

Audit Quality Dynamics in the Wake of Ind-As and IFRS Convergence: A Study of Nifty-50 And BSE-Sensex Listed Companies

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Abstract

A major shift has occurred in India's regulatory and financial reporting landscape with the merging of Indian Accounting Standards (IND-AS) with International Financial Reporting Standards (IFRS). Employing a mixed-methods strategy, this research delves into how this change has affected audit quality for Nifty-50 and BSE-SENSEX enterprises. The quantitative analysis involves using a paired sample T-test to compare audit fees before and after the installation of IND-AS. Audit fees are used as a proxy for audit effort and quality. Audit reports and management commentary are analyzed qualitatively using NVivo software. Recurring themes pertaining to audit complexity, disclosure procedures, and compliance problems are captured. Despite a general trend towards higher audit fees following adoption, the data show that this trend is not statistically significant for all organizations. In addition to the statistical research, the qualitative findings show that auditors confront more scrutiny, longer audit deadlines, and difficulties with adaptation. Beyond simple numerical patterns, this two-pronged analysis sheds light on the ways in which IFRS convergence affects audit practices, effort, and quality. Auditor, legislator, and business executive management of post-convergence audit dynamics in India can benefit from the study's conclusions.

Keywords: Indian Accounting Standards (IND-AS), International Financial Reporting Standards (IFRS), Convergence, Audit opinion, Audit quality, Disclosures, Reporting.

1. Introduction

The implementation and progressive acceptance of IND-AS, which is the Indian equivalent of IFRS, has been considered as the major cause of the tremendous changes that have come upon the financial reporting environment of the country during the past decade (Christensen, et. al., 2021). The corporate financial reporting environment in India is now undergoing a dramatic transformation in response to demands for more transparency, comparability, and relevance in financial disclosures. IFRS is more than a technological alignment; it is conceptual change in accounting standards away from rule-based practices towards principle-based accounting, where professional judgment, fair value accounting, and stringent disclosure requirements are highly favored (Srivastava, A., & Muharam, H. 2022). The Indian government, for traditionally, has abided by standards of accounting laid down by ICAI. Being rule-based, these standards had failed to address the many speculations present in modern instruments and arrangements for fair valuation and international finance. However, there was already a global move towards the adoption of IFRS since the global fiscal crisis of 2007–2008, which revealed the drawbacks inherent in various national accounting rules. To promote further convergence of the two capital markets, the Indian government announced a new roadmap for the phased implementation of IND-AS for listed and large unlisted companies commencing on April 1, 2016 (MN, et. al., (2024).

From the viewpoint of increased managerial responsibilities and accountabilities, adoption of IND-AS is thus a matter of concern. Relevant standards require risk assessment, subjective estimations, and procedures of fair valuation, all of which are normally vague and subject to varying interpretations (Sharma, A., & Bansal, M. 2025). Their increased professional and managerial judgement differential arising herewith presents a peculiar problem to the financial auditor characterizing-and testing-such judgements for their impacts on the credibility and reliability of the financial statements. In alignment with IFRS, the Indian accounting rules brought substantial changes in financial reporting and auditing practices (Weygandt, et.al., 2018). Audit quality has been essential in financial reporting to provide enforce reliability, safeguard investors, and maintain confidence in the markets (Tiwari, & Maji, 2025). Hence, there is growing pressure toward audit quality under IND-AS as auditors now must review company management's estimates and fair value assessments based on assumptions (Tawiah, 2020). It becomes the heavy duty of auditors to safeguard against such manipulations of earnings or their management by reviews of the reasonableness of these judgements.

A globally accepted definition may not exist for audit quality; however, most would concur that it is the extent to which an audit can reliably confirm that there are no major errors or acts of fraud within the financial statements. The auditor's objectivity, industry knowledge, technical skills, ethics, and the internal control systems of the auditing firm in respect to quality form the broader constructs for audit quality. In the context of IND-AS, the auditor's professional skepticism and professional judgment while assessing impairment, fair value estimates, and disclosures related to financial instruments act as other metrics affecting audit quality. Crucially, the auditor's view of the client firm's management skills also influences the evaluation. Internal controls, accounting rules, and leadership style are all impacted by managerial competence, which includes financial acumen, transparency, governance orientation, and leadership abilities (Goel, P. 2018). A more favorable audit outcome is possible when managers are highly competent because they lessen information asymmetry, improve the efficacy of internal controls, and encourage open and honest communication with auditors. On the other side, if management is not adequate, audit risk can rise, which could result in more scrutiny, greater fees, or revised audit conclusions.

Implementation of credible financial reporting and superior audit quality is often contingent on firm-specific factors, the most critical of which is the capability of management. This is even though Indian regulators like the ICAI, SEBI, and NFRA have persistently stressed the importance of these aspects (Stolowy, H., & Paugam, L. 2018). A crucial contribution to risk assessments and audit strategy is auditors' opinion of managerial ability as they navigate increasingly complicated financial statements under IND-AS. Do high-ability managers consistently lead to better audit results in the post-IND-AS era? This is an important question that this relationship begs. It has been empirically proved in recent studies that the nature of management constitutes an influence upon auditing outcomes. One concept of managerial competency is an organization's ability to effectively transform input into output. Along with Haque et al. (2025), Demerjian et al. (2013) also demonstrated a positive relationship between competent management and the incidence of financial restatements, audit fees, and the timeliness of audit reports. The rationale was simple: auditors can lessen their effort and apply less professional skepticism, provided the manager presents worthy financial data.

The purpose of this research is to assess the effects of IND-AS and IFRS on audit quality metrics in a sample of leading Indian corporations. The sample will consist of six firms that are members of the Nifty-50 and BSE-SENSEX indexes, respectively, and will follow both sets of regulations. Company after company, these names stand for the most powerful and internationally prominent corporations in India. They are perfect examples to study the effects of dual-standard reporting because of their extensive global exposure, intricate financial systems, and regulatory visibility. The main goal of the study is to compare the audit quality indicators (such as audit fees, types of audit opinions, and length of audit reports) before and after the implementation of IFRS using the IND-AS framework. The research delivers targeted insights into the effects of external audit processes and reporting outcomes in the Indian corporate environment by focusing on this chosen group and how simultaneous compliance with IND-AS and IFRS affects them.

The importance of this study lies in the fact that it offers actual evidence on the effects of IND-AS and IFRS dual adoption on audit quality in the most illustrious listed companies in India. The research provides useful implications for auditors, regulators, and business stakeholders navigating worldwide accounting standards by assessing changes in audit fees, Audit opinion, and audit report length. We lay out our theories and review the pertinent literature in Section 2. Section 3 then details the data and sample, variables, and descriptive statistics. Afterwards, in Section 4, we present the baseline evidence and conduct tests for robustness and endogeneity. Lastly, Sections 5 and 6 focus on supplementary and cross-sectional analyses, and Section 7 concludes the paper.

2. Theoretical Framework and Hypothesis Development

The three main ideas that support this research provide light on the potential effects of IFRS adoption on Audit Quality indicators including audit fees, audit opinion kinds, and audit report length within the IND-AS framework.

- **Agency Theory:** Auditors should serve as watchdogs to level the playing field in terms of knowledge between shareholders and management (Jensen & Meckling, 1976). The increased complexity and reliance on managerial judgment under IFRS increases the risk and effort of audits, which can lead to more thorough audit reports and greater audit fees—but not necessarily more qualified conclusions.
- **Signaling Theory:** According to Spence (1973), companies can demonstrate their trustworthiness and good governance through open disclosures and external audits. It is possible that longer reports and the addition of Key Audit Matters (KAMs) after IFRS are signals to stakeholders about the financial integrity of the organization.
- **Institutional Theory:** Firms and auditors react to regulatory demands to preserve their legitimacy (DiMaggio & Powell, 1983). Increased audit scope, more thorough documentation, and more extensive reporting are common results of the adaptations necessitated by the mandated adoption of IND-AS.

These theories support the study's hypotheses:

Hypothesis 1: “There is a significant difference in audit fees of firms before and after the adoption of IFRS under the IND-AS framework”.

Hypothesis 2: “While the type of audit opinion (e.g., unqualified) may remain consistent, the length and detail of audit reports significantly increase after IFRS adoption due to expanded disclosures, including Key Audit Matters (KAMs)”.

2.1 Determinants of Audit Quality

Determinants of audit quality include auditor independence, auditor expertise, audit firm size, client characteristics, regulatory environment, and the quality of corporate governance. Crucean, A. C., and Hategan, C. D. (2019) discussed the consideration of audit quality that occurred considering the ever-increasing number of financial statement data. The study analyzed relevant scholarly literature on indicators that impacted audit service quality through a qualitative study technique. Information transparency, auditor rotation, firm size, and auditor qualities were important indicators. The study revealed that to conduct a quality audit, auditors had to use their professional judgement and act ethically. While Salehi, M., et. al., (2019) explored findings emerged from a meta-analysis of 52 studies on audit quality factors. The results indicated that audit quality was favorably affected by auditor specialty and the size of the auditing business. Higher quality audit services were achieved by partnering with larger businesses and specialist auditors. Standard setters and practitioners benefited from this first-of-its-kind study, which offered evidence on audit quality dominance and factors. Although, Habib, A., et. al., (2019) reviewed worldwide literature on auditor selection classified variables as follows: ownership of the business, economic risk, non-ownership corporate governance, and institutional determinants at the country level.

Academic literature was enhanced, and investors, auditors, and regulators received vital insights from it. However, Carson, E., et. al., (2022) investigated auditors' responsibilities, how they affected audit fees and quality, and how multinational company group audits were conducted. According to its findings, auditor engagement in components was affected by factors such as complexity, internationalization, and auditor characteristics. The study indicated that the involvement of component auditors was related to higher audit fees, regardless of auditor type. Contagious to which, Samagaio, A., and Felicio, T. (2023) examined the actions of internal auditors in Portugal and the elements that impacted their competence. Due to time constraints, audit quality practices (RAQP) had a favorable correlation with organizational commitment and independence, although RAQP was negatively correlated with both. Perceived organizational support and risk profile did not seem to be factors in this study. Puspaningsih, A., and Larasati, I. S. (2024) examined the COVID-19 epidemic affected audit quality due to factors such as auditor motivation, audit complexity, time budget constraints, risk, and professional skepticism. The results demonstrated that auditor motivation and professional skepticism had a favorable effect on audit quality, but complexity, time budget pressure, and risk had a negative effect. Improving audit quality was achieved by reducing these elements to a minimum.

Hypothesis 1: "There is a significant difference in audit fees of firms before and after the adoption of IFRS under the IND-AS framework".

2.2 IFRS and IND-AS Adoption in India

International Financial Reporting Standards (IFRS) in the Indian context have been adopted through Indian Accounting Standards (IND-AS), aligning domestic financial reporting with global practices while incorporating necessary modifications for local regulatory and economic conditions. Adhana, D. (2020) discussed the idea, goal, and advantages of IFRS convergence in India were discussed, with an emphasis on the difficulties that were encountered in implementing IFRS due to homegrown issues. Furthermore, it delved into the International Accounting Standards (ICAI) plan for India's gradual transition to IFRS, illuminating the possible upsides and downsides of this merging of systems. While Vishnani, S., et. al., (2021) investigated Indian firms' earnings management, persistence, and value relevance were influenced by IndAS, which represented IFRS convergent Indian accounting standards. The results were mixed regarding accounting-based qualities, but market-based measurements revealed progress.

A clear uptick in earnings persistence occurred, but no discernible change in earnings management criteria took place. Also, Rao, N., et. al., (2020) noted that Indian listed firms were required by the Ministry of Corporate Affairs to prepare and audit their financial statements in accordance with IFRS converged Ind AS. At that time, only a small percentage of publicly traded firms had voluntarily used IFRS and IGAAP to present their financials before April 1, 2016. The study's findings indicated that IFRS and IGAAP had a beneficial influence on the relevance of financial reporting and a substantial quantitative impact on certain accounting figures and ratios. However, Adhikari, A., et. al., (2021) investigated effects on the quality of Indian accounting resulted from the merging of Indian Accounting Standards (Ind AS) with International Financial Reporting Standards (IFRS). The study indicated that accounting quality decreased with the implementation of Ind AS. This included reduced net income fluctuation, more discretionary accruals, slower loss recognition, and reported earnings with less value relevance. The report indicated that adopting IFRS included a learning curve and recommended fixing problems with dissemination and implementation. Also, Faiyyaz, A., and Malik, A. (2022) highlighted the worldwide consensus that was reached on the International Financial Reporting Standards (IFRS) to ensure consistency and credibility in financial reporting globally. In terms of measuring high-quality financial data, it has become a potent tool for businesses.

The review article examined the past status of IFRS and presented a model that combined IFRS with foreign direct investment (FDI), strong reporting of financial information, transparency, and comparability. It discussed the advantages and disadvantages of using IFRS internationally. Contagious to which, Alfify, M. H., and Islam, Z. (2024) assessed the past status of IFRS and how it related to other ideas such as RFIR, openness, comparability, and foreign

direct investment (FDI). It highlighted the necessity for a worldwide accounting system to guarantee correct financial data, the pros, and cons of IFRS, and its global deployment to build a scale for assessing financial data quality. Gomes, L. R., and Costa, J. C. (2025) also examined how the convergence of IFRS affected the importance of value and earnings management for public companies in India. In all, 573 companies' corporate governance scores from the previous seven years were incorporated. Findings revealed that IFRS diminished the beneficial impact of corporate governance on earnings value relevance, whereas Ind-AS cut down on discretionary accruals. It was stated that corporate governance was not a moderating factor. This was the first research of its kind in India that examined the role of corporate governance processes in clarifying the connection between IFRS convergence and the accuracy of financial statements. Furthermore, Malviya, M., et. al., (2025) reviewed India adopted IFRS-based Indian Accounting Standards (Ind AS), which drew attention to the effects on stakeholders and corporations. It discussed how financial reporting changed, how it made things more transparent, how it reduced information asymmetry, how it increased investor confidence, and what problems arose when they tried to implement it.

Indian Accounting Standards (IND-AS) are accounting principles notified by the Ministry of Corporate Affairs, designed to align Indian financial reporting with International Financial Reporting Standards (IFRS) while considering India-specific legal and economic conditions. Raval, K. P. (2017) Stated that the Ministry of Corporate Affairs of India established Indian Accounting Standards (IND-AS) to align Indian financial reporting with International Financial Reporting Standards (IFRS), while considering the unique legal and economic circumstances of India. Also, Das, K. K., and Das Mohapatra, A. K. (2020) assessed the financials of several Indian companies using the new Indian Accounting Standards (Ind-AS) to those using the old Indian GAAP. By utilizing the differential impact and dimensional impact on 12 financial ratios, 38 balance sheet items (variables), and 12 profit and loss account items, the study examined how Ind-AS influenced the financial statements. Conclusions drawn on the effect of Ind-AS on Indian firms' financial accounts varied.

Although, Bahadur, R., and Prasad, D. (2022) noted that International Financial Reporting Standards (IFRS) were adopted as national accounting standards due to the global expansion of the finance and accounting sectors. With companies in India needing training and adopting the standards quickly, the country's economy profited from IFRS adoption. Organizational status perceived corporate link, necessary professional expertise, firm affiliation, and commercial affiliation all played a role in whether a company adopted IFRS. In contrast to which, Goyal, A. K., et. al., (2024) highlighted that to achieve parity with IFRS and provide a more uniform reporting environment, Indian corporations embraced Indian Accounting Standards (Ind AS). Companies with a net worth of 500 crore or more had been required to implement the standards in 2016, while voluntary adoption began in 2015 with the MCA's 2010 introduction of the standards. The adoption and reporting of Ind AS did not influence a company's financial performance, as indicated by research that examined 39 qualified organizations. The study found no significant impact of Ind AS adoption on financial ratios. While, Rashmi, M., and Chougule, A. K. (2025) determined IFRS (International Financial Reporting Standards) convergence in India improved financial reporting in terms of openness, responsibility, comparability, and efficiency. Although there was only a slight variation from IFRS, most professionals in the field felt that financial reporting would be improved because of Ind-AS's convergence with IFRS.

Hypothesis 2: "While the type of audit opinion (e.g., unqualified) may remain consistent, the length and detail of audit reports significantly increase after IFRS adoption due to expanded disclosures, including Key Audit Matters (KAMs) "

3. Research Methodology

The present study employs a "mixed-methods" approach to examine the impact of IND-AS and IFRS convergence on audit quality among companies listed on the Nifty-50 and BSE-SENSEX indices and adopted both IND-AS & IFRS as on 1st April 2016. For the quantitative component, a paired sample t-test using SPSS, is conducted to compare audit

fees 3 years before and after IFRS adoption as on 1st April 2016, using audit fees as a proxy for audit quality and effort. Audit fee data is extracted from the published annual reports of selected companies (*Tata Motors, Tata Consultancy Services, WIPRO, Mahindra & Mahindra, Infosys, Dr Reddy’s Laboratories, and Bharti Airtel*) over a defined time. The qualitative component involves thematic analysis using NVivo software, wherein auditor remarks and management commentary sections from the audit reports were coded to identify recurring themes, insights, and concerns related to compliance burden, audit complexity, and standard implementation challenges. The integration of both numerical data and textual analysis allows for a comprehensive understanding of audit quality dynamics, combining statistical rigor with context-specific interpretation. This methodological triangulation strengthens the validity of findings and offers a nuanced perspective on how audit practices evolve in response to regulatory transitions.

4. Results

This section presents the results obtained through both quantitative and qualitative analyses aimed at evaluating the effect of IND-AS and IFRS convergence on audit quality. Quantitatively, paired sample t-tests are conducted to compare audit fees before and after IFRS adoption across selected Nifty-50 and BSE-SENSEX companies, considering audit fees as a proxy for audit effort and scope. Alongside this, a qualitative content analysis is carried out using NVivo software to code and interpret recurring themes from audit reports and related corporate disclosures. These themes include auditor observations on compliance burden, changes in reporting structure, and audit complexity post-adoption. The integration of both datasets enables a deeper understanding of how convergence affects not only the cost of auditing but also the qualitative dimensions of audit practices and professional judgment.

Table 1: Tata Motors

“Paired Samples Test”								
	“Paired Differences”					t	df	Sig. (2-tailed)
	Mean	S.D.	S.E.M.	95% C. I of the Difference				
				Lower	Upper			
Before IFRS adoption - After IFRS adoption	-23.49667	29.41766	16.98430	-96.57419	49.58086	-1.383	2	.301

To evaluate Hypothesis 1, which proposes a significant difference in audit fees before and after the adoption of IFRS under the IND-AS framework, a paired sample t-test was performed for Tata Motors. The results indicate a numerical increase in audit fees post-IFRS adoption, with a mean difference of -23.50. Although the p-value (0.301) suggests that the difference is not statistically significant at the 5% level, this finding should be interpreted cautiously given the limited sample size (df = 2), which naturally constrains the statistical power of the test. The confidence interval (-96.57 to 49.58) also reflects variability, which may be due to the transitional complexities during the initial adoption years. Nonetheless, the upward shift in audit fees, though not statistically conclusive in this instance, may signal the evolving scope and complexity of audit procedures under the IFRS-aligned IND-AS framework. These results, therefore, provide preliminary support for the hypothesis and underscore the need for a broader dataset involving multiple firms to comprehensively capture the audit cost dynamics triggered by regulatory convergence.

Table 2: Tata Consultancy Services

“Paired Samples Test”								
	“Paired Differences”					t	df	Sig. (2-tailed)
	Mean	S.D.	S.E.M.	95% C. I. of the Difference				
				Lower	Upper			
Before IFRS adoption - After IFRS adoption	-3.66333	2.26209	1.30602	-9.28267	1.95600	-2.805	2	.107

The paired sample t-test conducted for TCS aimed to evaluate the change in audit fees before and after the adoption of IFRS under the IND-AS framework. The results indicated an average increase in audit fees post-IFRS adoption, with a mean difference of -3.66 (indicating higher fees after adoption). Although the p-value obtained (0.107) does not reach conventional levels of statistical significance ($p < 0.05$), the direction and magnitude of the difference suggest a trend toward increased audit effort and cost, which aligns with the underlying premise of the study. The rise in audit fees, although not statistically conclusive in this case, supports the notion that IFRS convergence may contribute to more complex audit procedures, expanded disclosures, and higher scrutiny—factors inherently tied to improved audit quality. Therefore, while the result for TCS alone does not confirm a significant shift, it offers indicative evidence of the dynamic audit landscape post-IND-AS, reinforcing the broader relevance and rationale of the study's investigation into audit quality transformation across top-listed Indian firms.

Table 3: WIPRO

“Paired Samples Test”								
	“Paired Differences”					t	df	Sig. (2-tailed)
	Mean	S.D.	S.E.M.	95% C. I. of the Difference				
				Lower	Upper			
Before IFRS adoption - After IFRS adoption	-1.03333	1.58219	.91348	-4.96372	2.89705	-1.131	2	.375

The paired sample t-test conducted for Wipro examined changes in audit fees before and after the adoption of IFRS under the IND-AS framework. The analysis yielded a mean difference of -1.03, indicating a slight increase in audit fees post-IFRS adoption. However, the p-value of 0.375 suggests that this difference is not statistically significant at the 5% level. Despite the lack of statistical significance, the observed increase in audit fees can be attributed to the greater audit complexity, enhanced disclosure requirements, and elevated compliance demands introduced by the IFRS convergence. These structural changes often necessitate more comprehensive audit procedures and professional judgment, which naturally impact audit effort and cost. Therefore, while the result for Wipro alone does not confirm a statistically significant shift, it still supports the broader narrative that IFRS adoption contributes to a more rigorous and complex audit environment an essential aspect in the evolving dynamics of audit quality across Indian corporates.

Table 4: Mahindra & Mahindra

Paired Samples Test								
	Paired Differences					t	df	Sig. (2-tailed)
	Mean	S.D.	S.E.M.	95% C. I. of the Difference				
				Lower	Upper			
Before IFRS adoption - After IFRS adoption	-.84000	1.27577	.73657	-4.00920	2.32920	-1.140	2	.372

The paired sample t-test for Mahindra and Mahindra assessed changes in audit fees before and after IFRS adoption under IND-AS. The mean difference was -0.84, indicating a slight increase in post-adoption. However, the result was not statistically significant ($t = -1.140$, $df = 2$, $p = 0.372$). Despite the insignificance, the upward trend in audit fees suggests that the increased complexity following IFRS adoption may require more extensive audit work. This supports the broader view that IFRS convergence introduces higher compliance demands, contributing to dynamic changes in audit quality and effort across listed firms.

Table 5: Infosys

Paired Samples Test								
	Paired Differences					t	df	Sig. (2-tailed)
	Mean	S.D.	S.E.M.	95% C.I. of the Difference				
				Lower	Upper			
Before IFRS adoption - After IFRS adoption	-9.66667	3.21455	1.85592	-17.65205	-1.68128	-5.209	2	.035

The paired sample t-test for Infosys evaluated the difference in audit fees before and after the adoption of IFRS under the IND-AS framework. The mean difference was -9.67, indicating a notable increase in audit fees following the IFRS convergence. The result was statistically significant ($t = -5.209$, $df = 2$, $p = 0.035$), as the p-value is less than 0.05. This significant increase suggests that the adoption of IFRS has led to enhanced audit complexity and the need for more rigorous audit procedures, thereby increasing audit effort and cost. The result reinforces the notion that IFRS implementation impacts audit quality dynamics by requiring greater transparency, deeper professional judgment, and more comprehensive financial reporting practices among large, listed firms like Infosys.

Table 6: Dr Reddy’s Laboratories

“Paired Samples Test”								
	“Paired Differences”					t	df	Sig. (2-tailed)
	Mean	S.D.	S.E.M.	95% C.I. of the Difference				
				Lower	Upper			

Before IFRS adoption - After IFRS adoption	-.13333	.05774	.03333	-.27676	.01009	-4.000	2	.057
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The paired sample t-test for Dr Reddy’s Laboratories examined the change in audit fees before and after the adoption of IFRS under the IND-AS framework. The mean difference was -0.13, suggesting a marginal increase in audit fees post-IFRS adoption. The result approached statistical significance with a p-value of 0.057 ($t = -4.000, df = 2$), indicating that while the increase is notable, it does not meet the conventional threshold of $p < 0.05$. Nonetheless, the direction and strength of the t-value imply a meaningful shift, reflecting increased audit complexity and enhanced disclosure requirements associated with IFRS convergence. This trend reinforces the argument that convergence to global standards may lead to greater audit effort, impacting audit quality dynamics among large-cap firms like Infosys.

Table 7: Bharti Airtel

“Paired Samples Test”								
	“Paired Differences”					t	df	Sig. (2-tailed)
	Mean	S.D.	S.E.M.	95% C.I. of the Difference				
				Lower	Upper			
Before IFRS adoption - After IFRS adoption	-19.53333	32.96731	19.03368	-101.42866	62.36200	-1.026	2	.413

The paired sample t-test for Bharti Airtel examined the difference in audit fees before and after the adoption of IFRS under the IND-AS framework. The mean difference was -19.53, indicating a rise in audit fees post-IFRS adoption. However, this increase was not statistically significant ($t = -1.026, df = 2, p = 0.413$). The wide confidence interval (from -101.42 to 62.36) suggests high variability in the data and limited reliability in confirming a consistent trend. While the statistical evidence is inconclusive, the rise in average audit fees hints at the possibility that IFRS convergence may have led to greater audit complexity and effort. This aligns with broader observations that IFRS implementation imposes enhanced disclosure and compliance requirements, influencing audit practices among top-listed companies like Infosys.

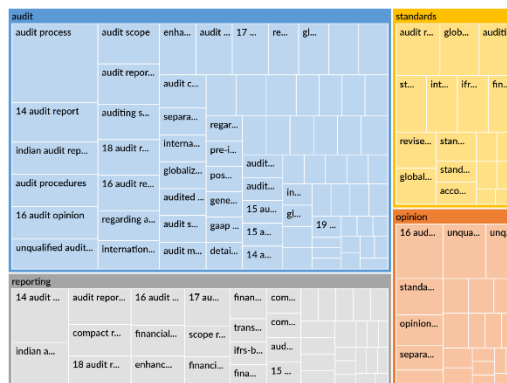


Figure- 1: Tree Map for Audit Opinion

The Tree map generated through NVivo qualitative analysis illustrates the density and distribution of coded references across thematic categories such as *audit*, *reporting*, *standards*, and *opinion*. The dominant presence of the "**audit**" node, followed closely by "**reporting**", suggests that the convergence to IFRS and IND-AS has influenced the depth and breadth of audit documentation practices among Nifty-50 and BSE-SENSEX listed companies.

A closer examination of sub-nodes such as *audit report*, *audit scope*, *audit process*, and *audit content* reveals a significant increase in narrative and descriptive disclosures within audit reports post-IFRS adoption. This is particularly evident in the frequent coding of terms like *enhanced disclosures*, *international standards*, *Key Audit Matters (KAMs)*, and *separate audit opinions*. These patterns align with the assertion that the adoption of global accounting standards necessitated greater transparency and comprehensiveness in audit reporting.

In contrast, the "opinion" node, though present, is comparatively less prominent, with frequent mentions of *unqualified audit opinion* and *standard opinion formats*. This supports the hypothesis that while the **type of audit opinion (e.g., unqualified)** has remained consistent, the **content, length, and detail** of audit reports have significantly expanded due to mandatory inclusion of KAMs, and other narrative disclosures introduced under ISA 701 and related standards.

The "**standards**" node further reinforces the impact of IFRS and IND-AS convergence, as evidenced by coded references to *IFRS-based disclosures*, *international auditing standards*, and *revised global frameworks*. This indicates auditors' increasing reliance on standardized global benchmarks to enhance audit quality and credibility.

Overall, the NVivo analysis corroborates Hypothesis 2 by demonstrating a qualitative shift in audit reporting practices post-IFRS adoption, marked by increased complexity and detail in audit disclosures, without significant deviation in audit opinions issued.

5. Discussion

The paired sample analysis of six Nifty 50 and BSE SENSEX firms depicts a net increase in audit fees after the convergence to IND AS/IFRS. Four companies experienced higher mean fees post adoption, with Infosys's increase reaching statistical significance ($p = 0.035$). For the rest, the price changes remained positive but not significant. These findings support the hypothesis that conversion to IFRS will increase audit costs because of the increase in scope of audit, intensity of audit procedures and level of professional skepticism (Eliwa & Chowdhury, 2021; Siciliano et al., 2020; Carp & Istrate, 2021; Boolaky & Tawiah, 2020).

5.1 Audit

With the upshot of convergence, auditors have indeed been impelled to extend procedures and intensify their scrutiny. Firm size and auditor type thus emerged as major determinants: Big Four auditors were deemed especially effective in monitoring earnings management activities so as to reduce information asymmetry in the UK context (Eliwa & Chowdhury, 2021), whereas it constrained the manipulation of accruals in Vietnam (Pham et al., 2025); yet in Romania, paradoxically, being a Big Four auditor was synonym for receiving allegedly poor audit reviews, thus emphasizing critical contextual differences (Carp & Istrate, 2021). While procedures became more comprehensive, a joint audit arrangement, long tenure for auditors, and high fees seemed to improve earnings quality in India, though a short and very frequent rotation seemed to have a disadvantageous influence on it (Chaudhary, Dawar, & Verma, 2023), and in Pakistan, audit quality was deemed particularly advantageous where product-market environments ran highly competitive (Javeed, Latief, & Sattar, 2020). Also, the patterns regarding specialization and tenure brought with them some insights: foreign-affiliated auditors in Egypt were seen as superior in audit quality compared to both Big Four and local firms (El-Dyasty & Elamer, 2020), while pan-European studies argued that auditor tenures of beyond ten years really enhance quality, contrary to the threat of familiarity (Ravenda, Argilés-Bosch, & García-Blandón,

2020). Finally, ownership structures and governance mechanisms had quite a prominent part to play: managerial ownership enhanced audit quality in Nigerian firms (Olotu, Festus, & Jelil, 2020), whereas ownership structure and debt level both exerted positive influence on audit rigor in Jordan (Al Naimi et al., 2022), and higher audit quality was also tied to successful corporate debt restructuring in Italy (Marchini & Magri, 2023).

5.2 Reporting

The IFRS adoption brought impacts on audit reporting in many respects. Audit firms reacted by lengthening and enriching the narrative of audit reports through – within the context of KAMs – more qualitative commentary, which has improved readability and market information efficiency, such as in Iran (Rajabalizadeh & Schadewitz, 2025). These long and detailed communications thus serve as positive signals of governance that communicate greater transparency and accountability to stakeholders (Surifah & Krismiaji, 2020). Simultaneously, the IFRS adoption resulted in more disaggregated financial statements in Europe, causing an increase in market liquidity and decrease in information asymmetry—those benefits came without a statistically significant boost in audit fees (Siciliano, Naranjo, Li, & Verdi, 2020). Brazilian evidence also documents the increased value relevance of earnings and analyst coverage following IFRS adoption, although improvements in forecast accuracy have been weaker (Eng, de Figueiredo, & Lin, 2018). In emerging markets, the convergence to IFRS yielded a mixed picture of real-earnings-management outcomes: firms in Indonesia and Sri Lanka made some progress in timely loss recognition, yet they continued smoothing earnings (Harto, Juliarto, & Fuad, 2019; Madhushani & Sujeewa, 2024). Finally, with respect to capital financing, greater importance given to ESG disclosures under IFRS will shape developments in China and Western Europe, in which better ESG performance reduces the need for debt financing while audit quality does not significantly affect these relationships (Maqsood, Zahid, Saleem, & Sági, 2023; Khan, Taran, Chersan, & Zahid, 2022).

5.3 Standards

A further set of dynamics related to institutional pressures influenced audit and reporting practices. In the Gulf Cooperation Council—particularly Saudi Arabia, Oman, and the United Arab Emirates—strong national institutions and pro-active audit committee features increase the degree to which IFRS compliance and implementation are successfully performed (Hashed, Shamim, & Almaqtari, 2021), whereas in China, principle-based standards stand as a glaring example of the auditors' perpetual challenges with rendering professional judgments under a converged framework (Wu et al., 2018). Another global bibliometric review stresses the fact: Generally speaking, IFRS adoption improves disclosure quality; nevertheless, the same study also highlights some pronounced gaps in the literature with regards to full-scale cost-benefit analyses of convergence (Kandpal, Bathla, & Sharma, 2023). At the micro level, early adopters of IFRS suffered more significant increases in audit fees than the later ones, hence indicating that it was an effect of the learning curve; at the same time, research indicates that it is the convergence process itself that drives financial statement comparability and not the adoption event (Tawiah, 2021; Wang, Lin, & Riccardi, 2019). Finally, reforms in public sector accounting in India show that accounting changes are informed by the co-existence of legitimacy goals domestically and international pressures (Krishnan, 2021), while case studies from BRA-AM, Portugal-BRA demonstrate that convergence provides a basis for institutional legitimacy but that many hurdles still lie ahead in national implementation (Tokar, 2005; Silva, Fontes, & Martins, 2020).

5.4 Opinion

Despite changes in deeper audit procedures and increased disclosures, the distribution of audit opinions has remained remarkably the same. Unqualified opinions still prevail in markets such as India and Indonesia, thus enhanced audit rigor under IFRS convergence does not necessarily translate into more modified opinions (Harto, Juliarto, & Fuad, 2019; Boolaky & Tawiah, 2020), therefore acknowledging the broader notion that the depth of procedures can exist in tandem with opinion stability (Adhikari & Chen, 2021). Meanwhile, the evidence suggests that in Indonesia, shorter tenures and higher fees correlate with higher fraud risk (Othman, Khan, & Yousefi Nejad, 2024); whereas stronger

governance mechanisms and comparability in newly listed firms govern against aggressive earnings management, thus negating the requirement for opinion modifications (Duong, 2023). Finally, while audit quality inconsistently moderates other financial outcomes, it seems strongly to have been important for the reinforcement of dividend policies in Jordanian companies (Al Omari et al., 2023) but has had almost no ramifications for the influence of ESG performance on capital-financing decisions in Chinese and Western European settings (Maqsood et al., 2023).

Since previous frameworks have dealt primarily with the impact on audit quality in isolated national contexts or working under single impact measures, like Eliwa and Chowdhury's (2021) analysis of Big 4 impact in UK, Carp and Istrate's (2021) approach to the Romanian market, and Boolaky and Tawiah's (2020) shift toward accounting value in India, our study suggests a more holistic, mixed-methods evaluation of convergence ramifications upon leading Indian firms. By coupling stringent quantitative testing of fee variation with qualitative Tree map-fueled thematic coding of audit, reporting, standards, and opinion aspects, this analysis constant with the fee increases noted by Siciliano et al. (2020), undertakes to recast connotation around deep ideological meaning and thorough procedural development—a narrative and institutional context hitherto only inferred by the previous writings. Sampling across both Nifty-50 and BSE-SENSEX companies spanning comparative pre- and post-IFRS periods, this work brings greater generalizability and engages in a direct benchmarking of opinion stability against evolving disclosure requirements—a rare phenomenon having been done in previous works (Harto, Juliarto, & Fuad, 2019; Surifah & Krismiaji, 2020). This is to compensate for literature queries regarding contextual variation, convergence complexity, as well as the interaction between audit rigor and reporting dynamics within a single all-inclusive framework.

6. Conclusion

The investigation demonstrates that, post-IFRS convergence, the occurrence of fee increments gained prevalence across the sample firm, with four-fifths showing higher mean post-adoption fees, and most notably a statistically significant fee increases for Infosys, thereby indicating the direct believability cost impact of enhanced audit requirements. The fee increment was mainly because the auditors spent more time and resources on fair value measurements and estimations, with substantive testing and other audit procedures being more thorough, while auditor tenure increased as well. Reporting, at the same time, underwent substantive transformations: more extensive disclosures on Key Audit Matters and narrative commentary were utilized, thus rendering the reports more beneficial to stakeholders for interpretation purposes, without garnering stability on the opinion, therefore. Institutional factors such as strict audit committee scrutiny in the Gulf Cooperation Council countries and ownership structures affected the extent of compliance and gains in comparability (Hashed, Shamim, & Almaqtari, 2021; Olotu, Festus, & Jelil, 2020). Real earnings management monitoring remains equivocal in differing markets, suggesting that IFRS convergence interplays with local governance and market pressures in the evolution of audit quality. The substantive enhancements in audit procedures and reporting were notwithstanding, since the prevalence of unqualified opinions remained high, this indicated that intense scrutiny and expanded disclosures need not imply more frequent audit qualifications.

The implications will have several facets. Managers should anticipate and budget for higher audit costs post-IFRS convergence, fees that pay for deeper level assurance activities and more informative reporting. Regulators and standard setters could use these findings in calibrating guidelines on audit committee attributes and auditor rotation policies so that they reap all the benefits of enhanced audit rigor without imposing unreasonable costs. For investors, the richer narratives and disclosures provide much stronger signals of firm health and governance strength, thereby increasing market efficiency.

Several limitations warrant caution. First, the selected sample of six bigger listed corporations may not represent the convergence effects on mid-cap firms or unlisted companies. Second, the study makes use of publicly available audit

fees and thematically codes the data obtained from tree maps. This may not account for faint qualitative details that infiltrate only into deep interviews. Third, on a bigger scale, the shorter post-convergence window of only three years constrains the insight into the possible long-term effects on audit quality and reporting dynamics.

In the future, research could fill in these gaps by extending the sample to include smaller companies and those that are unlisted, thus testing whether convergence effects scale across firm sizes and governance contexts. A qualitative study through interviews with auditors and audit committee members could deepen the understanding of procedural changes and the challenges of judgment thematic coding cannot fully capture. Longitudinal studies in the five-to-ten-year window after adoption of IFRS would then elucidate the question regarding how persistent the fee increases are, how reporting practice evolves following increased convergence, and the outcome of such opinion shifts during the full tenure of convergence.

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