

COMPARATIVE STUDY OF NON FINANCIAL DISCLOSURES BETWEEN COMPANIES ACTIVE ON STOCK EXCHANGE AND THOSE SUSPENDED

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ABSTRACT

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1. INTRODUCTION

When it comes to Non Financial disclosures, some companies may take this issue lightly, whereas this type of reporting is an essential part of Corporate Reporting Regime to be followed by any company in India. Most people feel that only financial parameters are necessary to judge the performance of a company, but as per the Companies Act, 2013 and SEBI Guidelines the reporting of Non Financial information is of utmost importance as it helps in judging the future prospects of a Company and how the investment is going to fare in the future. To understand this better, the researcher has done a comparative study of non financial disclosures between companies active on stock exchange and those suspended. Five sectors were selected with six companies from each sector, leading to a total of 30 companies and significant differences were noted between reporting practices of companies active on stock exchange and those suspended.

2. REVIEW OF LITERATURE

Bhasin and Manama (2006) developed their own “working method” to analyze the corporate governance disclosure practices of Reliance Industries limited by way of a case study. In order to ascertain how far this company is compliant of CG standard, a “point-value-system” was applied. Some informal and unstructured interviews with the management were also conducted. Annual report of the year 2006-07 was taken as base to study disclosure level. A 17 point list was prepared to study the governance index of the company and each parameter had many sub parameters with the maximum possible score mentioned against each parameter. The company score very well by scoring a total of 85 points out of 100 points. This study shows the effectiveness of current corporate governance disclosure practices especially in Reliance Industries Limited. The findings of the study showed that RIL group is in the forefront of implementation of “best CG practices in India,” but some scope still exists for its improvement.

Cohen, Webb, Nath, and Wood (2012) conducted a content analysis of the sample companies by keeping in mind the information bursts of the company. The platforms of releasing information which were studied included – mandatory filings, corporate websites, corporate social responsibility disclosures, product fact sheets,

press releases and standalone governance documents. The main questions which were sought to be answered through this research were the extent to which the companies disclose non financial information, where they prefer to disclose this information and whether size and industry type has any effect on the disclosure of non financial information. The findings of the study suggested that there is a lack of extensive disclosure of non financial information among the sample companies and that there is significant difference with respect to size and the type of industry that the company belongs to when it comes to the disclosure of non financial information.

Thakkar (2011) in his study on corporate reporting practice in globalised scenario has concluded that the director's report is the most important part of an annual report. It is the best index to view all the disclosures of a company and is accurate, very fair and unbiased. The strengthening of the Indian capital market and growing awareness among investors are the reasons why so much trust is being placed on the director's report. The sample was divided among public and private companies and the findings suggested that there is significant difference in their disclosure level. Other findings of the study were that disclosure was not satisfactory in the director's report and that increased disclosure in the director's report will not negatively affect the performance of the company. It will rather prove to be beneficial in the long run in terms of higher price/earnings ratio and worth in the eyes of the investors. He suggested that developing countries like India need good director's report which should contain both mandatory and non mandatory information to come up to the expectation of the investors.

Chatterjee (2011) studied the annual reports of the sample companies on the basis of 50 statements a required to be disclosed by the companies as per SEBI guidelines. The companies score 1 if the item was disclosed and a score of 0 was given if the item was missing in the annual report. Each annual report analyzed, included a separate section on corporate governance reporting section and only this section was taken as the basis of analysis. The clear objective of the research was to study only the reporting practices and not the actual management practices of the sample companies. The results of the study showed that all the companies are complying with the basic requirements of corporate governance reporting as suggested by SEBI. The disclosure scores showed that only 26 percent of the sample companies have scores above 75 percent. Thirty percent of the companies secured a disclosure score between 60 and 70 percent. Twenty-six percent of the companies achieved a disclosure score between 50 and 60 percent. Rest between 20 and 50 percent. Bajaj Auto scored the highest whereas State bank of India scored the least.

Sanan and Yadav (2006) analyzed the corporate governance reforms in India by using event study methodology. The period of the study was bifurcated into two i.e. pre event and post event window. SandP Transparency and Disclosure Survey by Chinese Companies (2008) was taken as the base of studying the disclosure scores of the sample companies. A total of 108 statements were considered for the study. A dichotomous scale was used for marking the items of disclosure. Each item disclosed scored 1 and missing items were awarded 0. The study wanted to find out if disclosures as per clause 49 of the listing agreement had any effect on the corporate governance disclosure practices of the sample companies. The results of the study found that even after the reforms in the listing agreement have been implemented, there is only a moderate level of non financial disclosures by the companies in India.

Devi (2013) studied the concept of corporate reporting and governance as an integral part of today's organizations. It was a conceptual study and instead of taking a sample and testing it, the author took broad concepts from around the world and tried to elaborate on the relationship between corporate reporting and corporate governance. She discussed various dimensions of corporate reporting namely- Financial, Integrated, narrative, environmental and social reporting, executive remuneration, corporate social responsibility and corporate governance. The author discussed principles of good governance like – being inclusive, networked, balanced, evolutionary and accountable. The research spoke about requirement of companies being more open and transparent in the interest of the stakeholders and that the companies with good corporate reporting and governance practices will definitely outshine the others.

Madhani (2015) performed a content analysis on the annual reports of the sample companies to devise a corporate governance and disclosure score and tried to find out whether any significant difference exists between the disclosure practices of companies. For this purpose, the sample was bifurcated into two – companies with tangible asset dominance and companies with intangible assets dominance. Companies were selected from the sectoral indices on the basis of market capitalization. Corporate governance and disclosure index was created with total 67 items divided into 2 broad categories- ownership disclosure category and board disclosure category. The independent variables selected were market to book value ratio and capital intensity ratio. The hypotheses was tested using univariate t-test and the results showed that there exists no significant difference in corporate governance and disclosure score between tangible assets dominated and intangible assets dominated companies.

Natarajan (2011) studied the perception of the stakeholders about their expectation of corporate governance practices followed in the 5 sample companies selected for the study belonging to the Internet technology sector namely- Infosys, Wipro, TCS, HCL and Satyam. This study was conducted through a questionnaire survey which tried to check the expectation level as well as the satisfaction level amongst stakeholders. There were 21 statements each to judge expectation and satisfaction of the respondents. The scale used was 5 point Likert scale on which the respondents were supposed to select whether they agree or disagree to the given statements. Tests used were t- test, ANOVA, Mann-Whitney U Test, Kruskal Wallis Test, Wilcoxon Signed Rank Test, Factor Analysis, Bivariate Correlations and Structural Equation Modelling. The findings of the study stated that there is no significant difference in the stakeholder's expectation of transparency among the sample companies. Also, there is no significant difference between educational qualifications of the respondents and transparency of selected software companies.

Bhasin (2010) utilized the case study methodology to ascertain the corporate governance disclosure practices of Reliance Industries Ltd. for the year 2008-09. A disclosure index was prepared with several statements on statutory and non statutory disclosures made by the company. Maximum possible score for each item was pre decided and the score of the company were marked against each statement to arrive at the disclosure index. This company was selected since it was the largest private sector company listed on the stock exchange and can influence the behavior of the stock exchange. The items of disclosure considered were code of conduct, remuneration policy, board committees, details of the audit committee, experience of the directors, related party disclosures, whistle blower policy, evaluation of the performance of the board, means of communication and CEO/CFO certification. The results of the study were that Reliance Industries Limited scored very well on the

index as pre decided point value grading system was in place and the company scored 85 on 100 points. The author suggested that other companies in the country should also follow suit.

Norwani, Mohamad and Chek (2011) discussed the connection between corporate frauds and failure of financial reporting systems of those companies. The research was more like a case study of 6 different companies to see if any connection actually exists within the above named variables. The companies evaluated were Perwaja Steel, Technology Resources Industries, Transmile, Megan, Malaysian Airlines System, Port Klang Free Zone, Enron and WorldCom. The main objective of the study was to see the influence of corporate governance failures on the financial reporting of the sample companies. It was a conceptual paper which spoke about the challenges and recommendations that need to be implemented. The purpose of the study was to explore whether corporate governance mechanisms can ensure the quality of financial reporting. The study was able to prove the fact that failure of corporate governance can lead to failure of financial reporting system of an organization. Accountability of the management and auditors towards the stakeholders is the key to its success in the present scenario.

Dey (2005) investigated the association between the quality of corporate governance of a firm and the credibility of its reported earnings. The study specifically tested whether accounting numbers vary with the quantum of agency costs in a firm. The credibility of reported earnings was measured by the volatility observed in the stock returns in earnings announcement periods and the earnings announcement period excess returns. Three groups of firms were made using cluster analysis. Principle component analysis was used to find the quality of corporate governance. It was applied on 23 variables to obtain 8 factors affecting most the credibility. The results indicate that most aspects of governance are significantly associated with credibility of reported earnings, especially, board composition, CEO duality, role of the audit committee.

Lwangu (2009) analyzed the companies listed at the Nairobi Stock exchange to find out the connection between size of the company, its corporate governance mechanisms and announcements on disclosure compliance. He studied 23 sample companies in the research and found that all the companies in the sample were compliant of the corporate governance disclosures. The moment other variables were introduced, the compliance score changed. Like, 84 percent of the sample companies did not comply with the regulatory norms with respect to Board Size. Another finding of the study was that the correlation between company size and compliance was a positive one whereas a negative correlation with company announcements. This might be due to the fact that company announcements are a decision of the company and there is no clear law as far as general announcements are concerned.

Mwirichia (2008) carried out a survey of corporate governance disclosures among Kenyan firms quoted at Nairobi stock exchange. His sample was bifurcated into two- financial sector and non financial sector. The results of the study showed that the corporate governance disclosures were more intense and detailed in case of financial sectors than the non-financial sector and that companies are more concerned and particular in making financial disclosures rather than non-financial disclosures. Type of ownership, the size of the company and whether the company is a multinational or not, were found not to have any significant impact on corporate governance disclosure.

Maher and Anderson (1999) propounded that companies are responsible to all stakeholders like shareholders, employees, suppliers and the society. They concluded that the corporate governance practices in a company are

very significant in deciding the fate of all the stakeholders. Corporate governance is the concern about how effective different governance mechanisms are in promoting long term relations with the various stakeholders. All countries have a different corporate governance mechanism with respect to ownership, executive remuneration and control of the company. All these efforts and mechanisms will definitely have a bearing on the financial performance of the organization. The study revealed that the corporate governance framework can affect the growth of the equity markets, innovations, entrepreneurship, and will ultimately have an effect on the economic growth of the country. Other findings of the study were that concentrated ownership had its own benefits like effective monitoring of the management and overcoming of the agency problems, however it resulted in low liquidity. Dispersed ownership had a benefit of higher liquidity. So the study suggested that the biggest challenge was to design such a corporate governance mechanism which could benefit the shareholders to the most.

Ding, Entwistle, and Stolowy (2004) analyzed the comparative disclosure practices of French and Canadian companies with relation to research and development. Findings of the study revealed that Canadian companies, especially those in the manufacturing, software and biotechnology industries, disclose significantly more information on their research and development activities than their French counterparts. Apart from this, the French companies disclosed mainly financial and accounting information on Research and Development whereas the Canadian companies also disclosed non-financial information regarding Research and Development activities. Another finding of the study was that there was a positive and significant correlation between Research and Development disclosure and Research and Development intensity in Canada whereas; French companies prefer to maintain secrecy over their research and development expenditure and disclose less of non financial information including Research and Development disclosures.

Rahman and Muttakin (2005) examined the environment reporting practices in the selected manufacturing companies of Bangladesh. The study was based on questionnaire survey methodology and also analyzed the annual reports of companies listed on the Chittagong Stock Exchange for 2003-04. To assess the importance of environmental reporting, chief accounts officers of 125 companies were contacted. Findings of the study revealed that only 5 companies have disclosed environment information in their annual reports. This could be due to the fact that there was no standard environment reporting framework, prevalent in Bangladesh. The level of overall disclosure was very poor. The companies only disclosed information in the descriptive form rather than making it quantifiable. There was no standard format of environment reporting so the companies which disclosed the said information placed it in different parts of the annual report. The main suggestions of the study were proper provision for environment reporting in the Companies Act and a separate accounting standard for the same.

Dutta (2013) established that triple bottom line reporting reflects a more comprehensive means of reporting that includes both financial as well as non financial information, which would help in increasing the value of the firm. He identified 16 reports that are used by managers to communicate their non financial initiatives to the stakeholders. He suggested that in India, the applicability of sustainability reporting is still in a premature stage. There are some companies which provide information on People Planet and Profit, but that too is done voluntarily. But he also found that the organizations were more connected these days and matters related to

triple bottom line reporting are not a private thing of the organization, rather the companies also want to share all that they do with their stakeholders.

3. RESEARCH METHODOLOGY

Table 3.1: List of the sampled companies for the comparative study of Non Financial Disclosures between companies active on stock exchange and those suspended

Sl. No.	Name of the Sector	Name of the Company	Status
1	Auto	Bosch Ltd.	Trading
2		Motherson Sumi Systems Ltd.	Trading
3		Exide Industries Ltd.	Trading
4		Autopal Industries Ltd.	Suspended
5		Clutch Auto Ltd.	Suspended
6		Sibar Auto Parts Ltd.	Suspended
7	Pharma	Sun Pharmaceutical industries Ltd.	Trading
8		Lupin Ltd.	Trading
9		Cadila Healthcare Ltd.	Trading
10		Combat Drugs Ltd.	Suspended
11		Rubra Medicaments Ltd.	Suspended
12		Toheal Pharmachem Ltd.	Suspended
13	Packaged Foods	Nestle India Ltd.	Trading
14		Britannia Industries Ltd.	Trading
15		Glaxo SmithKline Consumer Healthcare Ltd.	Trading
16		RCL Foods Ltd.	Suspended
17		BKV Industries Ltd.	Suspended
18		Hind Industries Ltd.	Suspended
19	Textiles	Welspun India Ltd.	Trading
20		SRF Ltd.	Trading
21		Arvind Ltd.	Trading
22		Unimin India Ltd.	Suspended
23		Kapil Cotex Ltd.	Suspended
24		Shri Lakshmi Cotsyn Ltd.	Suspended
25	Realty	DLF Ltd.	Trading
26		Oberoi Realty Ltd.	Trading
27		Godrej Properties Ltd.	Trading
28		Patidar Buildcon Ltd.	Suspended
29		Zodiac Ventures Ltd.	Suspended
30		Sikozy Realtors Ltd.	Suspended

Objectives

To Study if there is any significant difference in non financial reporting of trading and suspended organizations.

Hypothesis

H₀1: There is no significant difference in non - financial corporate reporting of trading and suspended organizations.

Internal Consistency Analysis of Non Financial reporting Practices

Non – Financial Reporting Practices

Non-financial reporting / disclosures in the reporting practices were scanned for internal consistency. There are 10 variables (V₁ to V₁₀) including ‘Board Composition’ (6 items), ‘Board Meetings’ (3 items), ‘Board Level Committees’ (10 items), ‘Particulars of Past AGM’ (3 items), ‘Means of Communication’ (1 item), ‘Related Party Transactions Disclosure’ (2 items), ‘Whistle Blower Policy’ (2 items), ‘Subsidiary and associate companies’ (1 item), ‘General Shareholder Information’ (12 items), ‘Compliance related and other disclosures’ (10 items). The details are furnished in Table 3.2.

Table 3.2: Description of variables under Non - Financial Reporting with results of internal consistency analysis

Variable No.	Description	No. of items/statements	α-value
V ₁	Board Composition	6	0.856
V ₂	Board Meetings	3	0.835
V ₃	Board Level Committees	10	0.874
V ₄	Particulars of Past AGM	3	0.899
V ₅	Means of Communication	1	0.874
V ₆	Related Party Transactions Disclosure	2	0.912
V ₇	Whistle Blower Policy	2	0.904
V ₈	Subsidiary and associate companies	1	0.814
V ₉	General Shareholder Information	12	0.934
V ₁₀	Compliance related and other disclosures	10	0.841

The α -value ranging from 0.812 to 0.934 portrays an internal consistency with value more than 0.70 for all the items, thus depicts a reliable measure and likewise, no item was excluded from the list and were accepted in the final instrument.

4. ANALYSIS AND FINDINGS

This article covers various aspects related to (mandatory) ‘non-financial reporting / disclosures’. The list of reporting parameters / disclosures was adopted as it is from the SEBI guidelines and annual reports of the sampled organizations were mapped with these stated guidelines. For the purpose of analysis statistical measures including mean and standard deviation and independent sample t-test, were applied to test the hypotheses. The results of the analysis have been presented in tabulated form as per the requirements of the objectives and research methodology (Table 4.1 to Table 4.2).

Based on the results from analysis it may be noted that significant differences were observed in regard to reporting practices and disclosures among trading and suspended companies on various aspects under ‘non-financial disclosures / reporting’ (Table 4.1).

Significant differences were noted on aspects including ‘statement about board composition in annual reports’ (mean value for trading = 2.00 and suspended = 1.33 with $p \leq 0.05$) and ‘whether performance evaluation is undertaken by the board of its own performance’ (mean value for trading = 2.00 and suspended = 1.33 with $p \leq 0.01$) under the head of ‘board composition. Significant differences in disclosures regarding the ‘board meetings’ were noted on all the aspects under it ($p \leq 0.01$) between trading and suspended companies (Table 4.1).

Further, differences were observed between reporting practices of trading and suspended companies on account of ‘Audit committee’ (mean value for trading = 2.00 and suspended = 1.73 with $p \leq 0.05$), ‘stakeholder’s relationship committee’ (mean value for trading = 1.93 and suspended = 1.53 with $p \leq 0.05$), ‘regarding number of complaint received and resolved’ (mean value for trading = 2.00 and suspended = 0.93 with $p \leq 0.01$), ‘remuneration policy’ (mean value for trading = 1.93 and suspended = 1.27 with $p \leq 0.01$) and ‘risk management’ (mean value for trading = 1.53 and suspended = 0.93 with $p \leq 0.05$) under the head of disclosures related to ‘board level committee’ (Table 4.6). 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’, 2 aspects including ‘details like AGM number, date, venue etc.’ ($p \leq 0.05$) and ‘details regarding voting’ ($p \leq 0.10$) were found significantly different for trading and suspended companies.

Table 4.1: Independent sample t - test for differences in non - financial corporate reporting between trading and suspended organizations.

Sl. No.	Statement	Status	N	Mean	SD	t - Value	Sig. (2-Tailed)
A	Board Composition						
1	Whether the Annual Report contains a statement about Board composition	Trading	15	2.00	0.000	2.646	.013**
		Suspended	15	1.33	.976	2.646	.019**
2	Whether the Annual Report contains Number of Total Directors, Independent Directors, Executive Directors and Women Directors	Trading	15	2.00	0.000	1.000	.326
		Suspended	15	1.93	.258	1.000	.334
3	Whether the Annual report contains details about the number of committees of which directors are members/ Chairman	Trading	15	2.00	0.000	1.468	.153
		Suspended	15	1.73	.704	1.468	.164

4	Number of Directorships and Committee Chairmanships/ Memberships held by them in other public companies	Trading	15	2.00	0.000	1.468	.153
		Suspended	15	1.73	.704	1.468	.164
5	Whether Performance evaluation is undertaken by the board of its own performance	Trading	15	2.00	0.000	3.162	.004*
		Suspended	15	1.33	.816	3.162	.007*
6	Code of Conduct	Trading	15	1.80	.561	.619	.541
		Suspended	15	1.67	.617	.619	.541
B	Board Meetings						
7	Whether the Annual Report contains details about Board Meetings	Trading	15	2.00	0.000	3.055	.005*
		Suspended	15	1.60	.507	3.055	.009*
8	Independent Directors	Trading	15	1.80	.561	3.598	.001*
		Suspended	15	.87	.834	3.598	.001*
9	Whether the Annual Report contains details about Familiarization Programme of Independent Directors and Remuneration	Trading	15	2.00	0.000	6.813	.000*
		Suspended	15	.53	.834	6.813	.000*
C	Board Level Committees						
10	Audit Committee	Trading	15	2.00	0.000	2.256	.03**
		Suspended	15	1.73	.458	2.256	.04**
11	Stakeholders' Relationship Committee	Trading	15	1.93	.258	2.245	.033**
		Suspended	15	1.53	.640	2.245	.037**
12	Whether the AR contains details about number of complaints received, matters stated therein, how many resolved	Trading	15	2.00	0.000	4.675	.000*
		Suspended	15	.93	.884	4.675	.000*
13	Whether Annual Report contains details of registration with SEBI Complaint Redressal System (SCORES)	Trading	15	.27	.704	0.000	1.000
		Suspended	15	.27	.704	0.000	1.000
14	Nomination and Remuneration Committee	Trading	15	1.87	.352	1.288	.208
		Suspended	15	1.67	.488	1.288	.209
15	Remuneration Policy	Trading	15	1.93	.258	3.444	.002*
		Suspended	15	1.27	.704	3.444	.003*
16	Corporate Social Responsibility (CSR)	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
17	Whether the annual report contains details about the existence of CSR Policy and its availability on the company website	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
18	Whether the Annual Report contains details about CSR activities /Project undertaken /impact of project/ location of project/ benefit for society	Trading	15	1.93	.258	-1.000	.326
		Suspended	15	2.00	0.000	-1.000	.334
19	Risk Management	Trading	15	1.53	.640	2.270	.031**
		Suspended	15	.93	.799	2.270	.031**
D	Particulars of the past AGMs						
20	Whether the Annual Report contains details about past AGM No. date, time, venue	Trading	15	1.87	.516	2.543	.017**
		Suspended	15	1.13	.990	2.543	.019**
21	Special Resolutions passed during	Trading	15	1.33	.976	1.871	.071***

	the financial year, its voting pattern and Mode of voting etc.	Suspended	15	.67	.976	1.871	.072***
22	Whether facility of e voting available section 108 companies act and regulation 44 LODR	Trading	15	1.87	.516	1.058	.299
		Suspended	15	1.60	.828	1.058	.301
E	Means of Communication						
23	Means of Communication	Trading	15	1.87	.516	1.852	.075***
		Suspended	15	1.40	.828	1.852	.077***
F	Related Party Transactions Disclosures						
24	Whether RPT policy uploaded on website Whether a policy on materiality of RPT exists and uploaded on the website.	Trading	15	1.93	.258	3.373	.002*
		Suspended	15	1.07	.961	3.373	.004*
25	Whether such transactions approved by the audit committee	Trading	15	2.00	0.000	1.000	.326
		Suspended	15	1.93	.258	1.000	.334
G	Whistle-blower Policy & Vigil Mechanism						
26	Whether a Whistle Blower Policy exists and is uploaded on the company's website	Trading	15	2.00	0.000	3.055	.005*
		Suspended	15	1.60	.507	3.055	.009*
27	Whether any independent external ombudsman appointed or not	Trading	15	.80	1.014	2.714	.011**
		Suspended	15	.07	.258	2.714	.015**
H	Subsidiary & Associate Companies						
28	Subsidiary & Associate Companies	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
I	General Shareholders Information						
29	Annual General Meeting (AGM) to be held Date day time venue	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
30	Financial Calendar	Trading	15	1.87	.516	1.058	.299
		Suspended	15	1.60	.828	1.058	.301
31	Book Closure	Trading	15	2.00	0.000	1.468	.153
		Suspended	15	1.73	.704	1.468	.164
32	Listing on stock exchanges delisting from SE (if any) and default in payment of listing fee	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
33	Whether Shareholding Pattern of the Company as on 31.03.2016 contains details of percentage change during the year and percent of total shares	Trading	15	2.00	0.000	1.000	.326
		Suspended	15	1.93	.258	1.000	.334
34	Registrar and Transfer Agents	Trading	15	2.00	0.000	1.468	.153
		Suspended	15	1.73	.704	1.468	.164
35	Distribution of shareholding as on March 31, 2016	Trading	15	2.00	0.000	1.871	.072***
		Suspended	15	1.60	.828	1.871	.082***
36	Dematerialization of shares and liquidity like Demat ISIN no. and Percentage of company's equity in demat form	Trading	15	1.93	.258	1.344	.190
		Suspended	15	1.67	.724	1.344	.196
37	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity	Trading	15	2.00	0.000	1.000	.326
		Suspended	15	1.87	.516	1.000	.334
38	Commodity price risk or foreign exchange risk and hedging activities	Trading	15	1.87	.516	14.000	.000*
		Suspended	15	0.00	0.000	14.000	.000*
39	Plant Locations	Trading	15	1.60	.828	.418	.679

		Suspended	15	1.47	.915	.418	.679
40	Details of shares held by shareholders holding more than 5 percent of the aggregate shares in the Company as compared to last year's figures	Trading	15	2.00	0.000	4.795	.000*
		Suspended	15	.87	.915	4.795	.000*
J	Compliance Related and other Disclosures						
41	Whether Annual Report contains statement of compliance to clause 49 of Listing Agreement and Clause 17 to 27 and 46 of LODR 2015	Trading	15	2.00	0.000	1.784	.086***
		Suspended	15	1.67	.724	1.784	.096***
42	CEO/ CFO Certifications about financial reporting and internal controls to the Board in terms of SEBI (LODR) Regulations, 2015	Trading	15	2.00	0.000	2.553	.016**
		Suspended	15	1.40	.910	2.553	.023**
43	Certificate of compliance of conditions of Corporate Governance from the auditors or Practicing CS regarding	Trading	15	2.00	0.000	1.468	.153
		Suspended	15	1.87	.352	1.468	.164
44	Extract Of Annual return as provided under section 92(3)	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
45	Changes in the nature of business (if any)	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
46	Disclosure of Penalties imposed by SEBI, SE or any statutory authority	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		
47	Adequacy of Internal Financial Controls	Trading	15	2.00	0.000	1.382	.178
		Suspended	15	1.80	.561	1.382	.189
48	Prohibition of Insider trading	Trading	15	2.00	0.000	4.298	.000*
		Suspended	15	.93	.961	4.298	.001*
49	Number of Permanent Employees on the rolls of the company	Trading	15	2.00	0.000	6.205	.000*
		Suspended	15	.53	.915	6.205	.000*
50	The conservation of energy, technology absorption, foreign exchange earnings and outgo	Trading	15	2.00	.000 ^a		
		Suspended	15	2.00	.000 ^a		

* Significant at 0.01 level

**Significant at 0.05 level

***significant at 0.10 level

The trading and suspended companies (mean value for trading = 1.87 and suspended = 1.40 with $p \leq 0.10$) differ significantly in reporting disclosures under the head of 'means of communication' and also on aspect of 'uploading and existence of RPT policy' (mean value for trading = 1.93 and suspended = 1.07 with $p \leq 0.01$) 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' (mean value for trading = 2.00 and suspended = 1.60 with $p \leq 0.01$) and 'appointment of external ombudsman' (mean value for trading = 0.80 and suspended = 0.07 with $p \leq 0.05$) under the head of 'Whistle blower policy and vigil mechanism' (Table 4.1).

No specific difference was noted on disclosures under the head of ‘subsidiary and associate companies.’ However the trading and suspended companies differ on 3 aspects of disclosures related to ‘general shareholder information’ including ‘distribution of shareholding on closing date’ (mean value for trading = 2.00 and suspended = 1.60 with $p \leq 0.10$), ‘commodity price risk or foreign exchange risk and hedging activities’ (mean value for trading = 1.87 and suspended = 0.00 with $p \leq 0.01$) and ‘details of large shareholders’ (mean value for trading = 2.00 and suspended = 0.87 with $p \leq 0.01$). Lastly, on disclosures related to ‘compliance and other aspects’, it was observed that the trading and suspended companies significantly differ on 4 aspects in their reporting including ‘statement of compliance to listing agreement and LODR’ (mean value for trading = 2.00 and suspended = 1.67 with $p \leq 0.10$), ‘CEO/CFO certification on financial reporting’ (mean value for trading = 2.00 and suspended = 1.40 with $p \leq 0.05$), ‘prohibition of insider trading’ (mean value for trading = 2.00 and suspended = 0.93 with $p \leq 0.01$) and details of ‘permanent employees on roll’ (mean value for trading = 2.00 and suspended = 0.53 with $p \leq 0.01$) (Table 4.1).

Table 4.2: Independent sample t-test for parameter wise differences in non - financial corporate reporting between trading and suspended organizations.

Sl. No.	Parameter	Status	N	Mean	SD	t - Value	Sig. (2-Tailed)
1	Board Composition	Trading	15	1.97	.093	3.205	.003*
		Suspended	15	1.62	.406	3.205	.006*
2	Board Meetings	Trading	15	1.93	.187	7.614	.000*
		Suspended	15	1.00	.436	7.614	.000*
3	Board Level Committees	Trading	15	1.75	0.12	4.517	.000*
		Suspended	15	1.43	0.24	4.517	.000*
4	Particulars of Past AGM	Trading	15	1.69	0.43	2.538	.017**
		Suspended	15	1.13	0.73	2.538	.019**
5	Means of Communication	Trading	15	1.87	0.52	1.852	.075***
		Suspended	15	1.40	0.83	1.852	.077***
6	Related Party Transactions Disclosures	Trading	15	1.97	0.13	3.287	.003*
		Suspended	15	1.50	0.53	3.287	.005*
7	Whistle Blower Policy	Trading	15	1.40	0.51	3.697	.001*
		Suspended	15	0.83	0.31	3.697	.001*
8	Subsidiary and Associate Companies	Trading	15	2.00	.00 ^a		
		Suspended	15	2.00	.00 ^a		
9	General Shareholder Information	Trading	15	1.94	0.11	4.197	.000*
		Suspended	15	1.54	0.35	4.197	.001*
10	Compliance Related and other Disclosures	Trading	15	2.00	0.00	7.466	.000*
		Suspended	15	1.62	0.20	7.466	.000*

* Significant at 0.01 level

**Significant at 0.05 level

***significant at 0.10 level

On further examination on composite mean scores of the major heads under ‘non-financial reporting’, the above stated observations were confirmed as significant differences were noted in reporting practices between trading and suspended companies on all the aspects

including ‘board composition’ (mean value for trading = 1.97 and suspended = 1.62 with $p \leq 0.01$), ‘board meetings’ (mean value for trading = 1.93 and suspended = 1.00 with $p \leq 0.01$), ‘board level committees’ (mean value for trading = 1.75 and suspended = 1.43 with $p \leq 0.01$), ‘particulars of past AGM’ (mean value for trading = 1.69 and suspended = 1.13 with $p \leq 0.05$), ‘means of communication’ (mean value for trading = 1.87 and suspended = 1.40 with $p \leq 0.10$), ‘related party disclosures’ (mean value for trading = 1.97 and suspended = 1.50 with $p \leq 0.01$), ‘whistle blower policy’ (mean value for trading = 1.40 and suspended = 0.83 with $p \leq 0.01$), ‘general shareholder’s information’ (mean value for trading = 1.94 and suspended = 1.54 with $p \leq 0.01$) and ‘compliance related information’ (mean value for trading = 2.00 and suspended = 1.62 with $p \leq 0.01$), except the ‘disclosures on subsidiary and associate companies’ (Table 4.2).

Thus, on the basis of results of analysis (Table 4.1 and Table 4.2), discussions and inferences drawn above, the null hypothesis **H₀₁** may be rejected as significant differences were noted in reporting practices of trading and suspended organizations in regard to ‘non-financial disclosures’.

5. CONCLUSION

Thus from the above study it can be concluded that Non Financial disclosures are treated as of secondary importance by some corporate as we can observe significant difference in the reporting practices of Non Financial Disclosures between trading and suspended organizations. Many suspended organizations are lacking on the reporting of Non Financial aspects of the functioning of the organization to its stakeholders. Therefore, We can say that companies which are active on the stock exchange have better reporting standards as far as Non Financial Disclosures are concerned and this is the area which needs attention of the policy makers.

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