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## THE ASSOCIATION BETWEEN FIRM-SPECIFIC CHARACTERISTICS AND CORPORATE DISCLOSURE: EVIDENCE FROM PAKISTAN\*

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### ABSTRACT

This study explored the association among firm-specific characteristics and corporate disclosure level in Pakistan. For exploring this association latest data of 227 manufacturing companies of Pakistan in 2012 is collected. Two most recommended cross sectional data analysis techniques Correlation and Multiple regression analysis are used in order to investigate this relationship. In order to obtain robust results of regression analysis, diagnostic tests are applied. These tests detect multicollinearity and heteroskedasticity assumptions of regression analysis. The finding of this study shows that firm characteristics; profitability and auditor size have positive and significant relationship with corporate disclosure. This study can be very helpful for the managers in making decisions about giving corporate disclosure in annual reports. According to author's knowledge, this study is conducted first time in Pakistan to explore the corporate disclosure.

**Keywords:** Corporate disclosure; manufacturing companies; Karachi Stock exchange; Annual report; Pakistan.

### INTRODUCTION

Investors of company are relying on disclosure provided in the annual report. This disclosure contains financial statements, profit and loss account/ income statement, balance sheet, cash flow statement, notes to the accounts and besides all this it also mentions firm related performance in future and forward looking information. Hussainey (2004) suggested that information published in annual report in mainly categories in two heads, forward looking information and backward looking information disclosure. The whole disclosure of the firm's condition is significant for making the decision of the stakeholders or those who usually make decision on the information disclosed in the yearly report (Cooke, 1989). This voluntary information disclosed besides the compulsory financial and nonfinancial information to enhance the confidence and awareness of investors about firms' future. Primarily, that covers the hesitation of investors which feel of having less knowledge about firm to make decision. This voluntary information disclosed in annual reports is a great source of attraction for the researchers and stake holders. Annual report is the core basis of voluntary

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\* The views or opinions expressed in this manuscript are those of the author(s) and do not necessarily reflect the position, views or opinions of the editor(s), the editorial board or the publisher.

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non-financial and financial information enlightened by publicly-owned listed companies. This article emphasis on those factors that effecting the voluntary information published in the listed company's annual reports.

There are many sources of taking voluntary information but we emphasis on annual report due to number of reasons. Listed companies are bound to publish their annual reports according to company's ordinance 1973 of Pakistan. Annual report provides more authentic and reliable information than any other communication channels. In publicly listed companies, annual report is most highly ranked source among stakeholders (Firth, 1979; Raffournier, 1995; Hossain, Perera, & Rahman, 1995). Stakeholders can put litigation against the company through the annual report. Annual report is readily and timely available source for researchers and stakeholders. We use annual report for voluntary data collection. There are two main reasons/benefits of discussing the voluntary information in yearly report, first: This voluntary information disclosed besides the compulsory financial and nonfinancial information to enhance the confidence and awareness of investors about firms' future and present conditions.

Secondly, that covers/overcome the hesitation of investors to make decision which feel of having less knowledge about firm. Precisely, the voluntary information is highly valued as it helps in the investment decision of the investors (Raffournier, 1995). But there are some drawbacks of disclosing the voluntary information; that is, the company may face litigation against citing incorrect prediction (about firm profitability) and bear cost in shape of compensating the parity. The aim of this paper is to describe the factors affecting the degree of voluntary information discussed in yearly report. This study applied or implemented on Pakistan companies listed on the Karachi stock exchange (KSE). Pakistan is situated in Southeast Asia. Pakistan is running through the maintenance phase. We are covering the listed companies of Pakistan. The methodology of this paper is cross multiply regression model. This model is implemented by taking one year data of listed companies. According to best knowledge of author, this is the first study which explored the relationship of firm characteristics and corporate disclosure in the annual reports of listed companies of Pakistan.

This article comprises of four portions. In first segment, review of literature is given. In second section, Research methodology and empirical finding is discussed. In third section, Empirical finding is explained. Last section concludes the study.

## **LITERATURE REVIEW**

Firms publish annual reports to show their performance and financial position to shareholders for the particular financial year. Since 1961, the relationship between corporate disclosure and firm characteristics; like firm size, industry type, leverage, liquidity, firm size, auditor size, profitability) has taken very much interest in accounting journals. In this study, we develop hypothesis about the relationship between corporate and firm characteristics that might affect disclosure decision of manufacturing companies of Pakistan.

### **Firm Size**

Firm's disclosure level is normally explained by the size of the firm, it is the most widely used variable in the existing literature (Cooke, 1989). Size of firm is considered to be the most important determinant of corporate disclosure. Early research studies on disclosure, investigated the association between firm size and level of corporate disclosure. Alsaeed (2006) have found positive relationship between size of the firm and level of disclosure. Most of the results indicate that larger firms follow better disclosure practices (Ahmed and Courtis, 1999). Bigger firms have revealed a propensity to disclose the financial information in more than one language. In research literature, there are number of theoretical explanations

for positive association between firm size and levels of corporate disclosure were provided. Firstly, agency cost are linked with separation of management from ownership (Jensen and Meckling, 1976) and agency costs are higher for larger firms because shareholders are widespread (Alsaeed, 2006); For that reason, additional disclosure might lessen these costs (Watts and Zimmerman, 1983). Secondly, bigger firms might have adequate resources and expertise necessary to meet cost of production and publication of sophisticated financial statement for the users of annual reports and, hence show more level of disclosure. Finally, small firms might experience competitive disadvantage if they present further disclosure. However, large firms might reduce level of forward disclosure in order to avoid litigation cost (Field et al., 2003). These above arguments give strong basis for predicting that bigger firms are more likely to disclose forward information than smaller firms. Therefore, it is hypothesized that:

*Hypothesis 1. There is a relationship between firm size and disclosure level of manufacturing companies of Pakistan*

### **Debt Ratio**

Leverage is another explanatory variable that was generally used in early studies to scrutinize the determinants of corporate disclosure. A positive association between debt ratio and corporate disclosure has been hypothesized (Wallace et al. 1994). Zarzeski (1996) stated that high leveraged firms are more likely to distribute private information with their creditors. Jensen and Meckling (1976) argue that more monitoring cost is incurred by the highly leveraged firms, They disclose more information in order to reduce the cost and satisfy the needs of creditors. Empirical results on the relationship between two variables are mixed. While Raffournier (1995) has found no relationship between the two variables, Hossain et al.(1994) found significant association between leverage and disclosure level. Second hypothesis states that:

*Hypothesis 2. There is a relationship between debt ratio and disclosure level of manufacturing companies of Pakistan*

### **Profitability**

In early studies, positive relationship between firm's profitability and corporate disclosure were hypothesized. Singhvi and Desai (1971) stated the reason for such positive relationship is that managers of highly profitable firms tend to disclose greater information in order to increase the confidence of investors and thus to increase their reward. Empirical results on the relationship between profitability and firm disclosure is assorted and provides contradictory results (Ahmed and Courtis, 1999). Singhvi and Desai (1971); Wallace et al. (1994) found significant positive relationship. Unexpectedly, Belkaoui and Kahl (1978) found significant negative association between profitability and disclosure level. While Raffournier, (1995) found no such relationship Third hypothesis states that:

*Hypothesis 3. There is a relationship between profitability and disclosure level of manufacturing companies of Pakistan*

### **Auditor Size:**

Auditor size is also used to examine the determinants of firm disclosures. Size of audit firm plays an important role in defining the disclosure policy of companies (Depoers, 2000). Large auditing firms may provoke companies to disclose comprehensive information than required (Firth, 1979). Hail (2002) argued that auditor can play an important role in improving overall corporate reporting strategies. Wallace et al. (1994) find no relationship between auditor size and disclosure levels. Bar-Yossef and Livnat (1984) stated that good

corporations are about to disclose more information in reports to 'publicize' their performances. Fourth hypothesis states that:

*Hypothesis 4. There is a relationship between audit size and disclosure level of manufacturing companies of Pakistan.*

### **Liquidity**

Liquidity is a significant firm characteristic which has great impact on corporate disclosure level (Alsaeed, 2006). Cooke (1989) stated that firms having high liquidity enjoys sound financial position and tends to disclose more information than those suffering with low liquidity because low liquidity predict bankruptcies (Altman, 1968). Corporations with low liquidity may desire to reveal more information to explain the reasons for such circumstances to insure of its short term nature. Empirical results on relationship between liquidity and corporate disclosure is quite confusing. Belkaoui and Kahl (1978) have found that no association exists between liquidity and the extent of corporate disclosure. On the other hand, Wallace et al. (1994) found a significantly negative association. Fifth hypothesis states that:

*Hypothesis 5. There is a relationship between Liquidity and disclosure level of manufacturing companies of Pakistan.*

### **Firm Age**

The level of corporate disclosure may also be influenced by its age. There are three main points in this case (Owusu-Ansah, 1998). First, younger firms may experience competitive disadvantage if they disclose certain things, Information on capital expenditure and research and development expenditure. Second, expenditure and easiness of collecting, processing and disseminating the requisite information .Such cost seems to be onerous for younger firms than for older firms. Third, younger firms may be short of "track record" to base on for public disclosure and thus may have not as much information to disclose. Number of new variables such as "age of the firm" is identifies which are to be investigated by future studies (Camfferman & Cooke, 2002). The justification for selecting this variable lies in the likelihood that old firms might have improved their financial reporting practices over time. Sixth hypothesis states that:

*Hypothesis 6. There is a relationship between firm age and disclosure level of manufacturing companies of Pakistan*

## **DATA AND METHODOLOGY**

In order to explore the relationship between firm characteristics and corporate disclosure secondary data of 227 manufacturing companies is collected which are listed in Karachi Stock Exchange (KSE) on 31st December 2012. A complete list of these companies is given in appendix 1. Random sampling technique is used in this study to select the sample of 230 companies and data includes annual reports of companies. This sample is selected on the basis of data availability. Main source of data collection is publications of KSE, State Bank of Pakistan (SBP) and company's official website. All the process of data entering and processing to generate results is done through Stata 11 software. Cross-sectional regression analysis was employed to test the relationship between corporate disclosure and firm's characteristics.

$$CD_i = b_0 + b_1 Lev_i + b_2 AF_i + b_3 AS_i + b_4 PRO_i + b_5 LIQ_i + b_6 FSi + e_i$$

Where:

CD<sub>i</sub> = Corporate of the firm

Levi = Debt ratio of the firm

AF<sub>i</sub> = Age of the firm

AS<sub>i</sub> = Auditor Size of the firm

PRO<sub>i</sub> = Profitability of the firm

LIQ<sub>i</sub> = Liquidity of the firm

FS<sub>i</sub> = Size of the firm

e<sub>i</sub> = Error term

The dependent variable corporate disclosure is measured by looking at disclosure items which are adopted from (Alsaeed, 2006). These disclosure items are given in appendix 2. A company obtained score 1 if it has disclosure item or otherwise 0. For each firm, a disclosure index was computed as the ratio of the actual score given to the firm divided by the maximum score (20). Firm characteristics acting as independent variables; leverage is measured by debt ratio which is measured by total debt divided by total assets, age of the firm is measured by looking at difference between current year and establishment year of firm, Auditor size is measured by dummy variable, authors take 1 if auditor of the company is one of top 6 audit companies of Pakistan and otherwise 0, profitability is measured by return on assets which is calculated as net profit after tax divided by total assets, liquidity is measured through quick ratio which is calculated as quick assets divided by current liabilities and firm size is the natural log of total assets.

### EMPIRICAL RESULTS:

This section provides the results of the model which includes descriptive statistics, Pearson correlation matrix and multiple regression analysis results.

**TABLE 1**  
Descriptive Statistics

Description	Observation	Mean	Std. Dev.	Minimum	Maximum
CD	227	0.7362835	0.1495403	.4090909	1.227273
LEV	227	2.457841	25.35174	0	382.58
AGE	227	39.70925	130.5903	5	67
AS	227	0.4713656	0.5002826	0	1
PRO	227	5.337004	15.56698	-110.14	63.72
LIQ	227	1.486211	15.12345	0	226.97
FS	227	6.225022	0.76247	3.34	8.26

Tables 1 brief about mean, standard deviation, minimum and maximum values. Total observations in this study are 227. Average value of all variables ranges from 0.4713656 to 39.70925. Smallest value among all variables ranges is 0. Largest value among all variables is of age which is 67.

**TABLE 2**  
Pearson Correlation Matrix

Variable	CD	LEV	AGE	AS	PRO	LIQ	FS
CD	1.0000						
LEV	-0.0259 0.6971	1.0000					
AGE	-0.0756 0.3196	-0.0075 0.9101	1.0000				
AS	0.2469** 0.0002	-0.0633 0.3410	0.0740 0.2646	1.0000			

PRO	0.1906**	-0.3331**	0.0255	0.1290	1.0000		
	0.0039	0.0000	0.7015	0.0518			
LIQ	-0.0655	-0.0090	-0.0041	0.0666	-0.0607	1.000	
	0.3251	0.8929	0.9509	0.3164	0.3626		
FS	0.0962	-0.2608**	-0.0225	0.0870	0.5062**	-0.057	1.0000
	0.1478	0.0001	0.7352	0.1905	0.0000	0.390	

*Note.* Variable is significant at \* 1%, \*\* 5%, and \*\*\* 10% level of significance.

Before running the model the data is checked through some diagnostic tests. Data is consistent with the assumption of multicollinearity. As results of correlation between independent variables not exceeds from cut point of 0.7. Furthermore autocorrelation is deemed as a basic assumption to check data's econometric problems. Numeric results are also consistent with the assumption that no autocorrelation affects in case of cross-sectional data. Stata 11 was used to detect the hetroskedasticity, which are caused by the cross-sectional data.

### Breusch-Pagan / Cook-Weisberg test for Heteroskedasticity

Ho: Constant variance

Variables: fitted values of Disclosure Index

chi2 (1) = 2.17

Prob. > chi2 = 0.1404

As the results of this test is not significant, we are fail to reject our null hypothesis and conclude that there is no heteroskedasticity problem in the data as assumption of constantvariance across all the independent variables is not violated.

**TABLE 3**  
Multiple Regression Analysis

Variables	Coefficient	Std. Dev.	t statistics	P-value
LEV	0.0007119	0.0004323	1.65	0.101
AGE	-0.0001173	0.0000726	-1.62	0.108
AS	0.0663846	0.0191216	3.47	0.001*
PRO	0.0026159	0.0007459	3.51	0.001*
LIQ	-0.0003404	0.0006277	-0.54	0.588
FS	-0.0036221	0.0135806	-0.27	0.790
Constant	0.7169908	0.0844749	8.49	0.000

*Note.*  $R^2 = 0.1231$ , Adj.  $R^2 = 0.0992$ , F-Stat = 5.15, and Prob. > F = 0.0001\*\*. Variable is significant at \* 1%, \*\* 5%, and \*\*\* 10% level of significance.

Final model after not having any problem in the data is given in table 3. The coefficient of determinations of the model is 0.1231 which shows that independent variables explain 12.31% changes in the disclosure of Pakistani firms. The F test shows that the model is significant at 1% level of significance. The multiple regression analysis shows that only two firm characteristics; auditor size and profitability have positive and significant association with corporate disclosure. Rests of the variables are not significant in this study. The result of this study support only third and fourth hypotheses and matched with previous studies (Becker et al., 1998; Wallace et al.1994).

### CONCLUSIONS

This study explored the association among firm-specific characteristics and corporate disclosure level in Pakistan. For exploring this association latest data of 227 manufacturing

companies of Pakistan in 2012 is collected. Two most recommended cross sectional data analysis techniques Correlation and Multiple regression analysis are used in order to investigate this relationship. In order to obtain robust results of regression analysis, diagnostic tests are applied. These tests detect multicollinearity and heteroskedasticity assumptions of regression analysis. The finding of this study shows that firm characteristics; profitability and auditor size have positive and significant relationship with corporate disclosure. The major limitation of this study is availability of annual reports of all listed companies. This study is conducting only on manufacturing sector of Pakistan upcoming studies must focus on the other sectors of the Pakistan like Service sector of Pakistan or other countries of South Asia.

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**APPENDIX****TABLE A1**  
Sleeted Listed Companies

1. (Colony) Thal Textile Mills Ltd.	2. Sapphire Textile Mills Ltd.
3. Adil Textile Mills Ltd.	4. Sargodha Spinning Mills Ltd.
5. Ahmed Hussan Textile Mills Ltd.	6. Saritow Spinning Mills Ltd.
7. Al-Qadir Textile Mills Ltd.	8. Service Fabrics Ltd.
9. Ali Asghar Textile Mills Ltd	10. Service Industries Textile Ltd.
11. Allawasaya Textile & Finishing Mills Ltd	12. Shadab Textile Mills Ltd.
13. Amtex Ltd.	14. Shadman Cotton Mills Ltd.
15. Annoor Textile Mills Ltd.	16. Shahtaj Textile Ltd.
17. Apollo Textile Mills Ltd.	18. Shahzad Textile Mills Ltd.
19. Ashfaq Textile Mills Ltd.	20. Shams Textile Mills Ltd.
21. Asim Textile Mills Ltd.	22. Sind Fine Textile Mills Ltd.
23. Ayesha Textile Mills Ltd.	24. Sunrays Textile Mills Ltd.
25. Azam Textile Mills Ltd.	26. Suraj Cotton Mills Ltd.
27. Azgard Nine Ltd.	28. Taha Spinning Mills Ltd.
29. Babri Cotton Mills Ltd.	30. Tata Textile Mills Ltd.
31. Bhanero Textile Mills Ltd.	32. The Crescent Textile Mills Ltd.
33. Bilal Fibres Ltd.	34. Towellers Ltd.
35. Blessed Textiles Ltd.	36. Yousaf Weaving Mills Ltd.
37. Brothers Textile Mills Ltd.	38. Zahidjee Textile Mills Ltd.
39. Chakwal Spinning Mills Ltd.	40. Zephyar Textile Mills Ltd.
41. Chenab Ltd.	42. Aruj Garment Accessories Ltd.
43. Colony Mills Ltd.	44. Fateh Sports Wear Ltd.
45. Crescent Fibre Ltd.	46. Gul Ahmed Textile Mills Ltd.
47. D.M. Textile Mills Ltd.	48. International Knitwear Ltd.
49. D.S. Industries Ltd.	50. Liberty Mills Ltd.
51. Dar-Es-Salam Textile Mills Ltd.	52. Moonlite (Pak) Ltd.
53. Data Textiles Ltd.	54. Al-Abid Silk Mills Ltd.
55. DawoodLawrancepur Ltd.**	56. BannuWoollen Mills Ltd.
57. DewanFarooque Spinning Mills Ltd.	58. Crescent Jute Products Ltd.
59. Dewan Khalid Textile Mills Ltd.	60. Ibrahim Fibres Ltd.
61. DewanMushtaq Textile Mills Ltd.	62. Latif Jute Mills Ltd.
63. Dewan Textile Mills Ltd.	64. Noor Silk Mills Ltd.
65. Elahi Cotton Mills Ltd.	66. Pakistan Synthetics Ltd.
67. Ellcot Spinning Mills Ltd.	68. Rupali Polyester Ltd.
69. Faisal Spinning Mills Ltd.	70. S. G. Fibres Ltd.
71. Fateh Textile Mills Ltd.	72. Suhail Jute Mills Ltd.
73. Fatima Enterprises Ltd.	74. The National Silk and Rayon Mills Ltd.
75. Fazal Cloth Mills Ltd.	76. Tri-Star Polyester Ltd.
77. Fazal Textile Mills Ltd.	78. Abdullah Shah Ghazi Sugar Mills Ltd.
79. Feroze 1888 Mills Ltd.	80. Adam Sugar Mills Ltd.
81. Gadoon Textile Mills Ltd.	82. Al-Abbas Sugar Mills Ltd.

83. Ghazi Fabrics International Ltd.	84. Al-Noor Sugar Mills Ltd.
85. Glamour Textile Mills Ltd.	86. Ansari Sugar Mills Ltd.
87. Globe Textile Mills (OE) Ltd.	88. Baba Farid Sugar Mills Ltd
89. Globe Textile Mills Ltd.	90. Bawany Sugar Mills Ltd.
91. Gulistan Spinning Mills Ltd.	92. Chashma Sugar Mills Ltd.
93. Gulistan Textile Mills Ltd.	94. Colony Sugar Mills Ltd.
95. Gulshan Spinning Mills Ltd.	96. Crescent Sugar Mills & Distillery Ltd.
97. Hafiz Textile Mills Ltd.	98. Dewan Sugar Mills Ltd.
99. Haji Muhammad Ismail Mills Ltd.	100. Faran Sugar Mills Ltd
101. Hajra Textile Mills Ltd.	102. Fecto Sugar Mills Ltd.
103. Hala Enterprises Ltd.	104. Habib ADM Ltd.*
105. Hamid Textile Mills Ltd.	106. Habib Sugar Mills Ltd.
107. Hira Textile Mills Ltd.	108. Haseeb Waqas Sugar Mills Ltd.
109. Husein Industries Ltd.	110. Husein Sugar Mills Ltd.
111. ICC Textiles Ltd.	112. JDW Sugar Mills Ltd.
113. Ideal Spinning Mills Ltd.	114. Khairpur Sugar Mills Ltd.
115. Idrees Textile Mills Ltd.	116. Kohinoor Sugar Mills Ltd.
117. Indus Dyeing & Manu. Company Ltd.	118. Mehran Sugar Mills Ltd.
119. Ishaq Textile Mills Ltd.	120. Mirpurkhas Suggar Mills Ltd
121. Ishtiaq Textile Mills Ltd.	122. Mirza Suggar Mills Ltd
123. Island Textile Mills Ltd	124. Noon Sugar Mills Ltd.
125. J. A. Textile Mills Ltd.	126. Pangrio Sugar Mills Ltd.
127. J. K. Spinning Mills Ltd.	128. Sakrand Sugar Mills Ltd.
129. Janana De Malucho Textile Mills Ltd.	130. Saleem Sugar Mills Ltd.
131. Jubilee Spinning & Weaving Mills Ltd.	132. Sanghar Sugar Mills Ltd.
133. Karim Cotton Mills Ltd.	134. Shahmurad Sugar Mills Ltd.
135. Khalid Siraj Textile Mills Ltd.	136. Shahtaj Sugar Mills Ltd.
137. Khurshid Spinning Mills Ltd.	138. Shakarganj Mills Ltd.
139. Khyber Textile Mills Ltd.	140. Sindh Abadgar's Sugar Mills Ltd
141. Kohat Textile Mills Ltd.	142. Tandlianwala Sugar Mills Ltd.
143. Kohinoor Industries Ltd.	144. The Frontier Sugar Mills & Distillery Ltd.
145. Kohinoor Mills Ltd.	146. The Prem. Sugar Mills & Dist. Co. Ltd.
147. Koninoor Spinning Mills Ltd.	148. The Thal Ind. Corp. Ltd.
149. Kohinoor Textile Mills Ltd.	150. Clover Pakistan Ltd.
151. Landmark Spinning Industries Ltd.	152. Indus Fruit Products Ltd.
153. Mahmood Textile Mills Ltd.	154. Ismail Industries Ltd.
155. Maqbool Textile Mills Ltd.	156. Mitchell's Fruit Farms Ltd.***
157. Masood Textile Mills Ltd.	158. Morafco Industries Ltd.
159. Mehr Dastagir Textile Mills Ltd.	160. Murree Brewery Company Ltd.
161. Mian Textile Industries Ltd.	162. National Foods Ltd.
163. Mohammad Farooq Textile Mills Ltd.	164. Nestle Pakistan Ltd.**
165. Mubarak Textile Mills Ltd.	166. Noon Pakistan Ltd.
167. Mukhtar Textile Mills Ltd	168. Punjab Oil Mills Ltd.
169. N. P. Spinning Mills Ltd.	170. Quice Food Industries Ltd.

171.Nadeem Textile Mills Ltd.	172.Rafhan Maize Products Ltd.**
173.Nagina Cotton Mills Ltd.	174.S. S. Oil Mills Ltd.
175.Nazir Cotton Mills Ltd.	176.Shakarganj Foods Ltd.
177.Nishat (Chunian) Ltd.	178.Shezan International Ltd.
179.Nishat Mills Ltd.	180.Unilever Pakistan Foods Ltd.**
181.Olympia Spinning & Weaving Mills Ltd.	182.Unilever Pakistan Ltd.**
183.Olympia Textile Mills Ltd.	184.Wazir Ali Industries Ltd.
185.Paramount Spinning Mills Ltd.	186.Abbott Laboratories (Pakistan) Ltd.**
187.Premium Textile Mills Ltd.	188.Agritech Ltd.
189.Prosperty Weaving Mills Ltd.	190.Bawany Air Products Ltd.
191.Quality Textile Mills Ltd.	192.Berger Paints Pakistan Ltd.
193.Quetta Textile Mills Ltd.	194.Biafo Industries Ltd
195.Ravi Textile Mills Ltd.	196.Buxly Paints Ltd.
197.Redco Textiles Ltd.	198.Clariant Pakistan Ltd.**
199.Regent Textile Industries Ltd.	200.Colgate - Polmolive (Pakistan) Ltd.
201.Reliance Cotton Spinning Mills Ltd.	202.Data Agro Ltd
203.Reliance Weaving Mills Ltd.	204.Dawood Hercules Chemicals Ltd.**
205.Resham Textile Industries Ltd.	206.Descon Chemicals Ltd.
207.Ruby Textile Mills Ltd.	208.DesconOxychem Ltd.
209.Safa Textiles Ltd.	210.Dewan Salman Fibre
211.Saif Textile Mills Ltd.	212.Dynea Pakistan Ltd.
213.Sajjad Textile Mills Ltd.	214.Engro Corporation Ltd.**
215.Saleem Denim Industries Ltd.	216.Engro Polymer & Chemical Ltd.**
217.Salfi Textile Mills Ltd.	218.Fatima Fertilizer Co.Ltd.**
219.Sally Textile Mills Ltd.	220.Fauji Fertilizer Bin Qasim Ltd.**
221.Salman Noman Enterprises Ltd.	222.Fauji Fertilizer Company Ltd.**
223.Samin Textiles Ltd.	224.Ferozsons Laboratories Ltd.
225.Sana Industries Ltd.	226.Gatron Industries Ltd.
227.Sapphire Fibres Ltd.	228.

**TABLE A2**  
Corporate Disclosure Items

1. Strategic information	2. Percentage of foreign and national labor force
3. Brief history of company	4. Information on training and workers development
5. Information on events affecting future year's results	6. Information on social and environmental activities
7. Board directors' names	8. Statement of corporate goals and objectives
9. Top management's names	10. Principle markets
11. Majority shareholders	12. Average compensation per employee
13. Information on different types of products	14. Market share
15. Information statistics for more than two years	16. Information on events affecting current year's results
17. Information on dividends policy	18. Competitive environment
19. Information on future expansion projects	20. Forecasted profits

Source: Adopted from (Alsaed, 2006)