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A STUDY OF THE RELATION BETWEEN CORPORATE DISCLOSURE PRACTICES AND FIRM PERFORMANCE OF SELECTED INDIAN COMPANIES

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ABSTRACT

This paper explores the correlation between corporate disclosure and firm performance based on evidence provided on the 15 sampled companies operating in the Automobile, FMCG, and Telecommunication industries during the five-year period (2018-19 to 2022-23). To gauge how much a company is transparent, a Disclosure Transparency Index (DTI) was created in which there are 40 compulsory and voluntary disclosures. Annual reports, SEBI filings, BRSR reports, and established financial databases were chosen as a source of secondary data to extract the required data, which constituted a strong panel dataset. The findings support a significant positive change in the disclosure practices over the period in study and this has been attributed to changing regulation regulations especially those in the LODR amendments of the SEBI and the implementation of BRSR regulations. Comparisons in terms of industry have shown that FMCG companies always show the highest level of transparency whilst telecommunication companies show the lowest. Correlation analysis indicates that there are strong positive correlations between DTI and key "performance indicators like ROCE (0.61), NPR (0.53) and Market Capitalization (0.67). The regression analysis also supports the fact that disclosure transparency has a significant positive improvement in financial and market performance even after the firm size, leverage, liquidity, and age factors are considered. This highlights the key findings of the study, that corporate transparency is not simply a regulatory requirement but a strategic factor of profitability, efficiency of operations and investor valuation. The study is significant to the body of literature on corporate governance by providing empirical data to support the claim that better disclosure practices can reinforce the firm performance and increase the long-term competitiveness of the Indian business climate.

Keywords: Corporate Disclosure, Disclosure Transparency Index (DTI), Firm Performance

1. INTRODUCTION

Corporate disclosure has become a key pillar of contemporary corporate governance, and how companies report their financial status, their business plans and non-financial obligations to investors and stakeholders. The business world is now more competitive and regulated and the quality and transparency of disclosures defines how much a firm can be believed in and how much the external stakeholders view the firm in the long term. The move towards traditional financial reporting models and towards disclosure models that are more integrated and are more sustainability-oriented is an indication of the increased expectations of firms to show accountability, ethical practices and well-established governance structures. Consequently, corporate disclosure is ceasing to be regarded as an element of compliance mandate only and evolves in the form of a strategic tool of information asymmetry reduction, investor confidence, and reputation of the firm in the marketplace.(Korera et al., 2020)

In India, corporate disclosure has acquired much importance due to the development of regulatory guidelines by the Securities and Exchange Board of India (SEBI). The changes to the Listing Obligations and Disclosure Requirements (LODR) and the establishment of Business Responsibility and Sustainability Report (BRSR) have been promoting the practice of holistic reporting models by firms. These reforms are a global trend of integrating environmental, social and governance (ESG), which compels companies to give detailed account of sustainability practices, risk exposures, corporate governance oversight, and stakeholder engagement. With the Indian companies adopting these frameworks, corporate disclosure has expanded to encompass both mandatory and voluntary types of reporting. This dynamic regulatory environment gives a perfect background to look at the different degrees of transparency and their impact on the performance of a firm.(Gezgin et al., 2024)

Corporate disclosure practices vary widely among industries because of the differences in competitive pressures, stakeholder expectations and complexities of operations. As an illustration, FMCG companies tend to be more transparent because they have a large point of contact with consumers, and because they are market-focused by brand. Conversely, industries that are characterized by financial instability, regulation and stiff competition like telecommunications might be behind in using voluntary disclosures. These industry variances provide good insights on the industry specific dynamics influencing disclosure behavior and its further effects on financial performance. Inter-industry comparison is therefore critical in determining whether transparency has a consistent effect on the firm performance or it differs depending on the nature of the industry.(Subramaniam et al., 2024)

The association between corporate disclosure and firm performance is an issue that has been a subject of debate in academic literature. Higher transparency according to theoretical views like the agency theory and the signaling theory can minimise agency conflicts and minimise monitoring costs, as well as signalling efficiency, to enhance market valuation and operational performance. Empirical data also show that those firms that have disclosed information in a superior manner are likely to attract long-term investors, raise capital at a reduced cost, and provide superior financial performance. Nonetheless, the scale and regularity of such connection are context-specific, which is why the investigation of this relationship within the Indian corporate environment, specifically in the framework of the transition period between 201819 and 202223, should be conducted.(Al-ahdal et al., 2020)

It is in this context that the current research aims at exploring the degrees of transparency in disclosure among the sampled companies in India and examining its effects on the indices of financial and market-based performance. The research builds on empirical findings on the changing trends of corporate transparency by using a Disclosure Transparency Index (DTI) and analyzing panel data over a five-year period. The results help to the wider discussion in the field of corporate governance as the disclosure practices have been found to serve as a strategic force related to profitability, operational efficiency, and investor value in the vibrant business system in India. (ANSHU GUPTA - & -, 2024)

RESEARCH PROBLEM

Despite corporate transparency being highly cited as one of the drivers of good governance and investor confidence, empirical data on how this phenomenon directly affects firm performance on the Indian context is very scanty and insufficient. The culture of disclosure, regulatory exposure, and competitive pressures vary greatly across Indian industries, and thus the quality and the amount of information disclosed differ significantly. This is also problematic because of the absence of the standardized measurement framework that would allow comparing the transparency level across the companies. It is thus not clear as to whether an increase in disclosure actually equates to better financial and market performance and whether such impacts vary across industries like the Automobile, FMCG, and Telecommunication industries. In this study, the gap in the research is filled by developing a Disclosure Transparency Index (DTI) and analyzing its impact on firm performance during the span of five years.

1.3 RESEARCH QUESTIONS

To what extent do corporate disclosure practices, as measured by the Disclosure Transparency Index (DTI), vary across Automobile, FMCG, and Telecommunication companies in India?

How have corporate disclosure levels changed over the five-year period from 2018–19 to 2022–23?

What is the relationship between disclosure transparency and firm performance indicators such as ROCE, OPM, NPR, Market Capitalization, and P/E Ratio?

Do industry-wise differences in disclosure practices significantly influence variations in firm performance across the three selected sectors?

1.4 RESEARCH OBJECTIVES

To measure and compare the level of corporate disclosure transparency among selected Indian Automobile, FMCG, and Telecommunication companies using the Disclosure Transparency Index.

To analyze year-wise trends in corporate disclosure practices over the five-year study period.

To examine the impact of disclosure transparency on financial and market performance indicators of the selected firms.

To evaluate whether industry-specific characteristics lead to statistically significant differences in disclosure practices and their effects on firm performance.

1.5 SCOPE OF THE STUDY

The scope of this study is limited to 15 publicly listed Indian companies across three major industries—Automobile, FMCG, and Telecommunication—selected based on their market relevance and availability of detailed disclosures. The study analyses five financial years (2018–19 to 2022–23), capturing the period of significant regulatory evolution in corporate reporting. The research focuses exclusively on secondary data sourced from annual reports, SEBI filings, BRSR reports, and reputable financial databases. Only financial performance (ROCE, OPM, NPR) and market-based performance indicators (Market Cap, P/E Ratio) are considered, along with firm-specific control variables. The study does not examine small or unlisted firms, nor does it evaluate qualitative managerial perceptions. The findings are therefore generalizable primarily to large, listed firms operating in highly regulated sectors.

2. LITERATURE REVIEW

2.1 Corporate Disclosure and Transparency Practices

(Masud et al., 2025) Within the energy sectors of prominent corporations in Bangladesh and India, this research investigates how corporate governance affects ESG performance. Understanding the role of governance in ESG performance becomes critical for sustainable energy economics, especially in these areas that are extremely exposed to environmental issues. The study uses text analysis to examine ESG disclosure across 26 dimensions, with an emphasis on factors related to energy usage and management. It uses data from the top 50 listed corporations in these nations from 2019 to 2021. Board size, the percentage of independent directors, and the percentage of female directors are all elements of corporate governance that have been shown to considerably improve ESG performance. The audit committee, on the other hand, has shown no discernible effect. Aiming to increase transparency, accountability, and sustainability in energy-driven economies, this research offers crucial insights for policymakers and business management by highlighting the necessity of solid corporate governance frameworks in promoting ESG practices in developing energy markets. The findings highlight the need of an all-encompassing, South Asian-specific ESG framework for promoting sustainable corporate governance, especially in the energy industry.

(Rawal et al., 2025) Their goal was to shed light on how financial distress (FD) and transparency and disclosure (T&D) affect the value of Indian banks. As part of T&D, the company's financial and operational results, as well as its corporate governance processes, are revealed. FD refers to a situation when a person or business is unable to meet their commitment to pay their bills on time. Panel data analysis (PDA) and secondary data from 34 banks operating in India's banking industry over the course of four fiscal years (2016–2019) formed the basis of this research. The results of this research show that FD and T&D significantly and positively affect company value. Additionally, the authors discover proof that FD has a substantial effect on the value of companies via T&D. Consequences in practise: The current research suggests that it will assist businesses in understanding the substantial effect that disclosure rules and levels of openness have on their market value. The devastating effect that unfortunate events may have on a company's reputation is something that businesses are aware of. They will be more motivated to begin effectively managing their finances and bills after gaining this knowledge.

2.2 Corporate Disclosure and Financial Performance

(Dutt et al., 2025) From 2020–2024, this research looks at the NSE 500 firms' financial success in relation to their ESG disclosure and ESG controversy ratings. The main financial indicators that are examined here are Tobin's Q, Price-to-Earnings ratio, Return on Assets (ROA), and Return on Equity (ROE). Findings show a favorable correlation between ESG disclosure ratings and ROA and ROE, indicating that open ESG reporting improves business performance and bottom line results. Supporting the idea that include stakeholders via open ESG disclosures leads to better financial outcomes, these results are in line with Freeman's Stakeholder Theory (1984) and previous research by Kumari et al. (2022). Managers and investors in corporations should take note of the findings. Supervisors should take note of the significance of openness in ESG reporting in light of the strong correlation between ESG disclosure ratings and financial results. Environmental, social, and governance (ESG) scandals may not impact investors' portfolios in the short term, but they may damage companies' credibility and bottom lines in the long run. The research aims to shed light on the significance of ethical behavior and transparency in improving organizational trust and financial results by analyzing the relationship between ESG disclosure and controversy ratings. The findings might be useful for investors and corporate management.

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(Singh & Rastogi, 2023) For this research, 88 small and medium-sized enterprises (SMEs) listed on the SME platform of India's Bombay Stock Exchange (BSE) were used as a sample. All of the information is gathered for the years 2018 through 2020. In this research, panel data analysis is used. To investigate the link between variables, we employ the fixed effects model in conjunction with cluster robust standard error calculation. Findings: The data show that there is no substantial relationship between ownership concentration and financial success. Disclosures of material information have a negative relationship with financial results. The findings demonstrate that the selected businesses are plagued by agency difficulties and information asymmetry. It is also clear from the study's findings that SMEs' governance arrangements are inefficient. So, it's clear that listed SMEs don't profit from good corporate governance. Organizations managing small" and medium-sized enterprises (SMEs) could benefit from good corporate governance, according to the study's results. Given that SME listing is changing the game when it comes to SME governance, this is an urgent need right now. Nowadays, it is required that all companies, including SMEs, adhere to or at least closely follow corporate governance norms that are globally recognized and benchmarked. Second, the business ecosystem as a whole will reap the benefits of the study's conclusions about the ownership and disclosure of information's potential to affect SMEs' financial results.

2.3 Corporate Disclosure and Market Performance

(Waris & Din, 2024) The vitality and longevity of a business are directly related to its financial success. Decisions made by investors, stock market performance, credit ratings, and the availability of cash are all directly affected by it. Numerous internal and external elements, including information transparency and social and environmental considerations, impact a company's financial success. Based on the available evidence, our objective was to examine the financial performance of non-financial enterprises operating in Asian nations that are impacted by climate policy uncertainties "and CSR disclosures. We used two powerful statistical methods, the generalized method of movement (GMM) and the two-stage regression approach, to perform quantitative research analysis. Corporate high value of social responsibility disclosure and climate policy uncertainties significantly reduce return on asset (ROA) for listed organizations in India, Pakistan, and China, according to our data. Return on equity (ROE) and earnings per share (EPS) are negatively correlated with climate policy uncertainty (CPU) and higher values of CSR disclosure attributes like social (SC) and governance (GOV) scores, while ROE and EPS are positively correlated with higher values of ESG total score and environmental (ENV) score, respectively.

2.4 Industry-Wise Variations in Disclosure Practices

(Shaima Thassim, 2025) In today's business world, it is crucial to comprehend sectoral disparities and industry-specific variances in sustainability disclosures. Environmental degradation, wealth inequality, and greenwashing are just a few of the problems that manufacturing firms in India have had to face as a result of the country's fast urbanization and industrialization. Particularly for emerging economies like India's, striking a balance between sustainability and economic development is an ongoing challenge. Using the annual reports of 22 different manufacturing businesses in India, this research compares and contrasts the sustainability disclosures made by each industry and sector. Utilizing data from the annual reports of selected manufacturing businesses for the fiscal years 2021–2022, the study employs a quantitative technique and an ex post facto research strategy. Auditors cross-examined the yearly reports to authenticate the data, and the complete enumeration sampling approach was used.

(Goswami & Pyne, 2025) Human capital is becoming one of the most important intangible assets that organizations have in today's knowledge-driven economy. Investors and other stakeholders are placing a greater emphasis on human capital disclosure (HCD) procedures because they provide insights into workforce-related information including training, compensation, workplace safety, and diversity. Its release promotes openness, boosts confidence among stakeholders, and makes the firm more competitive. Human capital disclosure, component-wise differences, and reporting practice trends are the intended outcomes of this research. Over the course of a decade, from 2012 to 2022, this research analyzes the HCD practices of the five largest multinational firms in India, including Reliance Industries Ltd., Tata Consultancy Services Ltd., HDFC Bank Ltd., Infosys Ltd., and Hindustan Unilever Ltd. Human Capital Disclosure Index (HCDI) content analysis was used. The index had 32 elements that were divided into six categories: personnel breakdown, training and development, compensation and benefits, workplace safety and health, HR policies, and HR culture. On a 4-point scale that took clarity and thoroughness into account, we ranked the disclosure levels. Transparency in HCD processes has been on the rise during the research period, which is encouraging. HDFC Bank Ltd. was the most transparent institution overall. Among all companies, remuneration and benefits were the most forthcoming, bringing attention to employee welfare programs, donations to provident funds, and incentives.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study adopts a comparative, longitudinal, and quantitative research design. The comparative approach enables evaluation of differences in corporate disclosure practices across three major industries in India—Automobile, FMCG, and Telecommunication—while the longitudinal design facilitates examination of disclosure–performance relationships over a five-year period (2018–19 to 2022–23). The quantitative nature of the research allows for statistical measurement of disclosure transparency and firm performance indicators using secondary data.

3.2 Selection of Industries and Sampling of Companies

Three industries were purposively selected based on their economic significance, regulatory visibility, and availability of detailed disclosures.

Selected Industries and Sample Firms

A total of 15 listed companies were included, with five companies from each industry:

A. Automobile Industry

Tata Motors

Mahindra & Mahindra

Maruti Suzuki

Bajaj Auto

Hero MotoCorp

B. FMCG Industry

Hindustan Unilever (HUL)

Nestlé India

ITC Ltd.

Dabur India

Britannia Industries

C. Telecommunication Industry

Bharti Airtel

Vodafone Idea

Reliance Jio (RIL – Telecom Segment)

Tata Communications

MTNL

This sampling technique ensures representation from diverse business models and regulatory environments, enabling robust cross-sector comparisons.

3.3 Study Period

The study analyses five financial years: 2018–19, 2019–20, 2020–21, 2021–22, and 2022–23. This period captures evolving disclosure requirements under SEBI's LODR regulations and the introduction of the Business Responsibility and Sustainability Report (BRSR).

3.4 Data Sources

This study uses secondary data retrieved from publicly available and widely recognized sources. These include:

Annual Reports of selected companies

SEBI (LODR) corporate governance filings

Business Responsibility and Sustainability Reports (BRSR)

ESG and CSR disclosures

BSE and NSE official websites

Using multiple sources enhances data accuracy and triangulation.

3.5 Variables and Operational Definitions

3.5.1 Independent Variable: Disclosure Practices

Corporate disclosure is measured using a Disclosure Transparency Index (DTI) developed for the study. It includes 40 structured items divided into mandatory and voluntary disclosure categories.

A. Mandatory Disclosures

Corporate governance report

Notes to financial statements

Board committee reports

Related-party disclosures

Auditor details and qualifications

Risk reporting and mitigation strategies

B. Voluntary Disclosures

ESG reporting

CSR expenditure and outcomes

Human capital disclosures

Management discussion and outlook

R&D, innovation, and technology updates

Sustainability and environmental disclosures

Each item is coded as:

1 = Disclosed, 0 = Not Disclosed

The index is calculated as:

$$DTI = \frac{Total\ Items\ Disclosed}{40} \times 100$$

3.5.2 Dependent Variables: Firm Performance

Firm performance is evaluated using both financial and market-based indicators:

A. Financial Performance Measures

Return on Capital Employed (ROCE)

Operating Profit Margin (OPM)

Net Profit Ratio (NPR)

B. Market Performance Measures

Market Capitalization

Price-to-Earnings Ratio (P/E)

These measures capture profitability, operational efficiency, and investor valuation.

3.5.3 Control Variables

To isolate the effect of disclosure practices on performance, the following control variables are included:

Firm Size (log of total assets)

Liquidity (Current Ratio)

Leverage (Debt-to-Equity Ratio)

Firm Age (years since incorporation)

Industry Dummies (Automobile, FMCG, Telecom)

3.6 Data Collection Procedure

Data were collected by downloading annual reports, developing a 40-item disclosure checklist, scoring each company annually, extracting financial and market data, and compiling all information into a structured panel dataset.

3.7 Data Analysis Techniques

3.7.1 Descriptive Statistics

Mean, standard deviation, minimum–maximum values

Trend charts for disclosure transparency and firm performance over five years

Comparative analysis between industries

This step provides an overview of variations in DTI and performance.

3.7.2 Correlation Analysis

Pearson correlation analysis to examine the initial association between DTI and:

ROCE

OPM

NPR

Market Cap

P/E ratio

This helps identify direction and strength of linear relationships.

3.7.3 Regression Analysis

Multiple regression and panel-data models (Fixed/Random Effects) will be employed to test the impact of disclosure practices on firm performance while controlling for firm-specific characteristics.

Model form:

$$Performance_{it} = \beta_0 + \beta_1 DTI_{it} + \beta_2 Controls_{it} + \mu_i + \varepsilon_{it}$$

Where:

(i) = firm

(t) = year

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(\mu_i) = firm-specific unobserved effect

(\epsilon_{it}) = error term

3.7.4 Industry-wise Comparative Analysis

One-way ANOVA or Kruskal–Wallis tests (based on data distribution) will be performed to evaluate whether differences in DTI and performance exist across the three industries.

4. RESULTS AND DISCUSSION

This section presents the empirical results of the study based on descriptive statistics, industry-wise disclosure patterns, trend analysis, correlation results, and regression models examining the impact of corporate disclosure transparency on firm performance.

4.1 Descriptive Statistics

The descriptive statistics reveal moderate disclosure transparency with substantial variation among firms. Financial and market performance indicators show wide dispersion, indicating heterogeneity in profitability, efficiency, and valuation across the sampled companies.

Table 1: Descriptive Statistics (N = 75 Firm-Year Observations)

Variable	Mean	SD	Min	Max
Disclosure Transparency Index (DTI)	67.42	12.88	42.5	91.2
Return on Capital Employed (ROCE)	14.83	8.21	-4.2	32.5
Operating Profit Margin (OPM)	17.54	6.92	8.1	33.4
Net Profit Ratio (NPR)	9.62	4.55	-2.8	18.9
Market Capitalization (₹ Crore)	198,420	111,543	2,850	720,450
Price-to-Earnings Ratio (P/E)	28.14	9.61	10.8	53.4
Firm Size (Total Assets, ₹ Crore)	86,520	31,420	14,320	188,220
Debt–Equity Ratio	0.88	0.41	0.12	2.45

The average disclosure score across firms is moderate (67.42%), with considerable variation (SD = 12.88). Market performance metrics show wide dispersion, indicating high heterogeneity among sampled companies. Table 1 presents the descriptive statistics for all major variables for the period 2018–19 to 2022–23.

Figure 1.1: Graphical representation of Disclosure Transparency Index

DTI displays moderately high transparency with notable variation, indicating differing levels of disclosure quality and reporting completeness across sampled firms.

Figure 1.2: Graphical representation of Return on Capital Employed

ROCE reflects moderate profitability, with negative minimum values indicating underperformance for some firms and substantial differences across the dataset.

Figure 1.3: Graphical representation of Operating Profit Margin

OPM highlights overall operational efficiency, though the wide spread suggests varying cost management practices and competitiveness among firms.

Figure 1.4: Graphical representation of Net Profit Ratio

NPR shows moderate profitability levels, with some firms reporting losses, indicating disparities in net performance across industries."

Figure 1.5: Graphical representation of Market Capitalization

Market capitalization varies significantly, illustrating large differences in firm size, investor confidence, and market standing among companies.

Figure 1.6: Graphical representation of Price-to-Earnings Ratio

P/E ratios reflect moderate valuation, with considerable variation showing differing investor expectations and perceived growth potential across firms.

Figure 1.7: Graphical representation of Firm Size

Firm size ranges widely, indicating a mix of mid-sized and very large companies within the sample, affecting performance comparability.

Figure 1.8: Graphical representation of Debt–Equity Ratio

Debt–equity ratios exhibit broad variation, reflecting diverse financial structures and differing levels of leverage risk among firms.

4.2 Industry-Wise Disclosure Patterns

Industry-wise analysis shows clear disclosure differences, with FMCG firms demonstrating the highest transparency, followed by automobile companies, while telecommunication firms consistently lag, indicating sector-specific reporting practices and regulatory responsiveness.(Kumar & Agarwal, 2023)(Somya & Saripalle, 2023)(Susilo et al., 2023)

Table 2: reports industry-level averages of the Disclosure Transparency Index (DTI).

Industry	Mean DTI (%)	SD	Rank
FMCG	78.4	6.22	1
Automobile	66.1	9.85	2
Telecommunication	58.3	7.12	3

FMCG firms disclose substantially more information compared to automobile and telecom firms. Telecom firms remain the least transparent.

Figure 1.9: Graphical representation of industry-wise Disclosure

Figure 1.9 illustrates industry-wise disclosure differences, highlighting FMCG's highest transparency, moderate disclosure in automobile firms, and consistently low transparency in telecommunication companies.

4.3 Year-wise Trend in Corporate Disclosure

Corporate disclosure shows a steady upward trend from 2018–19 to 2022–23, reflecting improved transparency driven by "evolving SEBI regulations, enhanced reporting norms, and increased adoption of BRSR guidelines.

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Table 3: Year-wise Average DTI (%)

Year	Mean DTI (%)
2018–19	62.1
2019–20	64.3
2020–21	66.8
2021–22	70.5
2022–23	73.4

There is a clear upward trend in disclosure practices. The introduction of SEBI's BRSR guidelines appears to have positively influenced transparency levels.

Figure 1.10: Graphical representation of Year-wise Average DTI

4.4 Correlation Analysis

Correlation analysis shows strong positive relationships between disclosure transparency and firm performance. Higher DTI aligns with improved profitability and market valuation, indicating disclosure significantly influences financial and market outcomes.

Table 4: Correlation Matrix

Variables	DTI	ROCE	OPM	NPR	Market Cap	P/E
DTI	1	0.61**	0.48**	0.53**	0.67**	0.29*
ROCE	0.61**	1	0.65**	0.58**	0.55**	0.22
OPM	0.48**	0.65**	1	0.71**	0.42**	0.33*
NPR	0.53**	0.58**	0.71**	1	0.48**	0.41**
Market Cap	0.67**	0.55**	0.42**	0.48**	1	0.35*
P/E	0.29*	0.22	0.33*	0.41**	0.35*	1

*Note: $p < 0.05$, $p < 0.01$

Disclosure transparency (DTI) shows a strong positive correlation with ROCE (0.61), NPR (0.53), and Market Capitalization (0.67), indicating that more transparent firms tend to perform better.

4.5 Regression Analysis

Regression models were estimated to examine the effect of DTI on financial and market performance.

Table 5: Regression Results (Dependent Variable: ROCE)

Variable	B	Std. Error	t-value	p-value
Constant	4.12	2.11	1.95	0.055
DTI	0.218	0.042	5.19	0.000
Firm Size	0.034	0.017	1.99	0.051
Leverage	-0.142	0.062	-2.29	0.025
Firm Age	0.011	0.006	1.83	0.072
Liquidity	0.215	0.095	2.26	0.027

Model Summary:

$R^2 = 0.58$, $F = 16.31$, $p < 0.001$

DTI has a statistically significant positive effect on ROCE.

Table 6: Regression Results (Dependent Variable: OPM)

Variable	β	t-value	p-value
DTI	0.162	4.11	0.000
Firm Size	0.029	1.45	0.152
Leverage	-0.188	-3.01	0.004
Liquidity	0.146	2.14	0.036
Firm Age	0.007	1.22	0.225

Model Summary:

$R^2 = 0.47$

Disclosure transparency is positively associated with operating profitability.

Table 7: Regression Results (Dependent Variable: Market Capitalization)

Variable	β	t-value	p-value
DTI	0.512	6.72	0.000
Firm Size	0.364	5.91	0.000
Leverage	-0.102	-1.44	0.154
Firm Age	0.019	2.02	0.047
Liquidity	0.088	1.55	0.125

Model Summary:

$R^2 = 0.71$

Disclosure transparency is a strong predictor of market valuation.

4.6 Industry-Wise Differences in Disclosure

Industry-wise analysis shows statistically significant variation in disclosure levels. FMCG firms exhibit the highest transparency, followed by automobile companies, while telecommunication firms disclose the least, confirming substantial sectoral differences in reporting practices and compliance.

Table 8: ANOVA – Industry-Wise Differences in DTI

Source	SS	df	MS	F	p-value
Between Groups Within Groups	2193.42	2	1096.71	12.84	0.000
Between Groups Within Groups	6024.11	72	83.67	–	–
Total	**8217.53**	**74**	**–**	**–**	**–**

There are statistically significant differences in disclosure practices among industries ($p < 0.001$). FMCG firms disclose the most.

DISCUSSION

The results of this research are a good indication that the corporate disclosure transparency is important and positively associated with the firm performance in the top Indian industries. The gradual rise of the Disclosure Transparency Index (DTI) which is 62.1% in 201819 to 73.4% in 202223 signifies that regulatory changes such as those in the LODR amendments by SEBI and adoption of the BRSR framework have been effective in ensuring that the firms improve the depth and scope of reporting. The higher disclosure levels in the FMCG sector (mean DTI: 78.4%) suggest the cultural and strategic focus on the communication with the stakeholders, whereas the relatively low disclosure levels in the telecoms sector (mean DTI: 58.3%) may be evidence of financial distress, the volatility of the competition, or the lack of managerial focus on the voluntary disclosure.The positive correlations of DTI with performance indicators, in particular, with ROCE (0.61) and Market Capitalization (0.67) are strong and positive, which proves that transparent firms have a higher chance of attracting investors, reducing information asymmetry, and obtaining operational efficiency.

Findings of the regression also support the belief that disclosure practices play a major role in the financial and market performance despite the fact that the size of firms, leverage, liquidity, and age are taken into consideration.

All these findings support the perception that corporate transparency is not only a compliance issue but a strategic source of value that determines profitability, company valuation in the market, and future competitiveness. (Pooja Kriplani et al., 2021)(Purba & Khadir, 2022)(Chowdhury & Chatterjee, 2020)(Saripalle & Somya, 2024)

6. CONCLUSION

The study findings conclude that the disclosure transparency of the corporations is an important determinant of the firm performance in the Indian corporate environment. Through the research, a strong and consistent correlation between the practice of disclosure and financial and market performance is determined by analyzing 15 listed companies in the Automobile, FMCG, and Telecommunication industries over five years.

The Disclosure Transparency Index (DTI) demonstrated that there was a steep increase in the index which indicates the increased effect of regulatory change through the changes to the LODR regime of SEBI and the implementation of the BRSR regime.

The firms that had higher DTI scores had always performed better, especially in ROCE, OPM, and market capitalization, which implies transparency lowers information asymmetry, investor confidence, and an effective decision-making process by managers. The comparative analysis of industries showed that FMCG firms are the highest regarding quality of disclosure and telecom firms are the least because of structural issue and instability in the market.

The relationship between transparency and performance was found to be strong by regressive analysis with the control variables of the firm being considered. The results on the whole verify that disclosure is not only a compliance requirement, but also a strategic instrument that boosts the credibility of an organization" enhances the stakeholder relations, and competitive advantage. Promoting firms to move towards full and voluntary disclosure can consequently play a big part in enhancing corporate governance and long-term value creation.

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