FINANCE INDIA

Vol. XXX No. 1, March 2016
Pages—85—110

An Appraisal of the Detrminants of Timeliness in Corporate Financial Reporting in India

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Abstract

This study empirically investigates the relationship between the timeliness of corporate financial reporting and its determinants in India. The study is based on the financial reports of BSE -100 companies for the year 2012. The data were analyzed using descriptive statistics, correlation analysis and multiple regression analysis. The timeliness was measured as total time lag, auditor time lag and reporting time lag. The results suggested significant relationship between company attributes (company age, board size, company size, leverage, profitability) and timeliness for financial companies. In case of non-financial companies, significant correlation was found for company age, board size, share capital, profitability and company size. The regression analysis revealed board size, profitability and company size as a significant determinant for financial companies whereas age, profitability and leverage were found a significant factor for non-financial companies.

I. Introduction

CORPORATE REPORT CARRIES the information of a corporate entity to its owner, prospective investors, employees, government, research scholars, managers, depositors etc. for their use. The user/investor/depositor wants the information promptly at the end of accounting period for the prediction of a course of action and decisions. The utility, effectiveness and validity of the information in the hands of users depend upon promptness of corporate reporting. The timeliness of corporate report is of paramount importance and is an important characteristics and objective of corporate reporting. IASC on "frame work for the preparation and presentation of financial statements" states that "if there is undue delay on reporting of information it may lose its relevance. Management may need to balance the relative merits of timely reporting and provisions of reliable information. To

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Submitted October 2013; *Accepted* April 2014

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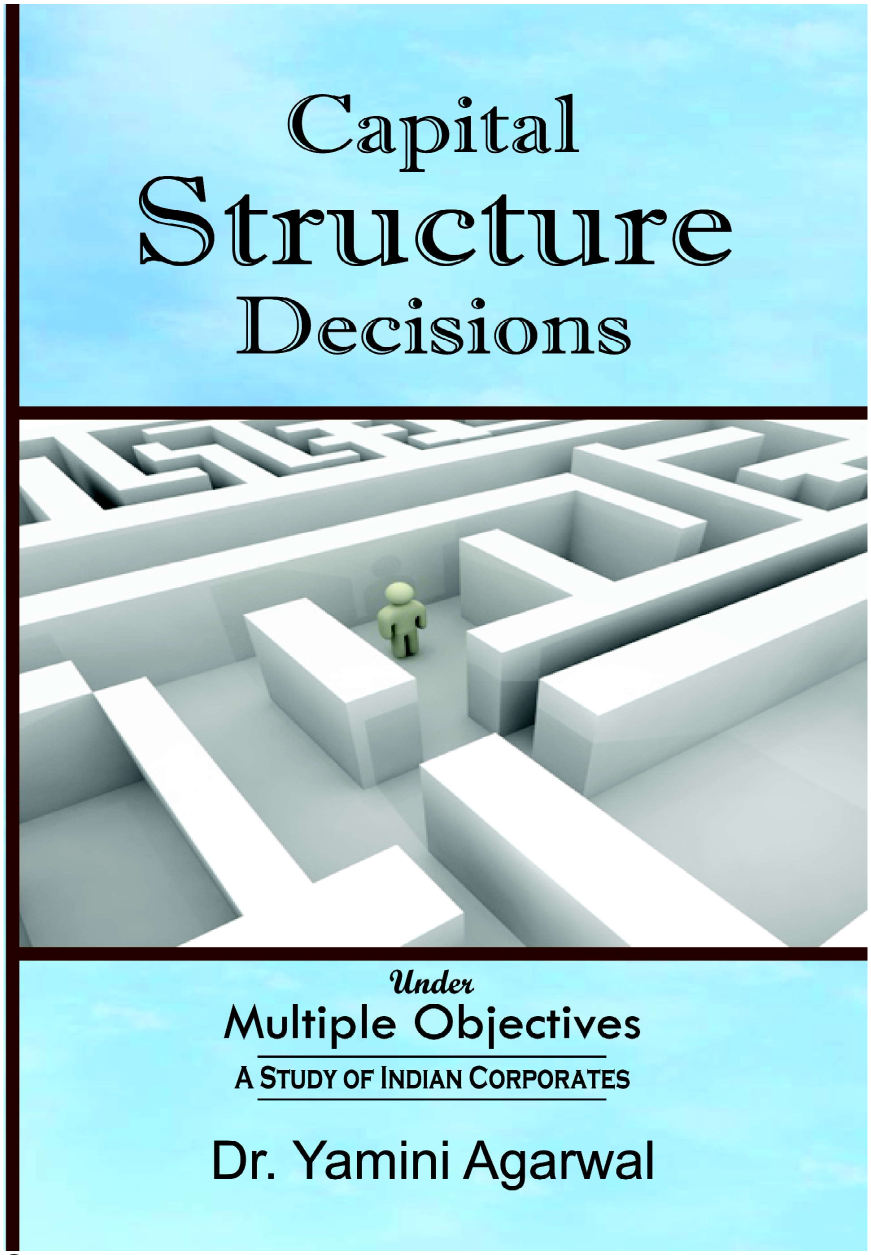

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