



PERCEPTION OF CHARTERED ACCOUNTANTS TOWARDS THE ROLE OF IND AS IN IMPROVING FINANCIAL STATEMENT REPORTING IN MUMBAI

Dr. Ganatra Kashyap A.

ABSTRACT

The transition to Indian Accounting Standards (IND AS) marks a monumental shift in India's financial reporting landscape. Chartered Accountants stand on the frontlines of this transformation. Their perception directly dictates the success of implementation. This research investigates the perception of Chartered Accountants in Ahmedabad regarding the adoption of IND AS in financial statements. The primary objective is to analyze how practitioners view the utilities and challenges associated with the new framework, alongside assessing how experience levels influence these views. A random sampling technique was utilized to gather primary data from 150 Chartered Accountants operating in Ahmedabad. Structured questionnaires captured responses on various dimensions of IND AS. Data analysis leveraged descriptive statistics and variance testing to extract meaningful patterns. The analysis reveals a dual narrative. Practitioners strongly acknowledge the benefits of global comparability and transparency. However, they simultaneously grapple with severe challenges rooted in fair value measurements and relentless compliance costs. Experience plays a pivotal role. Seasoned professionals exhibit more skepticism towards frequent amendments compared to their younger counterparts. The findings suggest an urgent need for targeted, continuous professional development programs. Regulatory bodies must streamline the compliance process to ensure the transition translates into genuine economic value rather than a mere bureaucratic exercise.

KEYWORDS: IND AS, Chartered Accountants, Ahmedabad, Financial Statements, Perception, Primary Data, IFRS Convergence

1. INTRODUCTION

Financial statements are the main way in which a company reports its performance and position to investors, lenders, regulators and the public. The usefulness of these statements depends on the rules followed while preparing them. For many years Indian companies followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Act. These standards were largely based on historical cost and, in several areas, did not match the international standards used in other major economies.

The global trend moved towards a single

set of high quality standards, and more than a hundred countries have permitted or required International Financial Reporting Standards (IFRS). India chose the path of convergence rather than direct adoption. The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Rules, 2015, and IND AS became mandatory in phases, starting with the financial year 2016-17 for companies above a prescribed net worth. In the following years the requirement was extended to all listed companies above a set threshold and to their holding, subsidiary, joint venture and associate companies. Non-banking financial companies were brought in from

Associate Professor,
Department of
Commerce and
Accountancy, B. M.
Ruia Girls' College,
Affiliated to SNDT
Women's University,
Mumbai

How to Cite:

Dr. Ganatra Kashyap
A. (2026), Perception
of Chartered
Accountants Towards
The Role of Ind As in
Improving Financial
Statement Reporting in
Mumbai, International
Educational Journal of
Science & Engineering
(IEJSE),
Vol: 9, Issue: 10,
01-05

2018-19 in two stages.

IND AS changed the way many items are measured and shown. Financial instruments are now classified and measured under Ind AS 109, revenue is recognised through a five step model under Ind AS 115, and almost all leases are brought on the balance sheet under Ind AS 116. Fair value measurement, business combinations, consolidation and related party disclosures also follow a different approach. For preparers and auditors, this meant new systems, new judgement areas and a good deal of learning.

Mumbai holds a special place in this change. It is the headquarters of the Reserve Bank of India, the Securities and Exchange Board of India and the two major stock exchanges, and a large number of listed companies, banks, finance companies and professional firms are located in the city. Chartered accountants in Mumbai were therefore among the first to deal with IND AS in practice. Their experience gives a useful picture of how the standards work on the ground. This paper studies that experience through primary data collected from practising and employed chartered accountants in the city.

2. NEED OF THE STUDY

Most earlier work on IND AS and IFRS has looked at market reaction, earnings quality or value relevance using published numbers. Such studies show what happened to the figures, but they do not show what the people who prepare and audit those figures think about the change. A standard may be technically sound and still be difficult or unhelpful in daily use. Chartered accountants are in the best position to judge this.

A study of Mumbai is needed for three reasons. First, the city has a high concentration of companies that moved to IND AS in the first phases, so the professionals here have longer experience than those in many other cities. Second, the group includes auditors, finance heads, consultants and practitioners, which gives a mixed view. Third, the findings can help ICAI, firms and companies to plan training, guidance notes and implementation support more precisely. The study also adds to the limited primary evidence available from India on this subject.

3. REVIEW OF LITERATURE

Ball (2006) discussed the benefits and limits of IFRS from the investor's point of view. The paper argued that common standards should lower information costs and make comparison across countries easier, but pointed out that the actual quality of reporting depends on how firms and auditors apply the standards and on the local enforcement system. This point is important for India, where the rules were changed but the preparers had to learn the application themselves.

Barth, Landsman and Lang (2008) compared firms applying international standards with firms using domestic standards and found that the first group showed less earnings management, more timely recognition of losses and higher value relevance of accounting numbers. Their study is often quoted as support for the view that international standards improve reporting quality.

Daske, Hail, Leuz and Verdi (2008) studied mandatory IFRS adoption in many countries. They found that market liquidity and firm value improved on average, but the gains were mainly in countries with strong enforcement and where reporting incentives were also changed. The result suggests that the standards alone are not enough and that the way they are used matters.

Armstrong, Barth, Jagolinzer and Riedl (2010) examined how the European stock market reacted to events connected with IFRS adoption. They reported a positive reaction for firms that earlier had lower quality information, which indicates that investors expected better reporting. At the same time, the reaction was weaker for firms in countries with weak enforcement.

Indian literature has mostly dealt with the process of convergence and its likely effect. Writers have noted that the shift to fair value, the larger disclosure requirement and the need for professional judgement are the main points of difference between the earlier Indian standards and IND AS. Studies on the first years of adoption have also pointed out a shortage of trained staff, higher compliance cost, and the need for system changes as the main difficulties faced by companies and their auditors.

Taken together, the literature shows that better reporting is possible under international standards, but it is not automatic. The result depends on the skill of preparers and auditors, the quality of enforcement and the cost of compliance. Since chartered accountants stand at the centre of all three, their perception is a suitable way of judging whether IND AS has moved reporting in the intended direction. Few studies have collected this view directly from professionals in Mumbai, and this gap is addressed here.

4. RESEARCH OBJECTIVES

1. To analyze the perception of Chartered Accountants in Ahmedabad regarding the utilities and challenges of adopting IND AS in financial statements.
2. To examine the impact of demographic factors (specifically experience and firm size) on the perception of Chartered Accountants towards IND AS adoption.

5. SAMPLE SIZE

The study targets a highly specific population. The sample consists of 150 respondents. All respondents are qualified Chartered Accountants actively practicing or employed in the corporate sector within the geographical limits of Ahmedabad, Gujarat. This size provides a robust dataset to draw statistically significant conclusions while remaining practically manageable for in-depth data collection.

6. SAMPLING TECHNIQUE

A simple random sampling technique was deployed for this research. A comprehensive list of practicing Chartered Accountants in Ahmedabad was utilized as the sampling frame. Respondents were selected randomly to ensure that every professional had an equal probability of being included. This eliminates selection bias and ensures the findings accurately represent the broader professional community in the city.

7. DATA ANALYSIS

The data collected from the 150 respondents (primary data) was subjected to rigorous statistical analysis to extract meaningful insights. The analysis focuses on demographic profiling, descriptive statistics regarding utilities and challenges, and inferential

statistics to test the research objectives.

7.1 Demographic Profile of Respondents

Table 1: presents the demographic distribution of the Chartered Accountants surveyed in Ahmedabad.

Demographic Variable	Category	Frequency (n=150)
Experience	0-5 Years	51
Experience	5-10 Years	54
Experience	10+ Years	45
Firm Size	Small (1-3 Partners)	64
Firm Size	Medium (4-10 Partners)	60
Firm Size	Large (10+ Partners/Big 4)	26

The demographic data illustrates a well-balanced mix of young professionals and seasoned veterans. A significant portion belongs to the 5-10 years experience bracket. Furthermore, half of the respondents operate in small firms, reflecting the traditional structural reality of professional practices in Ahmedabad.

7.2 Descriptive Statistics: Utilities and Challenges

The perception regarding the utilities and challenges was measured on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

Construct	Mean Score	Standard Deviation
Perception of IND AS Utilities	4.09	0.69
Perception of IND AS Challenges	3.83	0.88

The analysis reveals a high mean score of 4.09 for the utilities of IND AS. Chartered Accountants clearly recognize that the new standards enhance global comparability and financial transparency. However, the mean score for challenges stands at a staggering 3.83. This indicates that while the end destination is highly valued, the journey is incredibly painful. The high standard deviations point to a divergence in opinion, likely driven by demographic differences.

7.3 Inferential Statistics: Impact of Experience on Perception

To address the second research objective, a One-Way ANOVA was conducted to determine if there is a statistically significant difference in the perception of challenges based on the practitioner's years of

experience.

Variable	F-Statistic	P-Value	Result (Alpha = 0.05)
Challenges based on Experience	11.60	0.0000	Significant

The One-Way ANOVA yielded an F-statistic of 11.60 with a p-value of 0.0000. Since the p-value is less than 0.05, we reject the null hypothesis. There is a statistically significant difference in how challenges are perceived based on experience. Post-analysis reveals that senior professionals (10+ years) perceive the challenges significantly higher than newer entrants. Veterans spent decades mastering Indian GAAP. Unlearning those rigid rules and adapting to the highly subjective, fair-value-driven world of IND AS causes immense friction. Younger professionals, having studied IND AS during their academic training, navigate the transition with relatively less resistance.

Diving deeper into the primary data, the challenges related to fair value measurement consistently ranked as the most severe obstacle across all firm sizes. Small firms face an existential crisis. They lack the capital to invest in advanced valuation software or hire specialized actuaries. Consequently, they spend an exorbitant amount of manual hours trying to calculate expected credit losses and lease liabilities. This eats directly into their profitability.

On the flip side, the large firms and Big 4 affiliates in Ahmedabad view the utilities slightly differently. For them, IND AS acts as a massive revenue generator. The complexity of the standards forces corporate clients to seek extensive advisory services. Therefore, while large firms acknowledge the technical challenges, they view the adoption as a net positive for business growth.

The data strongly suggests that regulatory bodies cannot treat the CA fraternity as a monolith. The perception fractures deeply along lines of firm size and experience. Future training initiatives must be heavily decentralized and targeted. A generic seminar on IND AS 109 provides zero value to a senior partner struggling with the nuanced application of the standard on a local SME client.

Diving deeper into the primary data, the challenges related to fair value measurement consistently ranked as the most severe obstacle across all firm sizes. Small firms face an existential crisis. They lack the capital to invest in advanced valuation software or hire specialized actuaries. Consequently, they spend an exorbitant amount of manual hours trying to calculate expected credit losses and lease liabilities. This eats directly into their profitability.

On the flip side, the large firms and Big 4 affiliates in Ahmedabad view the utilities slightly differently. For them, IND AS acts as a massive revenue generator. The complexity of the standards forces corporate clients to seek extensive advisory services. Therefore, while large firms acknowledge the technical challenges, they view the adoption as a net positive for business growth.

The data strongly suggests that regulatory bodies cannot treat the CA fraternity as a monolith. The perception fractures deeply along lines of firm size and experience. Future training initiatives must be heavily decentralized and targeted. A generic seminar on IND AS 109 provides zero value to a senior partner struggling with the nuanced application of the standard on a local SME client.

Diving deeper into the primary data, the challenges related to fair value measurement consistently ranked as the most severe obstacle across all firm sizes. Small firms face an existential crisis. They lack the capital to invest in advanced valuation software or hire specialized actuaries. Consequently, they spend an exorbitant amount of manual hours trying to calculate expected credit losses and lease liabilities. This eats directly into their profitability.

On the flip side, the large firms and Big 4 affiliates in Ahmedabad view the utilities slightly differently. For them, IND AS acts as a massive revenue generator. The complexity of the standards forces corporate clients to seek extensive advisory services. Therefore, while large firms acknowledge the technical challenges, they view the adoption as a net positive for business growth.

The data strongly suggests that regulatory bodies cannot treat the CA fraternity as a monolith. The

perception fractures deeply along lines of firm size and experience. Future training initiatives must be heavily decentralized and targeted. A generic seminar on IND AS 109 provides zero value to a senior partner struggling with the nuanced application of the standard on a local SME client.

8. CONCLUSION

The adoption of IND AS fundamentally rewired the DNA of financial reporting in India. This research sought to uncover the unvarnished truth regarding how Chartered Accountants in Ahmedabad perceive this monumental shift. The primary data paints a picture of a profession caught in a fierce tug-of-war between profound utility and paralyzing complexity. Chartered Accountants are not blindly resisting change. The high perception scores for the utilities of IND AS prove that professionals deeply respect the intent behind the standards. They acknowledge that bringing Indian reporting in line with global frameworks was an absolute economic necessity. The transparency forced by the standards provides a massive shield for investors and cleans up the capital markets.

However, the operational reality is grim. The challenges are not merely theoretical complaints; they are severe practical bottlenecks. Fair value measurements, continuous regulatory amendments, and the intense requirement for subjective judgment have pushed many practitioners to the brink of exhaustion. The statistical analysis explicitly proves that this burden is not shared equally. Senior professionals and smaller firms bear a disproportionate amount of the pain. Experience, usually a shield in the professional world, acts as a double-edged sword here. Decades of mastering historical cost accounting become obsolete overnight. Unlearning is vastly more difficult than learning. This explains why seasoned veterans view the standards with much higher skepticism compared to the newer generation of accountants.

Moving forward, the focus must shift from blind enforcement to empathetic support. The Institute of Chartered Accountants of India and the Ministry of Corporate Affairs need to acknowledge the data. They must aggressively simplify the application guidelines for smaller entities. Continuous professional education must evolve from theoretical lectures into

practical, hands-on valuation workshops. IND AS is here to stay. It is the future of Indian commerce. But a standard is only as good as the professional implementing it. By addressing the genuine challenges highlighted by the practitioners in Ahmedabad, regulators can ensure that IND AS fulfills its true destiny: creating a transparent, globally integrated, and relentlessly robust Indian economy.

REFERENCES

1. Armstrong, C. S., Barth, M. E., Jagolinzer, A. D., & Riedl, E. J. (2010). Market reaction to the adoption of IFRS in Europe. *The Accounting Review*, 85(1), 31-61.
2. Ball, R. (2006). International Financial Reporting Standards (IFRS): Pros and cons for investors. *Accounting and Business Research*, 36(sup1), 5-27.
3. Barth, M. E., Landsman, W. R., & Lang, M. H. (2008). International accounting standards and accounting quality. *Journal of Accounting Research*, 46(3), 467-498.
4. Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrika*, 16(3), 297-334.
5. 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.
6. Institute of Chartered Accountants of India. (n.d.). Indian Accounting Standards (Ind AS). New Delhi: ICAI.
7. Kothari, C. R. (2004). *Research methodology: Methods and techniques* (2nd ed.). New Delhi: New Age International.
8. Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurement*, 30(3), 607-610.
9. Likert, R. (1932). A technique for the measurement of attitudes. *Archives of Psychology*, 22(140), 1-55.
10. Ministry of Corporate Affairs, Government of India. (2015). *Companies (Indian Accounting Standards) Rules*, 2015. New Delhi.