

ON THE DETERMINANTS OF FORWARD LOOKING DISCLOSURES BY INDIAN COMPANIES

B. Charumathi

Department of Management Studies, School of Management
Pondicherry University, Pondicherry

Latha Ramesh

Assistant Professor-Finance, Christ University Institute of Management,
Bengaluru

ABSTRACT

The investors and analysts use financial statements to decide on the potential performance of the companies and thus it is pertinent that the companies disclose some of them voluntarily. This paper is a longitudinal analysis of such discretionary forward looking statements found in the annual report of Indian Companies. For this purpose, a set of discretionary forward looking statements were identified by benchmarking the global practices. The study then found that there was a little progress in such disclosure statements for the last five years from 2010-2014 in the BSE 100 companies. Using panel data Regression, the study found that promoters holding, Institutional holding and industry type have association with the forward looking disclosure score. The study is important in the present regime of regulators moving towards transparency and fair value accounting in developing countries such as India and is original in terms of identifying the forward looking statements specific to Indian scenario.

Key Words: Voluntary Disclosure, Forward Looking Statements, Financial Reporting.

INTRODUCTION

Financial statements provide historical presentation of the financial state of affairs of the company and not necessarily useful to make assumptions of the future prospects. The managements' perspective on the future economic performance thus plays an important role for the users to make informed decisions. In corporate form of business, there exists information asymmetry where a set of insider shareholders possess more information than the rest of the other investors. If there is information known to the managers and not revealed to the stakeholders, there is information asymmetry which could result in adverse selection. In spite of such scenario, the capital markets are vibrant due to signalling which can be partly done through the quality of financial reporting (Spence, 1973). With proper and timely disclosures of financial affairs, firms can mitigate the problem of adverse selection and can raise funds at reasonable rates, which is one of the important features of a well organised capital market.

On The Determinants of Forward Looking Disclosures by Indian Companies

A major contributing reason for the economic crisis in the market in the past had been the opaqueness of financial reporting. International financial crisis and corporate scandals such as Asian financial crisis of 1997, the debacle of Enron triggered the debate of the role of the regulators and policy makers and resulted in regulations such as Sarbanes Oxley Act.

In order to reduce the price dispersion, information asymmetry should be maintained (Singhvi and Desai, 1971). It is important for a firm to disclose financial, economic and non financial information wherever required. A good corporate disclosure is one of the important factors to reduce the information asymmetry (Healy & Palepu, 2001). There are several ways the companies communicate with the external stakeholders through several means such as prospectus, quarterly reports, earnings conference calls, press releases etc., By far the most recognised means of communication is the annual reports which contain a multitude of information about the affairs of the company.

The paper focuses on one of the dimensions of the corporate disclosure practices involving forward looking statements in the annual report of Indian companies. The information contained in the annual report could be classified as historical (that is backward looking) and futuristic (forward looking). The forward looking statements are basically non financial in nature involving projection of revenue, capital expenditure plan etc., set out by the board of management.

The forward looking statements generally contain words such as “anticipate,” “plan”, “expect” , “Intends”, “believes”, “estimates” and similar words and be accompanied by cautionary statements identifying the various factors that could impact the actual results to be materially different from the predicted duly tailored to the particular business. The risk factors should also be separately identified to enable the users to make informed decisions (Chivers & Quinn, 2009).

In the Indian context, the capital market regulator SEBI (Securities and exchange Board of India) prescribes the disclosures of risk factors both internal and external in the offer document of Initial public offer. In the annual report, the companies are expected to give a disclaimer that the forward looking statements in the report may or may not be realised due to uncertainties, risks, or even inaccurate assumptions. In spite of such disclaimers, the contents of such statements help the users to make reasonable assumptions on the prospects of the company.

The study identifies a set of forward looking statements that the users look forward in the corporate communication, measures the extent of such disclosure practices in Indian companies and explores the factors determining such disclosures. The paper is organised in the following style. The ensuing section discusses the literature on voluntary disclosures with special emphasis on the forward looking disclosures, the determining factors from different countries all round the world. The third section develops the research objective and hypotheses. The fourth section presents the research methodology, the fifth explains the results and the concluding sixth section summarises and discusses the implication of the study.

REVIEW OF LITERATURE

STUDIES ON THE VOLUNTARY DISCLOSURES

The literature is very rich in terms of voluntary disclosure practices of various countries in the economy. As multi countries study, Hope (2003) analysed the data the data of 890 companies across 22 countries to analyse the relationship between forecast accuracy and disclosure practices .The index consisted of 86 items with seven categories.

The studies that compared the voluntary disclosure of the respective countries primarily conducted content analysis to record the presence of the disclosure items. Most of these studies used a disclosure index to measure the extent of disclosures. The disclosure index either were self-constructed by the authors or adopted version of the VDI practiced elsewhere. For example, Cheng & Courtenay (2008) adopted a disclosure index followed by Botoson (1997) and revised it to the requirement of Chinese regulations.

Few studies used primary data in form of questionnaire to assess the importance of the disclosure items. Binh(2012) conducted survey of financial analysts and the financial managers- users and providers of financial information to short list the number of disclosure items. Another study by Zeghal, Moueli, & Louti (2008) surveyed the financial analysts to understand the important R&D disclosure items.

There are different categories of voluntary disclosures both under financial and non-financial aspects. Financial information included financial instruments disclosures (Chan & Watson, 2011) Non GAAP financial reporting (Mitchell, Chia, & Loh 1995), interim reporting (Lakhal, 2005); (Skinner, 1994); (El-Gazzar, Fornaro, & Jacob, 2008) (Manegena, 2007) and segment disclosures by Mitchell et al (1995), Prencipe (2004).

STUDIES ON CONSTITUENTS OF FORWARD LOOKING STATEMENTS

There are studies available on the specific category of forward looking disclosures. Bryan (1997) found that the future looking statements contained in the MD&A (Management Discussion and Analysis) segment of the annual report were able to assist in the short term prospects of the company though the same was not necessarily true for long term. Smith & Taffler (1995) investigated the quality of the contents of the chairman's message in the annual report and found that qualitative disclosures on the future strategies had a positive effect on the market performance. According to Clarkson et al (1994) companies tend to project favourable aspects of the business. This was also established by Cen & Cai (2013) in the context of chairman's message in the annual report of Chinese Companies. Miller (2009) explored the disclosure quantitative forecast of earnings of companies and cautioned that some disclosures could be opportunistic resulting in higher pay outs for the managers. Mostafa (2009) constructed a set of risk disclosures done by companies to understand the practices of disclosures in the companies of UAE. Urquiza, Navarro, Trombetta, Lara (2010) presented the set of criteria used to validate the contents of

On The Determinants of Forward Looking Disclosures by Indian Companies

disclosure items. Walker and Tsalta (2001) found that the companies which had good quality of forward looking statements had a positive association with the accuracy of the analysts forecast underlying the need for the companies to include in the communication. There were studies indicating the importance of the disclosure of various types of risks the companies could be undergoing. The literature had defined the following sub categories of risks namely business; strategy; operating; market and credit (Cabedo and Tirado ,2004). Beretta and Bozzoloan (2008) found that the disclosure in respect to the political economic, financial, legal disclosures form a major source of forward looking statements. Kent and Ung concluded that Australian companies had a low extent of forward looking statements and only bigger companies with more stable earnings provide such disclosures.

STUDIES ON THE FACTORS DETERMINING FORWARD LOOKING DISCLOSURES

The extent of foreign income was considered as significant factors for companies to disclose information voluntarily to win the trust of the customers and regulators abroad. Baroko (2006) found that geographical spread of revenue constitute a major factor for the companies to cater to different nationalities and governance culture.

Studies have found positive relationship between size and extent of disclosures. Alsaeed (2006) argued that larger companies had sufficient resources to provide more information and with a higher interest of government agencies with bigger companies, the companies would also try to reduce agency cost of the widespread shareholders The companies listing the securities abroad also have incentive for higher disclosures as found by Watson et al (2002).

Karamanou and Vafeas (2005) found that an effective board was likely to make a more precise forecast of future performance resulting in better quality of reporting. According to Lee, Matsunaga & Park (2012) the ability of a board with diverse skills reduces the inaccurate forecasts.

There is empirical evidence of companies with higher promoters holding having lesser incentive for higher disclosures Studies found that the percentage of institutional ownership had a positive association with disclosures(Belkaoui ,2001; Murcia & Santos,2012)

Study by O'Sullivan,Percy and Stewart (2008) indicated the presence of higher forward looking statements in the companies with higher proportion of independent directors. Hossain,Ahmed & Godfrey (2005) found that the companies with higher fixed assets and large amount of outside directors provided higher levels of disclosures. A study in China by Qu,Leung & Cooper (2013) found that independent directors on the board act with the primary concern of the shareholders. Darmadi and Sodikin (2013) established that companies with family owned structure had lesser incentive to disclose and a higher proportion of independent directors in the board could bring in transparency.

The profitability of the companies also found to determine with the level of disclosures though the results are mixed with respect to positive or a negative association. Ahmed

and Courtis (1999) linked the higher disclosure for profitable companies with the managers' incentive for enhanced compensation while Skinner (1994) argued that the companies with lower profitability tend to be transparent to avoid the possible litigation costs.

RESEARCH OBJECTIVE AND HYPOTHESIS DEVELOPMENT

With the extant of literature on the specific area of discretionary forward looking statement disclosures, the authors found dearth of studies in India, which is going through significant transition in financial reporting regime. In India both public and private sector enterprise thrive and attracted the interest of investors both domestic and foreign Institutions. Indian capital market is one of the fastest growing in the emerging economies and there is a great need for transparent disclosures to attract investors. Understanding the gap, the present study intends to :

- (a) Identify the list of forward looking statements that are applicable in the Indian context by referring the international practice.
- (b) Measure the extent of disclosures.
- (c) Understand the difference in disclosures across time periods and ownership types.
- (d) explore the association between the forward looking disclosures and the corporate governance variables.

The study proceeded the following way to enlist the forward looking disclosures.

- (a) Study the previous studies across the world to identify the various items of disclosures.
- (b) Read the annual reports of companies which were ranked high on the content of disclosures.
- (c) Collate all the items found in the previous two steps.
- (d) Consolidate the various items for the sake of simplicity.
- (e) Consider the opinions of academic and industry experts on the importance of the items.

By following the methodical approach the study came up with twelve items of forward looking statements found in appendix 1. The index was tested for reliability and validity (Charumathi & Ramesh, 2013).

Proceeding with the second research objective, the study investigated the trend in the forward looking statements over the period from 2010 to 2014. This period is significant in the reporting regime of India with the enactment of Companies Act 2013 and the commitment of India to converge towards fair value reporting with IFRS (International Financial Reporting Standards). The following hypotheses were formed to understand the trend in disclosures of forward looking statements.

H₀₁: There is no significant difference in FLS disclosures of Indian companies over the five years from 2010 to 2014.

On The Determinants of Forward Looking Disclosures by Indian Companies

H₀₂: There is no significant difference in the FLS disclosures of Private sector and public sector companies.

Moving towards the determinants of FLS, the hypotheses are summarised in Table 1

Table 1 : Hypothesis statements for determinants

There is no significant association between forward looking statement disclosure and	Export Revenue	H ₀₃
	Size	H ₀₄
	Listing status	H ₀₅
	Proportion of Independent directors	H ₀₆
	Promoters holding	H ₀₇
	Institutional holding	H ₀₈
	Profitability	H ₀₉
<i>Compiled by authors based on earlier literature and after several iterations using multiple regression with model fit</i>		

The study used industry type as the control variable and the nature of industry consistent with Hashim, Saleh (2007) and Barako, Hancock And Izan (2006)

METHODOLOGY SAMPLE

The sample for the study was non financial companies in the BSE 100 Index. This is a broad based index diversified in terms of industries and sizes and hence was considered as appropriate proxy of corporate India. Since banking industry have a set of different disclosures, it is excluded from the purview of the study. This resulted in 393 companies, consisting of 83 in 2009-10; 79 in 2010-11 and 77 from 2011-12 to 2013-14 and used to test the H₀₁ and H₀₂.

For investigating the factors determining the FLSD through Hypotheses H₀₃ to H₀₉, the study used balanced panel data to observe the disclosure practice of companies over the five years and hence only those forming part of the index in all the five years were finally included in the sample thus resulting in 325 firm year observations.

MEASUREMENT OF DEPENDENT VARIABLE- FORWARD LOOKING DISCLOSURE SCORE (FLDS)

The study used content analysis to find of key words as mentioned before to measure the extent of such disclosures. The study used dichotomous score in the sense if the items were found it was marked as one otherwise zero. The percentage of disclosures was then obtained by dividing the score by 12. The resultant variable FLSDS (Forward Looking Statement Disclosure Score). Other variables are calculated using the database Prowess, developed by CMIE (Centre for Monitoring Indian Economy).

Measurement of Independent variables

Consistent with the hypothesis, the variables selected are presented in Table 2

Table 2 : Variables used in the Study

Variables	Code	Explanation
Industry type	IND	It is the type of the industry. The companies in the sample are classified into ten different types and each of them are coded from 1 to 10
Export revenue	EXPRE	It is the proportion of revenue earned in countries other than home country on the total revenue of the companies
Size of the firm	LnTA	The proxy for the size of the firm is the natural logarithm of the total assets
Listing Status	LIST	This is a dichotomous variable depending on the listing status of the companies in a country in foreign country. It was coded as 1 if listed aboard and 0 if it not listed in any other country
Proportion of Independent directors	INDIR	It is the proportion of independent directors to the total size of the board
Promoters' holding	PROMHO	It is the proportion of the shares held by promoters on the total share capital
Institutional holding	INSTI	It is the proportion of shares held by institutions on the total share capital of the company
Profitability	ROE	It is the profitability of the company on the equity consisting of share capital and reserves and surplus and calculated as Profit after Tax / Equity
Forward Looking disclosure score	FLSDS	This score is obtained by adding the number of items disclosed and divide it by 12 (the total number of items)
<i>Compiled by authors</i>		

DATA ANALYSIS

The data was first checked for normality using Kolmogorov- Smirnova tests and found to be normal. To understand the differences in disclosures across time period and ownership group, one way ANOVA was used. The study employed panel data regression to establish the association between the score and the independent variables. Panel data regression consists on fixed effects, random effects and panel ordinary least square. Fixed effects model is on the assumptions that individual group and time have different intercept while the random models hypothesise that to have different disturbance (Baltagi, 2001). Hausman test is employed to choose between fixed and random effects and LM test is employed to choose between random effects and POLS. The model used for the study is as follows:

$$FLSDS = \beta_0 + \beta_1 EXPRE + \beta_2 LnTA + \beta_3 LIST + \beta_4 PROMHO + \beta_5 INSTI + \beta_6 ROE + \epsilon_i$$

RESULTS AND DISCUSSIONS

The descriptive statistics of the variable is found in Table 3

Table 3 : Descriptive Statistics of the variable

	Minimum	Maximum	Mean	Std. Deviation
FLDS	0.00%	91.67%	42.12%	16.85%
EXPREV%	0	100	17	.37.5
TA (in INR million)	18884	3677440	402785	540709
INDIR(%)	12.45	80	50.6276	12.74365
PROHO	15.94	90	54.185	17.72
INSTI(%)	5	57	30.14	12.84
ROE(%)	0	113.03	22.35	17.95
<i>Calculated using SPSS 22</i>				

The average forward looking disclosure score of the companies during the study period was around 42%, less than the average marks. The range of scores from 0% to 92% also showed that few companies had incentive for prospective disclosures while the other companies did not opt to divulge single forward looking statements. The average promoters holding of the sample companies stand at about 54% indicating the concentration of promoters controlled business. The Institutional holding of the sample companies averaged at 30% indicating a fairly wider base of institutional investors. On an average, the proportion of Independent directors was 50% point to the compliance of the corporate governance norms. Table 4 depicts the disclosures score of the FLD industry wise.

Table 4 : Industry wise Average Score of FLDS

Industry Type	FLSD Score
Diversified	38%
Cement	41%
Infrastructure	38%
Automobile	37%
Capital Goods	48%
Miscellaneous	38%
Service	49%
Mining, Minerals& Refinery	42%
FMCG	45%
Pharma	40%
<i>Calculated by authors</i>	

B. Charumathi & Latha Ramesh

The table shows higher extent of disclosures by service and capital goods industries. Service companies in India have higher foreign operations which could give the reasoning. Capital goods have huge outlay of capital expenditure which could necessitate higher amount of FLD. To further understand this the study used one way Anova to check if there is any significant difference exist in FLD across the time period and the results are found in Table 5.

Table 5 : Anova results of FLDS across the five year time periods

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.6	4	0.15	6.225	0
Within Groups	9.354	388	0.024		
Total	9.954	392			
<i>Calculated using SPSS 22</i>					

The results indicated significant difference of FDLS in the five year time period and hence H_{01} stands rejected indicating that over the period there is significant change in FLSD of the sample companies.

To further test if FLSD difference in terms of the FLDS, Table 6 containing the Anova results is presented

Table 6 : Anova Results of FLDS Across Ownership Types

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.019	1	0.019	0.74	0.39
Within Groups	9.936	391	0.025		
Total	9.954	392			
<i>Calculated using SPSS 22</i>					

Table 6 did not show significant difference thus H_{02} cannot be rejected which could mean there is no significant difference in disclosure of private and public sector companies.

Proceeding further, correlation matrix was performed and presented in Table 7.

Table 7 : Coefficient of correlation

	FLSD	EXPREV	LNTA	LIST	INDIR	PROMHO	INSTI	IND	ROE
FLSD	1								
EXPREV	0.04	1							
LNTA	0.087	-.116*	1						
LIST	0.088	.213**	-.142*	1					
INDIR	-0.071	.232**	-.171**	0.08	1				
PROHO	-0.04	-.194**	.140*	-.184**	-0.102	1			
INSTI	0.022	.124*	-.124*	0.03	0.042	-.556**	1		
IND	0.078	.352**	-0.089	.254**	.172**	-0.102	0.081	1	
ROE	0.045	-.116*	-0.056	-0.031	-0.052	0.02	-0.033	.190**	1
<i>Calculated using SPSS 22</i>									

On The Determinants of Forward Looking Disclosures by Indian Companies

Table 7 shows negative correlation between size of the firm and the proportion of Independent directors. Another observation of negative relationship between promoter holding and independent directors show that promoters run companies had less incentive to have independent members on the board. It also indicates highest correlation was found between promoter holding and Institutional holding but then it did not exceed 0.7 hence all the variables were taken in the model (Hanniffa & Cooke, 2002) .

Panel data regression was carried out with Ordinary Least Square (OLS), Fixed Effects (FE) and Random Effects (RE). Hausman test was carried out between FE and RE and if that showed significant value, then Fixed Effects is chosen as the appropriate model (The null hypothesis of hausman test is Random effect model is suitable). If not, then RE model is checked with OLS with the help of Langrenge Multplier test (LM) and if LM shows significant value, RE model was taken and otherwise, it would be OLS. Using this procedure, the analysis was carried out and the results are consolidated in Table 8.

Table 8 : Results of the Panel data regression

SFL	OLS	FE	RE
EXPREV	0.0784067	0.0438854	0.0708856
	-0.059	(0.075)*	-0.099
LNTA	0.038999	0.0071556	0.0368921
	0	(0.001)***	-0.004
LIST	0.0426887	0.2070721	0.0436761
	-0.069	-0.184	-0.08
INDIR	0.2254862	0.2893953	0.2286529
	-0.004	(0.027)**	-0.005
PROHO	0.0000235	-0.005446	0.000151
	-0.983	-0.147	-0.895
INSTI	0.0010146	0.0037739	0.0007213
	-0.514	-0.192	-0.657
	0.0034287	0.0439496	0.0033164
IND	-0.415	(0.069)*	-0.458
ROE	0.055038	0.2913475	0.0546301
	-0.308	(0.013)**	-0.34
_cons	0.0340133	1.125372	0.01153
	-0.874	-0.04	-0.959
R squared	0.0914	0.033	0.1269
Hausman Test		18.1 (0.0533)	
F test		1.41 (0.0505)	
Breusch and Pagan			NA
<i>Results calculated using stata *, **, *** denote the significance at 10%,5% and 1% respectively</i>			

Table 8 shows the positive relationship between profitability and FLS. As the profitability increases, the managers have incentive to disclose major prospective plans such as capital expenditure and order books. Another observation is the larger extent of revenue outside the domestic country gives better motivation for forward looking disclosures. Other finding of a positive association between institutional ownership could bring forth the point of the importance of FLSD for such investors. The study also found that industry type could control the level of disclosure for several reasons such as barriers to entry, the position of the competitors.

SUMMARY OF THE FINDINGS AND CONCLUSIONS

Table 9 summarises the results of the hypothesis.

Table 9 : Summary of the hypothesis on determinants of FLDS

Variable	H ₀	Actual sign	Significance	%
Export Revenue	H ₀₃	+	Yes	10
Size	H ₀₄	+	Yes	1
Listing status	H ₀₅	+	No	
Proportion of Independent directors	H ₀₆	+	Yes	5
Promoters holding	H ₀₇	-	No	
Institutional holding	H ₀₈	+	No	
Profitability	H ₀₉	+	Yes	5
<i>Summarised by authors</i>				

The paper measured the forward looking disclosure practices of Indian companies from 2010-14, which is considered as important period in the financial reporting and regulation regime of India. The study found that Indian companies still need to go a long way in providing relevant and objective disclosure on the future prospects of the business. The presence of independent directors in the board seems to help higher FLDS in a country like India where the role of Independent directors are evolving to become more constructive. The nature of the industry having an association is in line with Hashim, Saleh (2007). The study also found that size is not a factor determining the prospective disclosure.

The study has several implications. First of all, it has collated a set of key forward looking statements that could help the users of the financial statements. It has also measured the forward looking statement practices of Indian companies at a juncture where Indian corporate is moving towards improving the quality of financial reporting. The study also establishes the role of corporate governance factors leading to higher disclosure of prospective information.

On The Determinants of Forward Looking Disclosures by Indian Companies

The limitations of the study which could lead to future research are as follows. The study used manual content analysis which could be laborious given the volume of information in the corporate disclosure. Automatic content analysis using software such as NuDist or similar could mine more results and be extended to a larger sample size.

REFERENCES

- Ahmed, K., & Curtis, J. (1999). Association between corporate characteristics and disclosure levels in annual reports: a meta- analysis. *British Accounting Review*, 31 (1), 36-61.
- Alsaeed, K. (2006). The association between firm-specific characteristics and disclosure. The case of Saudi Arabia. *Managerial Auditing Journal*, 14 (4), 476-96.
- Baek, H., Johnson, D., & Kim, J. (2009). Managerial ownership, corporate governance and voluntary disclosure. *Journal of Business & Economic Studies*, 15 (2), 44-61.
- Baltagi, B. (2001). *Econometric analysis for panel data*. Wiley, John & Sons.
- Barako, D., Hancock, P., & Izan, H. (2006). Factors influencing voluntary corporate disclosure by Kenyan companies. *Corporate Governance*, 14 (2), 107-125.
- Belkaoui, A. R. (2001). Level of multinationality, growth opportunities and size as determinants of analyst ratings for corporate disclosure. *American Business Review*, 19 (2), 115-120.
- Beretta, S., & Bozzoloan, S. (2008). Quality versus quantity: The case of forwarding looking disclosure. *Journal of Accounting, Auditing and Finance*, 23 (3), 333-375.
- Binh, T. (2012). Voluntary disclosure information in the annual report of non financial listed companies: The case of Vietnam. *Journal of Applied Economics and Business Research*, 2 (2), 69-90.
- Botoson, C. (1997). Disclosure level and cost of equity capital. *The Accounting Review*, 72 (3), 323-349.
- Bozzolan, S., & Trombetta, M. (2009). Forward looking disclosures, financial verifiability and analysts' forecasts: A study of cross-listed European firms. *European Accounting Review*, 18 (3), 435-473.
- Bryan, H. S. (1997). Incremental information content of required disclosures contained in Management Discussion and Analysis. *The Accounting Review*, 72 (2), 285-301.
- Cabedo, J. D., & Tirado, J. M. (2004). The disclosure of risk in financial statement. *Accounting Forum*, 19 (4-5), 181-200.
- Cen, Z., & Cai, R. (2013). Impression management' in Chinese corporations: a study of chairperson's statements from the most and least profitable Chinese companies. *Asia Pacific Business Review*, 19 (1), 490-505.
- Chan, M. C., & Watson, J. (2011). Voluntary disclosure of segment information in a regulated environment: Australian evidence. *Eurasian Business Review*, 1 (1), 37-53.
- Charumathi, B., & Ramesh, L. (2013). Voluntary disclosures by Nifty Companies: A content analysis. *Indian Accounting Review*, 17 (2), 67-82.
- Cheng, E., & Courtenay, S. (2008). Board composition, regulatory regime and voluntary disclosure. *The International Journal of Accounting*, 41 (2), 262-289.
- Chivers, C., & Quinn, G. (2009, December). Importance of well drafted forward looking statement disclosures. *Finance Digest*, pp. 1-9.
- Clarkson, P. M., Kao, J. L., & Richardson, G. (2007). The voluntary inclusion of forecasts in the MD&A section of annual reports. *Managerial Auditing Journal*, 22 (9), 881-894.
- Darmadi, S., & Sodikin, A. (2013). Information disclosure by family-controlled firms. *Asian Review of Accounting*, 21 (3), 223-240.
- El-Gazzar, S., Fornaro, J., & Jacob, R. (2008). An examination of the determinants and contents of corporate voluntary disclosure of management's responsibilities for financial reporting. *Journal of Accounting, Auditing & Finance*, 23 (1), 95-114.
- Hanniffa, R. M., & Cooke, T. E. (2002). Culture, corporate governance and disclosure in Malaysian Corporations. *Abacus*, 38 (3), 317-349.
- Hashim, F., & Saleh, N. (2007). Voluntary annual report disclosures by Malaysian multinational corporations. *Malaysian Accounting Review*, 6 (1), 129-156.

B. Charumathi & Latha Ramesh

- Healy, P., & Palepu, K. (2001). Information asymmetry, corporate disclosure and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting & Economics*, 31 (1), 405-440.
- Hope, O. (2003). Disclosure practices, enforcement of accounting standards, and analysts' forecast accuracy: An international study. *Journal of Accounting Research*, 41 (2), 235-268.
- Hossain, M., Ahmed, K., & Godfrey, J. (2005). Investment opportunity set and voluntary disclosure of prospective information: A simultaneous equations approach. *Journal of Business Finance and Accounting*, 32 (5), 871-907.
- Huafang, X., & Jianguo, Y. (2007). Ownership structure, board composition and corporate voluntary disclosure. *Managerial Auditing Journal*, 22 (6), 604-619.
- Karamanou, I., & Vafeas, N. (2005). The association between corporate boards, audit committees, and management earnings forecasts: empirical analysis. *Journal of Accounting Research*, 43 (3), 453-486.
- Lakhani, F. (2005). Voluntary earnings disclosures and corporate governance: Evidence from France. *Review of Accounting & Finance*, 4 (3), 64-85.
- Lee, S., Matsunaga, S., & Park, W. C. (2012). Management Forecast Accuracy and CEO Turnover. *The Accounting Review*, 87 (6), 2095-2122.
- Lev, B., & Paul, Z. (1999). The boundaries of financial reporting and how to extend them. *Journal of Accounting Research*, 37 (2), 353-386.
- Manegena, M. T. (2007). Corporate compliance with non-mandatory statements of best practice: The case of ASB statement of interim reports. *European Accounting Review*, 16 (2), 399-427.
- Miller, S. J. (2009). Opportunistic disclosures of earnings forecasts and Non GAAP earnings measures. *Journal of Business Ethics*, 89 (1), 3-10.
- Mitchell, J. D., Chia, C. W., & Loh, A. S. (1995). Voluntary disclosure of segment information: Further Australian evidence. *Accounting & Finance*, 35 (2), 1-16.
- Mostafa, K. H. (2009). UAE corporations-specific characteristics and level of risk disclosure. *Managerial Auditing Journal*, 24 (7), 668-687.
- Murcia, F. D., & Santos, A. D. (2012). Discretionary based disclosure-Evidence from the Brazilian market. *Brazilian Administration Review*, 9 (1), 88-109.
- O'Sullivan, M., Percy, M., & Stewart, J. (2008). Australian evidence on corporate governance attributes and their association with forward-looking information in the annual report. *Journal of Management and Governance*, 12 (1), 5-35.
- Prencipe, A. (2004). Proprietary costs and determinants of voluntary segment disclosure: Evidence from Italian listed companies. *European Accounting Review*, 13 (2), 319-340.
- Qu, W., Leung, P., & Cooper, B. (2013). A study of voluntary disclosure of listed Chinese firms-a stakeholder perspective. *Managerial Auditing Journal*, 28 (3), 261-294.
- Shammari, B. (2010). Corporate governance and voluntary disclosure in Kuwait. *International Journal of Disclosure and Governance*, 7 (3), 262-280.
- Singhvi, S., & Desai, H. (1971). An empirical analysis of quality of corporate financial disclosure. *Accounting Review*, 46 (1), 129-138.
- Skinner, D. (1994). Why firms voluntarily disclose bad news. *Journal of Accounting Research*, 32 (1), 38-58.
- Smith, M., & Taffler, R. J. (1995). The incremental effect of narrative accounting information in corporate annual reports. *Journal of Business, Finance & Accounting*, 22, 1195-1210.
- Spence, M. (1973). Job market signalling. *Quarterly Journal of Economics*, 355-374.
- Urquiza, F., Navarro, M., & M, T. (2010). Disclosure theories and disclosure measures. *Spanish Journal of Finance and Accounting*, 39 (147), 393-415.
- Walker, M., & Tsaltas, A. (2001). *Corporate financial disclosure and analysts forecasting activity; preliminary evidence from UK*. London: ACCA Research.
- Watson, A., Shrivs, P., & Marston, C. (2002). Voluntary disclosures of accounting ratios in the UK. *British Accounting Review*, 34 (2), 289-313.
- Zeghal, D., Moueli, R., & Louti, H. (2008). An analysis of the determinants of research & development voluntary disclosure by Canadian firms. *Irish Accounting Review*, 61-89.