CHAPTER 6

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS, AND FUTURE RESEARCH AVENUES
Corporate disclosures are a significant aspect of governance not just from the regulatory perspective but also from the perspective of various stakeholders. Over the years post establishment of Securities and Exchange board of India in the last couple of decades the norms and guidelines have evolved and ample progressive transformation in the overall system has taken place in order to make the environment fairer and transparent leading to good governance practices.

Moreover in the current investor driven scenario, the corporate reports containing the disclosures are not just a formality of mandatory paperwork, but it is considered to be a reflection of the actual organizational performance. The investors use these reports to make informed decisions, and companies are leaving no stone unturned to make these reports more informative and meaningful since the level of disclosure reflect the transparency and eventually contribute as a critical aspect towards developing the goodwill of the organization.

Some of the recent trends reveals that the organizations in the current scenario are not only just complying with the reporting on mandatory ‘financial’ and ‘non-financial’ disclosures, but are also providing ample information under the various heads of ‘voluntary disclosures’.

In recent times, a lot of research work has also been undertaken on various aspects of corporate reporting by numerous authors including Gupta (1977); Rathod (1990); Meena (1995); Kohli (1998); Bistra and Maria (2002); Singh (2005); Mahajan and Chander (2007); Hossain (2008); Mishra and Suar (2010); Aljifri et al. (2014) and others on financial disclosures; Sanan and Yadav (2006); Jackling and Johl (2009); Thakkar (2011); Gill (2013); Ndikwe and Owino (2016) and many others on ‘non-financial disclosures and Botosan (1997); Hail (2001); Aksu and Kosedag (2005); Barako (2007); Rouf (2010); Kendi (2014); Wangari (2014) and others in regard to voluntary. The literature suggests relationship between various reporting parameters with the organizational performance as well. Furthermore, evidences from the literature also suggest a significant relationship between corporate reporting and market price of the shares Dedman et al. (2008); Pradhan (2014); Masum (2014); Mousa (2015) and others. A lot of studies have also been done in regard to the investors and other stakeholder’s perception towards various facets of corporate reporting. But a lot of research gaps still pertains to be plugged.
The current study intended to cover as many possible aspects of corporate reporting including impact and relationship between ‘financial disclosures’ and organizational performance, impact of ‘non-financial disclosures’ and organizational performance, the extent of ‘voluntary disclosures’ and its relationship with performance of organization, relationship between reporting and market price of the shares and the perception of various stakeholders regarding various aspects of corporate reporting.

The current chapter is dedicated towards and contains the findings of the study, discussions, conclusions and recommendations and future research avenues. Likewise the chapter has been dissected into three sections and their sub-sections in accordance to the objectives and the research methodology adopted for the study.

6.1 SUMMARY OF FINDINGS

The first section of this chapter deals with the findings of the current study that are based on the analysis of the collected data in both primary as well as secondary forms. This section has been further divided into three parts and their sub sections based on the objectives and the research methodology adopted for the study. The section include relationship between the corporate reporting practices and organizational performance, trend and relationship between market price of the share and corporate reporting and perceptions of various stakeholders on adequacy, usefulness and relationship of corporate reporting and organizational performance.

6.1.1 Relationship between Corporate Reporting Practices and Organizational Performance

This first part of the current section of this chapter discusses the major findings on the three aspects under corporate reporting including ‘financial disclosures’, ‘non-financial disclosures’ and ‘voluntary disclosures’ that are being adopted by the organizations in the current scenario. Further, these section also includes the insight on the results that were drawn in regard to relationship and impact of these disclosures and the reporting practices with the organizational performance.
A. Financial Reporting Practices and Organizational Performance

The trading and suspended companies differ significantly in reporting disclosures in the broad category of ‘disclosures in footnotes’ under the sub parameter of ‘break up of raw material consumed’ and also on aspect of ‘provisions for contingent liabilities’.

As far as disclosures regarding ‘remuneration to Key Managerial Personnel’ is concerned, significant differences were observed between trading and suspended companies under all the sub parameters like – ‘The ratio of the remuneration of each director to the median remuneration of the employees’, ‘The percentage increase in remuneration of each Director, CFO & CS in the financial year’, ‘The explanation on the relationship between remuneration and company performance’, ‘Comparison of the remuneration of the Key Personnel against the performance’, ‘Comparison of the remuneration of each Key Personnel against the performance’.

The trading and suspended companies also significantly differ in reporting on ‘other disclosures’ in the sub parameters of ‘market price data’ and ‘performance against broad based indices’.

No specific difference was noted on reporting under the head of ‘disclosures in Balance Sheet’, ‘Disclosures in Profit and Loss Account’, ‘disclosures in Cash Flow’ and ‘disclosures on Corporate Social responsibility’. This is due to the fact that financial disclosures in the above mentioned categories are mandatory by nature and all the listed companies have to comply with such disclosures in their annual reports.

There are other aspects also where no difference in reporting was noted between trading and suspended companies, indicating that all the companies have similar disclosure scores for these categories which are – ‘Details of Tangible & Intangible Assets including their usable life’, ‘Related Party Disclosures of transactions entered into by a company’, ‘Loans & advances in which directors are Interested’, ‘Statutory Audit Report along with adverse remarks (if any)’, ‘Secretarial Audit Report along with adverse remarks (if any)’, ‘Indebtedness’ and ;’ Material changes and commitments affecting the financial position of the company’. This shows that all the sample companies disclosed all the information related to the above aspects even if it meant including the adverse remarks of the auditors or disclosing any material changes which may affect the company.
On the major heads under ‘financial reporting’, significant differences were noted in reporting practices between trading and suspended companies on three aspects including ‘disclosure in footnotes to accounts’, ‘disclosure regarding remuneration to key managerial personnel’ and ‘other disclosures’.

No significant differences among various sectors in the reporting practices in regard to ‘financial disclosures’ were observed. Further the results in regard to organizational performance reveals that the trading and suspended organizations only have significant differences on performance indicators including ‘return on equity’, ‘return on capital employed’ and ‘return on assets’.

The results related to the analysis of relationship between the reporting practices in regard to ‘financial disclosures’ and the ‘organizational performance’ revealed significant relationships of ‘other disclosures’ with regard to ‘Return on Equity’, ‘Return on Capital Employed’ and ‘Return on Assets’.

In regard to the financial reporting not much of the variations were observed and noted, since this is the mandatory aspect of corporate reporting and the listed organizations irrespective of their state of affairs and performance are bound by the statutes under The Companies Act and the guidelines framework laid down by the Securities and Exchange Board of India.

B. Non - Financial Reporting Practices and Organizational Performance

Based on the results from analysis, significant differences were observed in regard to reporting practices and disclosures among trading and suspended companies on various aspects under ‘non-financial disclosures / reporting’. The aspects include ‘statement about board composition in annual reports’ and ‘whether performance evaluation is undertaken by the board of its own performance’ under the head of ‘board composition. Significant differences in disclosures regarding the ‘board meetings’ were noted on all the aspects under it between trading and suspended companies.

Significant differences were also seen between reporting practices of trading and suspended companies on account of ‘Audit committee’, ‘stakeholder’s relationship committee’, ‘regarding number of complaint received and resolved’, ‘remuneration policy’ and ‘risk management’ under the head of disclosures related to ‘board level committee’. As far as disclosure under ‘board level committees’ for ‘corporate social
responsibility’ is concerned, no significant differences were observed on specific aspects. Under the head of disclosures regarding ‘particulars of past AGMs’, aspects including ‘details like AGM number, date, venue etc.’ and ‘details regarding voting’ were found significantly different for trading and suspended companies.

The trading and suspended companies differ significantly in reporting disclosures under the head of ‘means of communication’ and also on aspect of ‘uploading and existence of RPT policy’ under the head of ‘related party transactions disclosures.’ The set of companies also differ in reporting on both the aspects ‘existence of whistle blower policy’ and ‘appointment of external ombudsman’ under the head of ‘Whistle blower policy and vigil mechanism’.

No specific difference was noted on disclosures under the head of ‘subsidiary and associate companies.’ However the trading and suspended companies differ on aspects of disclosures related to ‘general shareholder information’ including ‘distribution of shareholding on closing date’, ‘commodity price risk or foreign exchange risk and hedging activities’ and ‘details of large shareholders’. Lastly, on disclosures related to ‘compliance and other aspects’, it was observed that the trading and suspended companies significantly differ on aspects in their reporting including ‘statement of compliance to listing agreement and LODR’, ‘CEO/CFO certification on financial reporting’, ‘prohibition of insider trading’ and details of ‘permanent employees on roll’.


The results pertaining to reporting practices among various sectors shows no significant differences in reporting practices as far as ‘non-financial disclosures’ are concerned.

The results of evaluation in regard to the relationship between the reporting practices in regard to ‘non-financial disclosures’ and the ‘organizational performance’ revealed significant relationships among various disclosures and performance indicators. On account of ‘PBIT ratio’, disclosures including ‘board level committees’, ‘related party
disclosures’, ‘whistle blower policy’ and ‘compliance related and other disclosures’ disclosures under ‘non-financial reporting’ were noted to have significant relationship with it.

The same disclosures ‘board level committees’, ‘whistle blower policy’ and ‘compliance related and other disclosures’ also have a significant relationship with the performance indicator of ‘net profit ratio’. Disclosures on ‘board meetings’, ‘board level committees’, ‘whistle blower policy’ and ‘compliance related and other disclosures’ were observed to have a significant correlation with ‘return on equity’.

The performance indicator of ‘return on capital employed’ was found to have correlation with ‘board meetings’, ‘particulars of past AGM’, ‘whistle blower policy’ and ‘compliance related and other disclosures’ disclosures under the ‘non-financial reporting’. Further, ‘board meetings’, ‘board level committees’, ‘whistle blower policy’ and ‘compliance related and other disclosures’ disclosures under the ‘non-financial reporting’ were found to have correlation with ‘return on asset’ indicator. Whereas, on indicator of ‘debt equity ratio’ only ‘board level committees’, ‘means of communication’ and ‘related party disclosures’ had significant correlation under ‘non-financial reporting’.

Irrespective of the fact that the listed companies are bound by the statutes under The Companies Act and the guidelines framework laid down by the Securities and Exchange Board of India to report all the heads under ‘non-financial’ disclosures, significant differences were observed as far as the corporate reporting practices are concerned, in this regard.

C. Voluntary Reporting on Organizational Performance

The trading and suspended companies differ significantly in reporting disclosures in the broad category of ‘general strategic disclosures’ under the sub parameter of ‘Information relating to the general outlook of the economy’, ‘brief history of the company’, ‘market share analysis’, ‘disclosure relating to risk in the industry’, ‘whether the company has provided attitude towards ethical issues’, ‘changes in Return on Capital employed’, ‘Company's achievements or awards in the year’, ‘Product wise break up of Sales’, ‘Product life cycle and innovation’, ‘Operational efficiency’, ‘Ten year financial summary’ and ‘Ten year key performance indicators. As far as
disclosures regarding ‘forward looking information’ is concerned, significant differences were observed between trading and suspended companies under majority of the sub parameters like – ‘Likely effect of business strategy on future performance’, ‘New product/service development’, ‘Planned capital expenditure’, ‘Planned advertising and publicity expenditure’ indicating that this aspect was not disclosed at all by the suspended companies and even the trading companies also did not disclose it completely. The difference between trading and suspended companies in the reporting of ‘earning per share forecast’ was also significant. The reporting of ‘sales forecast’ and ‘profit forecast’ was also significantly different between trading and suspended companies. With regard to disclosure of ‘information on dividend policy’, the difference between trading and suspended companies was also significant.

As far as the broad parameter of ‘Competition and Outlook’ is concerned, significant difference was noted between trading and suspended companies on two sub-parameters, namely- ‘comments on Research and Development expenditure’ and ‘comments on new products’.

On account of disclosure relating to ‘Human Capital’, significant differences were observed on all the sub parameters between trading and suspended companies on all the parameters. Significant differences were observed between trading and suspended companies for disclosures about ‘Women's Security and Empowerment’, ‘Environment Protection/ safety and Health Measures’. With respect to disclosure on the aspect of National voluntary guidelines on Social, Environmental and Economic Responsibilities of Business, significant difference was noted between trading and suspended companies.

No significant difference was observed in the reporting practices between trading and suspended companies on account of ‘Company’s mission & vision statement’, ‘Description of goods/services majorly contributing towards sales’, ‘Company’s current business strategy’, ‘Factors that may affect future performance’, ‘barriers to entry’, ‘forecast of market share’, and ‘estimation of market growth and market size’.

The results of examination of composite variables under ‘voluntary reporting’, reveals significant differences in reporting practices between trading and suspended companies on all the aspects including ‘general strategic disclosures’, ‘forward looking
information’, ‘competition and outlook’, ‘human capital’ and ‘voluntary guidelines on
social, environmental and economic responsibilities’.

The results pertaining to reporting practices among various sectors shows no significant
differences in reporting practices as far as ‘voluntary disclosures’ are concerned.

The results in regard to the relationship between the reporting practices under
‘voluntary disclosures’ and the ‘organizational performance’ revealed significant
relationships among various disclosures and performance indicators including the
reporting of ‘General strategic disclosures’ that was found to be significantly related to
‘PBIT ratio’, ‘Net profit ratio’, ‘Return on equity’ and ‘Return on assets’.

The reporting of ‘Forward looking information’ was found to be significantly related
to ‘Return on assets’. The reporting of ‘Human capital information’ was found to be
significantly related to ‘Return on equity’, ‘Return on capital employed’ and ‘Return
on assets’. Further, the reporting of ‘Guidelines on Social, Environmental and
Economic Responsibilities’ was found to be significantly related to ‘Return on equity’
and ‘Return on assets’.

Due to the non-mandatory nature and limited emphasis laid down under the Companies
Act and the SEBI guidelines on the ‘voluntary disclosures’, all the companies are free
to report at will and their respective understanding on this aspect of reporting.
Subsequently, significant differences were observed on all the aspects under ‘voluntary
disclosures’, as far as reporting is concerned.

6.1.2 Trend and Relationship between Market Price of the Share and
Corporate Reporting

One of the objectives of the current study is directed at and lay crucial framework of
the findings of the study is that of studying the Trend and Relationship between Market
Price of the Share and Corporate Reporting. The current part of the findings section
covers the findings on the same aspect of the study.

Based on analysis, relationship between market price of shares and corporate reporting
was found to be significantly different between the Pre and Post Reporting Period in
case of ‘Bosch Ltd’, ‘Motherson Sumi Systems Ltd.’, ‘Exide Industries Ltd.’, ‘Lupin
Ltd.’, ‘Britannia Industries Ltd.’, ‘Glaxo SmithKline Consumer Healthcare Ltd.’, ‘SRF
‘Arvind Ltd’, ‘DLF Ltd.’, ‘Oberoi Realty Ltd.’ and ‘Godrej Properties Ltd.’. However the same were not significantly different in case of ‘Cadila Healthcare Ltd., ‘Nestle India Ltd.’ and ‘Welspun India Ltd.’

6.1.3 Perceptions of various stakeholders on adequacy, usefulness and relationship of corporate reporting and organizational performance

The last part of the findings section has been dedicated to the pronouncements of the undertaken survey to study the perception of various stakeholders in regard to the corporate reporting practices in the current scenario. This part has been further dissected into two sub parts including one each dedicated to perception of investors / shareholders and perception of secretarial staff.

6.1.3.1 Perception of Investors / Shareholders

This sub-part of the chapter discusses the findings pertaining to the perceptual responses of investors / shareholders on various aspects of corporate reporting. Accordingly it has been further discussed under the heads of demographic statistics, usefulness of the corporate reporting and adequacy, timeliness and credibility of the information served through the corporate report containing disclosures.

A. Demographic Statistics

As far as usefulness of corporate reporting on the basis of demographic spread is concerned, both the groups including ‘males’ and ‘females’ have rated it equally. On the aspect of age group the younger ones in group of ‘less than 25 years’ have rated it more useful as compared to others under ‘25 – 35 years’, ‘26 – 45 years’ and ‘above 45 years’. On the basis of education the ones under ‘other’ qualification rated it the highest, followed by ‘masters’, ‘professionals’, ‘bachelors’ and ‘doctorates’ respectively. On account of experience the ones with experience between ‘6 - 10 years’ have rated it lowest and the ones between ‘3 – 5 years’ have rated it most useful. Overall the respondents have rated the ‘financial information’ as most useful followed by ‘non-financial’ and ‘voluntary disclosures’.
Further on account of adequacy of information provided under corporate reporting, it was noted that respondents from all the categories have rated the aspect of ‘level of disclosure’ as well as ‘type of information under disclosures as significantly adequate’, ‘timely’ and credible.

B. Usefulness of Corporate Reporting

On the basis of the analysis the investors / shareholders have rated the ‘safety of capital’ as most important, followed by ‘speculative gains’, ‘investment opportunity’, ‘steady income’ and ‘to beat inflation’ respectively when asked about their in regard to their ‘goals of investment’.


Information regarding ‘Capital structure’ was ranked the highest, followed by ‘Working Capital’, ‘Free Cash Flows’, ‘Dividend Per Share’, ‘Price to Book Value’ and ‘PEG ratio’ respectively, by the investors / shareholders in regard to ‘Financial Information’ provided through corporate reports.

In regard to ‘Additional information’ given under corporate reports, the investors / shareholders rated ‘Brand Value’ at the highest, followed by ‘Information about New Products & Services Introduced’, ‘Economic Value added Statement’, ‘Social Accounting’ and ‘Human Resource Accounting’ and ‘Environmental Accounting’ respectively.

C. Adequacy, Timeliness and Credibility of Corporate Reporting

The investors / shareholders in regard to ‘Overall Information’, rated ‘To monitor the Investment’ as most useful, followed by ‘To Predict the Growth of the Company’, ‘To predict Expected Income & Earnings Per Share’, ‘To make Comparison With Industry Performance’ and ‘To Help Assess the Liquidity of the Company’ respectively.

On the aspect of adequacy the investors / shareholders rated the information pertaining to ‘financial’ as most adequate followed by ‘non-financial’ and ‘voluntary / additional’ under corporate reporting. Also on all the facets related to ‘timeliness’ and ‘credibility’ of information provided through corporate reporting, the investors / shareholders responded positively for both the aspects.

6.1.3.2 Perception of Secretarial Staff

This final sub-part of the chapter discusses the findings pertaining to the perceptual responses of secretarial staff on various aspects of corporate reporting. Accordingly it has been further discussed under the heads of demographic statistics, impact of the corporate reporting on organizational performance and relationship between corporate reporting and the market price of the share of the company.

A. Demographic Statistics

Both the groups including ‘males’ and ‘females’ have rated the usefulness of reporting equally, whereas on the basis of age the ones in the group of ‘25 – 35 years’, and ’35 - 45 years’ have rated disclosures as having a significant impact on organizational performance more than the others in the age group of ‘less than 25 and more than 45 years’ respectively.
Further, on the basis of experience, the respondents in the experience bracket of ‘6 – 10 years’ rated highest the statement that there is significant impact of disclosures on organizational performance and market price of shares, followed by ‘less than one year’ experience group. Also the respondents in the experience bracket of ‘above 10 years’ rated the highest that there is significant relationship between corporate reporting and market price of the shares, followed by ‘6 – 10 years’, ‘1 – 5 years’, and ‘less than 1 year’ respectively.

B. Impact of Reporting on Organizational Performance


The disclosure in ‘Competition and Outlook’ were rated highest, followed by ‘Human Capital’, ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’, ‘General Strategic Disclosures’ and ‘Forward looking information’ respectively by the secretarial staff on account of ‘Impact of Voluntary Reporting on Performance of the Organizations’.

C. Corporate Reporting and Market Price

The perceptual responses of the secretarial staff suggested the existence of a significant relationship between Corporate Reporting and Market Price of the share.
Based on the results, inferences and discussions in the above section it may be noted that firstly the organizations differ in their reporting practices as par as the disclosures under corporate reporting are concerned. Nevertheless, the differences are lesser wherein these are mandatory, and significant on almost all the aspects where it is non-mandatory. In addition to that the impact and relationship of corporate reporting practices on organizational performance is significantly evident in case of voluntary whereas the same is very less when it comes to the mandatory disclosures. Further it was also noted that the reporting also have a significant relationship and impact the market prices of the shares. Finally on the basis of the perceptual responses of various stakeholders it may be noted that the information disclosed under corporate reporting is useful, adequate, timely and credible for the investors / shareholders based on which they are able to make informed and better investment decisions. Further based on the perceptual responses it was also noted that there is significant impact of these practices on organizational performance and the market prices of the shares.

6.2 DISCUSSIONS AND RECOMMENDATIONS

Taking into consideration the major observations from the analysis and based on the findings of the study it may be said that the reporting norms and practices at current state are quite satisfactory in the industry. In general all the trading and top performing companies are reporting well on all the aspects including not only the mandatory financial and non-financial disclosures but also on the voluntary disclosures. Whereas companies that have fallen short on compliance and performance have been rightly suspended and have significant differences from the trading ones on the non-financial and voluntary disclosures. On the other aspect of perception of stakeholders, the investors were observed to be fairly satisfied from the current practices and found most of the aspects useful, and were also satisfied with the adequacy, timeliness and credibility of the reports. Even the secretarial staff’s perception is also positive regarding all the aspects of reporting.

However, despite significant scores of trading companies on almost all the aspects there are certain areas where they can still improve and since investors find these reports as useful and credible, thus adding and improving on all the aspects shall only increase the goodwill of the companies. Some of the areas where improvement can be made in
terms of more disclosures includes aspects related to ‘backup of raw material consumed’, ‘employee benefits’, under ‘disclosures in footnotes to accounts’; ‘performance against broad based indices’ under ‘other disclosures’ sections of the ‘financial disclosures / reporting’, since both the heads were rated significant by the investors / shareholders for decision making and in perception of secretarial staff these heads also reflect the organizational performance to a great extent.

These results and conclusions are also supported by numerous authors in the existing literature including Gupta (1977); Rathod (1990); Meena (1995); Kohli (1998); Bistra and Maria (2002); Singh (2005); Mahajan and Chander (2007); Hossain (2008); Mishra and Suar (2010); Aljifri et al. (2014) and others.

Further, imperfections in reporting were also noted in terms of information provided on the aspects of ‘code of conduct’ under ‘board composition’; ‘independent directors’ under ‘board meetings’; stakeholder’s relationship committee’, ‘details regarding the complaints and resolutions’, ‘nomination and remuneration committee’, ‘remuneration policy’, ‘details about CSR activities etc.’ and ‘risk management’ under ‘board level committees’; all the aspects under ‘particulars of past AGMs’; ‘means of communication’; ‘availability of related party transactions policy on website’, under ‘related party transactions’ disclosures; ‘details regarding appointment of external ombudsman’ under ‘whistle blower policy and vigil mechanism’; and ‘financial calendar’, ‘dematerialization of shares and liquidity’, ‘commodity price risk or foreign exchange risk and hedging activities’, ‘plant locations’ under ‘general shareholders information’ on the ‘non-financial reporting / disclosures’. Working and improving on the above stated aspects is crucial since all the heads were rated significant by the investors / shareholders for decision making and in perception of secretarial staff these heads also reflect the organizational performance to a great extent.

These results and conclusions pertaining to ‘non-financial’ disclosures are also well supported by numerous authors in the existing literature including Sanan and Yadav (2006); Jackling and Johl (2009); Thakkar (2011); Biobele, Igbo1 and John (2012) ; Saravana (2012); Gill (2013); Ndikwe and Owino (2016); Palaniappan and Rao (2016) and many others.

On the aspects of ‘voluntary reporting and disclosures’, though not mandatory but since stakeholders have marked these crucial including investors / shareholders for decision
making and according to secretarial staff these disclosures have a reflection of organizational performance. The insufficiencies that were noted in the voluntary reporting and that can be improved upon by the organizations in their reporting includes ‘information related to general outlook of the economy’, ‘Company’s mission & vision statement’, ‘Brief history of the company’, ‘Description of goods/services majorly contributing towards sales’, ‘Company’s current business strategy’, ‘Market share analysis’ Has provided attitude towards ethical issues’, ‘Changes in ROCE’, ‘Company's achievements or awards in the year’, ‘Product wise break up of Sales’, ‘Product life cycle and innovation’, ‘Operational efficiency’, ‘Ten year financial summary’, ‘Ten year key performance Indicators’ under ‘general strategic disclosures’. Further, imperfections were observed on all the aspects under ‘forward looking information’ including ‘Factors that may affect future performance’, ‘Likely effect of business strategy on future performance’, ‘New product/service development’, ‘Planned capital expenditure’, ‘Planned advertising and publicity expenditure’, ‘Earnings per share forecast’, ‘Sales forecast’, ‘Profit forecast’ and ‘Information on dividend policy’. Moreover ample scope for improvement exist on all the points including ‘Commented on barriers to entry’, ‘Estimated a forecast of market share’, ‘Commented on R&D expenditure’, ‘Commented on new products’, ‘Estimated the market growth’, ‘Estimated the market size’, under the head of ‘competition and outlook’. Scope for improvement also exist on all the aspects of ‘disclosures pertaining to human capital’ including ‘Commented on experience of management team’, ‘Provided employee retention rates’, ‘Provided details of periodic training for employees’, ‘Provided details of training for other stakeholders’, ‘Commented on Women’s Security and Empowerment’, ‘Commented on Environment Protection/safety and Health Measures’ and ‘Disclosed welfare policies’. Finally, imperfections were also noted under the head of ‘disclosures on voluntary guidelines’ on all the nine principals.

The aspect of significance of voluntary disclosures is also well discussed in the existing literature and the results and conclusions of the current study are also supported by numerous authors including Lang and Lundholm (1993); Botosan (1997); Hail (2001); Aksu and Kosedag (2005); Barako (2007); Rouf (2010); Kimbro and Cao (2011); Petrova (2012); Uyar et al (2013); Kendi (2014); Wangari (2014); Dibia and Onwuchekwa (2015); and others.
The above mentioned areas that have scope for improvement becomes significantly relevant, since the investor consider these reports as a credible and a useful source of information for reaching their respective investment decisions. Also, these reports have a significant impact on market prices of the shares, thus, the companies may be well advised to furnish as much as details possible whether the aspect is mandatory or voluntary, in order to guide investor in making a more informed decision.

The above recommendations are purely based on the analysis of the reports of the sampled organizations, but the same may be generalized for all the sectors and even for all the listed companies on the stock exchanges. As far as the mandatory disclosures including ‘financial’ and ‘non-financial’ are concerned, the companies shall furnish the required information, since they are part of the Securities and Exchange Board of India’s guidelines and are in synchronization with the statutes of the Companies Act.

However, since the results of the analysis also reveals that ‘voluntary disclosures’ are equally important and crucial, and an investor has the right to be informed while making investment decisions, the companies are also suggested to furnish as much as information under the respective head, irrespective of the fact that reporting on these aspects is absolutely voluntary in nature.

Having discussed the findings, conclusions and recommendations based on the analysis and results, it would be appropriate to say to some extent that though, the researcher has attempted to cover most of the aspects related to corporate reporting under the current study, but taking a note of constraints and limitations, there exist a scope of further exploration on various aspects. The same limitations, opportunities and future research avenues have been incorporated under the next section of the chapter.

6.3 FUTURE RESEARCH AVENUES

During the course of this study there were numerous aspects that came into notice of the researcher, and they could not be inculcated in the present study due to various constraints. The first one is the aspect of compliance and its impact on reporting and performance of the organization, since, the present study was confined only to study the reporting aspect irrespective of the compliance or non-compliance, it would really make an interesting and more comprehensive research if the aspect of compliance can be studied and tested on the presented model. Further more detailed and comprehensive
studies may be taken up by the researchers on individual components of this study including a detailed analysis of voluntary practices, market price and reporting along with compliance, perception of stakeholders, reporting and investment decisions are some of the suggested fields on which future researchers can take up detailed work.

The future researchers can also take into consideration the limitations of the present study and transform them into opportunities, the most critical one being a larger sample size on all the dimensions. Another one would be a detailed study on compliance and related aspects.