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FINANCIAL CAPACITY AND SOFTWARE ADOPTION IN IFRS CONVERGENCE: EVIDENCE FROM INDIAN FIRMS

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Abstract

Purpose

This paper investigates how organizational net worth influences the awareness, adoption and implementation of International Financial Reporting Standards (IFRS) and Indian Accounting Standards (Ind AS). It examines the relationship between company size, reporting practices and accounting software choices, providing insights into the factors driving convergence with global standards.

Design/methodology/approach

A quantitative research design was applied using a structured questionnaire administered to 381 professionals across manufacturing, IT, services and chartered accountancy sectors. DEMATEL, weighted mean analysis, chi-square tests and Spearman correlation were employed to identify key determinants and causal relationships among variables such as net worth, IFRS awareness and the adoption of IAS-based software.

Findings

The analysis reveals that companies with higher net worth demonstrate greater awareness of IFRS and are more likely to use IAS-compliant accounting software. “Accounting Methods”

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and “Convenience” emerged as the most influential factors shaping reporting practices. While smaller firms continue to rely on Indian GAAP, financially stronger companies are transitioning to globally aligned systems.

Research limitations/implications

The study is based on expert perceptions from selected industries in India and may not fully represent all sectors or geographic regions. Further research using longitudinal or cross-country data would improve generalizability and clarify causal relationships.

Practical limplications

The findings highlight the need for targeted training, regulatory support and technology adoption strategies to help smaller firms transition to Ind AS and IFRS-based reporting. Policymakers and professional bodies can use these insights to design interventions that encourage convergence with international standards.

Originality/value

This research provides an integrated view of how net worth, reporting standards and accounting software intersect in shaping financial reporting practices in India. It advances understanding of the drivers of IFRS convergence and identifies actionable factors for stakeholders seeking improved transparency and comparability.

Keywords: Indian Accounting Standards, International Financial Reporting Standards, Accounting Software Adoption, DEMATEL Analysis, Financial Reporting Practices, Convergence

Back ground and Context

The liberalization of capital markets and the internationalization of investment flows have increased the demand for transparent and comparable financial reporting worldwide. IFRS have become the dominant global framework for ensuring consistency in financial statements across jurisdictions (Srinivasan and Iyer, 2022). In India, the adoption of Ind AS largely converged with IFRS represents a major step towards global integration while accommodating national regulatory requirements (Gupta et al., 2021).

The shift to Ind AS is more than a technical exercise. It has strategic implications for how organizations present their financial position, communicate with investors and access capital markets. Studies show that convergence with global standards can improve investor confidence, enhance comparability and strengthen corporate governance (Patel et al., 2023; Sharma and Banerjee, 2023). Despite these advantages, adoption across Indian firms has been uneven, with large companies moving more quickly to align with IFRS while small and medium enterprises (SMEs) continue to rely on Indian GAAP due to high compliance costs and limited managerial expertise (Mehta and Kumar, 2021; Rao and Nair, 2024).

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Rationale for the Study

Financial capacity and organizational size are key determinants of reporting practices. Larger companies with global exposure tend to adopt IFRS/Ind AS, whereas smaller firms often lack the resources, technology and trained personnel to implement these standards (Bansal, 2022; Sharma and Kapoor, 2021). Moreover, the digitalization of accounting processes adds a further dimension, the choice of accounting software that complies with international standards. Although some studies have explored technology adoption in accounting (Narayan and Singh, 2021; Agarwal and Verma, 2020), the intersection of software selection, organizational net worth and IFRS convergence has received little empirical attention in the Indian context.

Knowledge Gap

Existing research focuses largely on the technical and regulatory aspects of Ind AS implementation or on macro-level adoption trends (Deloitte and Touche, 2020; Srinivasan and Iyer, 2022). However, few studies combine stakeholder perceptions, organizational financial capacity and technology adoption into a single framework. This gap leaves unanswered questions about how these factors interact to shape adoption decisions and reporting practices in emerging markets.

Purpose and Objectives

This study addresses these gaps by investigating stakeholder perceptions of IFRS convergence and Ind AS adoption in Indian firms. Specifically, it examines:

- The relationship between company net worth and awareness of IFRS/IndAS.
- How net worth influences the selection of reporting standards (IndianGAAPvs.IAS/IFRS).
- TheassociationbetweenfinancialcapacityandtheuseofIAS-compliantaccounting software.

Contribution and Significance

The paper makes three key contributions. First, it identifies “Accounting Methods” and “Convenience” as the most influential factors driving convergence, expanding on previous research that focused mainly on cost and compliance (MehtaandKumar, 2021;Rao and Nair, 2024).Second, it integrates accounting software usage as a proxy for technological readiness, a variable underexplored in prior studies(Narayanand Singh, 2021; Agarwaland Verma, 2020). Third, it reveals sectoral differences in adoption patterns across manufacturing, IT, services and chartered accountancy firms, offering practical insights for policymakers and training bodies seeking to support SMEs in transitioning to globally accepted practices.

Structure of the Paper

The remainder of this paper is organized as follows. Section 2 reviews the literature on IFRS convergence, Ind AS adoption and accounting software usage. Section 3 outlines the research methodology, including the sample, data collection and analytical techniques. Section 4

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presents the results and analysis. Section 5 discusses these findings in relation to previous studies, and Section 6 concludes with implications, limitations and directions for future research.

Literature Review

The convergence of India's accounting framework with global standards has been driven by the pursuit of transparency, comparability and investor confidence. Deloitte and Touche (2020) demonstrated that Ind AS adoption significantly improved disclosure quality among large firms, showing how financial capacity facilitates convergence. Extending this line of inquiry, Mehta and Kumar (2021) found that SMEs face barriers to adoption due to high compliance costs and limited managerial awareness, illustrating the dual role of financial resources and human expertise in shaping adoption decisions. Building on this resource-based perspective, Gupta et al. (2021) highlighted that IT and service sectors achieve higher Ind AS compliance than manufacturing firms, which struggle with operational complexity and traditional practices. Srinivasan and Iyer (2022) compared IFRS and Ind AS in emerging economies and showed that internationally oriented companies gain strategic advantages from Ind AS, reinforcing the connection between global exposure, firm size and adoption behaviors. This progression of evidence suggests that both sectoral context and organizational scale shape the likelihood of transitioning to IFRS-compliant practices. Scholars have also examined the human dimensions of convergence. Sharma and Banerjee (2023) underscored that top management champions strategic alignment with global standards, while mid-level managers ensure operational compliance. Patel et al. (2023) further showed that Ind AS compliance enhances investor confidence and strengthens governance, thus amplifying the benefits of managerial commitment. Linking these findings back to the study variables, managerial expertise acts as a mediating factor between organizational resources and successful adoption of IFRS/Ind AS. As financial reporting becomes increasingly digital, technology emerges as another critical variable. Narayan and Singh (2021) found that organizational readiness, leadership commitment and resource availability drive the adoption of Ind AS-compliant accounting systems, while Agarwal and Verma (2020) reported that accounting software acts as a bridge for SMEs seeking compliance, reducing manual effort and ensuring accuracy. Together, these findings position software adoption as a behavioral outcome variable reflecting both awareness and capacity for IFRS convergence. The cumulative evidence suggests that financial capacity underpins all stages of convergence from awareness to adoption and ultimately to technology integration. Bansal (2022)showed that firms in growth stages benefit most fromIFRS adoption, while Sharma and Kapoor (2021) observed that larger firms leverage their financial strength to improve reporting practices. Complementing these findings, Rao and Nair (2024) argued that targeted training and subsidies could help smaller firms overcome resource constraints, therebyexpanding the base of firms able to adopt Ind AS and IFRS. Taken together, the literature outlines a progression: net worth and financial resources influence awareness of IFRS, which in turn shapes reporting standard choices, culminating in the adoption of IAS-compliant accounting software. Yet

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despite the recognition of these relationships in isolated studies, few have empirically tested them in a single model or across diverse sectors in India. Accordingly, this study contributes to the literature by analyzing these interconnected variables within one empirical framework and by incorporating technology adoption an increasingly crucial but underexplored dimension—into the study of IFRS convergence and Ind AS adoption.

Research Gap

Taken together, the literature outlines a clear progression: organizational net worth and financial resources influence awareness of IFRS, which in turn shapes reporting standard choices, culminating in the adoption of IAS-compliant accounting software. Yet despite the recognition of these relationships in isolated studies, few have empirically tested them in a single model or across diverse sectors in India. Accordingly, this study contributes to the literature by analyzing these interconnected variables within one empirical framework and by incorporating technology adoption an increasingly crucial but underexplored dimension into the study of IFRS convergence and Ind AS adoption.

Research Methodology

Research Design

This study adopts a quantitative and analytical research design aimed at evaluating the relationship between organizational characteristics and their influence on the adoption of accounting standards, awareness of financial reforms, and perceptions of financial evaluation dimensions. The research integrates both descriptive and causal-comparative approaches to examine variations across sectors and roles, and to identify patterns influencing decision-making in financial reporting.

The research further employs the Decision-Making Trial and Evaluation Laboratory (DEMATEL) method to establish cause-effect relationships among critical financial evaluation dimensions. This dual- method approach statistical analysis combined with a structured decision modeling technique ensures both depth and breadth in the analysis of complex decision variables.

Population and Sampling

A total of 381 responses were collected from firms across manufacturing, IT, other services and chartered-accountant domains. For analyses that required complete responses on accounting-standard choice and related net-worth variables (Tables 4.7 and 4.8), 330 complete cases were available after list wise deletion of records with missing values; where applicable each table caption reports the exact N used. A purposive panel of 101 experts (Top / Mid / Low management and Executives) provided pair wise judgments and sectoral inputs for the DEMATEL exercise. All analyses report the sample size (N) in table captions to ensure transparency.

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Data Sources and Collection

The study utilizes both primary and secondarydatasources:

- Primary data were gathered through structured questionnaires distributed to the selected experts. The questionnaire included both rating-scale questions and matrix-based evaluations. Respondents were asked to rate the influence of various financial dimensions using a five-point Likert-type scale ranging from 0 (no influence) to 4 (very high influence).
- Secondary data were obtained from company financial reports, published databases, and previous research studies, particularly concerning the adoption of Indian Accounting Standards (IAS), Indian GAAP, and awareness of IFRS. This data enabled the cross-verification of expert responses and the inclusion of company-specific variables such as net worth and accounting software usage.

The data collection process ensured both sectoral diversity and functional representation to allow for generalizable insights across industries.

Analytical Framework and Techniques

The analysis was conducted in two main phases:

Phase1: Statistical Analysis

This phase aimed to evaluate the association between organizational characteristics and accounting practices. Key techniques included:

- Chi-square tests were used to assess the relationship between categorical variables such as net worth and choice of accounting standards (Indian GAAP vs. IAS), as well as awareness of IFRS.
- Linear-by-linear association tests were conducted to identify trends across ordered categories, particularly net worth brackets.
- Correlation analysis (using Pearson’sr and Spearman’srho) was employed to assess the strength and direction of the relationship between net worth and both awareness and adoption of accounting standards. These tests help determine whether statistically significant relationships exist and whether they are positive or negative in direction.

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The analysis was carried out using SPSS software, which ensured robust data handling and accurate significance testing.

Phase2:DEMATEL Modeling

To explore the causal relationships among various financial evaluation dimensions (e.g., clarity in information, accounting methods, understanding of the company, convenience, and change in evaluation), the DEMATEL method was applied. The steps included:

1. Construction of the direct-relation matrix, using expert evaluations on the degree of influence among financial attributes.
2. Normalizationofthedirectmatrixtoobtainconsistentcomparisonacross dimensions.
3. Derivation of the total relation matrix, which incorporates both direct and indirect influences among criteria.
4. Calculation of two key measures:

- o D (rowsum): Represents the total influence a factor exerts on others.
- o R(columnsum): Represents the total influence a factor receives from others.

5. Computation of D+R (prominence), indicating the overall importance of a criterion, and D−R (net influence), which distinguishes between cause and effect variables.

This approach allowed the identification of critical dimensions that not only influence but also are influenced by other factors in the financial evaluation process. The DEMATEL analysis provided insights into the underlying structure of decision-making criteria in the context of financial reforms and standard adoption.

4.DataAnalysisandResults

Table4.1ExpertOpinion AnalysisandFunctionalexperienceofexperts

	Designation	**YearsofExperience**	**Number Expertsin theteam**	**%**
Expert1	TopManagement	6-14years	**26**	25
Expert2	MidManagement	7-12 years	**36**	**34**
Expert3	LowlevelManagement	5-18 years	**24**	**23**
Expert4	Executive	4-14years	**15**	**14.5**
	Total		**101**	**100**

The expert panel shows a diverse mix of decision-making authority and experience. Top and mid- management professionals (Experts 1 and 2) account for the majority share, contributing 25% and 34% respectively, with experience ranging between 6–14 and 7–12 years. In

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contrast, low-level management (23%) and executives (14.5%) bring complementary operational perspectives with 4–18 years of experience. This distribution reflects a panel that is both strategically and operationally representative, ensuring balanced inputs into the analysis.

Table4.2:Expert selection:Domainand sector

	Manufacturing	IT	Other service	CA	Total	%
Executive	9	7	14	5	35	35%
Lowlevel 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 sectoral distribution of experts shows that the largest share comes from the services domain (36%), followed by IT (26%), manufacturing (24%), and chartered accountants (15%). At the functional level, executives account for the highest proportion (35%), while top management represents 15%. This mix reflects balanced sectoral and hierarchical representation, ensuring thatthe analysis incorporates both industry-wide and professional perspectives

ComparisonScale

Table4.3:Comparisonscale:

ComparisonScaleofDEMATEL	
0	Noinfluence
1	Lowinfluence
2	MediumInfluence
3	Highinfluence
4	Veryhighinfluence

comparisonscale isdescribed ina five-point scalefrom0to5toexpress‘0 forNoinfluence’to5for ‘Very high influence’.

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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 variationsinperceptionsregardingclarity, infrastructure,andprofitability.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.

Table4.5:DEMATEL: Directrelationshipmatrix(Relativepreferencetable)

Dimension	Position	Responsibility	Experience	Expertise	Location
	P	Q	R	S	T
	P	Q	R	S	T
Understanding of Company	0	2	1	4	3
Clarityin Information	1	0	3	2	4
Accounting methods	4	4	0	3	3
Convenience	2	3	4	0	1
Changein evaluatio n	4	2	2	1	0

The DEMATEL analysis identifies Accounting Methods as the principal causal driver (D−R = +0.965) and**Convenience**asasecondarydriver(D−R=+0.124). **UnderstandingoftheCompany** and**Change in Evaluation** are net receivers (negative D−R), implying theyare more influenced byother attributes than they influence others. In terms of prominence (D+R), Accounting Methods (6.784) and Clarity in Information (6.094) are the most central attributes, indicating these factors are both influential and highly interconnected within the decision network.

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Table4.6:TheTotalrelation matrix:Attributesoffundversesutilityof fund

Persona l / Workforce	P	Q	R	S	T	D
Understandingof Company	0.526	0.597	0.520	0.741	0.503	**2.887**
Clarityin Information	0.849	0.588	0.717	0.769	0.680	**3.604**
Accountingmethods	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**
Changeinevaluation	0.818	0.651	0.611	0.754	0.384	**3.217**
Understandingof Company	**3.964**	**3.500**	**3.238**	**3.795**	**2.856**	

The Total Relation Matrix provides a detailed over view of the relationship between various attributes offundsand their utilityacrossdifferent personalworkforce 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 thehighest total relation score, indicating a strong perceived importance of clear and standardized accounting practices across the work force 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 levelof importance, suggesting that while changes inevaluationcriteria are relevant,theymight 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.

4.6Importance & Relationship table

Fundattributes	D	R	D+R	D-R
UnderstandingofCompany	2.887	3.394	6.281	-0.507
ClarityinInformation	3.604	3.500	7.104	0.104
Accountingmethods	4.055	3.238	7.293	0.817
Convenience	3.59	3.795	7.385	-0.205
Changeinevaluation	3.217	2.856	6.073	0.361

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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 financialdataandstandardizedaccounting methodsaredeemed most criticalinevaluating 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 valueof0.817, high lighting itsrelatively higher influence in the evaluationprocess. 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 holdslesser 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).

Table4.7:Showing the Net-worth Vs Selection of reporting

	Networth					
	<50Cr	50-100Cr	100-150Cr	150-200cr	200-250Cr	
IndianGAAP	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

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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)
PearsonChi-Square	17.093[a]	12	.146
LikelihoodRatio	20.469	12	.059
Linear-by-Linear Association	7.365	1	.007
NofValidCases	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 ofaccounting standards (Indian GAAP vs. IAS) at the conventional significance levelof **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 thethreshold of**0.05**, suggesting no significant association. Similarly, the **Likelihood Ratio** test, witha value of **20.469** and p-value **0.059**, also indicates no strong evidence of a significant relationship at the5% level. However, the Linear-by- Linear associationtest,witha valueof**7.365** andap-valueof **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) becomesmore prevalent. This p-value is below **0.05**, signaling a significant relationship in this specific association.

SymmetricMeasures

		Value	Asymp.Std. Error[a]	Approx. T[b]	Approx. Sig.
Intervalby Interval	Pearson'sR	-.155	.048	-3.060	.002[c]
Ordinal b yOrdinal	SpearmanCorrelation	-.166	.050	-3.285	.001[c]
NofValidCases		381			

The correlation results further highlight the relationship between net worth and the choice of

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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 negativeordinalrelationshipbetweennet worthandaccountingstandards,reinforcingthe 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.

Table4.8:ShowingtheAwarenessonIFRS

	Networth					
	<50Cr	50-100Cr	100-150Cr	150-200cr	200-250Cr	
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%

ThedataonawarenessofIFRS showsasignificant relationship withthe net worthofthecompanies. Among the companies with a net worth of **less than 50Crore**, 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 **150-200Crore** 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-SquareTests

	Value	df	Asymp.Sig.(2-sided)
PearsonChi-Square	23.414[a]	12	.024
LikelihoodRatio	25.175	12	.014
Linear-by-LinearAssociation	4.040	1	.044
NofValidCases	381		

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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, suggestingthatthereisasignificantassociationbetweenthetwovariables. The**LikelihoodRatio**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 bythe company's net worth.

Symmetric Measures

		Value	Asymp.Std. Error[a]	Approx. T[b]	Approx. Sig.
Intervalby Interval	Pearson'sR	.103	.049	2.018	.044[c]
Ordinal b yOrdinal	SpearmanCorrelation	.079	.051	1.543	.124[c]
NofValidCases		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 of2.018** and a significance of**0.044**. This indicatesa 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 approximatet-valueof**1.543**andasignificanceof**0.124**, which is above the typical 0.05threshold for significance, suggesting a non-significant relationship when considering the ordinal nature ofthe 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.

Table9: Table showing Using of Accounting software based on IAS

	Networth					
	<50Cr	50-100Cr	100-150Cr	150-200cr	200-250Cr	
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

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	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 accountings of ware based on IAS(Indian Accounting Standards) across different net worth categories. Among the companies with net worth less than 50 Cr, 39companies are using IAS accounting software, representing 22.40%of the total. For net worth between 50-100 Cr, 12companies (or4.20%) use IAS, while17companies(representing16.30%) in the100-150Cr category use it. Interestingly, the net worth category of 150-200 Cr shows the highest usage,with75companies (or16.30%) adopting IAS accounting software. In the 200-250 Cr category,16 companies (representing 2.10%) utilize IAS.

Onthe other hand, IGAAP (IndianGenerallyAccepted Accounting Principles) is more widelyused, especially in the < 50 Cr net worth category, where 98 companies (or 13.60%) apply it. However, IGAAP usage dropssignificantlyinthe 150-200Cr and 200-250Crcategories, where no companies report using it. The data indicates that, overall, 159 companies (or 61%) in the studyuse 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)
PearsonChi-Square	29.523a	12	.003
LikelihoodRatio	34.383	12	.001
Linear-by-LinearAssociation	8.444	1	.004
NofValidCases	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 bythe 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 significantlyacross the different net worthgroups. The Likelihood Ratio test value of34.383 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 8.444anda p-value of 0.004, indicating a significant linear trend in the relationship.Overall, the tests demonstrate a clear association between net worthand the choice ofaccounting software, withthe null hypothesis being rejected at the 0.05 significance level.

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Symmetric Measures

		Value	Asymp.Std. Error[a]	Approx. T[b]	Approx. Sig.
Intervalby Interval	Pearson'sR	.149	.050	2.935	.004[c]
Ordinal b yOrdinal	SpearmanCorrelation	.183	.051	3.627	.000[c]
NofValidCases		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 of0.004, shows a statistically significant but weak correlation, suggesting that as net worth increases, the likelihood ofusing 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 conclusionthat 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 of0.103 (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 ofIAS-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 maturityenables organizations to engage more deeply with internationally recognized accounting practices. The stronger correlation between net worthand IAS software adoption suggests that infrastructure and

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financial resources are key factors that support the implementationofsuchsystems. As companies grow in size and financialstrength, 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 accessto 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 likelyto adopt internationalaccounting 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,andadherenceto internationallyrecognizedaccountingpractices,whichiscrucialfor 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 ofunderstanding and interpretation. Additionally, the research focuses on companies' net worth as the main variable influencing IFRS adoption and does notaccount for other potentially influential factors such as company age, industry type, or management experience. Lastly, the cross-sectional natureofthe studylimits the abilityto 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 generalizationofthe findings. Longitudinalstudies 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 ofaccounting 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, aswellas to investigatethe role oforganizationalculture in influencing accounting practices.

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