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“There is a force in the universe, which, if we permit it, will flow through us and produce miraculous results.”

- Mahatma Gandhi

9.1 FINDINGS AND CONCLUSIONS

Based on the primary data analysis and secondary data analysis, it can be concluded that it is the need of the time for India corporates to comply with global reporting practices. In this ever changing and globalized era, company must sooner or later adopt international financial reporting practices so as to make itself competent enough. Followings are some observations from Primary and Secondary Data analysis:

9.1.1 FINDINGS AND CONCLUSIONS FROM PRIMARY DATA ANALYSIS

- Almost 50 % to 70 % Chartered Accountants from survey who are familiar with International Financial Reporting Standards believe that Convergence with IFRS will have some impact on Business Operations such as business processes, transformation in finance function, sources of finance, information for internal and external users, developmental changes in information technology.

- Almost 60 % to 70 % Chartered Accountants from survey who are familiar with International Financial Reporting Standards believe that Convergence with IFRS will have an effect on Performance Measurement Management of an Organisation which includes planning, budgeting, new performance requirements, decision making, goal setting, business performance management ecosystem, earnings management, tax management, FDI inflows, investor oriented information.

- Almost 65 % to 80 % Chartered Accountants from survey who are familiar with International Financial Reporting Standards believe that Convergence with IFRS will be beneficial for adopters in forthcoming future as compare to Indian GAAP as IFRS provides benefits such as efficient and reduced cost of finance, easy raising of capital, better information for shareholders and potential investors, better information to regulators and policy makers, easy cross-border listings, greater comparability of financial reports, increased competitiveness among companies, smooth cross-border
Chapter – 9 Findings, Conclusions, Suggestions and Further Research

mergers and acquisitions, better integration and management to global operations, quality corporate financial reports, increase access to global capital markets.

➢ Almost 60 % to 70 % Chartered Accountants from survey who are familiar with International Financial Reporting Standards believe that Convergence with IFRS will be competent enough as compare to Domestic Accounting Standards. IFRS Convergence will provide competency to multinational companies, increase compliance level, mandatory and voluntary disclosures.

➢ Almost 55 % to 75 % Chartered Accountants from survey who are familiar with International Financial Reporting Standards believe that Convergence with IFRS will have more accounting technicalities than Domestic Accounting Standards. IFRS Convergence will have more technical conceptualizations, require more technical expertise, require fair value measurements, and create difficulties in implementing or incorporating technology solution.

➢ Almost 80 % to 85 % Chartered Accountants from the survey who are familiar with International Financial Reporting Standards believe that Convergence with IFRS will be having Comparability and Transparency as biggest area of improvement for companies. While, other areas like Budget Setting, Integrity, Financial Management, Accountability, Efficiency, Internal Reporting and Decision Making are also considered to be an important with the introduction of IFRS.

➢ Almost 39.5 % Chartered Accountants from the survey who are familiar with International Financial Reporting Standards believe that the biggest challenge with IFRS Convergence is Lack of IFRS Preparedness which is followed by other challenges such as Lack of Time for Transition, Lack of Expertise, Lack of Accounting Resource Person, Lack of Precedence, Lack of Information Technology Knowledge and Lack of Financial Resources.

➢ It has been observed from primary data analysis that there is significant correlation among the impact of IFRS on Business Operations, the effect of IFRS on Performance Measurement, benefits of IFRS as compare to Indian GAAP, IFRS & Compliance with Domestic Accounting and IFRS & Accounting Technicalities. The significant correlation score among all such groups suggests that Chartered Accountants from survey who are familiar with International Financial Reporting
Standards are having their mutual agreement with the individual questions asked to them in all such groups. Their degree of differences is moving in the same directions for individual questions from all such groups. It also shows that their views shown in one group are not in contradiction with their views shown in other groups. Their views for IFRS Convergence are moving in positive directions and which suggests that overall IFRS Convergence will be creating win-win situation in the long-run for its adopters.

9.1.2 FINDINGS AND CONCLUSIONS FROM SECONDARY DATA ANALYSIS

- As a part of secondary data analysis, researcher has collected data of profitability and liquidity ratios of four companies viz. Dr. Reddy’s Lab Ltd., Infosys Ltd., TCS Ltd. And Vipro Ltd. for 5 years i.e. from year 2010-2011 to 2014-2015.

- Profitability Ratios: As a part of secondary data analysis of Profitability Ratios, researcher has considered six ratios such as Return on Common Equity, Return on Assets, Return on Capital Employed, Return on Invested Capital, Operating Margin and Net Income Margin as they all are key profitability ratios. It has been observed from secondary data analysis of Profitability Ratios that there is no significant difference in profitability ratios as per IFRS compare to Indian GAAP.

- Liquidity Ratios: As a part of secondary data analysis of Liquidity Ratios, researcher has considered two ratios such as Current Ratio and Quick Ratio as they all are key liquidity ratios. It has been observed from secondary data analysis of Liquidity Ratios that there is no significant difference in liquidity ratios as per IFRS compare to Indian GAAP.

- Hence, it can be concluded from secondary data analysis of profitability and liquidity ratios that there is no significant difference in profitability and liquidity ratios in all four companies as per IFRS compare to Indian GAAP when the researcher has applied Independent Samples T-test. But if we refer individual ratios in their percentages and times, there is minor difference for the same as per IFRS compare to Indian GAAP. But again, such difference is very negligible. It shows that if company adopts IFRS, then such adoption of IFRS will not affect profitability and liquidity of the same. Therefore, one must adopt IFRS at sooner or later stage.
9.2 SUGGESTIONS
On the basis of analysis of primary and secondary data analysis, researcher would like to provide some suggestions and recommendation to various parties relating directly and indirectly to convergence process of IFRS. These recommendations are based on the views of professional Chartered accountants which researcher has collected from primary data collected through survey and questionnaire as well as results given by secondary data analysis of four companies for 5 years.

9.2.1 SUGGESTIONS TO GOVERNMENT
✓ Government should set some rules and regulations for early and successful implementations of IFRS in country because deferment of convergence date will hurt the reputation of Indian accounting process because convergence is not a national matter, it is an international matter in the present context. Many mergers and acquisition only depends on international financial reporting. And if we delay the period then international mergers and acquisitions can get stuck. Internationally, our reputation will also affect due to postponement of date for convergence.
✓ Government should bring all the regulatory bodies like SEBI, MCA, FEMA, RBI, IRDA, ICAI, NFRA, ICSI, ICAMI, CBDT and CBEC who affects the accounting process in India at single platform to sort out all the problems which they will face on convergence. This is pre-requisite of convergence because if afterward some discrepancies will found or any conflict will arose between two laws then it will be tough to amend the same. Therefore, it is necessary to bring all the regulatory bodies under a single roof at the time of making regulations as to avoid future dilemmas.
✓ Government should set rules regarding Fair Value Measurement which is an important challenge in convergence process. Government should clearly mention the rules of Fair Value Measurement in easy and simple form so that it can be understood by a laymen. Fair valuation can affect the financial reports very heavily.
✓ Government should make some certified courses for fair valuer who will help in determining the fair valuation process because this area can become an apple of discord in future. Fair values can make financial position stronger or weaker. Government should start some certification or licensing for fair valuation. Only those
who have certificate for fair valuation should be allowed to become fair valuer. Government should also prescribe responsibilities and liabilities of fair valuer.

✓ Government should make certain Authorities and determine responsibilities for monitoring and easeful implementation. An authority will not be able to properly perform without proper control. Therefore, government should step forward for successful implementation and make proper authorities as well as delegate responsibility to officers of that authority.

✓ Government should provide helpline desk for guidance so as to achieve successful implementation. In initial stage, government should perform as helping hand for corporate. If corporate feels any problem then government should provide help to corporate.

✓ Government should make some changes in syllabus of accountancy in various boards and universities for giving knowledge about new regulations of IFRS and Indian Accounting Standards with consultation of Ministry of Human Resource Development as youth is the ultimate group who will become the future accounting professionals.

✓ Government should provide some specific funds to researchers and academicians as to carry on research in the area of IFRS and IND AS. Constant research is the need of this particular area. And hence, Government should promote more and more research in the area of Corporate Financial Reporting by providing financial aids as well as research aids.

9.2.2 SUGGESTIONS TO INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

✓ ICAI should introduce IFRS, IAS and IND AS in their various courses and curriculums which will enable new Chartered Accountants for getting awareness about IFRS, IND AS and its regulations.

✓ To give knowledge about IFRS and IND AS to existing accounting professional and chartered accountants, ICAI should implement a compulsory short duration certificate course for all existing chartered accountants and accounting professionals.

✓ ICAI should make compulsory certificate course for all practicing and non-practicing members of ICAI to give knowledge of IFRS and IND AS.
✓ Some simplified literature should be provided for all the common users of accounting such as investors, bankers, researchers, academicians and analysts etc., so that they can also understand the changes and have better understandings of the same.

✓ ICAI should increase their role in the IASB by holding the important position in the IASB Foundation monitoring board, so that emerging issues in accounting of India can also be incorporated in accounting literature with an immediate effect.

✓ ICAI should examine the impact on followers, both large and small, including changes to accounting system, contractual arrangements, corporate governance consideration and accounting for litigation contingencies, so as to study post – convergence scenario of Indian Business Environment.

✓ ICAI should continuously consult with the other regulatory bodies like a RBI, SEBI, IRDA, ICSI, ICMAI, CBDT, CBEC and MCA for an effective convergence with the IFRS.

✓ ICAI should conduct more and more conferences, seminars, workshops, symposiums and short term programs to address various issues about the IFRS and IND AS to different users.

✓ Being the premium accounting standard setter body, ICAI should start awareness campaign for all users about IFRS and IND AS. ICAI in order to create awareness about the IFRS and IND AS should start helpline desk for all the users.

✓ ICAI should make an e-learning portal for IFRS and IND AS learnings as well as for latest developments in the same. It can be bifurcated level-wise further for beginners, for practicing members, for non-practicing members as a part of their continuing professional education.

9.2.3 SUGGESTIONS TO COMPANIES

✓ Companies should start early, so that they will get significant advantage that they are better suited to confront the numerous of tactical and strategic decisions (e.g. impact on existing operations and information systems, impact on other technical or strategic initiatives currently under way at your bank) that would need to be made as the project progresses.

✓ Starting early would also enable them to better manage the expectations of internal stakeholders such as the Board of Directors and senior management, regulators and
external investors and analysts about the impact on earnings and equity. This can also enable them to determine any potential need for additional capital that they may need on mandatory convergence with IFRS at a future date.

 ✓ Make effective plan for convergence successfully
   - Preliminary impact assessment
   - Planning and Designing
   - Testing on trial & error basis and problem solution
   - Implementation
   - Post – implementation analysis

 ✓ Provide training to staff or arrange some dedicated staff for the convergence process. Therefore, planning and implementation both will get start soon and ends with proper care and on time.

 ✓ Provide sufficient time and strategy for an impact assessment of IFRS because in initial stage, impact assessment will be the most critical phase of whole IFRS convergence process.

 ✓ Involve the following staff on priority basis for successful convergence:
   - Steering committee
   - Information technology department
   - Divisional business head
   - Human resources.

 ✓ Get some consultancy from external advisors for successful implementation and impact assessment.

 9.2.4 SUGGESTIONS TO RESEARCHERS AND ACADEMICIANS

 ✓ Researchers and Academicians in the field of Commerce, Management and Economics should work together for the further research in the said area once, the convergence with IFRS is made in the Indian Business Environment.

 ✓ Researchers and Academicians in the field of Commerce, Management and Economics should form an association to address such kind of multidisciplinary issues in the area of Social Science Research.
Researchers and Academicians should start some projects with industry professionals to have real idea of IND AS implementation. It would provide best outcome as there is combination of theory and practice.

9.3 FURTHER RESEARCH
In this study, researcher has mainly focused on issues related to convergence of Indian Accounting Standards into International Financial Reporting Standards. There is a wider scope of further research in this area, as each standard will be a separate domain for the research. Meanwhile IFRS are right now at developing stage. IASB has introduced 16 International Financial Reporting Standards till date and still IASB is in the process of developing new standards for different accounting issues and improving already issued standards. MCA has notified Indian Accounting Standards (IFRS Converged Indian GAAP) known as IND AS which is applicable from the period beginning as on 1st April, 2016 to selected list of companies. At a later date IND AS will be applicable to other companies, Banking Companies and Insurance Companies. Hence, it can be concluded that this particular study is pre – convergence study. Once, the IFRS Converged Indian GAAP will be followed by companies then there is further scope of research to conduct post – convergence study for the same. As soon as IASB is coming out with new standards on accounting issues, they all will be required a research individually to make them competent enough in the Indian context. Researcher of this study would like to continue with the same study at Post – Doctoral Level. In the field of Social Science Research, there is only one limit for further research and that is not sky but that is Universe. Research is constant. Research is immortal. Research is incredible.

Research Scholar’s comment

“Research is the theory in which you don’t need to prove any opinion wrong to prove your opinion right, as it is the matter of perception which always differs and which is always right”