



“A study on perception of Auditors towards implementation of Ind AS”

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Abstract: *The Indian accounting standards are not only principle based but also based on users perceived ethical notions on professional ethics and compliance with professional code of conduct that are issued by the Institute of Chartered Accountants of India (ICAI). Codes of conduct for accountants give guidelines for proper behaviour in the profession. The present study attempts to understand the perceptions of auditors and professional Chartered Accountants on the Indian accounting Standards and adherence to the professional code of conduct issued by the ICAI. The study is based on a survey conducted among a sample of auditors mainly located in shivamogga district Karnataka.*

Keywords : Indian Accounting Standards, IFRS, ICAI,IASB.

01.Introduction:

In recent times, capital markets have become global and continue to expand. Moreover, there has been significant globalization of production and trade. Investors can trade shares and securities worldwide. Entities are in a position to access the funds globally in the most advantageous markets. For this, investors from all over the world rely upon financial statements before taking decisions. They need to be convinced

that the financial statements are true and fair and what they understand from the statements is what the person preparing them intends to convey. However, different countries adopt different accounting treatments and disclosure patterns with respect to the same economic event. This may create confusion among the users while interpreting the financial statements. Financial statements that are based on a single, universally accepted and used GAAP will enable the world to exchange financial information in a meaningful and trustworthy manner. This will accelerate the globalization of finance. Accounting is known as the art of recording the exchanges in a manner to assist the pursuers with showing up at the decisions or reaching a financial decision about the entity. This becomes fundamental that it ought to be joined into some normalized rules which are for the most part known to account for approaches. Indian Accounting Standard is the accounting standard taken on by organizations in India and given under the oversight of the Accounting Standards Board which was composed as a body in the year 1977. The concocting of these strategies permits different organizations to adjust their accounting standards to repair for their own benefit. Standards are acquainted with quenching all disarrays, and these should have been set by the perceived accounting bodies. This idea repaired the way for the development of Accounting Standards. The Accounting Standards in India are given by the Institute of Chartered Accountants of India (ICAI).

The Indian accounting standards are not only principle based but also based on users perceived ethical notions on professional ethics and compliance with professional code of conduct that are issued by the Institute of Chartered Accountants of India (ICAI). Codes of conduct for accountants give guidelines for proper behaviour in the profession. The present study attempts to understand the perceptions of auditors and professionals on the Indian accounting Standards and adherence to the professional code of conduct issued by the ICAI. The study is based on a survey conducted among a sample of Auditors in Karnataka.

02. REVIEW OF LITERATURE :

According to Kaur, P., (2019) The researcher found that young and skilled professionals valued IFRS implementation more than elderly and less skilled professionals, and that female participants were more receptive than male ones. And for more than a century, Indian software companies.

Kamala Kant Das, AK Das Mohapatra (2021) opined that Indian capital market have significantly affected by implementation of Ind AS. Many European countries shifted to IFRS as early as 2005 with adequate knowledge and prepared to handle difficulties. Now most of the high value Indian companies and NBFSs have been complied with Ind AS as Ministry of Corporate Affairs (MCA) has made mandatory implementation of Ind AS to all companies (parent and subsidiary) and NBFC having net-worth more than Rs. 250 Crore (2.5 billion USD). Therefore, an understanding of Ind AS and IFRS is an urgent need of today's Indian professionals to improve financial literacy and to deal with complex and ambiguous domestic and international transactions. This study has focuses on investigating the adequacy of understanding awareness about Ind AS of Indian professionals. Ten important factors of perception have been identified in order to detect the awareness level of Indian professionals about Ind AS. of accounts as

per that country requirement in which it is operating results in complexity to users in understanding and comparison.

Dutta, A., & Dutta, S. (2021) point out the reasons behind convergence of IFRS instead of adoption of IFRS, identified the costs and benefits involved in adoption of Ind AS instead of IFRS, examined the implicational differences between Ind AS and IFRS. Researcher gave insight that ICAI and ASB converged IFRS with IGAAP and Ind AS fulfilled the entire requirement accepted in national as well as international platform. Investors and stakeholders also delighted because Ind AS are more or less same to international reporting standards.

03. STATEMENT OF THE PROBLEM

Ministry of corporate affairs has made all out efforts to implement the converged IFRS with the name called IND-AS. However, some of the companies came forward to voluntarily adopt IND AS from April 2011 itself. The response moves are gaining momentum. IND-ASs are based on high quality principle based comprehensive set of IFRS standards, therefore, there is a need to assess how the auditors perceived implementation of IND-AS (Converged IFRS) in India. hence the study is proposed to undertake.

04.OBJECTIVES OF THE STUDY

1. To identify and examine the perceptions of Auditors and Accountants on Indian accounting standard issued by ICAI.
2. To study the conceptual framework of Indian Accounting Standards.
3. To study the awareness of accountants towards Ind AS.

05. SCOPE OF THE STUDY

This study analyses the theoretical background of the Ind AS, IFRS, and also considers the perception of auditors and accountants towards the implementation of Ind AS in India. Due to implementation of Ind AS, The data collected through structured questionnaires by taking the samples of 50 Auditors.

06. NEED FOR THE STUDY

The present study tries to identify the perception towards Ind AS to this need, taking both practicing Auditors and professional accountants as study samples. In spite of several of the above research conducted, majority of the study was conducted in the outside countries, but not many studies could be referred to as related to Indian accounting scenario. Hence, the present study attempted to understand the first-hand opinion of practicing auditors and professional accountants on the level of acceptance and adherence to the Indian Accounting Standards

07. RESEARCH METHODOLOGY

The quality of data is inextricably tied to the method and technique used for collection. Hence, survey method through structured questionnaire was adopted for this study, as it was found to be suitable for this research.

Sampling frame: - Primary data needed were collected through questionnaires issued to practicing auditors and professional accountants, who constitute the sample for the study. They represented a wide spectrum of CA firms/ corporate entities located mainly. Sample consists of Auditors who are either individuals or joint partners of CA firms and professional accountants.

Collection of Data

- **Primary Data:** The study is primarily qualitative. It consists of original information for a specific purpose.
- Secondary Data Collected through various journals, newspapers, and magazine.

08. ANALYSIS OF THE STUDY:

Table No : 01 classification of respondents on the basis of their opinion towards the implementation of Ind AS in India.

Particulars		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Implementation of Ind AS is a boon for the development of the country	Frequency	12	18	4	11	5
	Percent	24.0	36.0	8.0	22.0	10.0
Implementation of Ind AS improve the quality of financial reporting	Frequency	14	8	8	11	9
	Percent	28.0	16.0	16.0	22.0	18.0
Implementation	Frequency	10	12	10	7	11

ofIndASmakes financial statementsmore understandable across international boundaries	Percent	20.0	24.0	20.0	14.0	22.0
Implementation ofIndAShelps to attract cross border investments	Frequency	10	13	12	10	5
	Percent	20.0	26.0	24.0	20.0	10.0
Implementation ofIndASmakes financial statementsmore comparable across international boundaries	Frequency	10	13	8	8	11
	Percent	20.0	26.0	16.0	16.0	22.0
Itisdifficultto bring about awarenessofInd AS implementation and its impact amongtheusers of financial statements	Frequency	11	13	15	6	5
	Percent	22.0	26.0	30.0	12.0	10.0

(Source:Primarydata)

Interpretation:

- From the above table it is clear that out of 50 respondents for the statement of implementation of Ind AS is a boon for the development of the country, 10% of the respondents strongly agreed, 22% of them are agreed , 8% of the respondent are having Neutral opinion, 36% are disagreed and 24% of the respondents are strongly Disagreed.
- out out of 50 respondents for the statement of Implementation of Ind AS makes financial

statements more understandable across international boundaries, 22% of the respondents strongly agreed, 14% of them are agreed, 20% of the respondent are having Neutral opinion, 24% are disagreed and 20% of the respondents are strongly Disagreed

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TableNo: 02 :classification of respondents on the basis of overall knowledge of IndAS.

Particulars	Frequency	Percent
Veryhigh	9	18.0
High	17	34.0
Moderate	20	40.0
Low	4	8.0
Total	50	100

(Source:Primarydata)

Interpretation: From the above table it is clear that out of 50 respondents,18% of respondents opined that they have very high level of overall knowledge about IndAS,34% of respondents opined that they have High level of overall knowledge about IndAS,40% of respondents opined that they have Moderate level of overall knowledge about IndAS, 8% of respondents opined that they have Low level of overall Knowledge about Ind AS. It can be interpreted here that majority respondents are selected Moderate on the basis of overall knowledge of IndAS.

09. FINDINGS OF THE STUDY:

- The majority of the peoples selected familiar with the Indian accounting standards are highly impacted.
- The respondents overall knowledge of IndAS is moderate
- Most of the respondents perceived implementation of Ind AS is not a boon for the country.
- Majority of respondents opined of Implementation of Ind AS makes financial statements more understandable across international boundaries

10.SUGGESTIONS :

- In order to improve the awareness regarding Ind AS, the ICAI and government bodies must provide proper training, conducting seminar and workshops on Ind AS.
- In the context of IndAS ,timely steps taken to ensure regular amendments in the existing laws.
- There is need for further improvements in the context of IndAS to simplify the usage and application.

improve the awareness regarding Ind AS, the ICAI and government bodies must provide guidelines to the students and corporate.

Ind As must be in curriculum in effective manner so student will be aware about global standards and compatible in dynamic environment

11.CONCLUSION:

IFRS adoption in India brings transparency, comparability, investment opportunity and mainly existence of uniform accounting. The move to Ind As is just a technical accounting Exercise. It is an exercise in change management and offers opportunities for improvement such as, reshape its management reporting systems to better manage both its financial accounting and its financial statement, generation and provide company leadership with essential information etc. The transition of Indian GAAP to IFRS will face many difficulties, at the same time looking at the benefits that, this adoption will be helpful for the auditors as well as Chartered accountants, So the IndAS will be strongly recommended. We also know that the transformation of Indian GAAP to IFRS is not an easy task, we face many challenges by adopting IndAS and also proper implementation process which would require a complete change in format of accounts, accounting policies, and also amendments in existing laws and regulations.

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