Indian Management Studies Journal 23 (2019) 167-182

Indian
Management
Studies Journal

Impact of Company Attributes on the Extent of Disclosures in Indian Corporate Sector

Simanpreet Kaur* and Sandeep Singh Virdi**

** School of Management Studies, Punjabi University, Patiala, Punjab*

*** School of Management Studies, Punjabi University, Patiala, Punjab*

Abstract

Companies' reporting practices differ across the industries, market capitalization and the years. The present study deals with relationship between company attributes and extent of disclosures. The study tries to measure the relationship of corporate disclosures with Market Capitalization, Firm Age, Earnings per Share, Debt Equity Ratio, Current Ratio,Log of expenditure on research and development, Sector and Size of Audit Firm. The motive was to examine whether there was any relationship between these attributes and the extent of disclosures made by the company. Many of the variables were found significant which meant that these resulted with the increase or decrease of these variables, the disclosures of the company also changed.

Key Words

Financial Reporting, Company Attributes, Panel Data

INTRODUCTION

Financial reporting is done by every business in order to indicate its financial performance. Financial reporting provides the information about all kinds of revenue and capital transactions of an enterprise. It gives information about the solvency and liquidity of a company. It provides information about how an enterprise acquires and expends the cash and borrows and repays the debts. All factors that may affect the financial position of an enterprise are covered under the concept of financial reporting. It includes a series of activities that allow the companies to record financial transactions on a monthly, quarterly and yearly

basis. These transactions and statements are prepared according to the corporate policies and regulatory guidelines. The major source of disclosing this information is Annual Reports of the organisation. Although there are other sources of information also prevalent that included interim reports, abridged reports, general purpose and special purpose reports, but annual reports are the major source of conveying the annual results and reports of the organisation.

Companies on the stock markets that trade their shares range from small corporations, which value millions to giant firms, which value billions. One way of dividing these companies from small to large is by their market capitalization. Market Capitalization is calculated by multiplying the share price by the number of shares outstanding. The present study made an attempt to examine the relationship between reporting practices and company attributes in case of Large Cap companies. The companies, having a market capitalisation of $10 billion and above, are generally categorised under Large Cap. Most of the large cap companies are considered to have good disclosures.

REVIEW OF LITERATURE

Kilic and Kuzey (2019), studied whether the characteristics of corporate governance impacted the voluntary disclosures of carbon emissions in Turkey. The data was collected from annual and standalone sustainability reports of non-financial companies in Turkey, listed on Borsa Istanbul from the period of 2011-2015. Panel data regression models were used to check whether corporate governance characteristics influence carbon disclosures. The results disclosed that the firms with a higher number of independent directors are more likely to react to carbon disclosure project. The results also found that the companies having sustainability committees were disclosing more information on carbon emission and more intended to ratify their carbon disclosure projects. It is also found that the number of directors did not play a significant role in determining disclosure policies on carbon emissions. The results also signified that the control variables, firm size and industry type had a significant impact on carbon emission disclosures.

Elliot *et al.* (2018), studied two experiments to test new theory that investors value the firms that use high quality financial reporting. The authors, also tried to find that the investors put additional value on information that plausibly unveils financial reporting quality. The authors tested the investors affective reaction to firm's financial reporting quality. They further examined the participants' reward or penalty regarding firm's financial reporting quality within more and less explicit conditions. The authors found that investors believed in

firms use of high or low quality financial reporting and they became willing to pay more or less in order to own the shares of those firms. The results also indicated that the investors perceived greater value in extended version of audit reports which are well-understood. They focused on information that credibly reveals reporting quality and become willing to act on the inherent value of financial reporting quality.

Dumitru *et al.* (2017), studied the corporate reporting practices of Poland and Romania with reference to new non-financial reporting European directive. The study contained a sample of 40 non-financial listed companies i.e. 20 each from Poland and Romania. The companies were judged on the basis of five categories that included : Business model, risks and policies related to CSR issues, environmental impacts, social and employees, ethics and combined. The results showed that the scores of Romanian companies were higher than Polish companies. The reason can be that there were no mandatory Non-financial requirements in Polish companies. The study also found that the number of companies audited by Big Four firms were higher in Poland than in Romania. The results also revealed that overall disclosure quality was low in both the countries.

Alhabshi *et al.* (2017), aimed to study the financial reporting dimensions of intangible assets with respect to International Accounting Standards i.e. IAS 38 with regard to Islamic finance. The study was exploratory in nature focusing on interviews followed by focus group discussions with professional accountants and Shari'ah scholars and advisors. The author found that the views of the professional accountants were more investor-centric whereas the Shari'ah scholars/advisors were focusing on social choice consideration of stakeholder interest. Though both the parties agreed on the key dimensions of the intangible assets reporting, but their views differ due to broader perception of intangible assets with regard to financial and monetised asset.

Leuz *et al.* (2016), studied the economics of disclosure and financial reporting disclosures. The paper sought knowledge about literature on the economic effect of disclosure and financial reporting regulation on U.S. and global evidences. The paper discussed the issues of quantifying regulatory costs and benefits, measurement of disclosure and reporting outcomes and presenting inferences from regulatory studies. The paper also discussed the studies related to disclosure regulations and reporting standards. The author found limited evidence related to market effects and externality emerging from regulations as it was most important to the justification for regulation. The studies on casual effects and reporting regulation were also limited. So was the case with the real

effects of these regulations.

Powers *et al.* (2016), examined the effect on the corporate tax planning and financial reporting on income tax of different metrics in CEO short-term cash compensation. The period of the study was 2009 to 2011 and all profitable firms were taken into account. The study found that firms using cash flow metrics report lower cash effective tax rates than firms using earnings metrics. It also found that firms using after tax earnings metrics report lower effective tax rates, but were more likely to allocate foreign earnings for reinvestment and account lower discretionary reserves for tax uncertainty. The authors found that though both firms had same level of tax planning, but the firms that evaluated CEOs with earnings metrics encouraged different financial reporting decisions. The authors revealed thatthe traits of CEOs' stock-based compensation changed with performance metrics. The authors concluded that annual cash incentives influenced corporate tax planning decisions in spite of their smaller magnitude after controlling equity compensation.

Tang *et al.* (2016) measured the financial reporting in 38 countries in the world from 2000 to 2014. The authors used the accounting as well as auditing indicators and constructed an index to measure quality of financial reporting among countries. The measures used to study the quality of accounting and auditing information. These were : Loss Avoidance Ratio (LAR), Profit Decline Avoidance Ratio (PDAR), Accruals Ratio (AR), Qualified Audit Opinion Ratio (QAOR), Non-Big Four Auditor Ratio (NBAR) and Audit-Fee Ratio (AFR). The authors viewed that there were lesser measures to check the national level reporting quality reliably as found in the literature. They further concluded that the market regulators, accounting and professional bodies should try to bring convergence in financial reporting internationally.

Singh & Singh (2015) studied internet financial reporting by Indian public and private sector companies. They took a sample of the top 15 companies in terms of market capitalization from the Bombay Stock Exchange in both sectors. The study analysed the item-wise and company-wise financial disclosures via the internet.The findings revealed that both the public as well as private sectors utilize their website for financial disclosure to some extent, and it showed a significant difference between two sectors regarding IFR practice.

Subramanyam and Dasaraju (2014) studied the level of disclosures of corporate governance practices amongst the top 6 IT companies in India for the time period of five years. The results implied that corporate governance disclosure practices increase performance. The study also implied that legal and market infrastructure of a country also affect a company's rate of disclosure

which, in turn, increases profitability. It also suggested the policy makers and practitioners to monitor corporate governance.

Malhotra and Makkar (2012) studied corporate web reporting practices in the Indian corporate sector and inter-sector comparison of these web reporting practices. The study revealed that about 80% of the sample companies were providing mandatory as well as voluntary information. The banking sector was leading in providing this information as compared to any other sector. Then, the study also revealed that the extent of reporting via internet in India was low as compared to other advanced countries in the world, but will gain importance significantly in the near future.

Gakhar (2011) studied business reporting on websites in the Indian corporate sector. He analysed the disclosures of financial and non-financial information of the Indian companies on their websites. The sample consisted of the top 200 companies from BSE-200 companies. The sample consisted of 19 diverse industries. The findings of the study showed that there was a positive relationship between the related industry of the respective company and its internet reporting practices.

OBJECTIVE OF THE STUDY

The objective of the study is to analyze the relationship between the financial reportingpractices and the company attributes of Indian Corporate Sector.

RESEARCH METHODOLOGY

Sampling

For the purpose of the fulfilling the objective of the study, a sample of 34 Large Cap Companies from S&P BSE Large Cap was taken.According to S&P BSE Large Cap index, 70% of the total market cap of S&P BSE All cap is represented by this category. Therefore, these companies in Large Cap dominate the industry. Only those companies were considered for panel analysis whose data for all attributes could be gathered for a period of five years. The study was conducted for the period from 2011-12 to 2015-2016.

Data Collection

The study was based on both primary as well as secondary data. The annual reports of the company's reports and the Prowess Database of Centre for Monitoring Indian Economy (CMIE) were the major source of collecting

secondary data. These reports were downloaded from the respective websites of these companies. The other sources included published articles and research studies in various journals, magazines, newspapers and websites.

Hypotheses Development

The following hypotheses were developed to fulfil the objective.

H_{1a} : There is no statistically significant relationship between corporate disclosure score and market capitalisation of Large Cap companies.

H_{1b} : There is no statistically significant relationship between corporate disclosure score and earnings per share of Large Cap companies.

H_{1c} : There is no statistically significant relationship between corporate disclosure score and current ratio of Large Cap companies.

H_{1d} : There is no statistically significant relationship between corporate disclosure score and debt-equity ratio of Large Cap companies.

H_{1e} : There is no statistically significant relationship between corporate disclosure score and expenditure on research and development of Large Cap Companies.

H_{1f} : There is no statistically significant relationship between corporate disclosure score and sector of Large Cap Companies.

H_{1g} : There is no statistically significant relationship between corporate disclosure score and size of audit firm of Large Cap Companies.

DATA ANALYSIS

The study consisted of various cross sections and time series. Therefore, panel data analysis has been used. Panel data can be estimated with the help of Fixed Effect model (FEM) and Random Effect Model (REM). The present study contained dummy variables (Sector and Size of Audit Firm); therefore, FEM cannot be applied. Hence, we applied Random Effect Model. The general equation is *:*

$$Y_{it} = \mu + \alpha_i + \lambda_t + \beta_{i'} + X_{it} + u_{it}$$

Which can be written as

$$Y_{it} = \mu + \beta' X_{it} + v_{it}$$

Where

$$v_{it} = \alpha_i + \lambda_t + u_{it}$$

The REM model can either be one way or two way model on the basis of heterogeneity. The present study estimates equation with one way REM with cross sectional differences i.e. the test was conducted to measure differences across cross sections and not time. Therefore generalised least square technique was used to estimate the equation using Random Effect Model.

One-way REM

$$Y_{it} = \mu + \beta' X_{it} + v_{it}$$

where

$$v_{it} = \alpha_i + u_{it};\ \lambda_t = 0, \text{ or } v_{it} = \lambda_t + u_{it};\ \alpha_i = 0$$

The dependent variable taken was corporate disclosure score (CDS). The independent variables used were as follows :

Market capitalization (MCAP) was used as proxy for firm size, Earnings per share (EPS) was used as proxy for profitability, Current Ratio (CR) was used as proxy for liquidity, Debt Equity Ratio (DERATIO) was used as proxy for leverage, Log of expenditure on research and development (LOGRD) was used as proxy for growth, and Sector (SEC) and Size of Audit Firm (SAF) were used as independent variables.

The following equation was estimated :

$$CDS = c + \beta_1 * MCAP + \beta_2 * EPS + \beta_3 * CR + \beta_4 * DERATIO + \beta_5 * LOGRD + \beta_6 * SEC + \beta_7 * SAF$$

The above equation was estimated for 34 companies for large cap market capitalisation. Data has been gathered for a period of five years, i.e., 2011-12 to 2015-16.

Results of Descriptive Statistics

Table 1

Descriptive Statistics of the Variables

	CDS	MCAP	EPS	CR	DERATIO	LOGRD
Mean	171.34	824865.3	44.268	1.478	0.698	6.305
Median	169.50	507246.8	33.440	1.265	0.285	7.186
Maximum	201.00	4988978	176.390	4.899	6.190	10.006
Minimum	133.00	33377	-14.720	0.100	0.000	1.791
Standard Deviation	16.01	873811.4	40.156	1.013	1.362	2.837
Observations	170	170	170	170	170	170

The Table 1 shows the descriptive statistics of all variables used under study for the period of 2011-12 to 2015-16. The dependent variable was calculated on the basis of a Corporate Disclosure index prepared. This index was prepared on the basis of company laws and voluntary items based on review of literature. A total of 212 items were included in the index.A disclosure score of 1 is given if a particular item is present in an Annual Report and 0 if not present. The maximum score that a company could get was 212.The mean of the dependent variable i.e. Corporate Disclosure Score (CDS) came out to be 171.34. The median value was 169.50. Therefore, the mean value was closer to the mean value. The maximum and minimum values were recorded as 201 and 133.

Among the independent variables, the first variable studied was Market Capitalisation (MCAP) as a proxy of Firm Size. It was expected that with the increase in the market cap the disclosure scores of the company would also increase. The mean (Standard Deviation) came out to be 824865.3 (873811.4) and the maximum (minimum) value was recorded as 4988978 (33377). The average (Standard Deviation) and maximum (minimum) values for the measure of profitability that was Earnings per share (EPS) was recorded as 44.268 (40.156) and 176.390 (-14.720) respectively. It was expected that with the increase in the profitability of the firm, the disclosures would also increase. The next variable studied was Current Ratio (CR). Current Ratio was used as a proxy to measure liquidity. The mean (Standard Deviation) and maximum (minimum) values came out to be 1.478 (1.013) and 4.899 (0.100). it was expected that higher liquidity leads to greater disclosures. The variable for studying leverage was Debt Equity Ratio (DERATIO). The mean value came out to be 0.698 with a standard deviation of 1.362. The maximum and the minimum values were 6.190 and 0.000 respectively. The theory suggests that the firms with higher leverage disclose more information. The next variable studied was growth which was measured by natural logarithm of expenditure on Research and Development (LOGRD). The mean and standard deviation of LOGRD was recorded as 6.305 and 2.837 and its maximum and minimum were estimated as 10.006 and 1.791 respectively.

Regression Results

Panel Data Regression with Random Effect Model was employed to study the impact of the independent variables on the dependent variable. The dependent variable was taken as Corporate Disclosure Score and the independent variables were Market cap (MCAP), Earnings per share (EPS),

Current Ratio (CR), Debt Equity Ratio (DERATIO), Natural Logarithm of expenditure on research and development (LOGRD), Dummy for Sector (SEC) and Dummy for Size of the Audit Firm (SAF). The following equation was estimated :

$$CDS = C + \beta_1*MCAP + \beta_2*EPS + \beta_3*CR + \beta_4*DERATIO + \beta_5*LOGRD + \beta_6*SEC + \beta_7*SAF$$

Assumptions Testing

Before analyzing the results, the statistical assumptions were tested and their results were as follows :

Unit Root Test Statistics

The first assumption that was tested was assumption of stationarity. The assumption was checked with the help of Fisher Phillips–Perron Unit Root Test.

Table 2
Table Showing Unit Root Statistics for Large Cap

S. No.	Variable	Statistics	Probability	Order of Integration
1.	CDS	105.541	0.0024	Level
2.	MCAP	135.694	0.0000	Level
3.	EPS	148.012	0.0000	Level
4.	CR	92.023	0.0278	Level
5.	DERATIO	90.781	0.0100	Level
6.	RANDD	111.312	0.0000	Level
7.	LOGRD	110.744	0.0000	Level

All the variables were stationary at level. The test was carried out by using Fisher Phillips–Perron Unit Root Test. The null hypothesis was rejected which stated that the series had a unit root. All the variables had a p-value less than 0.05 which meant that all series were stationary.

Test of Multi-collinearity

The following Table shows the results of correlation.

Table 3

Correlation for Large Cap Companies

	CDS	MCAP	DERATIO	EPS	CR	LOGRD
CDS	1.000					
MCAP	.222	1.000				
DERATIO	-.009	-.218	1.000			
EPS	.087	.203	-.123	1.000		
CR	.004	.275	-.389	.304	1.000	
LOGRD	.151	.305	-.419	.211	.302	1.000

Table 3 shows that no value was greater than 0.5. Hence, there was no major problem of multicollinearity.

Table 4

Collinearity Statistics for Large Cap Companies

Independent Variables	Tolerance	VIF
MCAP	.689	1.451
EPS	.880	1.136
CR	.627	1.596
DERATIO	.642	1.558
LOGRD	.556	1.799
SAF	.840	1.190
SEC	.559	1.789

Furthermore, the values were also checked with the help of tolerance level and variance inflation factor (vif) as shown in Table 4. Allison (1999) states that there is no actual cut-off for tolerance but tolerance, of below 0.40 was suggested as a matter of concern. The values of vif are less than 2, and the tolerance level was more than 0.55 which meant that there was no serious problem of multicollinearity.

Test of Auto-correlation

The assumption of Auto-correlation was tested. The value of Durbin Watson was recorded as 1.419.

Hausman Test

To check whether the fixed effect model or random effect model be applied, Hausman Test statistic was used :

Table 5

Hausman Test for Large Cap Companies

Test Summary	Chi-Sq. Statistic	Chi-Sq. D.f.	Probability
Cross-section Random	0.00000	5	1.0000

The results of Hausman test statistic have been presented in Table 5. It showed that Random Effect Model (REM) was appropriate for the equation with Chi-Square statistic value of 0.0000 and probability value of 1.0000. The null hypothesis was accepted for equation. Moreover, the equation included dummy variables. Therefore, REM was the appropriate technique.

Results of Panel Regression Analysis

Table 6 presents the results of the Panel Regression Analysis using Random Effect Model :

Table 6

Regression Results

Variables	Coefficients	Std. Error	t-Statistics	Probability Value
MCAP	6.099	2.084	2.926	0.003
EPS	0.009	0.023	0.399	0.689
CR	0.206	1.813	0.113	0.909
DERATIO	1.605	0.354	4.529	0.000
LOGRD	0.248	0.348	0.7131	0.476
SEC	5.259	1.139	4.614	0.000
SAF	0.767	2.238	0.342	0.732

Fitness of Model Testing

The fitness of the model can be checked with the help of F-statistic. The value of the F-Statistic was found to be 0.002 which was lesser than 0.05. Hence, the model was found fit. Furthermore, the value of the R-square and adjusted r-square helps to explain how much variation in the dependent variable was explained by the independent variables. The value of R-square was found out to be 16%.

Hypothesis Testing

The relationship between the corporate disclosure score and market capitalisation, earnings per share, current ratio, debt-equity ratio, log of expenditure on research and development, sector and size of audit firm was studied. The following hypotheses were framed and tested :

Table 7
Hypothesis Development for Large Market Cap

Hypotheses Name	Hypotheses Statement	Regression Coefficient	Prob. Value	Conclusion
H_{1a}	There is no statistically significant relationship between corporate disclosure score and market capitalisation of Large Cap companies.	6.099	0.003	Rejected
H_{1b}	There is no statistically significant relationship between corporate disclosure score and earnings per share of Large Cap companies.	0.009	0.689	Accepted
H_{1c}	There is no statistically significant relationship between corporate disclosure score and current ratio of Large Cap companies.	0.206	0.909	Accepted
H_{1d}	There is no statistically significant relationship between corporate disclosure score and debt-equity ratio of Large Cap companies.	1.605	0.000	Rejected
H_{1e}	There is no statistically significant relationship between corporate disclosure score and expenditure on research and development of Large Cap companies.	0.248	0.476	Accepted
H_{1f}	There is no statistically significant relationship between corporate disclosure score and sector of Large Cap companies.	5.259	0.000	Rejected
H_{1g}	There is no statistically significant relationship between corporate disclosure score and size of audit firm of Large Cap companies.	0.767	0.732	Accepted

H_{1a} : There is no statistically significant relationship between corporate disclosure score and market capitalisation of Large Cap companies.

The regression results showed that a positive and significant relationship existed between the corporate disclosure score and market capitalisation. The regression coefficient was found out to

be 6.099 and the probability value was 0.003. Hence, we can state that we reject our null hypothesis. The results were consistent with the previous studies like Singh (2009) and Singh (2014).

H_{1b} : There is no statistically significant relationship between corporate disclosure score and earnings per share of Large Cap companies.

The regression results stated that the null hypothesis was accepted. Therefore, it was found that there was no statistically significant relationship between corporate disclosure score and earnings per share as the p-value was found to be 0.689 which was more than the significant value. Therefore, we can say that there was no significant relationship between disclosures and profitability. The results were significant with prior studies like Hasan & Hosain (2015) and Charumathi & Ramesh (2015).

H_{1c} : There is no statistically significant relationship between corporate disclosure score and current ratio of Large Cap companies.

The null hypothesis stood accepted as with the help of regression the p-value was found to be 0.909 stating that there was no statistically significant relationship between corporate disclosure score and current ratio. The results were in harmony with the previous studies like Barako *et al.* (2006) and Hassan & Bello (2013).

H_{1d} : There is no statistically significant relationship between corporate disclosure score and debt-equity ratio of Large Cap companies.

With the help of regression, it was found that the null hypothesis was rejected stating that there was a statistically significant relationship between corporate disclosure score and debt-equity ratio. The value of regression coefficient was found out to be 1.605 and the p-value was 0.000. The results were consistent with the prior studies like Hassan & Bello (2013) and Charumathi & Ramesh (2015).

H_{1e} : There is no statistically significant relationship between corporate disclosure score and expenditure on research and development of Large Cap companies.

The regression results stated that there was no statistically significant relationship between corporate disclosure score and expenditure on research and development as the p-value was found out to be 0.476. The results stated that with the increase in the expenditure of research and development, there was no significant difference found in disclosure score of the companies.

H_{1f} : There is no statistically significant relationship between corporate disclosure score and sector of Large Cap companies.

The null hypothesis was rejected stating that there was a

statistically significant relationship between corporate disclosure score and sector. The p-value was found to be 0.00, therefore it was found that the service sector discloses 5.259 times more information than the manufacturing sector.

H_{1g} : There is no statistically significant relationship between corporate disclosure score and size of audit firm of Large Cap companies.

The null hypothesis was accepted stating that there was no statistically significant relationship between corporate disclosure score and size of audit firm. The p-value came out to be 0.732. Hence, it was also found that there was no difference in the disclosure scores of companies getting their accounts audited through big 4 audit firms and non-big 4 firms.

The resulting equation can be stated as :

(CDS) = 7.08+ 6.099*(MCAP) + 0.009*(EPS) + 0.206*(CR) +1.605*(DERATIO) + 0.248*(LOGRD) + 5.259*SEC+0.767*SAF

FINDINGS

The major findings of the study are as follows :

- The mean of the dependent variable i.e. Corporate Disclosure Score (CDS) came out to be 171.34.The maximum and minimum values were recorded as 201 and 133.
- The mean (Standard Deviation) of market capitalisation came out to be 824865.3 (873811.4) and the maximum (minimum) value was recorded as 4988978 (33377).
- The average (Standard Deviation) and maximum (minimum) values for the measure of profitability that was Earnings Per Share (EPS) was recorded as 44.268 (40.156) and 176.390 (-14.720) respectively.
- The mean (Standard Deviation) and maximum (minimum) values came out to be 1.478 (1.013) and 4.899 (0.100).
- The mean value came out to be 0.698 with a standard deviation of 1.362. The maximum and the minimum values were 6.190 and 0.000 respectively.
- The mean and standard deviation of LGRD was recorded as 6.305 and 2.837 and its maximum and minimum were estimated as 10.006 and 1.791 respectively.
- There was statistically significant relationship between corporate disclosure score and market capitalisation.
- There was no statistically significant relationship between corporate disclosure score and earnings per share.
- There was no statistically significant relationship between

corporate disclosure score and current ratio

- There was statistically significant relationship between corporate disclosure score and debt equity ratio
- There was no statistically significant relationship between corporate disclosure score and expenditure on research and development
- There was statistically significant relationship between corporate disclosure score and sector.
- There was no statistically significant relationship between corporate disclosure score and size of audit firm.

CONCLUSION

Corporate financial reporting has been witnessing many changes over the years. These changes have helped to increase the disclosures made by the companies over the years. The relationship between the disclosures and the company attributes was studied for the large cap companies. These companies includes the stocks of large and entrenched companies that have a well-built market existence which is generally considered as a safer investment. The paper studied the effect of firm attributes on the disclosure level. Though the study took specific company attributes to fulfill the objective, other attributes could also be taken to define firm size, profitability, liquidity, leverage, growth.The results were compiled based on large market capitalisation firms. These results were also consistent with the previous studies. The results found that the attributes of market capitalisation, debt equity ratio and sector were found to have significant impact on reporting and disclosure practices of Large cap companies.

Financial Reporting is considered as a key measure to report about the performance of the company. They include the Profit and Loss Statement, Balance Sheet, Cash Flow Statement, Directors Report and many other kinds of information that is useful to the stakeholders to assess the financial position and working of the company. This piece of information is vital in ever-changing business scenarios. The changes in the global scenario have led to numerous changes in the corporate reporting structure of the companies. Now, companies are required to disclose more in order to ensure full transparency to its shareholders as well as stakeholders.

References

Alhabshi, S. M.; Rashid, H. M. A.; Khadijah, S.; Agil S.; and Ahmed, M. U.

(2017), Financial Reporting of Intangible Assets in Islamic Finance, *ISRA International Journal of Islamic Finance,* 9(2), pp. 190-195, https://doi.org/10.1108/IJIF-08-2017-0021.

Barako, D. G.; Hancock, P.; and Izan, H. Y. (2006), Factors Influencing Voluntary Corporate Disclosure by Kenyan Companies, *Corporate Governance : An International Review,* 14(2), 107-125, doi : 10.1111/j.1467-8683.2006.00491.x

Charumathi, B.; and Ramesh, L. (2015), On the Determinants of Voluntary Disclosure by Indian Companies, *Asia-Pacific Journal of Management,* 11(2), 108-116.

Dumitru, M.; Dyduch, J.; Guse R.; and Krasodomska J. (2017), Corporate Reporting Practices in Poland and Romania – An Ex-ante Study to the New Non-financial Reporting European Directive, *Accounting in Europe*, 14(3), 279-304, DOI : 10.1080/17449480.2017.1378427

Elliott, W. B.; Fanning, K.; and Peecher, M. (2018), New Theory and Evidence on the Value Investors Ascribe to Higher-Quality Financial Reporting and Quality-Revealing Audit Reports, *SSRN eJournals,* Available at SSRN : https://ssrn.com/abstract=3136066 or http ://dx.doi.org/10.2139/ssrn.3136066

Gakhar, Divya Verma (2011), Electronic Business Reporting : A Study of Indian Corporate Sector, Innovation in Information and Communication Technology, *Macmillan Publishers*, 299-316.

Hasan, M. T.; and Hosain, M. Z. (2015), Corporate Mandatory and Voluntary Disclosure Practices in Bangladesh : Evidence from Listed Companies of Dhaka Stock Exchange, *Research Journal of Finance and Accounting,* 6(12), 14-32.

Hassan, S. U.; and Bello, A. (2013), Firm Characteristics and Financial Reporting Quality of Listed Manufacturing Firms in Nigeria, *International Journal of Accounting, Banking and Management,* 1(6), 47-63.

Leuz, C.; and Wysocki, P. D. (2016), The Economics of Disclosure and Financial Reporting Regulation : Evidence and Suggestions for Future Research, *Journal of Accounting Research*, 54(2), pp. 525-622, DOI : 10.1111/1475-679X.12115

Malhotra, P.; and Makkar, R. (2012), A Study of Corporate Web Reporting Practices in India, *IUP Journal of Corporate Governance*, 11(1), 7-19.

Powers, K.; Robinson, J. R.; and Stomberg, B. (2016), How do CEO Incentives Affect Corporate Tax Planning and Financial Reporting of Income Taxes?, *Review of Accounting Studies,* 21(2), pp. 672-710.

Singh, W. (2014), Corporate Financial Reporting in Indian Retail Sector, *A Ph.D. Thesis Submitted to the Faculty of Business Studies* of the Punjabi University, Patiala.

Singh, Harmandeep; and Singh, Arwinder (2015), Internet Financial Reporting by Indian Public and Private Companies, *Journal of Marketing and HR*, 1(1).

Singh, M. (2009), Corporate Disclosure Through Web, *A Ph.D. Thesis Submitted to the Faculty of Economics and Business* of the Guru Nanak Dev University, Amritsar.

Subramanyam, M.; and Dasaraju, Himachalam (2014), Corporate Governance and Disclosure Practices in Listed Information Technology (IT) Companies in India, *Open Journal of Accounting*, 3, 89-106.

Tang, Q.; Chen, H.; and Lin, Z. (2016), How to Measure Country Level Financial Reporting Quality? *Journal of Financial Reporting and Accounting*, 14(2), pp. 230-265, https://doi.org/10.1108/JFRA-09-2014-0073