THE USE OF EBITDA IN REPRESENTING THE PERFORMANCE OF A FIRM: AN ANALYSIS IN THE CONTEXT OF IFRS

Sonia Viswam[1]

ABSTRACT

EBITDA is used as a measurement for the performance of the companies. But it is a nonGAAP measurement. The introduction of IFRS will affect the measurement of EBITDA. So the revenues of capital based industries can be affected by this .Also the component wise calculation of fixed assets can also affect the calculation of depreciation also. Also other ratios on the basis of EBITDA like net Debt to EBITDA will also be affected. But the use of EBITDA will help to decrease the information asymmetry and also is a popular measurement in creating the perception of a company's performance. Though nonGAAP measurements like EBITDA are very popular, any small company wishing to grow into a big company should comply with the IFRS measurements rather than the nonGAAP measurements. Also the credibility of the EBITDA depends on the proper regulatory mechanisms and the managerial behaviour of inflating the profits and the audit quality and the percentage of independent directors.

Keywords: IFRS, Indian GAAP, USGAAP, EBITDA, Enterprise Value, Information Asymmetry

Introduction

The nonGAAP measures provide easy understanding, interpretability and easy comparison of the firms. Also the business world is more familiar with the nonGAAP measures. At the same time it has its own drawbacks. It is subjected to the manipulations. Also it is sometimes misinterpreted as cash flow. Also the nonGAAP measures needs to the reported in GAAP measures also which will lead to the duplication of the efforts. So in this context the study tries to find out the relevance of the nonGAAP measure EBITDA which is used to denote the firm performance and which is the most popular nonGAAP measure. It is also compared to

[1] Research Scholar in Financial Management, Department of Business Studies, Central University of Karnataka, Gulbarga, India

an Indian context where the compliance of Indian standards to the IFRS is also gaining importance.

Literature Review

EBITDA=Net Profit + Interest +Taxes +Depreciation

Or EBITDA=Operating Profit + Depreciation Expense + Amortisation Expenses

This has got several advantages It will eliminate the effect of the tax and the interest or the cost of capital of the debt by adding them back to the net profit. Also it will help the comparison of the firms because it will also eliminate the accounting policies effect and the financial effect policies on a firm. Also it is comparable to the Enterprise value and the revenue. The ratio of EBITDA/Sales or the EBITDA/Revenue will help to understand the profitability of the firm. The ratio of Net Debt/EBITDA will make us understand the time required to pay off the debt if the debt level is static inside the firm. But this is a nonGAAP measure and cannot assure any uniformity among firms. The Earnings before Interests Taxes Depreciation and Amortisation is a non GAAP measure. But it is said to decrease the information asymmetry of the firms. It is understood by the analysts forecast dispersion activities and the bid ask spread activities. **(investopedia.com)**

The EBITDA is comparable to the Enterprise Value. The Enterprise Value is defined as the market capitalisation + preferred shares + minority interest + debt –cash and cash equivalents

Or Market value of the common stock +market value of the preferred stock + market value of the debt+ minority interest – cash –cash equivalents. It is comparable to the EBITDA.

Advantages

1) It is positive even when the Price to Earnings ratio is negative.
2) It is useful for industries which are capital based and have high levels of depreciation and amortisation.
3) It is a useful method for comparing firms with different financial leverage (than EPS ratio)

Disadvantages

1) If the working capital is growing, it will overstate the free cash flows.

2) It will also not reflect the different changes in the revenue recognition policies of the firm and its impact on the free cash flow of the firm.

3) Also it will only be a true measurement in the context where capital expenditures are equal to capital expenses. **(investopedia.com)**

According to the definition of **Goldschmidt (2013)** a non GAAP measurement is the reporting of the historical or the future values which may or may not include the GAAP measurements. The researcher has also found out that 80 % of the Standard & Poor 500 firms, report on the basis of the nonGAAP measurements. Also the importance of EBITDA can only be understood in the context of the information asymmetry .When the governance is weak, the EBITDA gave a better idea for the market participant about a firm's value and it has got impact on the stock exchange also accordingly. But when the governance is strong, the EBITDA has got a lesser impact.

Segerra (2014) also opines that the non GAAP measures reports the performance better than the GAAP measures. Also the investors can easily understand the non GAAP measurements better than the GAAP measurements.

But **Cormier et al. (2011)** states that most of the non GAAP measures are unaudited which raises the concerns about their credibility. This was still proved again by the example of the Groupon Company .In the researches of **Catanach (2014)**.He found that the Groupon Company in America introduced the operating income which reported the amount without considering the acquisition related expenses and the stock compensation. The reported amount exceeded by $121.45 million than the actual amount. Also they adjusted the EBITDA from the actual loss by $375.60 million in 2013.

The compliance of the whole Europe for the International Financial Reporting Standards (IFRS) does not deter the corporate financial communication from non GAAP measures. The IFRS 8 on segmental reporting clarifies that the organisations can use internal measures for the communication. This has also been a reason for the proliferation of non GAAP measures. **(icmai.com)**

Doyle et al. (2013) is also of the opinion that the opportunistic and manipulative behaviours are manifested in the form of their financial reports. By analysing the 500 firms under the Standard and Poor Index from 2005 to 2010 **Webber et al. (2013)** states that reporting in the nonGAAP measures have proliferated during this time. Also it has increased its activity after the financial crisis of 2008.

Aubert (2010) also points out that the non GAAP profits for the companies are always higher than the GAAP profits. It was based on the research on the 116 French companies which were listed on the New York Stock Exchange. It also showed the tendency of the nine GAAP measurements to present themselves positively. He found that 82 % of the nonGAAP information was positive.

According to the opinion of **Tracy and Tracy T.A (2013)** EBITDA has got several pros and cons.

The pros are the following

1) It is easier for the valuation of the small businesses, which do not use the Earnings Per Share method to measure their market capitalisation. For example, if a company has got the 100000 shares outstand each of value $10 then the valuation can be 20 * (100000*10) for larger companies. But smaller companies rely on EBITDA and may take 6 times the EBITDA for their market valuation.
2) It can be an indicator of the cash flow.
3) It can be the indicator of the financial health of the company which gives the measurement of the cash flow for further investments and meeting expenses
4) It is suited for the reporting of the service based companies and less capital intensive companies.
5) It shows the normalised earnings and easy for comparisons. Also it is the money available for covering, interests, expenses, other investments etc.

The Cons are the following

1) It does not take into consideration the capital requirements
2) It allows for manipulations-Since the Earnings are reported before Interests, taxes depreciation and expenses, it is able to manipulate the type of the administrative expenses as the other expenses, so it allows flexibility which will allow the credibility of the information
3) It does not show the capital investments of the company which ensures the future growth and the stability of the cash flow and the viability of the company
4) It is not a suitable measurement for the capital intensive companies like oil companies ,manufacturing companies etc
5) It is often mistaken as the cash flow
6) It does not consider the accounts receivable, accounts payable, accrued expenses payable, tax payable, inventories and prepaid expenses.

Methodology

The research is based on the secondary data and the EBITDA is analysed in the context of IFRS. Also the use of EBITDA is assessed in the context of US GAAP also.

Findings

The Financial Accounting Standards Board is responsible for the compiling of the GAAP .This is working under the supervision of the Securities and Exchange Commission (SEC)

Differences between USGAAP and IFRS

A COMPARISON OF GAAP AND IFRS	
GAAP	IFRS
Only in America	Accepted by more than 110 countries
Last in First out method is followed	First in First Out method is followed
(does not represent the true flow of inventory)	
Based on the research and rules	Looks at overall patterns on reporting and is principle based
Developmental Costs are not allowed to be capitalised, expensed in the year they comes	Developmental costs are capitalised
Extraordinary items are segregated in the income statement	Extraordinary Items are not segregated in the income statement
Debts repaid within 12 months are current whereas Debts not repaid within 12 months are noncurrent	All Debts are noncurrent in the balance sheet
Values fixed assets on the basis of cost model based on the historical prices less depreciation	Values fixed assets on the revaluation model based on the current prices
	(and reduces the depreciation and the impairment losses from that)
Does not allow to make decisions on individual based circumstances(based on reliability ,relevance ,comparability and comprehensibility)	Allows to make decisions on individual based circumstances
Less flexible for internationalisation	more flexible for internationalisation

Table 1: A comparison of USGAAP and IFRS **(Source: Data from future.com)**

IFRS and related International Accounting Standards

The International Accounting Standards 16 deals with property plant and equipment of the IFRS. In the IFRS the property, plant and equipment should be dealt separately and their depreciation should be dealt separately. But in the case of the short term life span parts which are the part of machinery which has a long life span, it will be a difficult process. Also to make the list of the fixed assets based on this principle is also a laborious process. Also this will go into the details of the operational process which might give the details of the replaced spare parts.IAS 23 deals with the borrowing costs. It should be capitalised if the construction is underway .It is based on the weighted average cost of the general assets. The Accounting Standard 17 is used for the financial leases and the But there exemptions given to the first time adopters of the International Financial Standards. They need not calculate separately the depreciation costs of the assets. The maintenance costs can only be capitalised when there is future benefits arising out of the maintenance works. The decommissioning costs is found out on the basis of the present value of the future cash flows arising due to decommissioning.IAS 2 is for inventory.IAS 32 is for intangible assets.IAS20 deals with government grants and the government assistance. The renewable energy based power generation are provided the Certified Emission Reduction (CER) of the Kyoto protocol. So this will be either at the nominal cost or will be the fair value based on the circumstances.IAS 16 deals with the residual value of the assets. It is the value remaining after the useful life of the assets. The commissions, bonuses etc paid for acquiring a contract are capitalised. This will not include the service charges further acquired. Customer relationships are accounted when they are part of a business combination, Customer lists, and customer relationships etc are accounted at the fair value of the acquisition date. The customer discounts should be separated from the sales revenue. IFIRC 12 is dealing with the public private partnership. IFRS 11 replaces the joint ventures as the joint arrangements and includes 1) jointly controlled assets 2) Jointly controlled operations 3) jointly controlled entities.IAS 39 comes into existence when a non cash item or instrument is bought with cash or with a financial instrument. The noncash item can be a commodity. Also it should be highly liquid or easily convertible into cash. Also it is held for a short term. Also it deals with the embedded derivatives. The embedded derivatives are those which are part of the long term contracts of purchases which have an indexed value associated. For example the fuel prices associated with the electricity purchase. The embedded derivatives are separated from the commodities.

The Accounting Standards Used in India

The accounting standards used in India are the Indian Accounting Standards approved by the Accounting Standards Board(ASB) which is constituted in 1977.This is a committee under the Institute of Chartered Accountants and also associated with the other professional bodies

Federation of Indian Chamber of Commerce (FICCI),Confederation of Indian Industries(CII).They also follow the International Financial Reporting Standards(IFRS).It was made mandatory to companies from 2016-2017.It was the National Committee on Accounting Standards which recommended the IFRS compliance for companies to the Ministry of Corporate Affairs(MCA).It was held mandatory for all companies worth $ 5 billion and more to comply with it from April 2016 onwards. And from April 2017 onwards it was made compulsory for every listed company and every unlisted company with net worth of $ 2.5 billion or more.

From April 2015(Phase 1)

Voluntary adoption

From April 2016 (Phase 2)

So these types of companies have to comply mandatorily with the IFRS in India

1) Companies having debt or equities worth $ 5 billion in India or outside India which are listed in any of the stock exchanges in India or are in the process of listing in the stock exchanges in India.
2) Other companies not covered above but have a net worth of $ 5 billion or more
3) Any other associate companies, joint venture companies, subsidiary companies or holding companies of the above companies.

From April 2017(Phase 3)

1) Companies with net worth of less than $ 5 billion listed in any of the stock exchanges in India or outside India
2) Unlisted companies which are not covered in Phase 1 or Phase 2 with net worth of more than $2.5 billion and less than $ 5 billion.
3) Any other associated companies, holding companies, joint ventures, subsidiaries of the above companies.

The definition of net worth is according to the Section 2(57) of the Companies Act. It is (Paid Up Share Capital + All Reserves made up of Profit+ Securities Premium Account)-Accumulated losses + Deferred Expenditure +Miscellaneous Expenditure not written Off).But this does not include the revaluation of the assets, the written back assets due to amalgamation and depreciation. It is also based on the standalone financial statements. The Indian Accounting Standards apply to both the stand alone and the consolidated financial statements. But if the company has got an overseas subsidiary the accounts have to be converted into Indian standards for the consolidated financial statements. Also the conversion process regarding the revenue recognition and the financial instruments are settled already. The Indian adoption of the IFRS will help those companies which have the foreign subsidiaries. It was a cumbersome process to translate the IFRS accounts of their foreign subsidiaries into the Indian standards. The Indian Institute of Chartered Accountants issued AS 41 as the one representing the IFRS 1 in India. The IFRS became mandatory in Europe by 2007 whereas Indian companies started to adopt it by 2011.This started by adopting Accounting Standard 30 which will take into consideration the market to market losses strictly. The Accounting standard 101 considers reconciliations.

Early adopters of IFRS in India
Wipro
Infosys Technologies
Mahindra & Mahindra
NIIT
Bombay Dyeing
Tata Motors
Dr Reddys Laboratories

Table 2: A list of early adopters in India **(Source: Data compiled from Economicstimes.com)**

Impact on companies following IFRS	
Companies that may report increase in Earnings	**Companies that may report decrease in earnings**
Tata Steel	ITC
Ultratech	Aravind
BPCL	Lupin
Maruti Suzuki	Bharati Infratel

Table 3: The impact on the earnings of Indian companies due to the implementation of IFRS **(Source: Data from Economictimes.com)**

Sectors Affected
Metals
Oil and Gas
Real Estate
Telecom

Table 3: Sectors more affected by the implementation of IFRS
(Source: Data from economictimes.com)

Considered Areas of Impacts of Listed Companies	
Book Value	
Goodwill	
Return on Equity	
Operating Profit	
Revenue	
Networth	
Net profit	
EPS the same	
Revenues	will increase by 4-5%
EBITDA	will decrease by 2-3 %

Table 4: The areas of impact by the implementation of IFRS
(Source: Data from Economicstimes.com)

Differences between IGAAP and IFRS	
IGAAP	IFRS
Form over Substance	Substance over form
	Uses fair value to compute statements
Gives more importance legal compliance	Gives more importance to the accuracy of data
Sales are calculated after deducting excise duty	Excise duty as a tax on manufacturing activity
EPS the same	EPS the same
Revenues calculated by deducting excise duty and other duties	Revenues calculated by adding excise duty
Employee Stock Option on Intrinsic value	Employee Stock Option Plan based on the fair value of Accounting
Merger and Acquisitions are re-accounted at book value	Assets, Liabilities and Contingent Liabilities assessed at fair value
	Goodwill annually accounted
Proposed Dividend approved in the same year	Proposed dividend approved when approved by share holders
Current investment valued at cost or market value	Current Investment valued at fair value
Major repair is treated as expenses	Major repair is capitalised
Redeemable preference dividend treated as equity	Preference shares treated as liability
	Preference dividend treated as interest cost

Table 5: Differences between Indian GAAP and IFRS

(Source: Economicstimes.com)

Impacts	
Revenue Calculation	**Lower Margin**
	Higher Revenue
	EPS Neutral
	Capital Goods, Cement Industries
	Auto, Consumer staples affected
ESOP	**Employee Cost will increase**
Proposed Dividend	**High Dividend Paying companies may face lower Return of Equity**
	Increases the year end book value
Merger and Acquisitions	**The companies having goodwill in balance sheets will be more volatile**
Current Investment	**Cash rich companies more affected**
	greater volatility in income
Redeemable Preference Shares	**lower EPS**
	Higher Debt to Equity
Repairs	**Could lead to lower EPS**

Table 6: Impact of IFRS on Revenue, Dividend and Shares of companies

(Source: Economicstimes.com)

Difference between IFRS and Indian Accounting Standards		
Criterion	IFRS	Indian AS
Financial Statements.	Separate Statements for the statements of Changes in the Equity, Profit and Loss statement,	Based on the Schedule 3 of the Companies Act 2013
	Comprehensive Income Statement, Statement of Financial Position	
	can present the Other Comprehensive Income Statement, Profit and Loss statement together or separately	Should present as a single statement
Classification of the expense	Is based on either their nature or their function	based on the nature only
classification of the liabilities	can convert the long term loan into the short term if the lender demands the payment	can be long term forever if the lender is agrees to the condition not to demand the payment

Investment in Associates	the reporting of the associate companies should be consistent, the reporting period gap should not exceed 3 months	can skip whenever it is impractical
Adaptation	Adapted to the changes in the economy like inflation, agricultural industry, insurance industry, retirement plans and financial instruments	sticks more to the traditional method of accounting, static
Change in the Accounting policies	allowed as retrospective effect over the number of years	the effect to be shown in the year when the change occurs
Cash flow statements	compulsory ,both direct and indirect methods are allowed	mandatory only for some companies, indirect method for the unlisted companies, direct method for the insurance companies
Depreciation of the Assets	Based on the annual depreciation over the life of the assets	Based on the Companies Act
Financial Statement format	No prescribed format	prescribed format based on the industry regulations and the company regulations
The influence of the local laws	standard format gaining precedence over the local rules	local rules given more importance
Basis of the reporting	Principle based	Rule based and Companies law based

Table 7: Differences between Indian GAAP and IFRS

(Source: Corporate Catalyst India Private Limited report)

Small Companies and USGAAP

In small companies the net income will fluctuate according to the production in the GAAP regardless of the income in sales in the case of manufacturing companies. But the advantages come when the company wants to go public. Also GAAP is advantageous to benchmark one company against another and to compare one company against another. But GAAP is also not an efficient tool for internal decision making because the net income is presented based on the production. According to the opinion of **American Institute of Certified Public Accountants (2011)** the adoption of the IFRS will help the free flow of the capital, more accessibility to the capital and the increased comparability of the firms. **Allen et al. (2014)** states that, the Research and Developmental activities are dealt differently by GAAP and by

IFRS. In IFRS these expenses are capitalised whereas in GAAP these are considered as expenses (developmental expenses capitalised in IFRS).IFRS does not recognise the contingent losses .If a company lost some money due copyright infringement then this loss is not accounted in IFRS. But GAAP considers this. Deferred taxes are considered noncurrent in IFRS, but in GAAP it can be both current and noncurrent. USGAAP uses bright line tests for the classification of lease assets whereas IFRS does not.

Small and Medium Enterprises (SME) and IFRS

Out of the 166 countries of the world 86 countries are using IFRS for the SMEs.69 countries do not use IFRS for the SMEs. Also 11 countries are considering using IFRS.

IFRS adoption for SMEs in different countries	
Country	**Modifications required**
Malaysia	**Modifications required for property related SMEs**
Bosnia and Herzegovina	**Does not require separate statements for the changes in equity and statement of cash flows**
Pakistan and Uruguay	**Capitalisation of borrowing costs**
Bangladesh	**Not adopting hyperinflation related Section 31 for SMEs**
79 countries	**No change in the rules of IFRS for SMEs**

Table 8: Changes brought about in the IFRS for Small and Medium Enterprises in different countries

(Source: ifrs.org)

Analysis and Conclusions.

The EBITDA being a non GAAP measure is still popular among the stakeholders. As **Choi and Young (2015)** stated the credibility of the financial measures depends on the type of market participants like financial analysts, short sellers etc. Also their background like education, risk avoidance also affects the quality of information. Since nonGAAP measures like EBITDA falls under the unaudited information, the regular auditing can improve their quality. The Developmental Costs are capitalised in the IFRS method. Also all debts are considered noncurrent in IFRS. So it will affect the net Debt to EBITDA ratio which is used to measure the interest coverage capability. Also the value of the fixed assets is based on the current prices in IFRS. So it will also affect the depreciation costs of the fixed assets since they are based on the current prices and not on the historical prices. Also depreciation is based on the annual life of the assets in the IFRS system but based on the Companies Act in India. So EBITDA measurement will show disparities due to the calculation of depreciation. The method of calculation of the revenues will also change. Revenues are calculated by deducting excise duties in Indian GAAP system whereas in IFRS revenues are calculated by adding excise duties. Also in the IFRS excise duty is calculated as a charge on the manufacturing activity. This will lead to the increase in the revenues of the EBITDA method.

Frank et al. (2011) has proved that the companies with fewer independent directors are using the nonGAAP measures more. Later **Christensen et al. (2017)** has found out three factors that can positively affect the nonGAAP measurements. They are 1) proportion of independent committee members 2) block holder ownership 3) audit quality. So the non GAAP measures like EBITDA can be improved by increasing the number of directors and also increasing the audit quality also. According to **Marques (2010)** the most famous nonGAAP measures are free cash flows, net debt or profit, BIT and EBT. He also reports that the performance related remuneration is motivating the managers in UK to report in nonGAAP measures. So the credibility of the EBITDA is dependent on this measurement. Also the chance of inflating the profit or performance can motivate the managers to use nonGAAP or nonIFRS measurements. But the implementation of IFRS and GAAP can avoid all these organisational faults and may lead to the better managerial practises and help to make EBITDA as a credible measurement of the company's performance. Also states the importance of corporate governance regulatory mechanisms to improve the quality of the nonGAAP measurements including EBITDA. **Venter et al. (2014)** in his research on the firms in New Zealand found out that the mandated nonGAAP measures are more informative to investors than the GAAP measures. Also the corporate governance and regulatory mechanisms play a vital role in the credibility of the nonGAAP measures. Also their importance cannot be underrated. It helps to decrease the information asymmetry to a larger extent. The New Zealand financial market regulator 'Financial Markets Authority is aware of the influence of the nonGAAP measures to influence the decisions of the investors. So in order to prevent this misleading they were heavily regulated from 2012.Also **Rainsbury et al. (2015**) who did his researches on the New Zealand companies from 20004 to 2012 has found out that the perception of a firm's performance is strongly created by the nonGAAP measurements. So EBITDA is playing a crucial role in the perception of a company's performance

But IFRS is essential for a firm growing into a bigger company, for the ease of comparison, credibility of the company's financial statements among the stakeholders etc. Also the valuation at the fair value of the IFRS may affect the capital intensive industries. Also there are some in congruencies between USGAAP and IFRS, Indian GAAP and IFRS etc. But for developing countries where regulatory mechanisms are weak, the implementation of IFRS will bring more transparency and less information asymmetry. The role of financial market regulators is of immense importance in this context. **Maarques (2010)** The Securities and Exchange Commission itself has stated that EBIT or EBIT are used as a measurement of the performance that should be based on the net income and not on the operating income. Also it should not be reported on a per share basis. The implementation of IFRS will not affect EPS but it will affect the revenue and the EBITDA. The use of GAAP and IFRS shows that the world is increasingly moving towards standardisation. But the use of IFRS is more popular. So in the context of internationalisation GAAP is more useful. The implementation of IFRS can have both positive and negative repercussions which are to be studied.

Also the small companies which want to become public will be benefited by the IFRS. Also some changes are brought into IFRS for their suitability to the SMEs. But some countries apply IFRS standards without any changes to the SMEs.

Conclusions

1) The nonGAAP measurements are more popular among the stakeholders and decreases information asymmetry.
2) Though EBITDA is a very useful and popular measurement for all stakeholders, its credibility is not assured of.
3) The regulatory bodies and regular audits can increase the quality of nonGAAP measurements
4) EBITDA is affected by the implementation of IFRS.

References

1) Aubert, F. (2010),"The Relative Informativeness of GAAP and proforma earnings announcements in France", *Journal of Accounting and Taxation*, Vol.2No.1,pp1-14.
2) Barsky, N.P and Catanach A.H Jr.(2014) ,"Non-GAAP nonsense: fixing the problem once and for all", *Strategic Finance*,Vol96No.10 pp47-51.

3) Black,D.E.,Christensen,T.E.,Ciesielsky,J.T.,Whipple,B.C(2018),"NonGAAP reporting: Evidence from academia and current practise", *Journal of Business Finance and Accounting*,[online].Available at: http://onlinelibrary.wiley.com/doi/10.1111/1911-3846.12284/abstract[Accessed 1/2/2018]
4) Choi,S., and Young Y.S(2015),"Transitory earnings components and the two faces of non generally accepted accounting principles earnings", *Accounting and Finance*,Vol.55.No.1,pp75-103.
5) Cormier, D., Lapointe-Antunes, P and Magnan,M(2011)"Revisiting the reliance and reliability of non-GAAP reporting: the case of Income Trusts", *Contemporary Accounting Research*,Vol28No5,pp1585-1609.
6) Doyle,J.T.,Jennings,J.N. and Soliman,M.T (2013),"Do Managers define Non-GAAP earnings to meet or beat analyst forecasts?",*Journal of Accounting and Economics*,Vol56No.1,pp 40-56.
7) Frankel,R.,McVay,S. and Soliman,M.(2011),"Non GAAP earnings and board independence", *Review of Accounting Studies*,Vol.16No.4,pp719-744.
8) GoldSchimidt, D.(2013)"Disclosure of nonGAAP Financial Measures",*HLS Forum on Corporate Governance and Financial Regulation*,Boston,:MA.
9) Marques, A.(2010),"Disclosure Strategies among S& P 500 firms: evidence on the disclosure of nonGAAP financial measures and financial statements in earnings press releases", The British Accounting Review,Vol42No2,pp119-141
10) Rainsbury, L., Hart, C. And Buranavityawut, N. (2015),"GAAP adjusted earnings disclosures by New Zealand companies", Pacific Accounting Review, Vol27.No3. pp329-352.
11) Segerra, M.(2014)"Mind the NonGAAP",CFO ,V0l30.No2,pp14-15
12) Tracy, J, A., Tracy, T.(2013),"*How to read a Financial Report*", New Jersey: John Wiley and Sons.
13) Venter,E.,Emmanuel,D. and Cahan ,S.(2014),"The value relevance of mandatory nonGAAP earnings,*Abacus*,Vol.50.No1,pp1-24.
14) Webber., Nichols, N., Street, D. And Sereola, S.(2013),"Non-GAAP Adjustments to net income appearing in the earnings releases of the Standard and Poor 100:An Analysis of the frequency of occurrence materiality and rationale", *Research in Accounting Regulation*,Vol25No2,pp236-251
15) https://www.firmofthefuture.com/content/top-10-differences-between-ifrs-and-gaap-accounting/[Accessed 21/1/2018]

16) https://www.pwc.in/services/ifrs/ifrs-in-india_roadmap.html[Accessed 30/1/2018]
17) http://www.thehindubusinessline.com/todays-paper/tp-opinion/Indian-IFRS-mdash-adoption-or-convergence/article20032748.ece[Accessed 24/1/2018]
18) http://www.financialexpress.com/archive/companies-adopt-ifrs-norms-ahead-of-time/351954/[Accessed 26/01/2018]
19) https://www2.deloitte.com/content/dam/Deloitte/in/Documents/audit/in-audit-indian-gaap-ifrs-and-indas-a-comparison-press-release-noexp.pdf[Accesed 1/2/2018]
20) https://economictimes.indiatimes.com/markets/stocks/policy/how-new-accounting-standards-will-impact-indian-companies/articleshow/53200549.cms[Accessed 20/01/2018]
21) http://www.mondaq.com/india/x/572540/Accounting+Standards/Ind+AS+Transition+Facilitation+Group+Clarifications+and[Accessed 27/01/2018]
22) https://www.pwc.com/id/en/publications/assets/utilities-ifrs.pdf[Accessed 25/01/2018]
23) http://smallbusiness.chron.com/impact-gaap-small-businesses-62615.html[Accessed 23/01/2018]
24) https://www.investopedia.com/terms/e/enterprisevalue.asp[Accessed 29/01/2018]
25) https://www.investopedia.com/terms/e/enterprisevalue.asp[Accessed 28/01/2018]
26) www.icmai.com[Accessed 17/01/2018]
27) http://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/#analysis[Accessed 19/01/2018]