Gauging The Impact Of Ifrs Converged Ind-As On The Indian Financial Reporting System

Ms. Sakshi Bathla (corresponding author)
Assistant Professor, School of Business, University of Petroleum & Energy Studies
PhD Candidate, Department of Management Studies, Indian Institute of Technology (IIT), Roorkee, India
Email: sbathla@bm.iitr.ac.in

Dr. Anil Kumar Sharma
Professor of Accounting & Finance
Department of Management Studies, Indian Institute of Technology (IIT), Roorkee, India)
Email: anilsharma@ms.iitr.ac.in

Abstract: Almost all the countries around the world have given their consent to adopt IFRS. The present paper recounts the major financial reporting developments in India from past till mandatory convergence with IFRS in April 2016. It also assesses the quantitative and qualitative impact of IFRS converged Ind-AS on the five key parameters (Networth, Revenue, EBITDA, PAT and Taxes) for BSE large-cap companies from seven major industries (Automobiles & Ancilliaries, Chemicals/Fretilizers/Pharmaceuticals, Infrastructure/Real Estate, Oil & Gas/Energy, Retail, IT/ITES, Telecom/Media/Entertainment). The study found that Net worth and EBITDA are the most dynamic parameters affected post-Ind-AS implementation. This study also provides a qualitative analysis to explain the changes in these parameters highlighted by the quantitative analysis. This paper thus evaluates financial reporting reforms and contributes to the ongoing debate whether or not to adopt IFRS by emerging economies.

Keywords: Financial Reporting; IFRS; international financial reporting standards; India; Ind-AS; impact-analysis.

INTRODUCTION

European Union has adopted IFRS in 2005 which created a new normal for the accounting camaraderie. Rise of emerging markets like India on Ease of Doing Business (EoDB) scale of World Bank is a proof of harmonization of accounting standards in the developing economies. The accountants from these markets are employing international accounting standards. It is crystal clear from the testaments of leaders that these markets have energetically unified with the developed ones such as United Kingdom since last few years. On *obverse* face of coin, developing markets would see an augmented path towards the global capital markets, a reduced charge of capital (Daske et al., 2008) and smooth world-wide listing (Covrig et al., 2007). Harmonization with international standards is likely to provide better employment opportunities to the accounting graduates (Patro & Gupta, 2012); getaway with repeated financial reporting (Lamb et al., 1998) and an echo fair worth of purchase (Horton et al., 2013). It is anticipated to benefit business houses in gauging with the global associates, augmented value of the brand and translucency in the financial statements. However, on *reverse* face of coin, the adoption of IFRS is likely to bring a few technical challenges pertaining to consolidation, fair value covenant, hedge accounting and reporting of tax by the corporates. Apart from these, the adoption od IFRS is also expected to pose other challenges such as shortage of skilled and experienced personnels (Jermakowicz, 2004), subjectiveness in the financial reports because of employing fair value covenant and elementary changes to the existing laws (Alali & Cao, 2010). These advantages and disadvantages are likely to affect the use of annual reports. Demand side will affect the investors, lenders, shareholders, suppliers and tax authorities due to a shift in the accounting quality (Yeboah & Pais, 2021). For example, the demand for financial statements that adhere to IFRS in India has seen an increase over the last few years because of augmented foreign investment flows after the 1990 economic reforms (Krishnan, 2018). Developing markets in particular suffer from information asymmetry which dominates FDI. Thus, following IFRS moderates the affiliation between accounting conservatism and FDI (Manawadu et al., 2019). However, supply affects the preparers (certified financial accounting managers) due to incentives offered and complexity posed by the financial reporting.

Since the beginning of globalization, a need was on horizon to develop a common set of accounting standards for enhanced comparability of financial statements. Therefore, biggies such as the Institute of Chartered Accountants of England and Wales (ICAEW), the American Institute of Certified Public Accountants (AICPA) and the Canadian Institute of Chartered Accountants (CICA) endorsed the idea of establishing Accountants International Study Group (AISG). Since 1966, the movement has trickled down from developed regions (such as European Union which accomplished the adoption of IFRS for more than 7000 companies together in 2005) to developing regions such as Asia-Oceania. Till date, profiles of 166 countries have been completed. Out of these, 144 jurisdictions (including India) require IFRS for its business entities whereas 13 of them have permitted the use of IFRS (www.ifrs.org). India has showcased a steady growth in last few years while becoming one of the fastest growing countries in Asia-Oceania recording GDP growth rate at 7% in 2018 as per the World Bank data. It has recently been admitted to the class of IFRS adopting economies. Surprisingly, with such a potential of economic development, India has a past of initial unwillingness to IFRS (Sharma et al., 2017). Later on, it took the *'informed divergence'* to amend international standards suited to its economy (Ghio & Verona, 2015). This precedence provides us with enough motivation to take on this study.

So, objective of the current paper is to pitch in to the continued debate pertaining the implementation of IFRS in developing countries, probing the evolution and steps undertaken by India to be at level with IFRS. The paper also features probable benefits and challenges concerning IFRS along with quantitative and qualitative impact analysis of Ind-AS (*Indianized* version of IFRS) on large-cap Indian companies. On quantitative front, the paper performs financial impact analysis of key parameters (*Profit/PAT, EBITDA, Revenue, Net Worth, Taxes)* from the financial statements (Income and Position) prepared first time as per Ind-AS. These parameters were extracted from major reports published on the impact of IFRS adoption in Indian context (Table I). On the other hand, qualitative analysis dicusses quality of presentation and disclosure requirements as a consequence of the application of key Ind-AS affecting performance of these parameters. Though the results and conclusion of this paper is limited to the first time adoption (less: companies that follow a different date of transition to Ind AS i.e., other than 1 April, 2015) experience of the stand-alone annual reports of large-cap non-financial companies (less: banks and NBFCs). However, future research opportunities exist for companies other than the ones considered in this analysis. Future research may also consider Banks and NBFCs post Ind-AS requirement for them.

The study intends to contribute to literature in the following ways: one, it builds understanding of the reader about the journey of financial accounting practices in India. Two, it augments the extant literature explaining the impact of IFRS adoption on the corporates across the globe. Finally, it features the impact on the recommended parameters for BSE listed large-cap Indian companies, their industries and standards that affected change in the existing practice and is intended to serve as our contribution to IFRS literature. In harmony with above-stated objectives, the article provides the relevant literature in the next section.

LITERATURE REVIEW

India and IFRS: An anecdote

The East India company had a significant role in the way Indian trade practices have evolved which, hence, defines the similarity between Indian and English accounting practices (Marston, 1986). Accounting profession in India began with the implementation of the Indian Companies Act of 1857. Subsequently, amended in 1866 and 1913. India continued with the practice even after the British departure in 1947. The Institute of Chartered Accountants of India (ICAI) was formed in July of 1949 as a statutory body to accommodate the spanned financial reporting diversity. Later on, Accounting Standards Board (ASB) was made a part of the institute to integrate the existing varied accounting policies in India on 21st April 1977. The eightees witnessed the gearing up of the country in trade and commerce. After 1991, India rose as a leading player in exporting hi-tech industrial capacities, consumer goods and monetary services through multinational corporations (Perumpral et al., 2009). Securities and Exchange Board of India (SEBI) that was created in 1992 later tasked with the implementation of standards of accounting in the country (Ramanna & Tahilyani, 2011). Amongst the cohort of IFRS adopting nations, India evidently chose to follow the suit through convergence than adoption. IFRS was initially introduced by prime minister Dr. Manmohan Singh in September 2009 at G20 meet (Athma & Rajyalaxmi, 2013). To consolidate the standards considering the dynamic business ecosystem, the country has settled for *convergence* than *adoption* to steal sometime to evaluate the employment of converged standards to local businesses. The country eventually voluntarily required the convergence since 1st April 2015, mandatorily required the convergence since 1st April 2016 both for listed and unlisted companies with networth of atleast ₹ 500 crores. However, it was mandatorily required the convergence since 1st April 2017 both for listed and unlisted companies with networth of below ₹ 500 crores. NBFCs adopted Ind-AS since 1st April 2018 whereas the convergence for Banking and Insurance companies has now been delayed until further notice. Despite, a few of them converged to IFRS very early on like Dr. Reddy's Lab, Infosys Ltd., Mahindra and

Mahindra, Tata Motors, Sterlite industries and Wipro on the premise of being listed on stock exchanges abroad and maintaining business ties with the European Union (Athma & Rajyalaxmi, 2013). At present, there are 27 AS (local standards) and 39 Ind-AS (IFRS converged) in India.

Impact of IFRS on key parameters

The literature on the impact of IFRS adoption has been vast enough to cover all the key parameters. However in most cases it has been inconclusive to be argued against the *all merits* or *all demerits*. Chan et al. (2021) has provided evidence on the volatility of profits due to the implementation of fair valuation of financial instruments in insurance industry in Taiwan. A similar study from Jordan identified bank deposits as the most important factor influencing the profits of insurance companies post IFRS (Khersiat & Alkabbji, 2020). However, Malo-Alain et al. (2021) has argued for positive relationship between IFRS and profit due the efficiency of investments decisions thus made following IFRS provisions. Miah (2020) studied the impact of IFRS converged Chinese accounting standards (CAS) on firms' performance. The data compared 7020 firm-year observations to pre-IFRS era. The results showed that the firms' profitability has significantly enhanced post convergence thus suggesting a favourable change in the development of individual firms and capital markets. Fifield et al. (2011) after conducted a research on the reconciliation statements of companies in UK, Ireland and Italy concluded that IFRS had significant increase in profits post adoption. In contradiction, Ariyanto et al. (2020) argued against the motions above.

The literature on IFRS and its impact on the networth indicates an increase in the parameter post IFRS due to a probable increase in the other comprehensive income (OCI) (Park, 2018). This confirms that the firm's value is affected by OCI. Moreover, Fifield et al. (2011) observed an increase in the net worth post adoption alongwith an increase in profit. The study attributed this effect to IFRS 2, IFRS 3, IFRS 5, IAS 10, IAS 12, IAS 16, IAS 17, IAS 19, IAS 38 and IAS 39. Further, Agyei-Boapeah et al. (2020) examined the impact IFRS adoption on firm value using a sample of African listed firms for 2000–2015. The results showed that IFRS adoption has a positive impact on the firm value. Moreover, the findings suggested that the benefits of adoption are higher than those of convergence. IFRS also seems to have an impact on the interplay between capital structure and firm performance which moderated by tax shield (Abdullah & Tursoy, 2021). The findings were confirmed by Michalkova & Kral (2019). Hence, the inconclusiveness of the extant literature has created a void to research more on the impact of IFRS on these parameters. It can also be noted that most of these studies originate from the European region and absence of such analysis in Indian context strenghthens our argument for the need to conduct this research. Next section provides a quantitative and qualitative impact analysis of convergence to IFRS thus applied on the large cap BSE listed Indian corporates.

QUANTITATIVE & QUALITATIVE IMPACT ANALYSIS AND RESULTS

On the basis of key parameters

For this section, we have analysed the annual results of BSE Large cap companies (133) post IFRS adoption for the year following the transition ranging from 2015-2018.

BSE large cap companies have been adopted for the analysis as these are high networth companies that have adopted Ind-AS in Phase I and so have more data for analysis. Following companies have been excluded from the analysis: (i) financial and non-financial banking companies (49) since they are yet to adopt Ind AS for their financial statements; (ii) companies that have adopted Ind-AS in other phases (3); (iii) companies with missing data (0). Consequently the count of such companies net to 81 (Appendix A). The data for the final companies has majorly been collected from CMIE Prowess databse. The results of the current analysis are discussed in agreement with that of the results presented by four prominent reports released by Institute of Chartered Accountants of India (ICAI); Credit Rating Information Services of India Limited (CRISIL); Ernst & Young (EY) and KPMG about the impact of IFRS adoption on different sectors of the Indian economy.

The above mentioned reports have identified *Profit/PAT, EBITDA, Revenue, Net Worth and Taxes* as the most affected and prominent parameters for the analysis (depicted in **bold** in Table I). Therefore, the current study considers these parameters for analysis.

Table I Various parameters considered for impact in the four reports

Key Parameters	ICAI	CRISIL	EY	KPMG
Equity	√	-	-	-
Borrowings	√	-	-	-
Tangible assets/PPE	√	-	-	-
Intangible Assets	√	-	-	-
Total Assets	√	-	-	-
Profit/PAT	√	√	√	√
EBITDA	√	**-**	√	√
Revenue	√	**-**	√	√
Net Worth	**-**	√	√	**-**
Liabilities	-	√	-	-
Financial Instruments	-	√	-	-
Taxes	**-**	√	**-**	√
Employee benefits	-	√	-	-
Interest	-	-	-	√

On the basis of industries:
Next, we considered these parameters for the industries most affected by IFRS adoption. As per the reports, the most affected industries include *Telecom & Media; Chemicals & Fertilizers; Oil & Gas/Energy; Automobiles; Infrastructure/ Real Estate; Retail; IT & ITES* (See Table II).

Table II Industries affected by IFRS adoption as per the four reports

Sectors	ICAI	CRISIL	EY	KPMG
Steel	√	-	-	-
Telecom/ Media/ Entertainment	√	-	√	√
Chemicals/ Fertilizers/ Pharma	√	-	√	√
Oil & Gas/ Energy	√	-	√	√
Power Generation & Distribution	√	-	-	-
Automobiles	√	√	-	√
FMCG & Consumer Goods	√	-	-	√
Construction & Building	√	-	-	-
Capital Goods	-	√	-	-
Infrastructure/ Real Estate	-	√	√	√
Retail	-	√	√	√
IT/ ITES	-	√	√	√
Mining & Metals	-	-	√	√
Cement & Cement Products	-	-	-	√
Manufacturing	-	-	-	√

On the basis of specific accounting areas:

The analysis of these reports suggests Business Combination (Ind-AS 103); Consolidated Financial Statement (Ind-AS 27); Income Taxes (Ind-AS 12); Financial Instruments (Ind-AS 109); Revenue (Ind-AS 18/115); Intangibles (Ind-AS 38); Share based payments (Ind-AS 102); Property Plant and Equipment (Ind-AS 16) and Employee benefits (Ind-AS 19) as the specific standards affecting these parameters in the most affected industries (Table III).

Table III IFRS converged accounting standards that made their presence feel

Specific Areas	Ind AS	ICAI	CRISIL	EY	KPMG
Business Combinations	**103**	√	-	-	√
Consolidated and Separate Financial Statements	**27**	√	√	-	√
Service Concession Arrangements/ Construction Contracts	11	√	-	-	-
Financial Instruments	**109**	√	√	√	√
Income Tax	**12**	√	√	√	√
Revenue Recognition	**18/115**	√	√	√	√
Intangible Assets	**38**	-	√	-	√
Share Based Payments	**102**	-	√	-	√
First time Adoption of Ind AS	101	-	-	√	-
Property, Plant & Equipment	**16**	-	-	√	√
Events after the Reporting Period	10	-	-	√	-
Employee Benefits	**19**	-	-	√	√
The Effects of Changes in Foreign Exchange Rates	21	-	-	-	√
Operating Segments	108	-	-	-	√

We collected the data on these 5 above-mentioned parameters for the 7 industries most affected by the adoption from CMIE prowess database for 81 BSE large-cap Indian companies for the first annual results as per Ind AS i.e. for the year just next to the transition year (financial year beginning on 1st April 2015). Table IV exhibits three panels with the descriptive data results for the sample companies. Panel A and Panel B provide the descriptive statistics for the seven key parameters as per AS and Ind-AS respectively.

Table IV Descriptive Data for AS and Ind AS

Panel A: Summary Statistics for key parameters as per AS

Key Parameters (₹ Million)	**Minimum**	**Maximum**	**Mean**	**Median**	**Std Dev.**
Profit/PAT	-17202.4	273840.0	26612.1	9508.2	47708.0
EBITDA	-9699.7	474200.0	54579.9	19835.1	91213.8
Revenue	0.0	3990842.5	259283.3	60031.2	607876.0
Net Worth	1591.1	2539980.0	190564.3	68208.0	368967.3
Taxes	-4370.7	86320.0	9431.2	2816.7	16647.9

Panel B: Summary Statistics for key parameters as per Ind AS

Key Parameters (₹ Million)	**Minimum**	**Maximum**	**Mean**	**Median**	**Std Dev.**
Profit/PAT	-17202.4	273840.0	26596.9	9508.2	47715.8
EBITDA	-123.2	519650.0	55807.7	17813.0	95509.8
Revenue	0.0	3990842.5	259503.5	60031.2	607792.1
Net Worth	6657.8	2883090.0	213789.8	66183.0	418166.7
Taxes	-4370.7	86320.0	9434.0	2816.7	16646.4

Panel C: Difference of Means Test

Key Parameters	**z-statistic**
Profit/PAT	0.4592
EBITDA	0.7703
Revenue	1.3979
Net Worth	3.3473
Taxes	1.1461

The univariate test on these key parameters indicate that the sample companies' average EBITDA (as per AS) is ₹54579.9 mn whereas as per Ind AS it is ₹55807.7 mn. On average, companies had net worth of ₹190564.3 mn as per AS whereas ₹213789.8 mn as per Ind AS. In the sample for AS the net worth for companies ranges from ₹1591.1 mn to ₹2539980 mn whereas for Ind AS the net worth for companies scores as low as ₹6657.8 mn.

Table V below shows the summary of the impact of convergence to IFRS converged accounting standards on Net worth, Revenue, EBITDA, PAT and taxes. It provides the quantitative impact of such change in the financial reporting of Indian corporates. However, the subsequent Table VI provides the qualitative analysis of the change by producing the probable reasons due to the changes brought in by the new standards and thus the change in the financial performance of the companies.

Table V Quantitative impact analysis of IFRS converged standards by sector

Industries	**No. of Companies**	**Net worth**	**Revenue**	**EBITDA**	**PAT**	**Taxes**
Automobiles & Ancilliaries	17	↑	↑	↓	↓	↑
Chemicals/Fertilizers/Pharma	21	↑	↓↑	↓	↓↑	↓↑
Infrastructure/ Real Estate	13	↑	↓↑	↓	↓↑	↑
Oil & Gas/ Energy	9	↑	↓↑	↑	↓↑	↓↑
Retail	7	↑	↓↑	↑	↓↑	↓↑
IT/ITES	8	↑	↓↑	↑	↓↑	↓↑
Telecom/Media/Entertainment	6	↓	↓↑	↓	↓↑	↓↑
Total	**81**	↑	↑	↓	↓	↑

Though all the areas above are likely to affect most of the companies, majority fluctuation of the effect can be largely seen in the Net worth and EBITDA. The impact on the net worth seems to be affected by sector driven changes like a shift from full-cost method to successful efforts method for oil and gas companies. The table below provides the qualitative analysis for the findings mentioned in Table VI alongwith the reasons and industries affected due to the change.

Table VI Qualitative impact of IFRS converged standards on important parameters for most affected industries

Parameters	Reasons for positive impact of Ind AS adoption on the parameter	Reasons for negative impact of Ind AS adoption on the parameter
(Fair valuation of instruments, property & acquired entities)	Reversal of proposed dividend, which was earlier recognized as per IGAAP; Fair valuation of PPE *(Ind AS 16)*; Fair valuation of investments resulting in a positive impact to retained earnings *(Ind AS 32 and 109);* Shift in the depletion method of oil and gas assets to successful efforts method from the erstwhile full-cost method *(Ind AS 106)*. ***Industries affected:*** Automobiles & Ancilliaries; Chemicals/Fertilizers/Pharma; Infrastructure/ Real Estate; Oil & Gas/ Energy; Retail; IT/ITES;	Reclassification of financial instruments from "equity classified" instruments to "debt classified"; Recognition of impairment loss on financial assets *(Ind AS 109)*; Fair valuation of PPE *(Ind AS 16)* ***Industries affected:*** Telecom/ Media /Entertainment
Revenue (Recognition norms)	Revenue has seen an increase majorly due to change in accounting treatment from Agent to Principal basis and Service Concession Arrangements. ***Industries affected:*** Automobiles & Ancilliaries; Chemicals/Fertilizers/Pharma; Infrastructure/ Real Estate; Oil & Gas/ Energy; Retail; IT/ITES; Telecom/Media/Entertainment	ICAI reported marginal decrease in revenue by 1.87%. Revenue recognition and measurement criterion (accounting treatment for agency relationship transactions, transfer of significant risk and rewards & Segregation of revenue into multiple components) *(Ind AS 18/115)* ***Industries affected:*** Chemicals/Fertilizers/Pharma; Infrastructure/ Real Estate; Oil & Gas/ Energy; Retail; IT/ITES; Telecom/Media/Entertainment
EBITDA (Valuation criteria)	EBITDA increased due to changes brought in the accounting treatment of revenues, fluctuations in foreign currency (now recognising gains and losses through statement of profit and loss instead of balance sheet), valuation of financial instruments, valuation of business combination. ***Industries affected:*** Oil & Gas/ Energy; Retail; IT/ITES	Gain on equity instrument reclassified from profit & loss to other comprehensive income (OCI) especially for mining and metal companies ***Industries affected:*** Automobiles & Ancilliaries; Chemicals/Fertilizers/Pharma; Infrastructure/ Real Estate; Telecom/Media/Entertainment

PAT	(Change in capitalization norms)	Measurement of investments at fair value through P&L *(Ind AS 39 and 109)*; Spare parts capitalized as PPE *(Ind AS 16)*; Government grant erstwhile taken to capital reserve as per the AS now taken to P&L *(Ind AS 20)* ***Industries affected:*** Chemicals/Fertilizers/Pharma; Infrastructure/ Real Estate; Oil & Gas/ Energy; Retail; IT/ITES; Telecom/Media/Entertainment	Cost of employee stock options now recognized at fair value *(Ind AS 102)*; Impairment loss on financial assets now recognized using ECL model *(Ind AS 109)*; Revision of method of depletion for oil & gas significantly impacted the net profit negatively *(Ind AS 106)*; Positive impact of fair value of Property Plant & Equipment on net worth, alternatively, increased the depreciation which adversely affected PAT *(Ind AS 16)*. ICAI reported marginal decrease -0.93%; Change in the method of accounting from proportionate consolidation method to equity method *(Ind AS 28)*. ***Industries affected:*** Automobiles & Ancilliaries; Chemicals/Fertilizers/Pharma; Infrastructure/ Real Estate; Oil & Gas/ Energy; Retail; IT/ITES; Telecom/Media/Entertainment
Taxes	(Deferred tax liability/asset)	Tax expenses are low due to deferred tax on consolidatory adjustments like unrealised profit accruing due to sale of fixed assets, sale of inventory and accounting policy alignments. ***Industries affected:*** Automobiles and Transportation; Chemicals/Fertilizers/Pharma; Infrastructure/ Real Estate; Oil & Gas/ Energy; Retail; IT/ITES; Telecom/Media/Entertainment	Tax expenses are high on account of deferred tax liabilities on undistributed profits especially affecting the subsidiaries and other associates of companies in the telecom services sector. ***Industries affected:*** Chemicals/Fertilizers/Pharma; Oil & Gas/ Energy; Retail; IT/ITES; Telecom/Media/Entertainment

CONCLUSION

India has a consequential history of financial reporting from local GAAPs to global trading rules, an early multi-national agreement is noted regarding international accounting to match the obligations of harmonization. The assessment carried out in this paper is pursued due to the increasing trend of IFRS adoption/convergence globally. The paper also talks about the prevailing arguments concerning fitness of the new harmonized standards in the emerging economies. It considers Profit/PAT, EBITDA, Revenue, Net Worth and Taxes as prominent parameters based on the four reports. The BSE large-cap companies considered for the analysis relate to Telecom & Media; Chemicals & Fertilizers; Oil & Gas/Energy; Automobiles; Infrastructure/ Real Estate; Retail; IT & ITES. From the quantitative analysis, it can be concluded that Networth has risen for almost all the industries except Telecom category. However, the change in revenue has been neutral for almost all industries except an increasing trend in Automobiles. Similarly, Taxes has been neutral for almost all industries except an increase in Automobiles and Infrastructure. Likewise, change in PAT has been neutral for almost all industries except a decrease in Automobiles. EBITDA emerged as the most dynamic parameter with a decrease in Automobiles, Chemicals, Infrastructure and Telecom categories whereas an increase in Oil & Gas, Retail and IT. Table VI, however, provides the summary of qualitative impact of adopting Ind-AS in these companies.

The subject lasts gray because it brings objection from both the academicians and practitioners as a result of inconclusive results of research cropping from various countries. This could also be a plausible reason for convergence than adoption by the emerging nations like India to claim the best possible gain with minimal exposure to risk. The country has thus mandated the preparation of Ind-AS complied financial statements from April 2016 and onward.

The analysis of large-cap Indian companies on BSE suggests that most of these companies have refrained from reporting consolidated results thus only presenting the stand-alone results. These companies have presented the bare minimum mandatory reconciliations to explain the variation between the profit reported under the two systems for the same period (Poswal & Chauhan, 2021). Also, for some sectors of industry the quantitative impact has been minimal but the qualitative differences have been stark due to a combination of factors including accounting policy choices, exemptions availed at the date of transition to Ind AS, use of carve-out etc. Literature seems to caution about unwillingness the accounting fraternity due to heteroeginity of economic consequences of the adoption (Daske et al. 2013) and the extant laws of the land (Nobes, 2006). It is anticipated that the decision to converge to IFRS may overwhelm the already constrained competence at hand with India which will demand updated skills set attracting higher financial aid. Nonetheless, revamping of local GAAP in India is an explicit example of the undaunted struggle of the nation to contest with matured economies. The move will be certified with the passage of time, till then it is a “the global accounting experiment” Veron (2007) yet to be confirmed. Apparently, to be rehearsed with the strategical implementation of harmonized standards would probably be the best escape from the dogma of financial reporting change later.

Appendix A: List of 81 large cap BSE companies considered for analysis

Automobiles & Ancilliaries (17)	Chemicals/Fertilizers /Pharma (21)	Infrastructure/ Real Estate (13)	Oil & Gas/ Energy (9)	Retail (7)	IT/ITES (8)	Telecom/Media/ Entertainment (6)
Amara Raja Batteries Ltd.	Abbott India Ltd.	Adani Green Energy Ltd.	Bharat Petroleum Corporation Ltd.	Adani Enterprises Ltd.	HCL Technologies Ltd.	Honeywell Automation India Ltd.
Ashok Leyland Ltd.	Ajanta Pharma Ltd.	Adani Ports & Special Economic Zone Ltd.	GAIL (India) Ltd.	Aditya Birla Fashion & Retail Ltd.	Info Edge (India) Ltd.	Indus Towers Ltd.
Bajaj Auto Ltd.	Alkem Laboratories Ltd.	Bharat Heavy Electricals Ltd.	Hindustan Petroleum Corporation Ltd.	Avenue Supermarts Ltd.	Infosys Ltd.	Sun TV Network Ltd.
Balkrishna Industries Ltd.	Apollo Hospitals Enterprise Ltd.	DLF Ltd.	Indian Oil Corporation Ltd.	Future Retail Ltd.	Larsen & Toubro Infotech Ltd.	Vodafone Idea Ltd.
Bosch Ltd.	Aurobindo Pharma Ltd.	GMR Infrastructure Ltd.	Indraprastha Gas Ltd.	Grasim Industries Ltd.	Mphasis Ltd.	Zee Entertainment Enterprises Ltd.
Container Corporation of India Ltd.	Bayer Cropscience Ltd.	Godrej Properties Ltd.	Oil & Natural Gas Corporation Ltd.	Page Industries Ltd.	Tata Consultancy Services Ltd.	
Eicher Motors Ltd.	Biocon Ltd.	Havells India Ltd.	Oil India Ltd.	Titan Company Ltd.	Tech Mahindra Ltd.	
Endurance Technologies Ltd.	Cadila Healthcare Ltd.	Hindustan Aeronautics Ltd.	Petronet LNG Ltd.		Wipro Ltd.	
Exide Industries Ltd.	Cipla Ltd.	Indian Hotels Co. Ltd.	Reliance Industries Ltd.			
Hero Motocorp Ltd.	Divi's Laboratories Ltd.	Larsen & Toubro Ltd.				
Interglobe Aviation Ltd.	Dr. Reddy'S Laboratories Ltd.	NTPC Ltd.				
MRF Ltd.	Glaxosmithkline Pharmaceuticals Ltd.	Power Grid Corporation of India Ltd.				
Mahindra & Mahindra Ltd.	Glenmark Pharmaceuticals Ltd.	Siemens Ltd.				
Maruti Suzuki India Ltd.	Lupin Ltd.					
Motherson Sumi Systems Ltd.	Natco Pharma Ltd.					
TVS Motor Co. Ltd.	PI Industries Ltd.					
Tata Motors Ltd.	Pidilite Industries Ltd.					
	Piramal Enterprises Ltd.					
	Sun Pharmaceutical Inds. Ltd.					
	Torrent Pharmaceuticals Ltd.					
	UPL Ltd.					

REFERENCES

Abdullah, H., & Tursoy, T. (2021). Capital structure and firm performance: evidence of Germany under IFRS adoption. *Review of Managerial Science*, *15*(2), 379-398.

Agyei-Boapeah, H., Machokoto, M., Amankwah-Amoah, J., Tunyi, A., & Fosu, S. (2020, July). IFRS adoption and firm value: African evidence. *Accounting Forum, 44*(3), 238-261. Routledge.

Alali, F., & Cao, L. (2010). International financial reporting standards—credible and reliable? An overview. Advances in Accounting, 26(1), 79-86.

Ariyanto, S., Sabrina, S., & Lesmana, T. (2020). Factors Affecting Earnings Quality in Companies Listed in Indonesia Stock Exchange. *Pertanika Journals: Social Sciences & Humanities*, *28*(253).

Athma, P., & Rajyalaxmi, N. (2013). Accounting standards in India: Adoption of IFRS. Journal of Commerce and Accounting Research, 2(2), 39.

Chan, K. H., Lin, K. Z., Mo, P. L., & Wong, P. W. (2021). Does IFRS convergence improve earnings informativeness? An analysis from the book-tax tradeoff perspective. *Accounting and Business Research*, 1-27.

Covrig, V. M., Defond, M. L., & Hung, M. (2007). Home bias, foreign mutual fund holdings, and the voluntary adoption of international accounting standards. Journal of Accounting Research, 45(1), 41-70.

Daske, H., Hail, L., Leuz, C., & Verdi, R. (2008). Mandatory IFRS reporting around the world: Early evidence on the economic consequences. Journal of accounting research, 46(5), 1085- 1142.

Daske, H., Hail, L., Leuz, C., & Verdi, R. (2013). Adopting a label: Heterogeneity in the economic consequences around IAS/IFRS adoptions. *Journal of accounting research*, *51*(3), 495- 547.

Fifield, S., Finningham, G., Fox, A., Power, D., & Veneziani, M. (2011). A cross-country analysis of IFRS reconciliation statements. *Journal of Applied Accounting Research*.

Ghio, A., & Verona, R. (2015, June). Accounting harmonization in the BRIC countries: A common path? Accounting Forum, 39(2), 121-139.

Horton, J., Serafeim, G., & Serafeim, I. (2013). Does mandatory IFRS adoption improve the information environment? Contemporary accounting research, 30(1), 388-423.

Jermakowicz, E. K. (2004). Effects of adoption of international financial reporting standards in Belgium: the evidence from BEL-20 companies. Accounting in Europe, 1(1), 51-70.

Khersiat, O. M., & Alkabbji, R. F. (2020). Impact of the application of ifrs 9 standards on the profits and losses of insurance companies listed on the amman stock exchange, Academy of strategic management journal, 19(1), 1-7.

Krishnan, S. R. (2018, December). Influence of transnational economic alliances on the IFRS convergence decision in India—Institutional perspectives. Accounting forum, 42(4), 309- 327.

Lamb, M., Nobes, C., & Roberts, A. (1998). International variations in the connections between tax and financial reporting. *Accounting and Business Research, 28*(3), 173-188.

Manawadu, I., Che Azmi, A., & Mohamed, A. (2019). Moderating effect of IFRS adoption on FDI and conditional accounting conservatism in South Asia. Journal of Accounting in Emerging Economies, 9(1), 51-74.

Marston, C. (1986). Financial reporting in India. Routledge.

Malo-Alain, A., Aldoseri, M., & Melegy, M. (2021). Measuring the effect of international financial reporting standards on quality of accounting performance and efficiency of investment decisions. *Accounting*, *7*(1), 249-256.

Miah, M. S. (2021). Does IFRS convergence bring improvement in firm performance? An empirical analysis. *Journal of Chinese Economic and Business Studies, 19*(1), 95-107.

Michalkova, L. & Kral, P. 2019. Proceedings of the 33rd International Business Information Management Association Conference, IBIMA 2019: *Education Excellence and Innovation Management through Vision 2020*. 9743-9755

Nobes, C. (2006). The survival of international differences under IFRS: towards a research agenda. *Accounting and business research*, *36*(3), 233-245.

Park, H. (2018). Market reaction to other comprehensive income. *Sustainability*, *10*(6), 1837.

Patro, A., & Gupta, V. K. (2012). Adoption of International Financial Reporting Standards(IFRS) in accounting curriculum in India-An empirical study. Procedia Economics and Finance, 2, 227-236.

Perumpral, S. E., Evans, M., Agarwal, S., & Amenkhienan, F. (2009). The evolution of Indian accounting standards: Its history and current status with regard to International Financial Reporting Standards. Advances in Accounting, 25(1), 106-111.

Poswal, D., & Chauhan, P. (2021). Do oil and gas companies comply with requirements of IFRS 6?: Evidence from India and global companies. *The Journal of Asian Finance, Economics and Business, 8*(3), 399-409. Chicago.

Ramanna, K., & Tahilyani, R. (2011). Leadership in corporate reporting policy at Tata Steel. Harvard Business School Accounting and Management Unit Case No. 111-028.

Sharma, S., Joshi, M., & Kansal, M. (2017). IFRS adoption challenges in developing economies: an Indian perspective. Managerial Auditing Journal, 32(4/5), 406-426.

Véron, N. (2007). The Global Accounting Experiment (2nd ed.). Bruegel blueprint series, 2007.

Yeboah, B., & Pais, C. (2021). International financial reporting standards adoption and accounting quality: evidence from Ghanaian listed firms. *Afro-Asian Journal of Finance and Accounting*, Forthcoming. DOI: 10.1504/AAJFA.2021.10041214.