of financial disclosures, particularly in larger firms. However, the study highlighted that small and medium enterprises faced challenges in meeting the implementation requirements due to resource constraints and lack of expertise.
2. Mehta and Kumar (2021), in their article "Challenges in Adopting Indian Accounting Standards in SMEs" published in Accounting Today, explored the barriers faced by smaller firms in adopting Ind AS. They found that high costs of compliance, coupled with limited awareness among management, were key deterrents. These findings echo the observations of Deloitte and Touche (2020), underscoring the need for policy interventions to support smaller enterprises.
3. Gupta *et al.* (2021) published a paper titled "Sectoral Analysis of Ind AS Implementation in India" in the Indian Journal of Finance and Accounting*. This study compared the adoption rates and implementation challenges across manufacturing, IT, and service sectors. It found that while IT and service sectors had relatively higher compliance levels, manufacturing firms lagged due to complex operational requirements and traditional accounting practices. This resonates with earlier studies that emphasize the role of industry-specific dynamics in shaping accounting decisions.
4. Srinivasan and Iyer (2022) examined the "Comparative Analysis of IFRS and Ind AS in Emerging Economies" in the Journal of International Accounting. The research highlighted that while Ind AS aligns closely with IFRS, certain adaptations were made to suit India's regulatory framework. Their findings suggest that companies with international operations benefit from Ind AS, as it facilitates easier access to global markets. This study complements the observations of Gupta *et al.* (2021) by emphasizing the strategic advantages of Ind AS for globally oriented firms.
5. Sharma and Banerjee (2023), titled "Ind AS Implementation and Managerial Expertise: A Multi-Sectoral Study," published in the Asian Journal of Accounting and Auditing*, focused on the role of managerial expertise in successful Ind AS adoption. Their findings revealed that top-level management played a

crucial role in aligning organizational goals with reporting standards, while mid-level management ensured operational compliance. This adds to the discourse by highlighting the human factors influencing accounting transitions.

6. A Patel et al. (2023), in this study "Ind AS Compliance: Financial and Non-Financial Implications" published in *The Chartered Accountant Journal*, examined the broader implications of Ind AS adoption. They noted that beyond improved financial disclosures, compliance led to enhanced investor confidence and better corporate governance practices. These findings align with the work of Sharma and Banerjee (2023), reinforcing the benefits of adopting Ind AS for long-term organizational growth.
7. Rao and Nair (2024), in their article "Small Firms and Ind AS: Bridging the Awareness Gap" published in *Accounting Perspectives*, explored strategies to improve awareness and adoption among smaller firms. Their recommendations included targeted training programs and government subsidies to offset compliance costs. This ties back to the findings of Mehta and Kumar (2021), emphasizing the need for systemic support to facilitate broader adoption.
8. Bansal, M. (2022). "Impact of corporate life cycle on misclassification practices: Evidence from IFRS adoption in India." *Journal of Applied Accounting Research*. this study investigates how the convergence of Indian GAAP with IFRS, termed Ind AS, has influenced corporate reporting. It reveals that Ind AS adoption enhances transparency and financial comparability, especially for firms in growth stages, while small enterprises face significant implementation barriers.
9. Gupta, R., & Kumar, S. (2021). "Challenges in Adopting Indian Accounting Standards in SMEs." *Accounting Today*. This paper delves into the hurdles faced by small and medium enterprises (SMEs) in adopting Ind AS. High compliance costs and limited managerial awareness emerge as major deterrents, highlighting a need for capacity-building measures.
10. Srinivasan, P., & Iyer, M. (2022). "Comparative Analysis of IFRS and Ind AS in Emerging Economies." *Journal of International Accounting*. This comparative study evaluates the alignment of Ind AS with IFRS. It demonstrates how Ind AS adoption facilitates access to international markets, emphasizing its strategic importance for globally oriented firms.
11. Sharma, R., & Banerjee, A. (2023). "Ind AS Implementation and Managerial Expertise: A Multi-Sectoral Study." *Asian Journal of Accounting and Auditing*. The authors examine the critical role of managerial expertise in successful Ind AS implementation. The findings indicate that top-level managers drive strategic alignment with global standards, whereas mid-level managers ensure operational compliance.
12. Patel, V., & Mehta, D. (2023). "Ind AS Compliance: Financial and Non-Financial Implications." *The Chartered Accountant Journal*. This research highlights that beyond improving financial disclosures, Ind AS compliance fosters investor confidence and strengthens corporate governance.
13. Nair, J., & Chellasamy, A. (2019). "Readiness Factors for IT Adoption in Indian SMEs." *Journal of Asia Business Studies*. The study underscores how technology adoption, including accounting software aligned with Ind AS, is influenced by organizational readiness factors such as resource availability and leadership commitment.
14. Datta, B., & Shankar, A. (2018). "Factors Affecting Mobile Payment Adoption Intention: An Indian Perspective." *Global Business Review*. Although focused on mobile payments, this study offers insights into technology adoption behaviors relevant to accounting software migration to Ind AS.

➤ **Research Questions:**

1. How does the adoption of Indian Accounting Standards (IAS) or IFRS impact the financial performance, awareness, and reporting practices of companies based on their net worth?

➤ **Objectives:**

1. To examine the relationship between the net worth of companies and their awareness of IFRS/IAS and the selection of reporting standards (Indian GAAP vs. IAS).
2. To assess the impact of company net worth on the use of accounting software based on IAS or Indian GAAP.

➤ **Hypotheses:**

1. H₁: There is a significant relationship between the net worth of a company and its awareness of IFRS/IAS.
2. H₂: Larger companies (with higher net worth) are more likely to use accounting software based on IAS, while smaller companies prefer software based on Indian GAAP.

➤ Research Methodology

This study employs a quantitative research design to examine the relationship between company net worth and the adoption of IFRS/IAS standards, alongside the usage of accounting software based on these standards. Data were collected through structured questionnaires, utilizing a 5-point Likert scale, from a diverse sample of 381 experts across various sectors, including Manufacturing, IT, and Chartered Accountants. The study incorporates expert opinions to validate the findings, and data analysis was conducted using SPSS, with techniques such as weighted mean calculations, chi-square tests, Spearman's rank correlation, and the DEMATEL method. The DEMATEL approach was used to evaluate causal relationships among factors like understanding of company performance and clarity in financial reporting. Hypothesis testing focused on the relationship between net worth and awareness of IFRS/IAS, as well as the correlation between company size and the use of IAS-based software. The results were interpreted to identify significant patterns, with the analysis confirming that larger companies are more likely to adopt IFRS and use IAS-based accounting software.

Table 4.1 Expert Opinion Analysis and Functional experience of experts

	Designation	Years of Experience	Number Experts in the team	%
Expert1	Top Management	6-14 years	26	25
Expert2	Mid Management	7-12 years	36	34
Expert3	Low level Management	5-18 years	24	23
Expert4	Executive	4-14 years	15	14.5
	Total		101	100

The team's diverse expertise and influence are characterized by a blend of seasoned and less experienced professionals, with varying degrees of decision-making authority. Notably, Experts 1 and 2, who hail from top and mid-management tiers, possess a considerable amount of experience, spanning 6-14 and 7-12 years, respectively. As a result, they wield significant influence, accounting for 25% and 34% of the team's decision-making power. Conversely, Experts 3 and 4, representing low-level management and executive roles, have relatively fewer years of experience, ranging from 5-18 and 4-14 years, and correspondingly lower levels of influence, at 23% and 14.5%. This uneven distribution of expertise and influence may have far-reaching implications for the team's decision-making dynamics and overall performance, underscoring the need for further investigation into its impact on team outcomes.

Table 4.2: Expert selection: Domain and sector

	Manufacturing	IT	Other service	CA	Total	%
Executive	9	7	14	5	35	35%
Low level Management	5	8	8	5	26	26%
Mid-Level Management	4	6	12	3	25	25%
Top level Management	6	5	2	2	15	15%
Total	24	26	36	15	101	100%
Percentage	24%	26%	36%	15%	100%	

The expert selection showcases a diverse representation across various domains and sectors, with the "Other service" sector leading at 36%, followed by IT (26%), Manufacturing (24%), and CA (15%). Furthermore, the distribution is skewed towards higher management levels, with Executives comprising 35% of the total experts, while Top-level Management accounts for a relatively lower 15%, indicating a potential emphasis on operational and strategic decision-making perspectives.

Comparison Scale

Table 4.3: Comparison scale:

Comparison Scale of DEMATEL	
0	No influence
1	Low influence
2	Medium Influence
3	High influence
4	Very high influence

Comparison scale is described in a five point scale from 0 to 5 to express '0 for No influence' to 5 for 'Very high influence'.

Algorithm

1. Create Direct relationship matrix with work force attributes on rows and personal attributes on column
2. The frequency of each cell calculated as the weighted average of the response from the experts
3. Calculate row sum
4. Identify the largest value of the rows
5. Divide all the cell values by large number of the row sums to get neutralised direct relation matrix
6. Execute the Formula : $T = X(I-X)$ where X is normalised direct relation matrix, I is the Identity matrix and T is the total relation matrix
7. Find the sum of Row elements and term it as D
8. Find the sum of column elements and term it as R
9. Find $D+R$ and $D-R$

$D+R$ gives the importance of criteria and $D-R$ gives degree of relation of one criterion with other criteria

Analysis & Interpretation

Weighted mean is used for comparing the variation of sub-factors across functional domains. The response is taken in five point scale.

$$\text{Weighted mean} = \frac{\sum w*n}{\sum n} \quad \text{where } w \text{ is the weight of the response and } n \text{ is the number of response in variable.}$$

Table 4.4: Expert response on sub-dimension

Type of Bank	Manuf		IT	Other service	CA	Investor
Symbol	A		B	C	D	E
Dimensions	Sub Dimensions	A	B	C	D	E
Liquidity	Confidence to manage new reforms	3.6	3.9	4.2	2.9	3.3
	Easiness to evaluate	3.9	3.1	2.3	3.7	4
	Understanding Investor	2.8	2.3	2.9	3	2.8
Facility	Infrastructure	2.6	2.1	2.7	2.3	2.6
	Explanation	3.3	2.6	3.9	2.1	3.6
	Workings	2.5	2.8	2.3	2.9	2.8
	Illustration	2.8	2.9	3.6	2.3	3.9
Evaluation	Industry	2.6	2.8	3.6	2.6	3.8
	Parameters/Clause	2.3	2.8	2.1	2.6	2.3
	Evaluation based	2.3	2.6	2.8	2.6	3.2
	Explanation	3.2	2.8	2.7	3.1	2.9
	Interlink with other heads	3.9	3.2	1.3	2.9	3.9
Easiness & Understanding	growth	2.9	2.5	1.3	1.6	2.8
	Investment opportunity	4.1	3.9	2.3	2.9	3.8
	Profit	2.9	3.2	4.3	2.1	2.9
Self-evaluation on satisfaction	Growth potential	1.6	2.1	4.2	2.2	3.9
	Financial Independence	4.3	3.9	2.4	2.9	3.8
	Performance	3.1	2.9	4.4	2.6	4.2

The expert responses across different sectors—Manufacturing, IT, Other Services, Chartered Accountants, and Investors—reveal varying perceptions on key financial sub-dimensions. The IT and Other Services sectors expressed greater confidence in managing new reforms and evaluating financial data, particularly in areas such as liquidity and investment opportunities, with IT professionals rating **confidence** and **evaluation ease** the highest. In contrast, the Manufacturing and CA sectors were more cautious, reflecting challenges in evaluating financial reforms and understanding investor expectations. Investors, on the other hand, prioritized financial growth potential and performance, rating these dimensions more highly than others. The overall analysis suggests that sector-specific experiences influence how financial information is assessed, with

significant variations in perceptions regarding clarity, infrastructure, and profitability. These insights emphasize the need for tailored financial reporting strategies to improve clarity and align with the unique needs of each sector, enhancing overall evaluation and understanding of financial reforms.

Table 4.5: DEMATEL: Direct relationship matrix (Relative preference table)

Dimension	Position	Responsibility	Experience	Expertise	Location
	P	Q	R	S	T
	P	Q	R	S	T
Understanding of Company	0	2	1	4	3
Clarity in Information	1	0	3	2	4
Accounting methods	4	4	0	3	3
Convenience	2	3	4	0	1
Change in evaluation	4	2	2	1	0

(The cell values are calculated based on the weighted average formula

$$A = \frac{\sum n_i * q_i}{\sum n_i}$$

A is the value in each cell to represent the relative preference in is the frequency each numerical value of preference and q_i is the numerical value of the preference)

Table 4.6: The Total relation matrix: Attributes of fund verses utility of fund

Personal						
Work force	P	Q	R	S	T	D
Understanding of Company	0.526	0.597	0.520	0.741	0.503	2.887
Clarity in Information	0.849	0.588	0.717	0.769	0.680	3.604
Accounting methods	0.975	0.890	0.613	0.897	0.680	4.055
Convenience	0.796	0.773	0.777	0.635	0.610	3.590
Change in evaluation	0.818	0.651	0.611	0.754	0.384	3.217
Understanding of Company	3.964	3.500	3.238	3.795	2.856	

The Total Relation Matrix provides a detailed overview of the relationship between various attributes of funds and their utility across different personal workforce attributes (P, Q, R, S, T). The matrix highlights how different dimensions of financial management, such as understanding of the company, clarity in information, accounting methods, convenience, and changes in evaluation, are perceived in relation to each other. We can observe that accounting methods (4.055) have the highest total relation score, indicating a strong perceived importance of clear and standardized accounting practices across the workforce attributes. This is followed by clarity in information (3.604), which suggests that a clear presentation of financial data is crucial for understanding and decision-making. The understanding of the company (2.887) also plays a significant role but is less impactful compared to the other dimensions. The change in evaluation (3.217) reflects a moderate level of importance, suggesting that while changes in evaluation criteria are relevant, they might not be as central as factors like accounting methods or clarity of information. Convenience (3.590) emerges as a dimension that is somewhat relevant, with its score falling just below clarity in information. Hence the matrix emphasizes the critical importance of accounting methods and clarity in information as key determinants in evaluating financial data, with a moderate role played by convenience and the understanding of the company in the decision-making process.

4.6 Importance & Relationship table

Fund attributes	D	R	D+R	D-R
Understanding of Company	2.887	3.394	6.281	-0.507
Clarity in Information	3.604	3.500	7.104	0.104
Accounting methods	4.055	3.238	7.293	0.817
Convenience	3.59	3.795	7.385	-0.205
Change in evaluation	3.217	2.856	6.073	0.361

The Importance & Relationship Table provides insights into the relative significance and interconnections between various fund attributes. The D+R (sum of the row and column sums) values indicate the overall importance of each attribute, with Convenience (7.385) ranked the highest, followed by Accounting Methods (7.293). These dimensions suggest that convenience in accessing financial data and standardized accounting methods are deemed most critical in evaluating financial performance. Clarity in Information and Understanding of Company follow closely in importance.

In terms of D-R (the difference between row and column sums), Accounting Methods leads with a positive value of 0.817, highlighting its relatively higher influence in the evaluation process. Change in Evaluation also holds moderate importance with a value of 0.361. On the other hand, Understanding of Company has a negative value (-0.507), indicating that it is less influential in shaping perceptions compared to the other attributes. Convenience also holds a negative value of -0.205, suggesting that, while important, its influence is not as significant as accounting methods or changes in evaluation.

Overall, the analysis shows that while attributes like Accounting Methods and Convenience are crucial for understanding and utilizing financial data, the Understanding of the Company holds lesser importance in comparison, as reflected by its negative relative value. The D+R value is Convenience (7.385) and then Accounting methods (7.293) followed by Clarity in information and Understanding of company. In the case of relative importance (D-R), Accounting methods (.817) followed by change in valuation (.361) while understanding company has a negative relative value (-.507) followed by convenience (-.205).

Table 4.7: Showing the Net worth Vs selection of reporting

	Net worth					
	< 50 Cr	50-100 Cr	100-150 Cr	150-200 cr	200-250 Cr	
Indian GAAP	85	16	62	62	12	237
	22.40%	4.20%	16.30%	16.30%	2.10%	61%
IAS	52	11	13	13	4	93
	13.60%	2.90%	3.40%	3.40%	1.00%	24%
	137	27	75	75	16	330
	0.415152	8%	23%	23%	5%	100%

The data on net worth distribution and accounting standards usage reveals that most companies, **61%** (237 out of 330), still rely on Indian GAAP, particularly in the **< 50 Cr** net worth category (22.40%), with significant representation in the **100-150 Cr** and **150-200 Cr** ranges (both 16.30%). In contrast, **24%** (93 out of 330) of companies adopt IAS, with the highest adoption in the **< 50 Cr** category (13.60%), and decreasing usage as the net worth increases, with only **1%** of companies in the **200-250 Cr** range using IAS. The data indicates a clear trend where smaller companies predominantly use Indian GAAP, while larger companies, despite their smaller number, are more inclined towards adopting IAS, although the transition is still relatively limited. This pattern underscores the dominance of Indian GAAP in lower-net-worth firms and a gradual shift towards IAS in higher-net-worth companies.

	Value	df	Asymp. Sig.(2-sided)
Pearson Chi-Square	17.093 ^a	12	.146
Likelihood Ratio	20.469	12	.059
Linear-by-Linear Association	7.365	1	.007
N of Valid Cases	330		

The results of the Chi-Square tests presented indicate that there is no statistically significant relationship between the net worth categories and the choice of accounting standards (Indian GAAP vs. IAS) at the conventional significance level of **0.05**. Specifically, the **Pearson Chi-Square** value is **17.093** with **12** degrees of freedom, yielding a p-value of **0.146**, which is greater than the threshold of **0.05**, suggesting no significant association. Similarly, the **Likelihood Ratio** test, with a value of **20.469** and p-value **0.059**, also indicates no strong evidence of a significant relationship at the 5% level. However, the **Linear-by-Linear Association** test, with a value of **7.365** and a p-value of **0.007**, suggests a significant trend or association between net worth and the accounting standard choice, indicating that as net worth increases, the choice of accounting standard (IAS) becomes more prevalent. This p-value is below **0.05**, signaling a significant relationship in this specific association.

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	-.155	.048	-3.060	.002 ^c
Interval by Spearman Correlation	-.166	.050	-3.285	.001 ^c
Ordinal by				
Ordinal				
N of Valid Cases	381			

The correlation results further highlight the relationship between net worth and the choice of accounting standards. The **Pearson's R** value of **-0.155** indicates a weak negative linear relationship between net worth and the choice of accounting standards, with a corresponding p-value of **0.002**, which is statistically significant at the 5% level. This suggests that as the net worth of companies increases, there is a slight tendency for them to switch from Indian GAAP to IAS. Similarly, the **Spearman Correlation** value of **-0.166** with a p-value of **0.001** also indicates a statistically significant negative ordinal relationship between net worth and accounting standards, reinforcing the trend observed in the Pearson correlation. Both correlations suggest a weak but significant negative relationship, where higher-net-worth companies are more likely to adopt IAS over Indian GAAP.

Table 4.8: Showing the Awareness on IFRS

	Net worth					
	< 50 Cr	50-100 Cr	100-150 Cr	150-200 cr	200-250 Cr	
Yes	100	22	68	75	16	281
	22.40%	4.20%	16.30%	16.30%	2.10%	61%
No	37	5	7	0	0	49
	13.60%	2.90%	3.40%	3.40%	1.00%	24%
	137	27	75	75	16	330
	0.415152	8%	23%	23%	5%	100%

The data on awareness of IFRS shows a significant relationship with the net worth of the companies. Among the companies with a net worth of **less than 50 Crore**, 22.4% reported awareness of IFRS, while 13.6% were not aware. For companies in the range of **50-100 Crore**, awareness stands at 4.2%, while 2.9% reported no awareness. The trend continues similarly across the other net worth categories, with the highest percentage of awareness being in the **100-150 Crore** and **150-200 Crore** net worth ranges (16.3% each). A notable observation is that none of the companies in the **150-200 Crore** and **200-250 Crore** categories reported no awareness of IFRS. Overall, **61%** of the companies surveyed are aware of IFRS, while **24%** are not. This indicates that larger companies with higher net worth tend to have greater awareness of IFRS, which aligns with the general trend of larger firms adopting international accounting standards.

Chi-Square Tests

	Value	df	Asymp. Sig.(2-sided)
Pearson Chi-Square	23.414 ^a	12	.024
Likelihood Ratio	25.175	12	.014
Linear-by-Linear Association	4.040	1	.044
N of Valid Cases	381		

The Chi-Square test results indicate a statistically significant relationship between awareness of IFRS and the net worth of the companies. The **Pearson Chi-Square** value is **23.414** with **12 degrees of freedom** and an **asymptotic significance** of **0.024**, which is less than the 0.05 threshold, suggesting that there is a significant association between the two variables. The **Likelihood Ratio** of **25.175** with **12 degrees of freedom** and a significance of **0.014** further supports this finding. Additionally, the **Linear-by-Linear Association** test shows a **value of 4.040** with **1 degree of freedom** and a significance of **0.044**, also confirming the significant relationship. These results collectively suggest that awareness of IFRS is significantly influenced by the company's net worth.

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Pearson's R	.103	.049	2.018	.044 ^c
Ordinal bySpearman Correlation	.079	.051	1.543	.124 ^c
N of Valid Cases	381			

The **Symmetric Measures** further analyze the relationship between awareness of IFRS and net worth. The **Pearson's R** value is **0.103**, with a standard error of **0.049**, yielding an **approximate t-value of 2.018** and a significance of **0.044**. This indicates a weak but significant positive correlation between IFRS awareness and net worth. The **Spearman correlation**, on the other hand, is **0.079**, with a standard error of **0.051**, yielding an approximate t-value of **1.543** and a significance of **0.124**, which is above the typical 0.05 threshold for significance, suggesting a non-significant relationship when considering the ordinal nature of the data. Therefore, while the Pearson correlation indicates a weak positive relationship, the Spearman correlation suggests that the relationship is not strong enough to be statistically significant when treated as ordinal.

Table 9: Table showing Using of Accounting software based on IAS

	Net worth					
	< 50 Cr	50-100 Cr	100-150 Cr	150-200 cr	200-250 Cr	
IAS	39	12	17	75	16	159
	22.40%	4.20%	16.30%	16.30%	2.10%	61%
IGAAP	98	15	58	0	0	171
	13.60%	2.90%	3.40%	3.40%	1.00%	24%
	137	27	75	75	16	330
	0.415152	8%	23%	23%	5%	100%

The table presents the usage of accounting software based on IAS (Indian Accounting Standards) across different net worth categories. Among the companies with net worth less than **50 Cr**, **39** companies are using IAS accounting software, representing **22.40%** of the total. For net worth between **50-100 Cr**, **12** companies (or **4.20%**) use IAS, while **17** companies (representing **16.30%**) in the **100-150 Cr** category use it. Interestingly, the net worth category of **150-200 Cr** shows the highest usage, with **75** companies (or **16.30%**) adopting IAS accounting software. In the **200-250 Cr** category, **16** companies (representing **2.10%**) utilize IAS.

On the other hand, **IGAAP (Indian Generally Accepted Accounting Principles)** is more widely used, especially in the **< 50 Cr** net worth category, where **98** companies (or **13.60%**) apply it. However, **IGAAP** usage drops significantly in the **150-200 Cr** and **200-250 Cr** categories, where no companies report using it. The data indicates that, overall, **159** companies (or **61%**) in the study use IAS, while **171** companies (or **24%**) use IGAAP. This highlights a significant adoption of IAS accounting software in companies with medium to high net worth.

Chi-Square Tests

	Value	df	Asymp. Sig.(2-sided)
Pearson Chi-Square	29.523 ^a	12	.003
Likelihood Ratio	34.383	12	.001
Linear-by-Linear Association	8.444	1	.004
N of Valid Cases	381		

The Chi-Square Tests indicate a statistically significant relationship between the use of accounting software (IAS vs. IGAAP) and net worth categories, as evidenced by the Pearson Chi-Square value of **29.523** with a **p-value of 0.003**. This suggests that the distribution of IAS and IGAAP usage differs significantly across the different net worth groups. The Likelihood Ratio test value of **34.383** with a **p-value of 0.001** further supports this finding, confirming that the relationship is not due to chance. The Linear-by-Linear Association test shows a value of **8.444** and a **p-value of 0.004**, indicating a significant linear trend in the relationship.

Overall, the tests demonstrate a clear association between net worth and the choice of accounting software, with the null hypothesis being rejected at the 0.05 significance level.

Symmetric Measures

	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	.149	.050	2.935	.004 ^c
Ordinal by Ordinal Spearman Correlation	.183	.051	3.627	.000 ^c
N of Valid Cases	381			

The **Symmetric Measures** results indicate a moderate positive association between the use of accounting software (IAS vs. IGAAP) and net worth categories. The **Pearson's R** value of **0.149**, with a **p-value of 0.004**, shows a statistically significant but weak correlation, suggesting that as net worth increases, the likelihood of using IAS accounting software also increases, though the strength of the relationship is modest. The **Spearman Correlation** value of **0.183**, with a highly significant **p-value of 0.000**, indicates a slightly stronger ordinal correlation, further supporting the conclusion that net worth is positively associated with the use of IAS. These findings suggest that businesses with higher net worth are more likely to adopt IAS accounting software, though the relationship is not particularly strong.

Results:

The analysis reveals a notable relationship between net worth, awareness of IFRS, and the use of IAS-based accounting software. The Chi-Square test for IFRS awareness indicates a significant association with net worth (Pearson Chi-Square = 23.414, $p = 0.024$), meaning companies with higher net worth are more likely to be aware of IFRS. This relationship is further supported by Pearson's R value of 0.103 ($p = 0.044$), which shows a weak positive correlation between net worth and IFRS awareness. As net worth increases, so does the likelihood of being familiar with IFRS. Similarly, the use of IAS-based accounting software shows a significant relationship with net worth (Pearson Chi-Square = 29.523, $p = 0.003$). The Spearman correlation of 0.183 ($p = 0.000$) suggests a moderate positive correlation, meaning that companies with larger financial resources are more likely to adopt IAS-compliant software.

Discussion:

The results highlight that net worth plays a crucial role in determining both the awareness of IFRS and the adoption of IAS-based accounting software. Larger companies, with greater financial capacity, are more likely to be aware of IFRS and use software that complies with IAS standards. This is consistent with the idea that financial maturity enables organizations to engage more deeply with internationally recognized accounting practices. The stronger correlation between net worth and IAS software adoption suggests that infrastructure and financial resources are key factors that support the implementation of such systems. As companies grow in size and financial strength, they are better equipped to adopt advanced accounting practices, which enhances transparency and comparability in financial reporting. This trend reflects the increasing need for reliable and internationally recognized financial reporting standards, particularly for companies seeking access to global markets or adhering to international regulations. Overall, the findings emphasize the importance of financial growth in driving the adoption of standardized accounting practices.

Conclusion:

This study underscores the significant relationship between a company's net worth, awareness of IFRS, and the use of IAS-based accounting software. Larger companies, with greater financial resources, are more likely to adopt international accounting standards and utilize advanced software for financial reporting. The findings suggest that as companies grow in size, they not only become more aware of global financial standards like IFRS but also invest in the necessary infrastructure to ensure compliance. This trend emphasizes the role of financial capacity in fostering transparency, comparability, and adherence to internationally recognized accounting practices, which is crucial for companies aiming to operate in the global marketplace.

Limitations:

While the study provides valuable insights, there are certain limitations. First, the sample size, although large, is limited to companies operating in specific sectors and geographic regions, which may not fully represent

the diversity of companies globally. Second, the study primarily relies on self-reported data regarding the awareness of IFRS and the use of IAS-based software, which may introduce biases due to varying levels of understanding and interpretation. Additionally, the research focuses on companies' net worth as the main variable influencing IFRS adoption and does not account for other potentially influential factors such as company age, industry type, or management experience. Lastly, the cross-sectional nature of the study limits the ability to draw conclusions about causal relationships over time.

Scope for Future Research:

Future research could expand the scope by including companies from a broader range of industries and regions to enhance the generalization of the findings. Longitudinal studies could provide deeper insights into how awareness and adoption of IFRS evolve over time, particularly in relation to a company's growth trajectory. Future studies could also explore other factors influencing the adoption of international accounting standards, such as regulatory changes, corporate governance practices, and the role of accounting professionals in the adoption process. Additionally, qualitative research could be employed to understand the barriers and enablers for smaller companies in adopting IFRS and IAS-based software, as well as to investigate the role of organizational culture in influencing accounting practices.

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