

An Empirical Study of the Depositors of Commercial Banks on their Perceptions of Adoption of IFRS In the Banking Sector of India: A Case Study in India

Sonika Suman

Birla School of Commerce

Birla Global University, Bhubaneswar, India

sonika.dorado@gmail.com

**Abstract**

*The Reserve Bank of India, which is the Central Bank of India is keenly trying to adopt and implement the International Financial Reporting System (IFRS) in India fully in the commercial banking sector. Though it has issued directions to the banking sector for the preparedness of the ground for implementation, it is awaiting the Parliament of India to pass amendments to the Banking Regulation Act, 1947 after which the full adoption of IFRS is likely at any time. In the meantime, it is incumbent on the commercial banking system to prepare the ground and different aspects of the implications of such full adoption need to be scientifically perused and findings reported for the purpose of appropriate action at the banking sector. India has a large banking sector and the banking units are spread out in the length and breadth of the country which is of the size of a subcontinent. Among the various stakeholders of the commercial banks, the bank depositors are a very significant and critical chunk and therefore, their perceptions matter very much in carrying out any actions on the sector. In the case of the adoption and implementation of IFRS also, the perceptions of the Depositors is a major issue. Therefore, with a view to understanding the ground level preparedness of the commercial banking sector of India, a case study was conducted in Dumka District of Jharkhand State of India. The findings of the data analysis on the Depositors of the Commercial Banking Sector from Dumka are scientifically analysed and presented in this paper. Demographic profile of the depositor respondents run with a correlation of the parameters shows that the educational qualification is negatively correlated thereby signifying that higher the age, lower is the educational qualification. This is easy to comprehend because the more aged, people had lower educational qualifications and the new*

*recruits and younger employees have acquired higher qualifications. Age and designation are positively co-related thereby meaning that as the employees advance in age, their designations improve due to promotions and filling up of higher positions. In overall assessment, the depositors perception is favorable to the adoption and implementation of IFRS in the banking sector. Nevertheless, much more has to be done at the ground level for the required preparedness of the commercial banking sector in India for the full and complete adoption and implementation of the IFRS in the banking sector in India.*

**Keywords:** *Commercial Banking, Central Bank of India, Depositors, International Financial Reporting System, International Financial Accounting Standards*

## **I. Introduction**

The Indian banking sector has a total of 21.13 lakh bank accounts. Out of this total number, private banks had 3.35 lakh bank accounts and the public sector had 14.68 lakh bank accounts. The value of these accounts amount to Rs.154.43 crores as of March 2021. On May 28, 2021, the Reserve Bank of India issued a press release regarding the quarterly statistics on Deposits and Credit of the scheduled commercial banks. The press release is given asunder:

“Date : May 28, 2021

RBI releases 'Quarterly Statistics on Deposits and Credit of SCBs: March 2021'

Today, the Reserve Bank released Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks (SCBs), March 2021 on its Database on Indian Economy (DBIE) portal (web-link: <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!3>). Data on credit and deposits disaggregated by type, are classified by states/union territories (UTs), districts, centres, population groups and bank groups. These data are collected from all SCBs (including Regional Rural Banks and Small Finance Banks) under the Basic Statistical Return (BSR) – 7 system<sup>1</sup>.

Highlights:

- Bank credit growth (y-o-y) decelerated to 5.6 per cent in March 2021 from 6.4 per cent a year ago.

- Combined credit by bank branches in top six centres (viz, Greater Mumbai, Delhi, Bengaluru, Chennai, Hyderabad and Kolkata, which together accounted for over 46 per cent of total bank credit) declined marginally during 2020-21; bank branches in urban, semi-urban and rural areas, on the other hand, recorded 9.4 per cent, 14.3 per cent and 14.5 per cent credit growth, respectively, during the year.
- Public sector and private sector banks recorded 3.6 per cent and 9.1 per cent credit growth, respectively, whereas lending by foreign banks declined during 2020-21.
- Aggregate deposits growth (y-o-y) accelerated to 12.3 per cent in March 2021 from 9.5 per cent a year ago: metropolitan branches, which account for over half of total deposits, recorded nearly 15 per cent growth during 2020-21.
- The share of current account and savings account (CASA) deposits in total deposits increased to 44.1 per cent in March 2021 from 42.1 per cent a year ago.
- The share of private sector banks in total deposits and credit by SCBs increased during 2020-21 at the cost of public sector banks.
- Lower growth in credit vis-à-vis deposits led to decline in the all-India credit-deposit (C-D) ratio to 71.5 per cent in March 2021 from 76.0 per cent a year ago.

(Yogesh Dayal)

Chief General Manager

Press Release: 2021-2022/282”

Private bank deposit share rises to 30.5% at the cost of PSBs: RBI. “Private banks account for about half of the deposits of financial and non-financial corporations as well as rest of the world sectors, the RBI said. Out of total Rs 154.43 lakh crore deposits, private banks account for Rs 46.23 lakh crore as of March 2021(ENS Economic Bureau, September 24, 2021). “While there were 21.13 lakh bank accounts, private banks had 3.35 lakh accounts and PSU banks 14.68 lakh accounts. Share of private sector banks in total bank deposits continued to rise “at the cost of public sector banks” and stood at 30.5 per cent as against 29.5 per cent a year ago, according to the Reserve Bank of India data.

Private banks account for about half of the deposits of financial and non-financial corporations as well as rest of the world sectors, the RBI said. Out of total Rs 154.43 lakh crore deposits, private banks account for Rs 46.23 lakh crore as of March 2021. While there were 21.13 lakh bank accounts, private banks had 3.35 lakh accounts and PSU banks 14.68 lakh accounts.

“With the downward shift in the interest rates on term deposits, the share of term deposits carrying less than 6 per cent interest rate surged to 69.0 per cent in March 2021 from 21.3 per cent a year ago,” the RBI said. The interest rate bracket ‘5 to less than 6 per cent had highest concentration (36.8 per cent) of term deposits, it said.

According to the RBI, majority of term deposits were originally contracted for ‘one year to less than three years’ maturity. The share of short-term deposits (original maturity of less than one-year) rose to 32.8 per cent (25.4 per cent a year ago); in terms of residual maturity, 75.7 per cent of the term deposits were due for maturity within one year. Among institutional categories, the household sector held 64.1 per cent share in total deposits. Individuals — including Hindu Undivided Families (HUFs) — were the major constituent of the household sector and contributed 55.8 per cent in aggregate deposits, the RBI said.

Bank deposits of non-financial corporations surged by 18.8 percent during 2020-21 and their share in total deposits increased to 16.2 percent in March-2021, it said.

At the end of fiscal year 2021, the total value of deposits at public sector banks across India amounted to approximately 99 trillion Indian rupees. This marked a steady growth of deposits each fiscal year.”

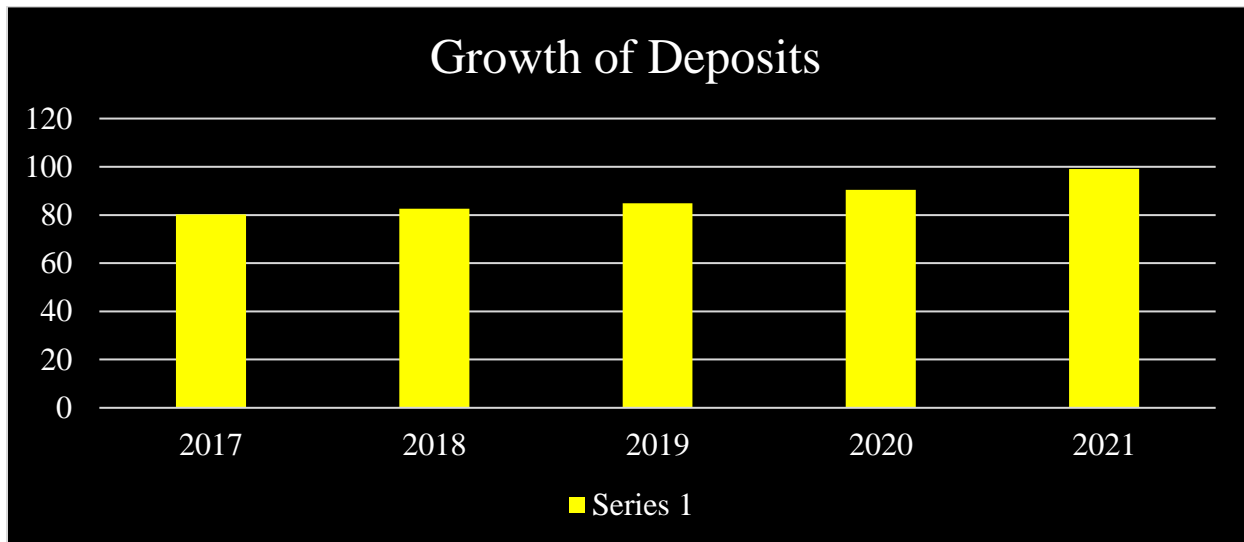
**Table. No. 1 :- Table showing the Financial Year and Value of Deposits**

Financial Years	Value in trillion Indian rupees
FY 2021	99
FY 2020	90.48
FY 2019	84.86
FY 2018	82.62

Source: RBI

The Growth of Deposits in total in the public sector banks are depicted in the Bar Chart attached below for the years 2017, 2018, 2019, 2020, 2021.

**Chart No. 1:- Bar chart showing the growth of deposits during the year 2017 to 2021.**



Source: Primary Data , SPSS Output. Source: Developed by the Researcher

The above Chart no. 1 gives the growth of bank deposits of the public sector banks in India.

## **II. Brief Review of Literature**

Some literature on studies available on IFRS which are relevant are reported here.

The International Financial Accounting Standards are designed for meeting with the needs of accounting of all entities in business. Banks are also business enterprises regardless of the ownership like private sector banks, public sector banks, cooperative banks, rural banks, foreign banks etc. Because of the very nature of business of banks, accounting standards have certain essential features. In India, for the banking sector, it is IFRS converged accounting system like Ind AS that is in operation. Therefore, several studies on IFRS are common for all corporate entities while some studies are specific to the banking sector. In this paper, an attempt is made to present a survey of literature of researches and investigations reported on these two areas of IFRS and the Accounting for Banks as are available in the secondary sources.

Conceptually, the impact of accounting standards on the quality of information given by the financial statements of entities which operate in the banking and other industries is significant. As an example, it can be stated that the financial crisis, which started in 2008, led regulators to believe that accounting standards contributed to financial stability or instability. This implies that the primary goal of accounting standards and the financial statements produced under them is not to contribute to financial stability, but to provide information for investors to make a wide range of decisions and contractual arrangements. While several government regulations have been adopted to maintain the stability of the banking industry, innovations in financial instruments are changing the banking landscape. This makes the banking regulators to be on their toes to catch up with the changes in the financial market. As a result, the role of market discipline becomes critical to enable the adaptation of the market mechanism to ensure flexibility and prompt changes. A series of continuous studies of the changing phenomena of the market place and the impact of the accounting standards become essential to understand the various parameters that are at play in such a situation and control them or manipulate them to achieve the desired goals. The studies that have been reported need to be document as much as possible to facilitate this.

“Several studies have addressed issues related to accounting harmonization in foreign countries like Europe, USA, China, Russia etc. and its impact on comparability and transparency of financial statements. In India also, a number of studies have been conducted on the impact of implementation of IFRS/Ind AS.

The mandatory introduction of IFRS standards had an impact on earning quality and more precisely on earning management by studying 3 countries viz. France, UK and Australia( Jeanjean, Thomas and Stolowy, Herve, 2008). It is found that pervasiveness of earning management did not decline and in fact increased in France (behavioural issues). Similarly, sharing rules are not sufficient in itself to create a common business language but management incentives and national institutional factors play an important role in framing financial reporting characteristics. It is reported that current status of implementation or more specifically convergence of IFRS with local gap in various countries viz. US (fully converged), Canada (2011), Japan (2011), China (2007), Russia (2004), Brazil (2010), Ghana (2007), Korea (2011), Hong Kong (2005), Philippines (2005), Australia (2005), New Zealand (2007), Singapore (2003), India (not yet fully converged) (K. S. Muthupandian (2008).

The impact of IFRS on the divisible profits by taking the corporate law's definition of divisible profits in 6 countries viz. UK, Australia, New Zealand, Singapore (all converged with IFRS ), India and Malaysia (not yet fully converged with IFRS) was reported (Chan, Wai-Meng and Devi Sushila S., 2010). It is argued that IFRS will disturb the definition of divisible profits by including unrealized gains based on fair accounting into the arena of profits and thus may not be in the best interest of companies. An investigation of the market valuation of accounting information in the European banking industry before and after the adoption of IFRS found that introduction of IFRS enhanced the information contents of both earnings and book value for more transparent banks (Agostino, Mariarosaria, Drago, Danilo and Silipo, B., Damiano, 2010). It was also observed that those entities which are not transparent could not achieve significant increase in the book value. Mandatory adoption of IFRS increases the comparability of some prominent balance sheet line items across countries, but it has no clear effect on the cross-country comparability of earnings attributes (Cascino, Stefano and Gassen, Joachim, 2010). The same study investigated the IFRS measurement and disclosure compliance choices for a hand collected sample of German and Italian firms and they found that predictable country, region and firm level incentives continue to shape the outcome of the financial reporting process and thus limit the cross-sectional comparability of financial accounting information.

The effects on financial statements of the convergence to IFRS by taking a case study on Wipro Technologies Inc. concluded that IFRS is fair value oriented and balance sheet oriented accounting where there are more transparent disclosures and Indian GAAP has conservative approach (Swaminathan, Shobhana and Sindhu, 2011). Impact of IFRS on Indian banking sector by taking various areas like compliance burden, Tax reporting practices, Information Technology, Financial Instruments, HR, Impairment in advances, Investments, Derivatives and Hedge Accounting, Consolidation of Financial Statements were perused (Firoz, Mohammad, Aziz, Ansari, Akhtar, Kahkashan, 2011). Impact of accounting standards on Net Interest Margin (NIM) by using multi way cluster estimation methodology and cross sectional analysis across 15 different countries (Argentina, Belgium, Brazil, France, Germany, Indonesia, Japan, Mexico, Netherland, Poland, Republic of Korea, Russia, Spain, UK, US) during 1999-2008 period with annual data was analyzed (Lopez-Espinosa, Morino, A., Perez de Gracia, Fernando, 2011). The study could bring to light that accounting numbers under IFRS are of high quality which results into reduced NIM which they observed is good for the country. A conceptual work on the adoption of IFRS in India

is associated with reduced earning management that has been defined as “the active manipulation of earnings towards a predetermined target” (Bhattacharjee, Dipanjan, 2011). There are more studies relating to IFRS, Banking Sector, and use of Fuzzy Computational Models which are basic background for a research undertaken( Sonika Suman, 2019).

The awareness to the benefits of IFRS are the main changes in accounting standards with regard to the analysis of its of revenue recognition, inventory valuation, company combinations etc.( Chopra, Singhal and A., S., 2016). A study points out the difficulties in the very first time of the adoption of Ind AS (Garg, K., 2016).

The necessity of convergence of IFRS with IND AS is emphasized and forwards the assistance on most accounting standards in IND AS. The ideas for considering different accounting standards in the planning of financial statements is also advanced.

### **III. Objectives of the Study**

In the above circumstances, a study has been carried out to gain insights into the problems of the adoption and implementation of IFRS in the Indian context by drawing a sample for an empirical study with the following specific objectives:

1. To understand the demographic profile of the Depositors of Commercial Banks.
2. To understand the perceptions of the Depositors in respect of the preparedness of the banking sector for implementing IFRS as envisaged by the Reserve Bank of India.
3. To analyze the results of the data gathered and report for the benefit of policy prescriptions at a macro level.

### **IV. Methodology Adopted for the Investigation**

Being an empirical work and a case study of one district of a state in India, primarily the study is limited to a municipal corporation of a district which were selected as multi stage sampling and purposive sampling. From among the commercial banks in the select sample district, a quota sample of 450 depositors were selected. The sample was convenient and were administered a close ended questionnaire. The primary data so gathered was analysed using statistical packages for social sciences and the results of the analysis are presented in the tables given. While most of



the discussions were based on the primary data, secondary data has also been discussed to present the macro situation.

## **V. Results and Discussions**

Out of the 450 respondents planned only 405 respondents answered the questionnaire. The responses were analysed and presented in the Table 2. Showing the demographic profile of the responding employees. Thus 201 (49.6%) employees belonged to the public sector while 204 employees (50.4%) belonged to the private sector.

Out of the 405 respondents, 201 (49.6%) were from the Public Sector and 204(50.4%) were from the private sector. The respondents were divided into three age groups. In the public sector, employees belonged to the age group of 18-35 years (54.2%), age group of 35-50 years (43.8%) and 51 plus years (2.0%). So far as the private sector is concerned, the age group of 18-35 was 62.7%, age group of 35-50 years 31.9%, and 51.

Source: Primary Data , SPSS Output

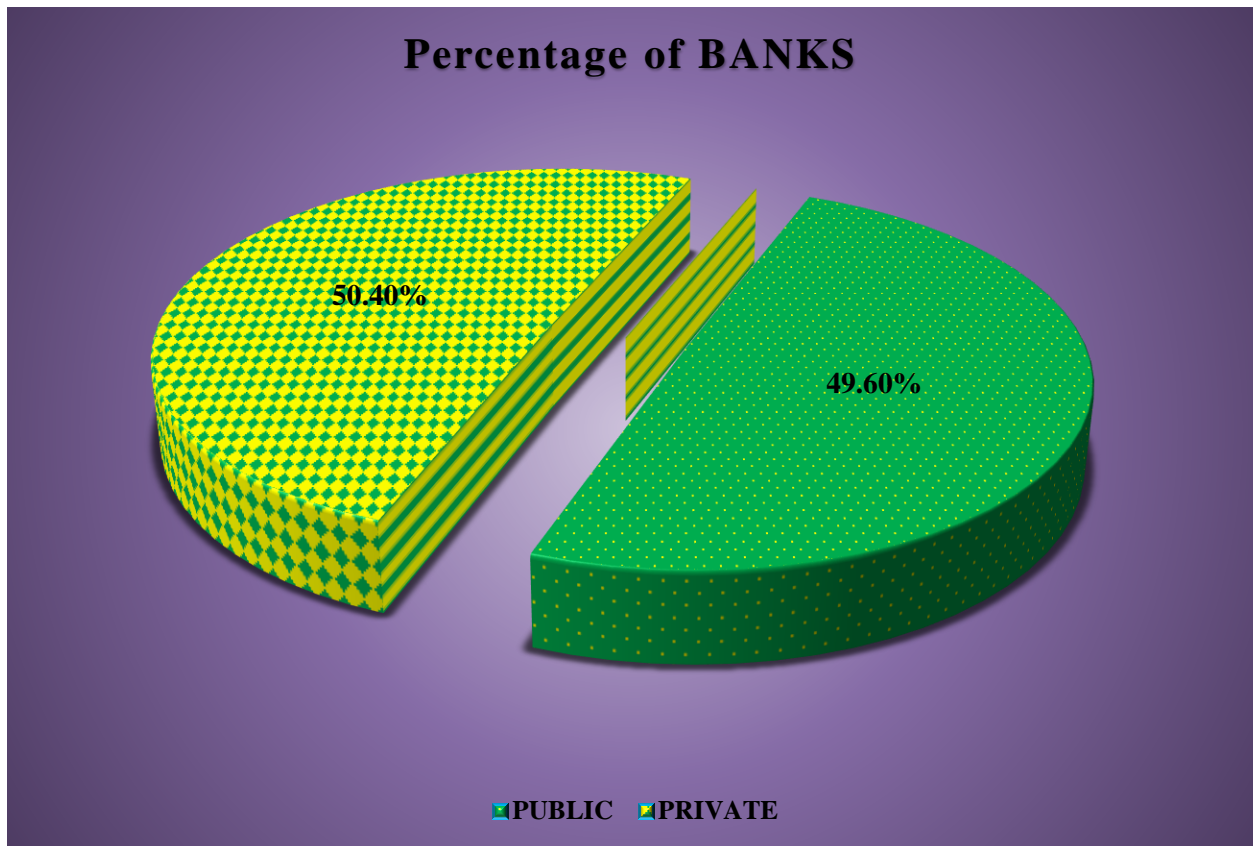
**Source: Developed by the Researcher**

**Table No. 2 :-Table Showing the Demographic profile of the Total Bank Depositor Respondents**  
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Depositors (Demographic Details)		Banks					
		PUBLIC SECTOR (182) (40.44%)		PRIVATE SECTOR (268) (59.56%)		TOTAL (450) (100%)	
		COUNT	%	COUNT	%	COUNT	%
AGE	18-35 YEARS	109	54.2	128	62.7	237	58.5
	35-50 YEARS	88	43.8	65	31.9	153	37.8
	51+ YEARS	4	2.0	8	3.9	12	3.0
	TOTAL	201	100.0	204	100.0	405	100.0
GENDER	MALE	146	72.6	119	58.3	265	65.4
	FEMALE	55	27.4	85	41.7	140	34.6
	TOTAL	201	100.0	204	100.0	405	100.0
EDUQUALFN	ILLITRATE	6	3.0	8	3.9	14	3.5
	UNDER METRIC	53	26.4	69	33.8	122	30.1
	METRIC+	93	46.3	87	42.6	180	44.4
	GRADUATE	42	20.9	31	15.2	73	18.0
	POST GRADUATE	7	3.5	9	4.4	16	4.0
	TOTAL	201	100.0	204	100.0	405	100.0
DESIGNATION	MENIAL	42	20.9	62	30.8	104	25.9
	CLERICAL	37	18.4	53	26.4	90	22.4
	MANAGERIAL	90	44.8	77	38.3	167	41.5
	TOTAL	182	100.0	268	100.0	450	100.0

The demographic profile of the depositor respondents were further analysed by running a correlation of the parameters and are given in the Table 2 as shown above. As can be seen here, the educational qualification is negatively correlated thereby signifying that higher the age, lower is the educational qualification. This is under stable because the more aged people had lower educational qualifications and the new recruits and younger employees have acquired higher qualifications. Age and designation are positively correlated thereby meaning that as the employees advance in age, their designations improve due to promotions and filling up of higher positions.

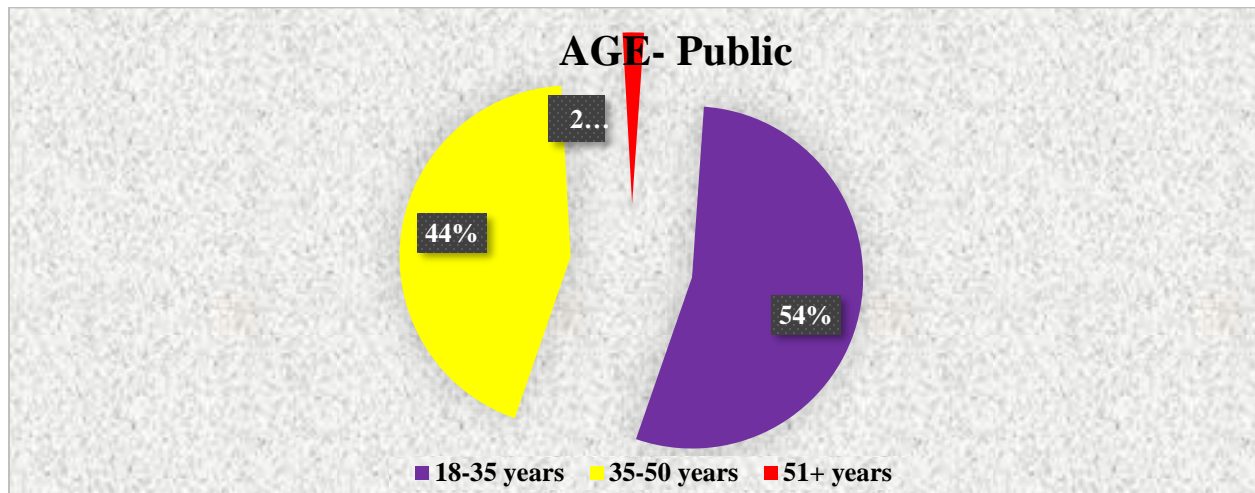
**Chart No. 2 :- Pie Chart showing Percentage of Public and Private banks**



**Source: Developed by the Researcher**

In Pie Chart 2 , the banks whose employees have been interviewed are divided into Public and Private. It can be seen that 49.60% of the employees belonged to the public sector banks and 50.40% employees belonged to Private sector.

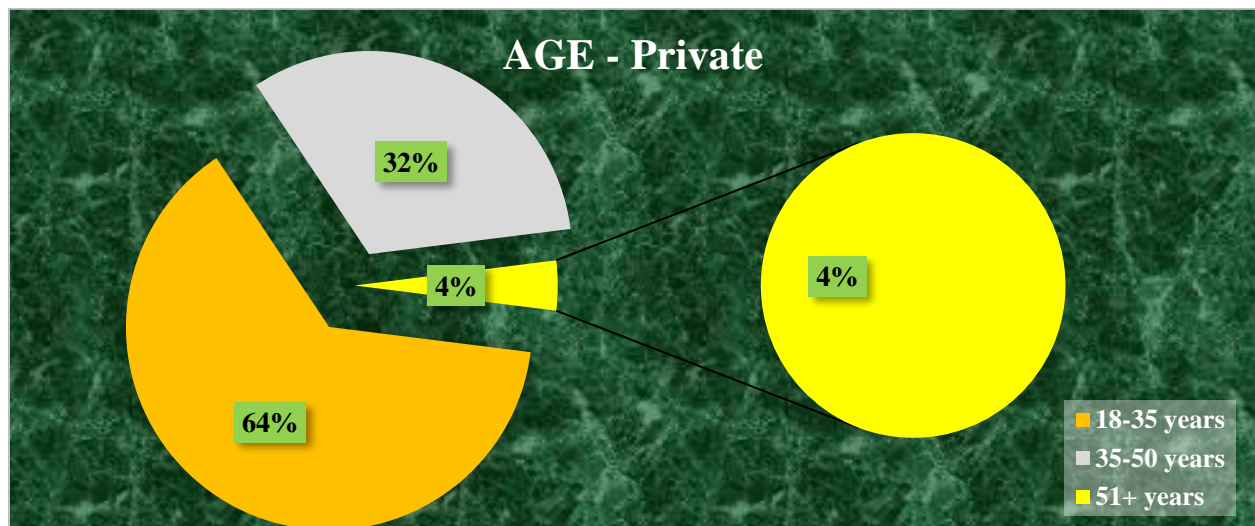
**Chart No. 3 :- Showing Age of employees in Public Sector banks**



**Source: Developed by the Researcher**

Pie Chart 3, gives the percentage categories of the employees of the public sector banks based on the age range. 44% of the employees were in the range of 35-50 years, 54% fell in the category of 18-35 and 2% was in the range of 51 years and above.

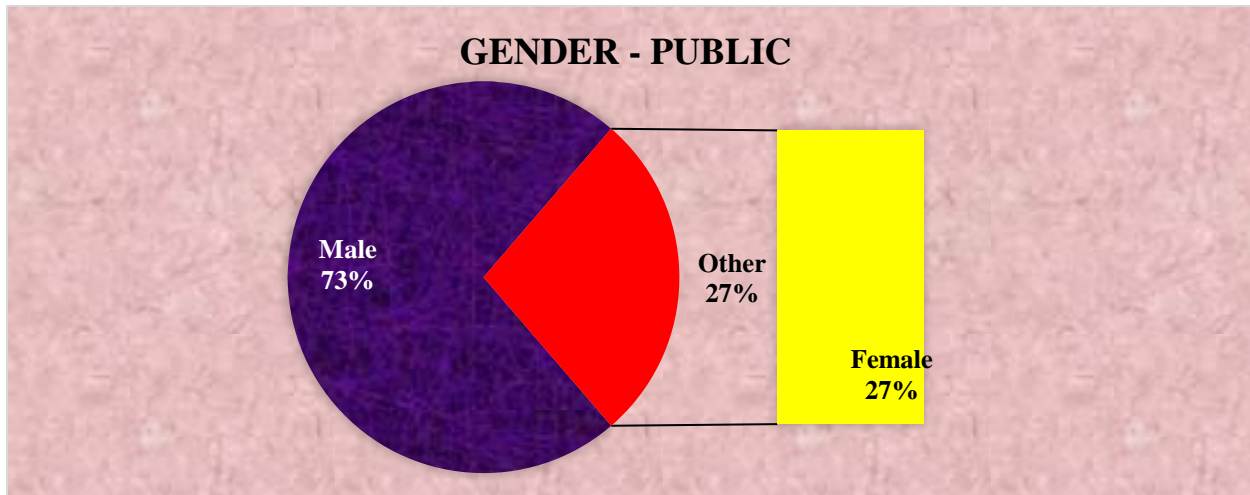
**Chart No. 4 :- Pie chart showing Age of employees in Private Sector Banks**



**Source: Developed by the Researcher**

Pie chart 4, gives the percentage categories of the employees of the private sector banks based on the age range. 64% of the employees were in the range of 18-35 years, 32 % fell in the category of 18-35 and 4 % was in the range of 51 years and above.

**Chart No. 5 :- Pie chart showing percent of Gender in Public Sector banks**



**Source: Developed by the Researcher**

Pie Chart 5, show the gender divide of the employees of the public sector banks. While 27% belonged to female gender, 73% constituted male. No reporting of transgender was observed.

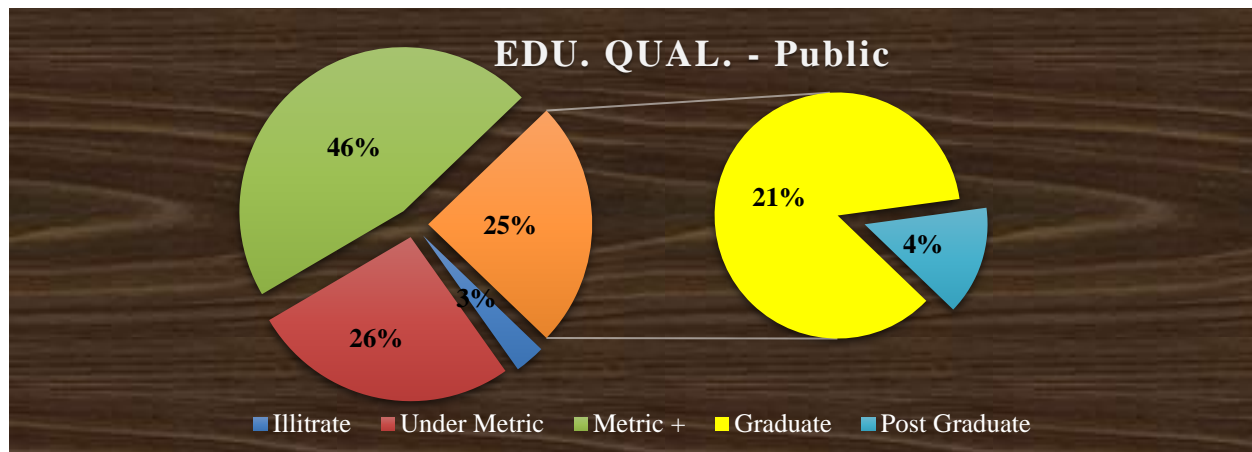
**Chart No. 6 :- Pie chart showing percent of Gender in Private Sector banks**



**Source: Developed by the Researcher**

Pie Chart 6, show the gender divide of the employees of the private sector banks. While 32 % belonged to female gender, 68 % constituted male. No reporting of transgender was observed. It is seen that in the private sector, there is an increased representation of the female categories.

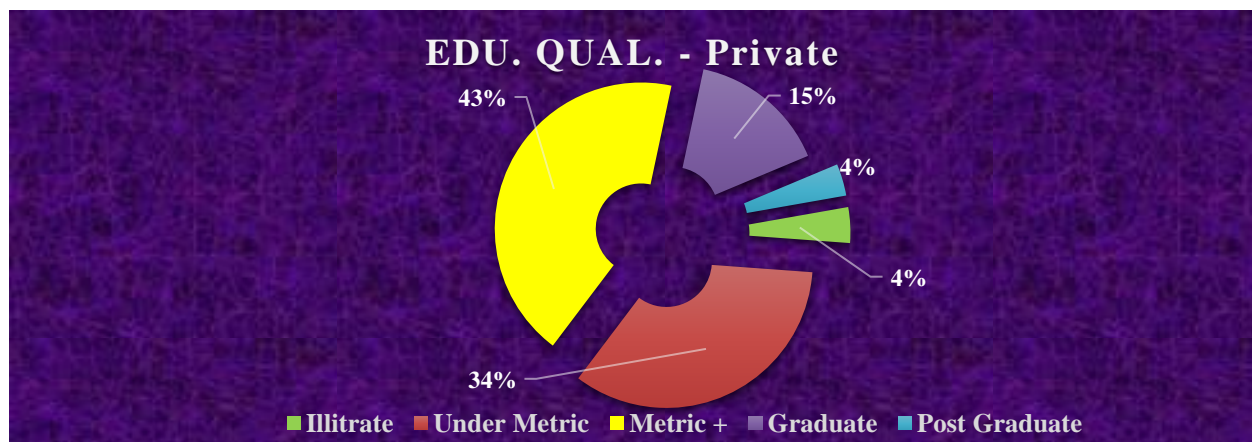
**Chart No. 7 :- Pie chart showing percent of Educational Qualification in Public Sector banks**



**Source: Developed by the Researcher**

Pie Chart 7, show the Educational Qualification for the Public Sector Banks which shows the percentage of Illiterate with 3% , Under Metric with 26%, Metric+ with 46% ,Graduate with 21% and Post Graduate with 4%.

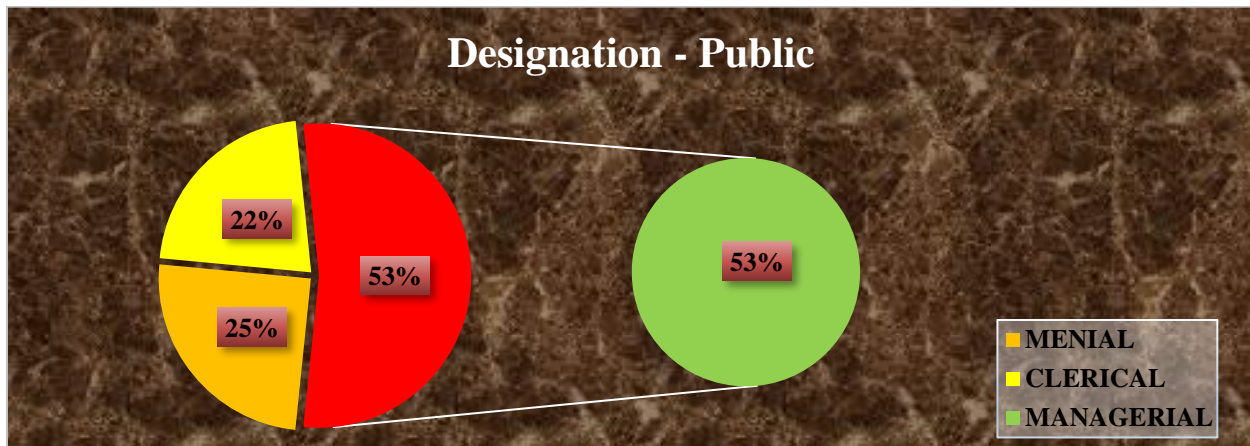
**Chart No. 8 :- Pie chart showing percent of Educational Qualification in Private Sector banks**



**Source: Developed by the Researcher**

Pie Chart 8, show the Educational Qualification for the Private Sector Banks which shows the percentage of Illiterate with 4% , Under Metric with 34%, Metric+ with 43% ,Graduate with 15% and Post Graduate with 4%.

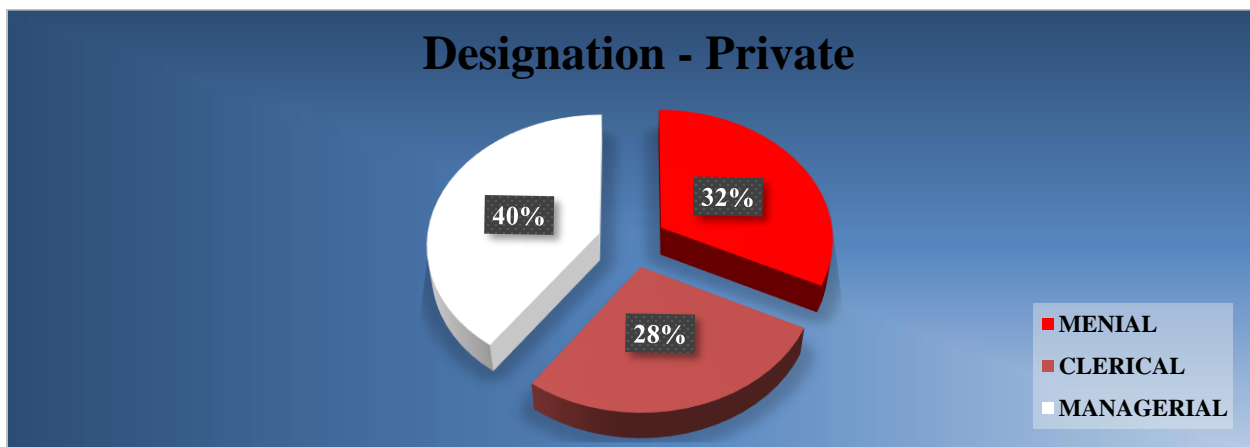
**Chart No. 9 :- Pie chart showing percent of Designation in Public Sector banks**



**Source: Developed by the Researcher**

Pie Chart 9, show the percentage of designation in Public Sector banks in which Menial are 25%, Clerical are 22% and with Managerial designation are 53%.

**Chart No. 10 :- Pie chart showing percent of Designation in Private Sector banks**



**Source: Developed by the Researcher**

Pie Chart 10, show the percentage of designation in Private Sector banks in which Menial are 32%, Clerical are 28% and with Managerial designation are 40%.

**Table No. 3 :- Table Showing Correlations of the Demographic Profile of the Depositor Respondents**

		EDUQUALF N	AGE	GENDER	DESIGN ATION
Educational Qualifications	Pearson Correlation	1	-.059	.282**	.389**
	Sig. (2 tailed)		.232	.000	.000
	N	450	450	450	450
Age	Pearson Correlation	-.050	1	.016	.058
	Sig. (2 tailed)	.230		.714	.220
	N	450	450	450	450
GENDER	Pearson Correlation	.280**	.018	1	.720**
	Sig. (2 tailed)	.000	.714		.000
	N	450	450	450	450
DESIGNATION	Pearson Correlation	.378**	.060	.710**	1
	Sig. (2 tailed)	.000	.220	.000	
	N	450	450	450	450

\*Significant at 5% level \*\*Significant at 1% level Source: Primary Data/SPSS Output

A correlation analysis ( Pearson two tailed ) is presented in the table 3. It can be noted that the educational qualification and age are negatively correlated. Higher the age, lower educational qualification and vice versa. The age and the designation are also correlated positively. Higher the age, higher is the designation.



**Table No. 4 :- Table Showing the Descriptive Statistics of the Employee Respondents**

Descriptive Statistics (Total Employees )						
Parameters	N	Rank	Minimum	Maximum	Mean	Std. Deviation
(F1)	450	3	1.57	4.71	3.7319	0.78162
(F2)	450	1	1.5	4.67	3.8531	0.75808
(F3)	450	6	1.2	4.6	2.9151	1.22325
(F4)	450	2	1.33	4.67	3.7901	0.73222
(F5)	450	5	1.5	4.75	3.4265	1.08275
(F6)	450	4	1.2	5	3.504	1.07143
(F7)	450	7	1.25	4.75	2.9011	1.14952
(F8)	450	9	1.32	4.23	3.4331	1.12654
(F9)	450	10	1.3	4.25	3.8754	0.86235
(F10)	450	8	1.5	4.52	3.3567	1.48227
Valid N (List Wise)	450					
Source: Primary Data/SPSS output developed by the Researcher						

In the Table 4, the mean of the Parameters can be observed. P2 is ranked first, P4 is ranked second, P1 is ranked third, P6 is ranked fourth and P5 is ranked five. These are for the total number of employees.

**Table No. 5 :- Table showing Descriptive Statistics of the Public Sector Bank Depositor Respondents**

Descriptive Statistics of Public Sector Bank Depositor Respondents						
Parameters	N	Rank	Minimum	Maximum	Mean	Std. Deviation
(F1)	201	4	1.71	4.71	3.7355	0.77331
(F2)	201	1	1.67	4.67	3.864	0.74965
(F3)	201	7	1.4	4.67	2.4221	1.0513
(F4)	201	3	1.33	4.67	3.8466	0.75044
(F5)	201	5	1.5	4.75	3.6754	0.86424
(F6)	201	2	1.4	5	3.8478	0.79781
(F7)	201	6	1.25	4.5	2.4826	1.18862
(F8)	201	8	1.23	4.56	3.6463	0.23555
(F9)	201	10	1.4	4.72	3.3232	0.98214
(F0)	201	9	1.2	4.67	3.3534	0.78694
Valid N (List Wise)	201					
<i>Source: Primary Data/SPSS output developed by the Researcher</i>						

In the Table 5 , the mean of the Parameters can be observed. F2 is ranked first, F4 is ranked second, F1 is ranked third, F6 is ranked fourth and F5 is ranked five. These are the descriptive statistics for the total number of employees of the public sector banks in Dumka.

<b>Table 6 :- Table Showing Reliability Estimates and Factor Loadings of the Total Bank Depositor Respondents</b>					
Reliability Estimates and Factor Loadings ( Total Bank Employees)					
Factors	Scale Item		Factor Loadings	No. of Items	Cronbach's
					A
1.Staff Adequacy(F1)	1	P1	0.827	7	0.735
	2	P2	0.798		
	3	P3	0.573		
	4	P4	0.623		
	5	P5	0.71		
	6	P6	0.828		
2. Internal Staff for implementation (F2)	1	P7	0.522	6	0.746
	2	P8	0.799		
	3	P9	0.873		
	4	P10	0.652		
	5	P11	0.864		
	6	P12	0.518		
3. Comprehensive Training Strategy(F3)	1	P13	0.72	5	0.806
	2	P14	0.844		
	3	P15	0.804		
	4	P16	0.645		
	5	P17	0.797		
4. Salaries and wages including bonus(F4)	1	P18	0.611	6	0.679
	2	P19	0.728		
	3	P20	0.826		
	4	P21	0.86		
	5	P22	0.529		
	6	P23	0.728		

5. Post-employment (F5)	1	P24	0.58	4	0.829
	2	P25	0.804		
	3	P26	0.704		
	4	P27	0.561		
6. Employee (F6)	1	P28	0.607	5	0.729
	2	P29	0.73		
	3	P30	0.581		
	4	P31	0.544		
	5	P32	0.845		
7. Others(F7)	1	P33	0.899	4	0.845
	2	P34	0.728		
	3	P35	0.826		
	4	P36	0.86		
8. Awareness and Efficiency(F8)	1	P37	0.529	5	0.875
	2	P38	0.623		
	3	P39	0.71		
	4	P40	0.828		
	5	P41	0.522		
9. Trust – Distrust Syndrome(F9)	1	P42	0.799	6	0.685
	2	P43	0.873		
	3	P44	0.652		
	4	P45	0.804		
	5	P46	0.704		
	6	P47	0.561		
10. Transparency of the Banks(F10)	1	P48	0.873	4	0.836
	2	P49	0.652		
	3	P50	0.864		
	4	P51	0.518		
NOTE- Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization					

Rotation converged in 3 iterations.
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<i>Source: Primary Data developed by the Researcher Appendices</i>
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In table 6, the results of the factor analysis are presented. All the ten parameters such as F1 to F10 along with their relevant statements have been analysed using Principal Component Analysis.

As per the factor loadings, items with .800 has been selected as principal component. Accordingly, it can be seen that for F1 (P1,P6), F2(P11,P13), F3 (P16,P17),F4(P22),F5(P27),F6(P34),F7(P35,P38),F8(P40), F9(P46) and F10(P48,P51) are considered as dominant principal components.

**Table No. 7 :- Table Showing Reliability Statistics of Variables**

Reliability Statistics : Variable – Staff Adequacy

Cronbach's Alpha	No. of Items
.436	6

Reliability Statistics : Variable – Staff Adequacy. The total number of items for F1 parameter Staff Adequacy is are 6 and the Cronbach alpha is .436. This presented in the table number 7.

**Table No. 8 :- Table Showing Total Statistics of Items under Staff Adequacy**

Item-Total Statistics				
Items	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
P1	18.1247	11.674	.186	.408
P2	17.7332	13.306	.107	.442
P3	17.7382	12.699	.169	.415
P4	18.1571	11.003	.273	.354
P5	18.2145	10.554	.302	.333
P6	18.1995	10.785	.227	.384

*Source: Primary Data/SPSS Output*

For all the statements P 1 to P6, the Cronbach Alpha are presented in the table 8. The minimum is .333 for P5 and the maximum is .452 for P2.

**Table No. 9 :- Table Showing the t-Test for Sector-wise Analysis of the bank Employees**

TABLE for Total Employees (T test )							
Variables	t-Test for Sector-Wise Analysis of the Bank Depositors						
					t- Value	Sign. Level (2-tailed)	Null Hypothesis
	Public Sector Banks		Private Sector Banks				
	N=201		N=204				
	Mean	S.D	Mean	S.D			
(P1)	3.726	0.798	3.737	0.767	-0.142	0.887	Accepted
(P2)	3.864	0.749	3.842	0.768	0.288	0.774	Accepted
(P3)	2.373	1.07	3.449	1.127	-9.845	0.000**	Rejected
(P4)	3.846	0.75	3.734	0.711	1.543	0.124	Accepted
(P5)	3.675	0.864	3.181	1.214	0.51	0.000**	Rejected
(P6)	3.847	0.797	3.16	1.194	6.875	0.000**	Rejected
(P7)	2.482	1.188	3.319	0.94	-7.83	0.000**	Rejected
(P8)	3.737	0.765	3.125	1.164	1.125	0.224	Accepted
(P9)	3.726	0.74	3.254	1.856	-0.32	0.000**	Rejected
(P10)	3.986	0.792	3.12	1.532	0.423	0.000**	Rejected
**significant at 1% level							
Source : Primary Data/developed by the Researcher							

Table no. 9, shows the t-Test for Sector-wise Analysis of the Bank Employees in which public sector banks are 201 in number and private sector banks are 204 in number. Mean and Standard Deviation are calculated for both the Public and Private sector banks. P1, P2, P4, P8 are accepted and rest are rejected.

**Table No. 10 :- Table Showing t-Test results for Locality –wise Analysis**

TABLE for Locality ( T test )							
Parameters	t-Test for Locality–Wise Analysis of the Bank Employees						
	Locality				t-Value	Sign. Level (2-tailed)	Null Hypothesis
	Urban		Rural				
	N=163		N=242				
	Mean	S.D	Mean	S.D			
(P1)	3.852	0.717	3.65	0.813	2.635	0.009**	Rejected
(P2)	3.864	0.709	3.845	0.79	0.238	0.812	Accepted
(P3)	2.813	1.213	2.983	1.227	-1.373	0.171	Accepted
(P4)	3.757	0.701	3.812	0.752	-0.732	0.465	Accepted
(P5)	3.487	1.065	3.385	1.094	0.933	0.351	Accepted
(P6)	3.479	1.066	3.52	1.076	-0.374	0.709	Accepted
(P7)	2.811	1.128	2.962	1.162	-1.294	0.196	Accepted
(P8)	3.636	1.266	3.645	0.235	0.625	0.651	Accepted
(P9)	3.726	1.635	3.876	1.067	-0.524	0.142	Accepted
(P10)	3.625	1.123	3.681	1.064	0.341	0.156	Accepted
**significant at 1% level							
Source : Primary Data/developed by the Researcher							

**Table No. 11 :- Table Showing The Total Count And Percentage Of Variables As Recorded By Depositor Respondents**

[ Strongly Disagree -1, Disagree -2, Neither Agree nor Disagree -3, Agree -4, Strongly Agree – 5, Not Applicable ] Please mark your response by rounding off the number against the statement.

#### I. Staff Adequacy

			cou nt	%a ge		Cou nt	%a ge		cou nt	%a ge		cou nt	%a ge		cou nt	%a ge
--	--	--	-----------	----------	--	-----------	----------	--	-----------	----------	--	-----------	----------	--	-----------	----------

1.1	My bank has adequate staff	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	
1.2	My bank has staff fully aware of accounting procedures	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	
1.3	My bank has sufficient facilities for training the staff	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	
1.4	My bank has staff willing to learn accounting	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	



	procedures															
1.5	My bank has sufficient education for learning accounts	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	
1.6	My bank has staff who are willing to accept the IFRS/Ind AS procedures	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	

## II. Internal Staff for implementation

			count	%age		Count	%age		count	%age		count	%age		count	%age
1.1	The IFRS/I	1	00	00	2	00		3	00	00	4	184	91.54	5	00	00

	nd AS will be imple mented by interna l staff itself															
1. 2	The Interna l staff will take guidan ce for imple mentat ion	1	00	00	2	00		3	00	00	4	18 4	91. 54	5	00	00
1. 3	The interna l Staff will seek consult ancy from Charte red Accou ntants	1	00	00	2	00	00	3	00	00	4	18 4	91. 54	5	00	00

1.4	The internal staff will study the procedures from the manual	1	00	00	2	00	00	3	00	00	4	184	91.54	5	00
1.5	The internal staff will discuss among themselves for implementation	1	00	00	2	00	00	3	00	00	4	184	91.5	5	00

### III. Comprehensive Training Strategy

			count	%age		Count	%age		count	%age		count	%age		count	%age
1.1	The Banks have a	1	00	00	2	00	00	3	00	00	4	00	00	5	184	91.54



	will invite Chartered Accountants for Training the Staff															
1. 5	The banks will continue imple- mentat- ion and trainin- g simulta- neously	1	00	00	2	00	00	3	00	00	4	00		5		91. 5
													00		184	

## IV. Salaries and wages including bonus

			cou nt	%a ge		Cou nt	%a ge		coun t	%a ge		cou nt	%a ge		cou nt	%a ge
1. 1	The emplo	1	00	00	2	00	00	3	00	00	4	18 4	91. 54	5	00	00

	employees' salaries and wages including bonus are adequate currently														
1. 2	The employees' salaries and wages including bonus need revision due to increased workload after IFRS	1	00	00	2	00	00	3	00	00	4	15 4		5	00
												91. 54		00	

	imple mentat ion														
1. 3	The emplo yees’ salarie s and wages includi ng bonus will not rise heavily after IFRS imple mentat ion	1 00	00	00	2 184	91. 54	3 00	00	00	4 00		5 00		00	
1. 4	The emplo yees’ salarie s and wages includi ng bonus will not	1 00	00	00	2 00	00	3 184	91. 54	4 00		5 00		00	00	

	impact IFRS															
1.5	The employees' salaries and wages including bonus are not the determining factors	1	00	00	2	00	00	3	184	91.54	4	00		5		00
													00		00	

#### V. Post-employment Benefits

			count	%age		Count	%age		count	%age		count	%age		count	%age
1.1	Post employment benefits will rise substantially	1	00	00	2	00	00	3	184	91.54	4	00		5		00
													00		00	
1.2	Post emplo	1	00	00	2	00	00	3	00	00	4	00	00	5	184	91.54



	yment benefit s will margin ally rise														
1. 3	Post emplo yment benefit s will impact IFRS	1	00	00	2	00	00	3	00	00	4	18 4	91. 54	5	00
1. 4	Post emplo yment benefit s will not be the determ ining factors	1	00	00	2	00	00	3	00	00	4	00	00	5	91. 54

## VI. Employee Share Based Payments

			cou nt	%a ge		Cou nt	%a ge		coun t	%a ge		cou nt	%a ge		cou nt	%a ge
1. 1	Emplo yee Share	1	00	00	2	00	00	3	184	91. 54	4	00	00	5	00	00

	Based Payme nts will enhanc e														
1. 2	Emple yee Share Based Payme nts will remain the same	1 00	00	00	2 00	00	00	3 184	91. 54	4 00		00	5 00	00	00
1. 3	Emple yee Share Based Payme nts will decrea se	1 18 4	91. 54		2 00	00	00	3 00	00	4 00		00	5 00	00	00
1. 4	Emple yee Share Based Payme nts will not impact IFRS	1 00	00	00	2 00	00	00	3 184	91. 54	4 00		00	5 00	00	00

1.5	Employee Share Based Payments will not be the determining factors	1	00	00	2	00	00	3	184	91.54	4	00		5		00
													00		00	

## VII. Others

			count	%age		Count	%age		count	%age		count	%age		count	%age
1.1	Employee welfare will increase	1	00	00	2	00	00	3	184	91.54	4	00		5		00
													00		00	
1.2	Employee status will enhance	1	00	00	2	00	00	3	184	91.54	4	00		5		00
													00		00	
1.3	Employees	1	00	00	2	00	00	3	00	00	4	184	91.54	5	00	00

	will becom e interna tionall y emplo yable															
1. 4	Emplo yees will becom e more trained	1	00	00	2	00	00	3	00	00	4	18 4	91. 54	5	00	00
1. 5	Emplo yees will becom e update d in skills and knowle dge	1	00	00	2	00	00	3	184	91. 54	4	00	00	5	00	00

## VIII. Awareness and Efficiency

			cou nt	%a ge		Cou nt	%a ge		cou nt	%a ge		cou nt	%a ge		cou nt	%a ge
--	--	--	-----------	----------	--	-----------	----------	--	-----------	----------	--	-----------	----------	--	-----------	----------

1.1	Banks should create greater awareness among all stakeholders	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	
1.2	Banks should educate all stakeholders about IFRS	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	
1.3	Banks should educate all stakeholders about NPAs	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	
1.4	Banks should educate all stakeholders	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	

	about “Bad Banks”														
1. 5	Banks should avoid competiti ve informati on overload	1	00	00	2	00	00	3	00	00	4	00		5	91. 54
													00	184	
1. 6	Banks should be more economi cal in functioni ng and reduce costs	1	00	00	2	00	00	3	00	00	4	00		5	91. 54
													00	184	
1. 7	Banks should enhance profits and benefits sharing	1	00	00	2	00	00	3	00	00	4	00		5	91. 54
													00	184	

## IX. Trust – Distrust Syndrome

			cou nt	%a ge		Cou nt	%a ge		cou nt	%a ge		cou nt	%a ge		cou nt	%a ge
1. 1	Effective implement ation of IFRS will increase stakeholde r trusts	1	00	00	2	00	00	3	00	00	4	00	00	5	184	91. 54
1. 2	Increased NPA has shaken the trusts of stakeholde rs	1	00	00	2	00	00	3	00	00	4	00	00	5	184	91. 54
1. 3	Greater awareness of IFRS will lead to effective adoption of IFRS	1	00	00	2	00	00	3	00	00	4	00	00	5	184	91. 54
1. 4	Better communic ation strategies are needed to create Trust among	1	00	00	2	00	00	3	00	00	4	00	00	5	184	91. 54

	stakeholders														
1.5	Bad Bank introduction will facilitate adoption of IFRS	1	00	00	2	00	00	3	184	91.54	4	00		5	00
1.6	Bad Bank introduction will enhance the Depositor-Investor trust.	1	00	00	2	00	00	3	184	91.54	4	00		5	00

#### X. Transparency of the Banks

			count	%age		Count	%age		count	%age		count	%age		count	%age
1.1	Financial accounting is crucial for investors and	1	00	00	2	00	00	3	00	00	4	00		5		91.54
													00		184	



	lenders to assess the solvenc y of business es.															
1. 2	Financia l accounti ng provides transpar ency and access to informat ion concerni ng the operatio ns of a compan y.	1	00	00	2	00	00	3	00	00	4	00		5		9 1 . 5 4
1. 3	With standard ized accounti ng practice	1	00	00	2	00	00	3	00	00	4	00		5		9 1 . 5 4

	s, investor s can compare the financia l stateme nts and perform ance of banks with other banks to decide investm ents															
1. 4	With IFRS, Investor s and deposito rs can know if the bank is making profit and worth	1	00	00	2	00	00	3	00	00	4	00		5		9 1 . 5 4
													00		184	

	trusting for deposits and investm ents															
--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

The responses of the employees of the public sector bank as measured on the Likert scale are presented on the Table No. 11. The descriptive statistics in terms of percentages were worked out. The following observations are noted. The total number of respondents were 201. Out of which 184 have measured most of the statements. The count of responses and the related percentages are given in the table.

## VI. Conclusion

The data as collected and analyzed provide a picture of the situation of depositors in the commercial banking sector of the sample banks. The perceptions of the sample respondents can be deciphered from the responses as elicited through the questionnaire which was based on a Likert Scale.

From the demographic profile of the depositor respondents run with a correlation of the parameters shows that the educational qualification is negatively correlated thereby signifying that higher the age, lower is the educational qualification. This is easy to comprehend because the more aged, people had lower educational qualifications and the new recruits and younger employees have acquired higher qualifications. Age and designation are positively co-related thereby meaning that as the employees advance in age, their designations improve due to promotions and filling up of higher positions.

It is interesting to note that in the private and public sector banks, more than fifty percent of the employees fall under the category of 18-35 age groups. Similarly, male employees are 73% in the public sector and it is 68% in the private sector. In both sectors, the males dominate in terms of percentage. In the matter of education, both the sectors have more employees who are above matriculation and graduation. In both the sectors, the managerial staff are more in percentages. The 10 factors as identified by the Reserve Bank of India are Staff Adequacy (F1), Internal Staff for implementation (F2) Comprehensive Training Strategy (F3), Salaries and wages including bonus(F4), Post employment benefits (F5), Employee Share Based Payments(F6), Other Employee Benefits(F7)Awareness and Efficiency (F8)Trust – Distrust Syndrome(F9)Transparency of the Banks (F10). The parameters affecting these factors have been measured and reported.

In overall assessment, the depositors perception is favorable to the adoption and implementation of IFRS in the banking sector. Nevertheless, much more has to be done at the ground level for the required preparedness of the commercial banking sector in India for the full and complete adoption and implementation of the IFRS in the banking sector in India.

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