



A Project Report on

**Effect of Voluntary Disclosures on
Firm's Performance: A study on
Pharmaceutical
Companies of Bangladesh**

UNITED INTERNATIONAL UNIVERSITY

Effect of Voluntary Disclosures on Firm's Performance: A STUDY ON PHARMACEUTICAL COMPANIES OF BANGLADESH

SUBMITTED TO

Ishrat Jahan

Assistant Professor

Faculty of Business and Economics

UNITED INTERNATIONAL UNIVERSITY

SUBMITTED BY

Sajid Mohammad Riasat

ID: 114 161 021

Bachelor of Business Administration

UNITED INTERNATIONAL UNIVERSITY

Date of Submission: October 14, 2020



UNITED INTERNATIONAL UNIVERSITY

Acknowledgement

I am expressing my heartfelt gratitude to the almighty, for his kindness to give me the opportunity to complete report timely.

I would like to thank my project supervisor **Ishrat Jahan, Assistant Professor, Faculty of Business and Economics, United International University** for the time and effort she had provided me while I was preparing the report. The report format that I had received from her helped me to realize how to prepare a professional project paper and what the steps those are mandatory to prepare it. A lot of guidance and motivation I have received from her and I am highly appreciated for her help to check my report and guide me if there were any changes were required.

Finally, I am very grateful to my entire family members and all my friends for helping me to understand several concepts that were difficult for me to understand all alone. And I also believe that without all of their help and inspiration, the report could not be done properly.

Letter of Transmittal

To,
Ishrat Jahan
Assistant Professor,
Faculty of Business and Economics,
United International University

Subject: Submission of project report

Dear Madam,

I would like to inform you that I have recently prepared my project report on “**Effect of Voluntary Disclosures on Firm's Performance**: a study on pharmaceuticals companies of Bangladesh”.

Bangladesh has many sectors to brag about, and the pharmaceutical sector is undoubtedly one of them, it is the second-largest source of contribution to the Bangladeshi economy. According to a study 5% of our pharmaceutical companies cover local drug needs and the rest are imported.

The study is investigating the impacts of voluntary disclosures on the performance of the pharmaceutical industry. We know that voluntary disclosures is the stipulation of info by a organization's management outside requirements like generally accepted accounting principles (GAAP) and securities and exchange commission rules, where the information is held applicable to decision making of users of the company's annual reports. The area of voluntary disclosure is manipulated by firm's governance structure as well as ownership structure. Voluntary disclosures have also been identified as an important area in financial reporting research. Therefore the purpose of the study is to evaluate the impacts of these voluntary disclosures on firm's performance of the pharmaceuticals company.

I am very much appreciated to the report guideline which you had provided to me and I want to ensure you that all of the information is reliable.

I, will be obliged if you kindly approve this endeavor.

Sincerely yours,

Sajid Mohammad Riasat
ID: 114 161 021
Bachelor of Business Administration
United International University

Abstract

The pharmaceutical industry of Bangladesh has been awarded the “Product of the year” award in 2018 for being the biggest sector which contributes for Bangladesh economy. The sector has become very profitable as it is newly exporting pharmaceuticals goods in foreign countries. Company faces many challenges to be more transparent in disclosing Information, because presence of voluntary information is very useful part in decision making process now-a -days. The annual report is basically a source of information for investors, it is one of the tools used in the decision making process to invest in the capital market and also it is an accountability which ensures that the resources are entrusted to him by the management. The more information of voluntary disclosures in the reports reflects good quality of the report to the users of annual reports. This study is being conducted to analyze the exceedingly economic contributing Bangladeshi pharmaceutical industry impacts voluntary disclosure on their performance. This study is being examined by the voluntary disclosure of the organization's performance with the voluntary disclosures score of each company and its relation with Q-ratio. In total of 8 pharmaceutical companies are taken that are listed under Dhaka Stock Exchange (DSE) as sample and collected one year data on their voluntary disclosures from their own annual reports to analyze the impacts.

Table of Content

Chapter One

1.1 INTRODUCTION TO THE TOPIC	3
1.2 A BRIEF INTRODUCTION OF THE PHARMACEUTICALS INDUSTRY OF BANGLADESH	3
1.3 RATIONALE OF THE STUDY	4
1.4 BACKGROUND OF THE STUDY	5

Chapter Two

2.1 STUDY OBJECTIVES	7
a. Primary objectives:	7
b. Specific Objectives:	

Chapter Three

3.1 METHODOLOGIES OF THE REPORT	9
3.1.1 STUDY DESIGN	9
3.1.2 SAMPLE SIZE	9
3.1.3 DATA COLLECTION PROCESS	
I. Primary sources of data	10
II. Secondary sources of data	
3.1.4 Data Analysis	10

Chapter Four

4.1 LITERATURE REVIEW	15
4.2 THEORIES EXPLAINING VOLUNTARY DISCLOSURE PRACTICES	16
4.2.1 Agency theory	16
4.2.2 Signaling theory	17
4.2.3 Capital need theory	17
4.2.4 Legitimacy theory	18
4.3 DETERMINANTS OF VOLUNTARY DISCLOSURE	18
4.3.1 MOTIVATIONS TO VOLUNTARY DISCLOSURE	18
a. Capital Market Transaction	18
b. Corporate Control Transactions	19

c.	Stock Compensation	19
d.	Increased Analyst Coverage	19
e.	Management Talent Signaling	19
f.	Limitations of Mandatory Disclosure	20
4.3.2	CONSTRAINTS ON VOLUNTARY DISCLOSURE	20
a.	Disclosure Precedent	20
b.	Proprietary Cost	20
c.	Agency Cost	20
d.	Political Cost	21
e.	Litigation Cost	21
<u>Chapter Five</u>		
5.1	FINDINGS OF PHARMACEUTICALS COMPANIES	23
5.2	CALCULATION OF Q-RATIO ANALYSIS	30
<u>Chapter Six</u>		
6.1	Recommendation	34
6.2	Conclusion	35
	Reference	36

CHAPTER ONE: INTRODUCTION

1.1 INTRODUCTION TO THE TOPIC

Voluntary disclosure and its impact on the company's performance are the most discussed topics in the current literature. If we define disclosure as per accounting literature, then we can see it is all about “informing the public by financial statements of the firm” (Ağca & Önder, 2007: 241). It is also defined as the communication of economic information, whether it is financial or nonfinancial, quantitative or concerning a company's financial position as well as performance. Therefore, the report topic material is for analyzing the impacts of voluntary disclosure based on the outcomes or performance of the pharmaceutical industry in Bangladesh as the pharmaceutical sector is the second-largest contributor to the Bangladeshi economy.

1.2 A BRIEF INTRODUCTION OF THE PHARMACEUTICALS INDUSTRY OF BANGLADESH

The pharmaceutical industry has made us proud of the six hundred billion people in one hundred eighty two countries around the world. After the Ready-Made Garments sectors, the pharmaceutical industry give us the greatest exports in over one hundred countries and have allowed us to earn over hundred million dollars. The industry has managed the supply of medicines at 97% which sustaining 160 million poorly paid inhabitants in Bangladesh besides the existing pharmaceutical market in Bangladesh represents about 24,000 million taka. The top ten players in this sector are serving above 60% of the national market order and the top twenty companies over 80%. Sadly, only five out of the top ten come out in the stock market. Nevertheless, the all over market capitalization of the pharmaceutical and chemical companies is worth Tk. Rs.53604 million and 15.4% of the market capitalization of the Dhaka Stock Exchange.

This industry has become double in the last two decades. It also has improved the living standard of Bangladeshi people by contributing to reduce maternal and newborn babies' mortality, also increased per capita life, and a substantial decline of infectious diseases. It is estimated the continuation of the development phase. As soon as we become older, drug use will also raise, our per capita income, contact to medical and health care experts becomes easier each day. Heavy imports and supplies for the minimum wage of foreigners and packaging materials, commercial expenses increase daily.

According to the Dhaka Stock Exchange, the pharmaceutical and chemical sector has 32 companies that 15.4% of the market capitalization of the DSE which contributed to market capitalization worth of 53,604 million taka. There are 16 pharmaceuticals out of 32, which produce and market pharmaceutical products and Of these sixteen pharmaceutical companies, the subsequently five companies (which have accumulated 71% of the market capitalization of the pharmaceutical and chemical sector, or around 37970 million Taka) position between the top ten pharmaceutical companies according to the Management Information System;

1. Square Pharmaceuticals Limited with a market capitalization worth of Tk. 21.375 million tk.
2. ACME Limited Laboratories with a market capitalization worth of Tk. 1,975 million tk.
3. ACI Limited with a market capitalization worth of Tk. 1,500 million tk.
4. Renata Limited with a market capitalization worth of Tk. 9,425 million tk.
5. Beximco Pharmaceuticals Limited with a market capitalization worth of Tk. 3.694 million tk.

Company Name	ACME	Square	Renata	Beximco	ACI
Turn Over (In Tk. Crore)	797	2131.8	1057	1110.9	1121
Market Share %	3.52	16.95	5.2	8.26	4.38
Net Profit (in Tk. Crore)	77.6	629.52	168.97	148.7	66.37
Earnings Per Share	3.69	7.98	21.08	3.67	13.3
NAV	79.89	81.58	232.03	69.2	291.06
Foreign Investment %	0.73	19.68	22.39	38.53	-
Price Earnings Ratio	12.47	17.17	27.79	12.43	28.35

Source: Annual Reports of Given companies from year (2018-2019)

1.3 RATIONALE OF THE STUDY

The report is going to unveil two most important areas of Bangladeshi Pharmaceutical Industry that are voluntary disclosure and firm performance of the DSE listed 8 pharmaceutical firms. Any person who reads of the report can find the current information of this mentioned matter.

Voluntary disclosure benefits investors, companies and the economy. This study will help

management and employees understand that the voluntary disclosure plays an important role in firm's overall performance. Afterward, the study also will be a good companion for the board. In addition, the study will help the regulator improve the disclosures items for the users of the annual reports. Finally, university students and teachers can also understand the concepts and whether voluntary disclosures have any impact on overall firm's performance.

1.4 BACKGROUND OF THE STUDY

Voluntary disclosures affects profitability and the sustainability of the organization which becomes a critical dilemma after the fall down of large companies in the Europe and United States, as Thomas Cook, a British global travel group, ended in 2019 due to not being transparent and in Bangladesh, it is a figure of the fact that highly respected companies fail due to not being clear and transparent to the users of the annual reports. As a result, the name of the report was carefully selected to analyze the influence of voluntary disclosure on the productivity of the pharmaceutical industry, as the pharmaceutical industry is currently one of the main contributors of our financial system.

CHAPTER TWO: OBJECTIVE OF THE STUDY

2.1 STUDY OBJECTIVES

A study is an organized research of a problem in which a researcher tries to find a way out to a problem. To achieve the accurate solution, clearly defined objectives are extremely important because we know that clearly defined objectives are important fundamentals of an excellent research study and direct the researcher in the right direction. The study has been organized to meet two types of objectives. The objectives are:

a. Primary objectives:

The primary objective of the report is to attain the Bachelor of Business Administration degree from the United International University. The submission of the report is pre- prerequisite of getting the degree. To understand whether the voluntary disclosures impacts on a firms performance is also a primary focus of the study.

b. Specific Objectives:

By accomplishment of a specific goal that has been established, the common objective can be achieved and the specific objective visibly defines what the researcher will do in the study, where and for what reasons. The specific objectives of this experiment are as follows:

- i. Analyzing the concept of voluntary disclosure and performance of the firm.
- ii. Analyzing the corporate disclosure scenario in Bangladeshi Pharmaceutical industry.
- iii. Analyzing the influences of voluntary disclosures on 8 listed companies
- iv. Recommending some suggestions based on the result.

CHAPTER THREE: METHODOLOGIES OF THE STUDY

3.1 METHODOLOGIES OF THE REPORT

The study methodology is a process of systematic resolution of study troubles. This chapter describes the methods for gathered information and the techniques used to analyze the acquired information.

3.1.1 Study design

The study plan is a framework or program that serves as a lead for the gathering and analysis of investigated data. In this research, the data will be used and the design studies used to demonstrate the contact of corporate governance on the effectiveness of the organization, allowing researchers to respond the following research questions: "How does voluntary disclosure be influenced in improving the performance of the pharmaceutical firms?"

3.1.2 Sample Size

According to the Dhaka Stock Exchange, Randomly 8 Bangladeshi pharmaceutical companies are taken chosen to analyze to find out the importance of voluntary disclosure .For this study, one year of voluntary disclosure checklists were prepared and profitability or overall performance data are collected for further analyze directly from each firm's annual report. The 8 pharmaceutical companies that are listed on Dhaka Stock exchange are going to be analyzed and they are:

8 Listed Pharmaceuticals Companies under DSE	
1	Kohinoor Pharmaceuticals Limited
2	Orion Infusion Pharmaceuticals Limited
3	ACME Pharmaceuticals Limited
4	Beacon Pharmaceuticals Limited
5	Advent Pharmaceuticals Limited
6	Renata Pharmaceuticals Limited
7	Far Chemicals Limited
8	WATA Chemicals Limited

3.1.3 DATA COLLECTION PROCESS

In the face of real-life problems, it is often found that the information available is insufficient and that, therefore, this information must be collected in such an approach as to enable troubleshooting. Therefore, to gather appropriate, reliable and valid data based on the nature of the study and the corresponding literature, the primary data were not used, but secondary information exists, based on the database used.

I. PRIMARY SOURCES OF DATA:

- i. Through formal as well as informal interview of the employees on their voluntary disclosure
- ii. Through the 8 pharmaceuticals company's annual reports.
- iii. From the websites of the selected companies.

II. SECONDARY SOURCES OF DATA:

- i. From several published books of foreign reputed writers.
- ii. From the online articles on voluntary disclosure and firm performance..

3.1.4 Data Analysis

The study is an exploratory research based where mutually qualitative and quantitative data are being used to analyze the voluntary disclosure manipulate on profitability of 8 pharmaceutical companies. The study is prepared on MS Word and all graphs, tables and regression tools are used by the MS Excel.

Tobin's q ratio is mostly used in the financial literature as one of the method for future investment opportunities. Q ratio is defined as the market value of a firm divided by the alternate cost of the firm's assets. Tobin's q ratio has been used in lots of situations in the financial literature to inspect different financial phenomena and decisions.

$$Q = MVS/TA$$

Q value is a ratio used for comparing a public company's market value to book value. This metric allows investors to find out which company's shares are overpriced and which are of good value. Score between 0 and 1 is considered a low Q scores whereas scores greater than 1 is high.

LOW Q (between 0-1)

If the company's assets are in excellent condition and it has been progressively paying down

the debt, driving up book value. So, the book value will be higher than its market value, it would cost more to change the company's assets than the stock of the company are worth. Suppose if the investor find out the q is at 0.3, means that the firm is undervalued so decision should be buy up.

HIGH Q (over 1)

In another case if a firm is not able to pay down outstanding debts, it will negatively impact its book value. Yet the marketplace buzz around the shares is spiking prices. Ultimately, the market value will be greater than its book value, means that the company could change all of its assets by selling its market shares at current prices and still have surplus money. Suppose, the calculated q is at 1.73 means that the firm seems overvalued, so selling would be the best decision.

Information Items Included in Voluntary Disclosure Index

To analyze the impacts of voluntary disclosure on the performance of 8 pharmaceuticals companies of Bangladesh, 1 year of data of voluntary disclosure and overall performance from each company's annual report are taken. Method of Disclosure Index is being used to provide with an assessment of voluntary disclosure in the organization's annual reports. The major task of the study is to build up a disclosure index properly which should be comprising things of voluntary information that are disclosed in organization's annual report from the view of our country. Though there is a difficulty as to the extent of organization's voluntary disclosure. There is still no generally accepted assumption to calculate user information needs also there is a shortage of a proper generally accepted form for the selection process of the things of voluntary info to be included in a disclosure index. Disclosure index used here has 36 items and divided into 5 categories:

(1) Background of the company

It is basically done for the shareholders and stakeholders so that they can feel good about their investment or participation in the company. It also summarizes the achievement of the previous year. Background of the company includes a total of 7 elements these are brief history of the company, description of corporate structure, description of major goods or services provided, official address for correspondence, stock exchanges on which shares are held, company's

mission vision statement and lastly statement of corporate strategy and objectives.

(2) Corporate Governance

In order to communicate to shareholders the strengths of their corporate governance structures, policies and practices, listed companies and public companies should be encouraged to disclose the information in annual report. Corporate governance includes 6 elements these are list of board members, disclosure of information of board members qualification and experience, list of senior manager who are not present in the board, pictures of board members, number of board meeting and attendance list and finally list of audit committee.

(3) Social Responsibility Information

It is the information where the firm shows what contributions have they done and will do for the sake of humanity and the community.(CSR) known as corporate social responsibility information is another vital disclosure for the company. It includes 3 factors they are sponsoring public health and sports, information on donation and charitable activities and lastly investment in environmental protection program.

(4) Financial Ratios and Other Statistical Information

This information is also very vital for the internal and external users of the company to take decision for the company and also helps to improve the performance by increasing profitability of the company. It is also another technique for raising additional capital. It includes 14 elements they are brief discussion of company's operating results, five years performance at a glance, graphical information, return on assets, return on equity, liquidity ratio, earnings per share, capital adequacy ratio, loan to deposit ratio, total dividend and dividend per share for the period, comparative income statements for 2 years, comparative balance sheet for 2 years and comparative cash flow statements for two years.

(5) Accounting Policies

Basic function of accounting policy is to comparing the financial statements with other entities when all accounting policies are clearly outlined and shown. It also helps to prevent loss along with preventing the misuse of assets. Accounting policies includes disclosures of accounting policies and its uses, accounting valuation of fixed assets which means whether it's based on fair value or historical cost, foreign currency information, events after the balance sheet date,

related party disclosure and lastly disclosure of interest rate risk.

Scoring In the Voluntary Disclosure Index

A lot of ways are there to develop a scoring design to create the disclosure level of corporate annual reports from the workings of other researchers. Among those, un-weighted disclosure index approach has been used in this study to compute the extent of disclosure of voluntary information. In an un-weighted voluntary disclosure index, all objects of information in the index are measured equally important to the regular user and the objects of information are numerically scored on a dichotomous origin. As per the approach, a firm will score "1" for an item disclosed in the report and "0" if it is not disclosed. Then the *Total Voluntary Disclosure Index (TVDI)* is calculated for every sample organization as the ratio of total disclosure point to the highest possible disclosure by the organization. The disclosure indicator for every organization is then expressed in percentage (%).

As our voluntary disclosure checklist is divided into 5 categories and contains total 36 items. So if we divided the score by the heads shown in the voluntary disclosure list then background of the company will be 7 points then corporate governance will be 6 points, social responsibility information will be 3 points, financial ratios and statistical information will be 14 points and at last accounting policies will be 6 points.

Chapter Four: Literature Review

4.1 Literature Review

Several studies checked out the various dimensions of voluntary disclosures and many studies also shows several subcategories of voluntary exposures which came up as focus areas. Mangena & Tauringana (2007) uphold totally various types of reports in the strategy of the businesses, primarily within the short-term statements. In step with Chan and Watson (2011), the data based on diversification tactics is beneficial to know the worth of each section of the company. Zarb associate degreeed Riddle (2007) created a profile of voluntary revealing things consist of advanced statements which embrace an organization's strategy and also the overall surroundings among others. Kang and Gray (2011), actuated by growing the importance of intangibles within the information intensive dealing's surroundings, researching for developing value chain board to live the extent for intangible exposures and located the data to be valued relatively.

Financial performance is associate degree of however profitable an organization is related to its whole Assets. (Nduati 2013). It's calculated by accounting base of measurement like (ROA), (ROE) and net profit margin etc. also market primarily based on measurements like Tobin's Q, price earnings ratio along with book to market value of equity etc. or else a mixture of both accounting & market base measurements.

Various theories mark the evolution of economic reportage explaining the motivation of company entities for disclosures. Trueman (1986) distinguished that in the market full of competitions, firms seek to give efforts and uphold them distinguishable and different from the other firms or the competitions in the market, and a technique to try and do that is to produce in depth of the declaration than the peers, a plan of action that has come to referred to the signaling idea of description. Verrecchia (1983) projected that companies that set up in order to get bigger declaration had to maintain the real balance among the transparency and vulnerability that came to be referred to as The Cost of Proprietary theory.

The study of Lang and Lundholm (1996) on the impact of accumulated reveals the performance of the market that firms upholds proof that, firms utilized an additional substantial following within the analysts and higher capitalist bonding, leading to higher evaluations. Hail (2002) figured out a big association within revealed features and evaluation or estimation in Swiss Confederation. A study in Malaysia by Abdulrahman Anam, Hamid Fatima and Rashid Hafiz Majdi (2011) on intellectual capital upholds, tested their suggestions of finance or underwrites of firms and located an affirmative connection within the 2. Uyar and Kilic (2012) found a robust affirmative link or connection within voluntary disclosure and firms' price in Turkey. Hassan, Romilly, Giorgioni, and Power (2009) tested the connection of necessary and voluntary disclosures with a firm evaluation in different regions with rising economies and located the connection to be sturdy for

necessary declaration however is pretty poor for voluntary disclosures.

Every analyst's info was collecting from money reports & info based of the sampling organizations, the information was being analyzed victimization regression of panel. The searching disclosed organization's size, quality of business, volatility of earnings and firm price have a big & impact which is positive on voluntary revealing, when on the other hand leverage had big & impact which is negative on revealing for the voluntary disclosures, which no relation exist in between financial performances along with voluntary disclosure.

Financial Accounting Standards Board (FASB) (2001) outlined the voluntary disclosure as because the info voluntarily exposures by listed firms, however not the fundamental info that's needed to be published by the widely acceptable accounting principles & also the needs of protection of securities & regulative agency. In step with Barako (2007), voluntary exposures is outlined because the unharnessed of economic and non-economic info through organization's yearly reports higher than the necessary needs either with International Accounting Standards (IAS) or the other relative regulative prerequisites. The Voluntary disclosures are often utilized by by numerous Shareholders of an organization in the completely different decision making procedures & will conjointly facilitate to justify the problems beneath the necessary disclosures, so making a good image of the condition of the corporate. Voluntary exposures focuses at introducing & explaining organizations to investors, runniness of the driving of capital market, guarantee a simpler capital allocation, decreasing prices of capital & helps for attaining an additional positively made communication process with the investor for perfecting the data disclosed. Alternative words, voluntary disclosure is that the function of data by a organization's management on the far side needs like prerequisites such as typically or generally accepted accounting principles as well as Securities & Exchange Commission's rules regulations, whatever the data should be relevant for decision making process of the users of the organization's yearly reports. Voluntary exposure is meted by several firms, though the amount & kind of voluntary exposures varies by geographical area, industry & size of the organization.

4.2 THEORIES EXPLAINING VOLUNTARY DISCLOSURE PRACTICES

Several theories have been found through the literature to explain voluntary disclosure practices including agency theory, signaling theory, capital need theory and legitimacy theory.

4.2.1 AGENCY THEORY

This theory is defined as a contract under which one or more persons engage the person (agent) to perform service on their behalf which involves delegating some decision making influencer to the

agent. Agents communicate to manager. While, principals communicate to shareholders from a company's perspective. Agency costs are divided from the assumption that the two parties and agents as well as principals, has contradictory interests. The monitoring costs are remunerated by the principals and shareholders to bind the agent's abnormal activities. Bonding costs are compensated by the agents and managers to assure that no mischief of the principal's interests will outcome from their decisions as well as procedures. The residual loss stems when decisions of the agents deviate from decisions that would exploit the principal's interests. The agency cost is the summary of the monitoring cost, bonding cost, residual loss. Voluntary disclosure is also known as an additional means of justifying the agency problem, where managers provide more voluntary information to reduce the agency costs and to persuade the external users that manager of the company are acting in a most favorable way. Lastly, rules are other sources for justifying the agency problem as they need managers to fully provide private information. So, we can say corporate reporting regulations are intended to provide investors with the minimum quantity of info that helps in the decision making process.

4.2.2 SIGNALING THEORY

Signaling theory was primarily developed for clarifying the info asymmetry in the labor market; it has been used for elucidating voluntary disclosure in corporate reporting. As a result of the information asymmetry dilemma, organizations give signal for certain information to investors to show that they are better than other organizations in the market for the reason of attracting investments and increasing a constructive status. In other words, voluntary disclosure is also known as one of the signaling means, where organizations would provide more info than the compulsory ones required by laws and regulations to signal that they are superior than other organizations in the market.

4.2.3 CAPITAL NEED THEORY

Organizations try to create a center of attention for the external finance to increase their capital, with debt or equity. Capital need theory represents that voluntary disclosure helps in achieving a organization's need to increase capital within a low cost. In 2001, as per the Improved Business Reporting: Insights into Enhancing Voluntary Disclosure, it came out that the struggle for capital leads to more detailed voluntary disclosure. The motivation behind this is, it is the reality that a organization's cost of capital is supposed to hold a premium for investors ambiguity about the adequacy as well as precision of the info accessible about the organization. As a result, decreasing an

organization's cost of capital is satisfied when investors are competent enough for interpreting the company's economic prospects through voluntary disclosure. The connection between voluntary disclosure and cost of capital was a representation of a positive relationship, the advanced the info disclosures, the less the cost of capital. However, sometimes it is seen that flow of research indicates that definite types of disclosure might have the contrary effect.

4.2.4 LEGITIMACY THEORY

Legitimacy theory represents that an organization has no right to survive if its values are being matched with that of the society at vast where it operates. Therefore, the inspiration of the legitimacy theory resembles social contract between the companies as well as for the society. Since purpose of accounting is to provide users with info that assist in decision making process, for example: satisfy social interests. The theory included in accounting studies as a way of extension what, why, when, how certain items are addressed by organization's management in their contact with outsider audiences. Ever since legitimacy theory is depended on the society's view, management is required to present info that would change the external user's judgment about their organization. It is found that Annual report is an important source of legitimating. Legitimization can take place on mandatory disclosures which are provided in the financial statements because of the policy and voluntary disclosures provided in further sections of the annual report

4.3 DETERMINANTS OF VOLUNTARY DISCLOSURE

Basically the motivations to voluntary disclosure contain capital markets transactions, management talent signaling, , information asymmetry, corporate control contest, stock compensation, increased analyst coverage and restrictions of mandatory disclosure. Constraints or controls on voluntary disclosure consist of: proprietary costs, agency costs, disclosure precedent and political costs. So, litigation cost can be presented as a controlling tool.

4.3.1 MOTIVATIONS TO VOLUNTARY DISCLOSURE

There are six motivations responsible for voluntary disclosure as per Healy and Palepu (2001) and Graham et al. (2005) are as follows:

a. Capital Market Transactions

When a company's managers wish to issue new capital throughout equity or debt, the opinion of

investors towards information asymmetry linking managers and those outer investors needs to be condensed. So, the cost of external financing as well as resources should decrease. Voluntary info disclosure can be helpful in attaining this objective that is where a reduction in information asymmetry may happen when voluntary disclosure is increasing to the outside investors.

b. Corporate Control Contest

The opportunity of an organization's undervaluation is another motive for the managers to increase voluntary disclosure for decreasing such possibility, above all when less earnings along with share performance may lead to the possibility of losing of job. For this reason, managers try to increase info disclosure to keep hold of the corporate control, for explaining the reasons for unfortunate performance and condense the risk of undervaluing the company's shares and stocks.

c. Stock Compensation

Satisfying managers with stock based compensation policy like the stock approval rights and stock option grants, is another motive for increasing voluntary info disclosure. There are two reasons justifies this motivation: first one, managers will have incentives for reducing contracting costs related with stock compensation for new employees when they perform in the interest of available shareholders. Following, when the managers are focused in trading the shares, they will be motivated for revealing confidential info to meet the insider trading rules and restrictions also to correct some undervaluation preceding to the stock/shares option awards expires.

d. Increased Analyst Coverage

Representation of more voluntary disclosure info decreases the cost of info possession by analysts; since management's confidential info is not totally required by mandatory disclosure. A huge number of analysts following the organization would increase as a consequence of increasing the quantity of info available to them.

e. Management Talent Signaling

The Investor's perception of manager's ability for finding out the future changes in the company's financial environment as well as responding to them is one of the major determinants of a company's market value. In view of that, talented managers try to disclose information voluntarily about earnings forecasts for exposing their talent.

f. Limitations of Mandatory Disclosure

We have seen that rules, regulations and laws do not satisfy the need of info for investors through the mandatory disclosure, as because in most of the cases laws and regulations provide the investors with the minimum amount of info which do not helps for the decision making process where the need for voluntary information disclosure arises. In other words, voluntary disclosure is essential for filling up the gaps missed by the mandatory disclosure.

4.3.2 CONSTRAINTS ON VOLUNTARY DISCLOSURE

There are some factors that both limit and prevent managers from voluntarily disclosing corporate information which is identified by Graham et al (2005). Those are as follows:

a. Disclosure precedent

Establishing a disclosure precedent is one of the factors that decrease voluntary information disclosure, as it means that managers have to maintain the same pattern in the future, although this may be difficult to preserve. Now-a-days the market would expect the company to be committed to the new disclosures as well as maintain them even if the news is good or bad. This provides an incentive for managers to reduce voluntary disclosures.

b. Proprietary Cost

Any information of an organization whose disclosure alters an organization's future earnings gross of senior management's payment plus information which might decrease customer's demand for an organization's goods or services. Managers support for not disclosing info which might affect the competitive position of their own organization in the market, though it might be responsible for increasing the related cost of capital. So we can say that proprietary costs lead to a competitive disadvantage.

c. Agency Costs

There are a lot of reasons for reducing voluntary disclosure and agency cost is one of them. The manager's wanted to keep away from attention and follow up from stockholders as well as bondholders about unimportant items, such as career concerns and external reputation is one of the factors that limit

voluntary disclosure.

d. Political Costs

Generally speaking most of the managers do not like disclosing voluntary info which regulators can use against them. Political costs depend on the firm's size. Large companies with high profits are more likely to decrease voluntary information disclosure level, to avoid being subject to any political attacks such as the threat of nationalization and to reduce the attention that would be based on high reported profits.

e. Litigation Costs

We can consider litigation as an inspiration for enhancing disclosure or control against disclosure. Sometimes, the managers are very interested for increasing voluntary disclosure because of not to be accused for lawful procedures against them which might resulting from delayed and inappropriate disclosures. The additional reasons are, managers will show proper care for disclosing info as more as possible, particularly some bad news are there which limit the threat of litigation. If we look on another side of the scenario, managers might decrease the voluntary disclosures of forward-looking info as a consequence of litigation, it occurs mainly if managers are facing the risk of being punished or penalized against the forecasts they made.

4.4 SOURCES OF VOLUNTARY DISCLOSURE

There are lots of ways where corporate info can be presented with a range of voluntary communication mediums as well as magazines & newspapers, recommendation of shareholders, letters to the shareholders, forecasts of management, presentations of analyst's, reports of employees, interim(temporary) reports, and lastly annual reports. Yet, there are lots of users in different developed and developing countries; it seems that the most important thing is annual report. It is the most frequent source of info amongst the other sources of information. Besides, the annual reports responsible for supplying the main public exposure resource of info, though all other reports & organizational websites might represent extra info. As a final point, it should be noted that some users to annual reports argue that they usually do not represent a logical vision about an organization's future, they use it for advertising & public relations (PR) issues rather than it is used for decision making.

CHAPTER FIVE: FINDINGS AND ANALYSIS OF THE STUDY

5.1 DETAILS FINDINGS OF PHARMACEUTICAL COMPANIES

The voluntary disclosure checklist is the table from where we will get the idea of company's disclosure is various heads with lots of variables. The table is given below.

Voluntary Disclosure checklist

Background about the company	
1.	Brief history of the company
2.	Description of corporate structure
3.	Description of major goods/services produced/provided
4.	Official address/registered address/address for correspondence
5.	Stock exchanges on which shares are held
6.	Company's vision and mission statement
7.	Statement of corporate strategy and objectives
Corporate governance	
8.	List of board members
9.	Disclosure of information of board members' qualification and experience
10.	List of senior manager (Not in the board)
11.	Pictures of all board members
12.	Numbers of board meetings and attendance list
13.	List of audit committee
Social responsibility information	
14.	Sponsoring public health and sports
15.	Information on donation and charitable activities
16.	Involvement in environmental protection programs
Financial ratios and other Statistical Information	
17.	Brief discussions of the company's operating results
18.	Five years performance at a glance
19.	Graphical information of information
20.	Return on assets
21.	Return on equity
22.	Liquidity ratio
23.	Earnings per share
24.	Capital adequacy ratio
25.	Loan to deposit ratio
26.	Total dividend
27.	Dividend per share for the period
28.	Comparative income statements for two years
29.	Comparative balance sheet for two years
30.	Comparative cash flow statements for two years
Accounting Policies	
31.	Disclosure of accounting standards and its uses
32.	Accounting valuation of fixed assets(Fair value or historical cost)
33.	Foreign currency information
34.	Events after the balance sheet date
35.	Related party disclosure
36.	Disclosure of interest rate risk

After analyzing the sample companies voluntary disclosure we have find out which companies disclose most information than others and their relations with the performance and profitability.

- **ACME**

After going through ACME's voluntary disclosure part we can construct a table. If we look at the table we can visualize that they have put very much importance in disclosing the voluntary and mandatory issues. They have disclosed almost everything that one investor should know, among them corporate governance is a vital one to prove that the firm is transparent enough but still there is some limitation in their CSR activities and representation of the financial information. In details we find out that there are 2 points missing in background of the company, those are brief description of the company and description of major goods. They have disclosed all information related to corporate governance. There social responsibility score is 1 out of 3, missing points are sponsoring about public health and sports and information on donation and charitable activities. In the financial and other statistical information there are 6 points missing, they are return on assets, liquidity ratio, and return of equity, capital adequacy ratio, and loan to deposit ratio and dividend per share for the period. They also have lacking in disclosing accounting policies, there are 3 points missing and they are accounting valuation of fixed assets, events after the balance sheet date and lastly related party disclosure.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	5
Corporate Governance	6	6
Social Responsibility Information	3	1
Financial ratios and other Statistical information	14	8
Accounting policies	6	3
Total	36	23

It is clearly seen that the more disclosure the company made the more profit they can generate. ACME is in the 7th position of the top 10 pharmaceutical companies of our country. Total value of ACME is now 342.57 cr. taka with a market growth of 16.55%.

- **RENATA**

After going through RENATA's voluntary disclosure part we can construct a table. If we look at the table we see there are 1 point missing in background of the company which is statement of corporate strategy and objectives. Corporate governance is totally satisfied. CSR activities is 2 out of 3, the missing one is involvement in environmental protection program. In financial ratios and other statistical information there are 4 points missing, those are return on assets, liquidity ratio, capital adequacy ratio, loan to deposit ratio. In accounting policies there are 2 points missing. They are disclosure of accounting standards and its uses and lastly events after balance sheet date.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	6
Corporate Governance	6	6
Social Responsibility Information	3	2
Financial ratios and other Statistical information	14	10
Accounting policies	6	4
Total	36	28

Renata holds the 5th position in the top 10 pharmaceutical companies in Bangladesh. Their voluntary disclosure point is also satisfying enough to meet the needs of an investor. There have emphasized almost every sector of the voluntary disclosure variables. The market value of Renata is 391.56 crore taka with a market growth of 27.86%.

- **ADVENT**

After going through ADVENT's voluntary disclosure part we can construct a table. This company has 1 point missing in background of the company which is description of corporate structure. In corporate governance there are 2 points missing they are list of senior managers (not in the board) and picture of all board members. There are no CSR activities of this company disclosed in the report. In financial ratios and other information there are 5 points missing and they are return on asset, liquidity ratio, capital adequacy ratio, loan to deposit ratio and dividend per share for the period. In accounting policies there are also 3 missing points they are accounting valuation of fixed assets, foreign currency information and last one is disclosure of interest rate risk.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	6
Corporate Governance	6	4
Social Responsibility Information	3	0
Financial ratios and other Statistical information	14	9
Accounting policies	6	3
Total	36	22

Their ranking in Bangladesh is very low according to 2020 that they are not in the top 50 companies list. Their market value is about 19 crore taka and growth rate is 14.1%.

- **FARCHEM**

After going through FARCHEM's voluntary disclosure part we can construct a table. In background of the company section there are 3 points missing, they are description of corporate structure, description of major goods, stock exchanges on which shares are held. In corporate governance there are 2 points missing they are list of senior managers not in the board and number of board meeting and attendance list. They have not shown any CSR activities in the report. In the financial and other statistical information part there are 6 points missing, those is graphical information of information, liquidity ratio, capital adequacy ratio, loan to deposit ratio, dividend per share for the period. In accounting policies there are 2 points missing they are accounting valuation of fixed assets and lastly events after balance sheet date.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	4
Corporate Governance	6	4
Social Responsibility Information	3	0
Financial ratios and other Statistical information	14	9
Accounting policies	6	4
Total	36	21

Situation of Farchem is also little poor because they do not provide voluntary disclosure as per investor

requirement. Poor governance, no CSR activities and not disclosing all the financial information have kept them far behind. It eventually harms firm's performance because of low funds from investor and other sources. People now-a-days are looking for transparency so they should look into the issue.

- **BEACONPHARMA**

After going through BEACONPHARMA's voluntary disclosure part we can construct a table. There are 2 points missing in the background of the company they are description of corporate structure and stock exchanges on which shares are hold. In the corporate governance there is 1 point missing and that is list of senior managers not in the board. They don't include CSR activities in the annual report. There are 4 points missing in financial ratios and other statistical information. They are liquidity ratio, capital adequacy ratio, loan to deposit ratio, dividend per share for the period. Lastly there is 1 point missing in accounting policies which is foreign currency information.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	5
Corporate Governance	6	5
Social Responsibility Information	3	0
Financial ratios and other Statistical information	14	10
Accounting policies	6	5
Total	36	25

Beacon is a very popular company which holds 29th position in top 50 pharmaceutical companies of Bangladesh with a market value of 42.89 cr. taka and a growth rate of 24.27% though they have not disclosed any information about their CSR activities but the other variables they have disclosed are enough to satisfy the investor.

- **KOHINOOR**

After going through KOHINOOR's voluntary disclosure part we can construct a table. There are 3 points missing in background of the company and those are description of corporate structure, stock exchanges on which shares are held, statement of corporate strategy and objectives. They also have big lacking in corporate governance, about 4 points are missing here those are Disclosure of information of

Board members' qualification and experience, List of senior manager (Not in the board), Pictures of all board members, List of audit committee. They have no CSR activities mentioned in annual report. In the financial ratios and other statistical information, there are 6 points missing, those are brief discussions of the company's operating results, return on assets, liquidity ratio, capital adequacy ratio, loan to deposit ratio. They have provided full information in accounting policies segment.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	4
Corporate Governance	6	2
Social Responsibility Information	3	0
Financial ratios and other Statistical information	14	9
Accounting policies	6	6
Total	36	21

Kohinoor is a very old company in our country but their performance is very bad in disclosing the information.

• **ORIONFUSION**

After going through ORIONFUSION's voluntary disclosure part we can construct a table. In the background about the company there is 1 point missing that is stock exchanges on which shares are held. In corporate governance there is also 1 point missing that is list of senior manager (Not in the board). In CSR activities there are 2 points missing and they are sponsoring public health and sports, information on donation and charitable activities. In financial ratios and other statistical information there are 5 missing points missing they are return on assets, liquidity ratio, capital adequacy ratio, loan to deposit ratio, dividend per share for the period. In accounting policies there are 3 information missing and those are events after the balance sheet date, related party disclosure, and disclosure of interest rate risk.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	6
Corporate Governance	6	5
Social Responsibility Information	3	1
Financial ratios and other	14	9

Statistical information		
Accounting policies	6	3
Total	36	24

The market value of Orioninfusion is 29.57 cr. taka and a negative growth rate of -2.05%. The financial condition of this company is not good enough. Firm's performance depends on different factors so even though the firm shows all the information it doesn't ensure that it will bring good reputation for the company.

- **WATACHEM**

After going through WATACHEM's voluntary disclosure part we can construct a table. In the background of the company there are 3 points missing those are descriptions of corporate structure, company's vision and mission statement, statement of corporate strategy and objectives. In the corporate governance there is one point missing and that is list of senior manager (Not in the board). The CSR activities are missing 2 points those are sponsoring public health and sports, information on donation and charitable activities. Financial ratios and other statistical information lack 4 points, those are return on assets, liquidity ratio, capital adequacy ratio, loan to deposit ratio. In accounting policies there is one missing point that is accounting valuation of fixed assets.

Categories	Total points for disclosing	Achieved points for disclosing
Background about the company	7	4
Corporate Governance	6	5
Social Responsibility Information	3	1
Financial ratios and other Statistical information	14	10
Accounting policies	6	5
Total	36	25

WATACHEM is also very good at disclosing voluntary disclosure but there are other factors which affect the firm's performance that is why after enough disclosure they are not in the list of top pharmaceutical companies.

Observation of table 3 presents the disclosure performance by showing the number of items exposed as percentages (%) of the total of 8 consisting of the voluntary disclosure points. Distinguishes ranges of

disclosure performances in these provisions are explained in the first column of the Table 3. From the table we can see that most of the companies are in the range of 61 to 70 (total number is 7) and they consist of 87.50% of the total surveyed organizations. No companies are seen in the range both in ≤ 40 & 41 to 50. So, from the table we can visualize that most of the organization's voluntary disclosure level are in 61 & 70, which represents a comparatively higher level of voluntary disclosure in the sampling of pharmaceutical companies situated in Bangladesh.

Table 3: Voluntary Disclosure Levels made by the Sample Companies		
Disclosure Score (%)	No. of Companies	Percentage
≤ 40	0	0
41-50	0	0
51-60	1	12.50
61-70	7	87.50
71-80	0	0
> 80	0	0
Total	8	100

5.2 Calculation of Q-ratio Analysis:

As discussed above the Q ratio represents the market condition of shares of the company which helps us to evaluate whether the firm is performing well or not. The table mentioned here clearly represents that higher the disclosure rate, lower the Q-ratio which is a good indication for the company that firm is performing well. Which means the shares of the company is undervalued and in future it will create more value for the investors of the company. Whenever a company is disclosing more information to the outsider it clearly indicates that they are transparent and people who are the potential investors found this profitable to spend in it which helps the company to get enough fund as well as goodwill. After all the more information outsider get it becomes easy for them to take decision. From the sample companies we see that highest voluntary disclosures which is 80.35% along with the Q-ratio of 0.75 and lowest one here is 61.40% with a Q-ratio of 0.46.

In table 4, there is showing highest Q-ratio is maintained by Renata Pharmaceuticals Limited with score 0.98 which means the company earning rate is higher than its replacement cost which implies that stock is overvalued and lowest Q-ratio is maintained by WATA Chemicals Limited with score 0.09.

On the other hand, Disclosure Ratios is highly maintained by Far Chemicals Limited with 80.35% which means the company disclosure its most of the data in annual report. It can help to work CSR activities. The lower rate of disclosure is maintained by 3 companies which are: Kohinoor Pharmaceuticals Limited, Beacon Pharmaceuticals Limited and Renata Pharmaceuticals Limited with the percentage of 61.40. It clearly indicates that the three companies incompletely disclosure data in the annual report.

Table 4: Q-ratio's relationship with disclosure ratio

Name of the Company	Q-ratio	Disclosure ratios (%)
Kohinoor Pharmaceuticals Limited	0.46	61.40
Orion Infusion Pharmaceuticals Limited	0.38	66.67
ACME Pharmaceuticals Limited	0.51	63.88
Beacon Pharmaceuticals Limited	0.84	61.40
Advent Pharmaceuticals Limited	0.61	69.44
Renata Pharmaceuticals Limited	0.98	61.40
Far Chemicals Limited	0.75	58.34
WATA Chemicals Limited	0.09	66.66

This bar chart shows that not only voluntary disclosure is necessary to influence the firm's performance. If we look at the chart then we notice that Advent, WATA, Orioninfusion are the highest information disclosed companies but if we look at the growth rate and the market capital then they are lagging behind than ACME and Renata though their disclosure is comparatively lower. A lot of factors are also there to influence firm performance along with voluntary disclosure; these factors are; intangibles, corporate governance, cash on hand, leverage, firm specific risk, size, growth and tangibility. The companies which maintains a balance shows a great performance in the industry.

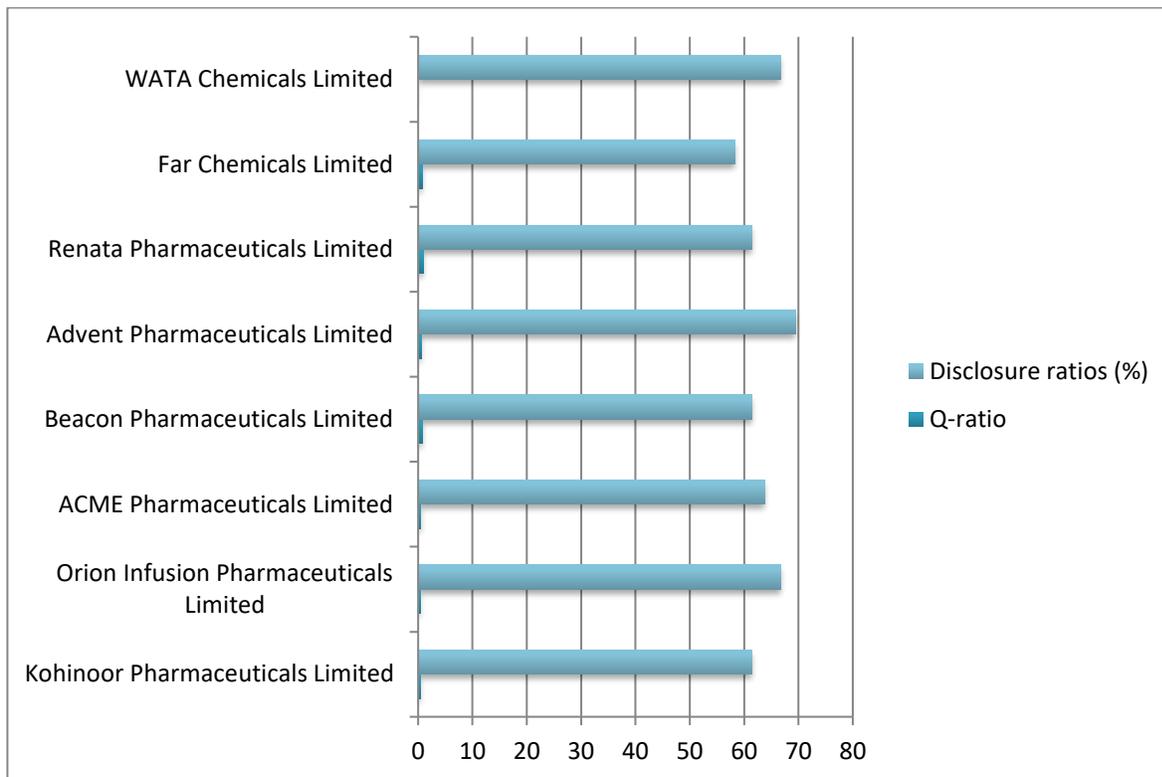


Figure 1: Bar Chart Indicating Disclosure Ratios

CHAPTER SIX: RECOMMENDATION AND CONCLUSION

6.1 RECOMMENDATIONS

The chapter is arranged to suggest a small number of ideas for the betterment of the Pharmaceutical companies of Bangladesh as it has become the one of the best and mostly used products in year 2020. To improve the productivity, we have found that there are several voluntary disclosure variable that are related with the performance , that means if voluntary disclosure variables can be improved, an impact will be on those firm's performance. There are few suggestions to improve the voluntary disclosures and firm's performance.

a. First of all, it is important that the representation of accounting standards is done properly because they have a unique significance for business performance.

b. Better information means better decisions, and no doubt better decisions can make a company successful. Therefore, the respected board of directors of pharmaceutical companies will provide management with information that the executive director or management team deems necessary. But board of directors doesn't have all the same information requirements because they differ in experience, skills, and knowledge. First, directors must be able to find the answers to the questions that the management requires. Therefore, it is recommended to use an independent professional advisory policy.

c. Accordingly, it is compulsory to disclose each & every impacts of accounting policy estimates & assumptions used as well as the choices and supplemented through sensitivity analysis.

d. Complete disclosure of prior plans and actual results can help investors for better understanding the expected earnings in the future. Disclosure must be supporting by clear and complete disclosure of a company's risk exposures in to evaluate their impact on future results.

e. The visualization of information should be improved.

f. Lastly, The main focus of financial and other reports of an organization should be improving organization's disclosure of social & environmental data.

6.2 CONCLUSION

The project paper has a large amount of contribution for finding about how badly organizations are emphasized in disclosing voluntary info for the inside and outside users as well as how they are performing their responsibilities for the sake of information disclosure. Results of the experiment would assist the authorities who are responsible for regulations to originate the rules & regulations as well as procedures to make sure the disclosure of information is full & fair. Investors, internal or external users lastly the managers might be benefited from this study for competent decision making process. Yet, the study consists only one year of organization's data. So results might be different in different years if several years have been used for measuring for the analytical process. A number of samples probably bolstered this info gathered, if we talk about the circumstance of Bangladesh, wherever organizational yearly reports are not available all the time; it is observed as on behalf of a proper sample to support the related findings & conclusions.

The outcomes might be dissimilar if the total numbers for disclosure substance were increasing or else a further voluntary disclosure substance being examined. The paper finds out the amount of voluntary exposures leave other aspect of disclosing for example mandatory disclosure. Superior levels of voluntary exposures as a result it does not essentially represent more transparency. The outcome of this paper's should be explained with the limitation or restrictions in mind. Further workings on voluntary exposure should include all listed organizations in the financial along with non-financial organizations.

In addition, going through the similar researched topics originated here, though in the different industries it might be a fantastic enlargement of the experiment. This might show fascinating outcomes with varieties within the industries.

In conclusion, this paper is covering the yearly reports for only a year. Additional research procedures could be done for evaluating the amount of voluntary exposures in the direction of length to conclude if the quality of disclosing has been better over the time. This kind of research should be used for providing more overviews on organizational disclosure traditions in our country.

REFERENCE

- Aggarwal, P. (2013). Impact of voluntary disclosure on Company's Financial Performance. *IOSR Journal of Business and Management (IOSR-JBM)*, 13(3), 01-05.
- Aras, G., & Crowther, D. (2008). Governance and sustainability: An investigation into the relationship between voluntary disclosure and corporate sustainability. *Management Decision*, 46(3), 433-448.
- Nermeen F. Shehata (2014, January). Theories and Determinants of Voluntary Disclosure Retrieved from <http://www.gmiratings.com/Performance.aspx>
- Azim, M. I. (2012). Corporate governance mechanisms and their impact on company performance: A structural equation model analysis. *Australian Journal of Management*, 37(3), 481-505.
- Antonio Carlos Aida Saudia (2002). Is the Tobin'Q a good indicator of firm performance? *119(2009)*, 08-011. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=992529
- Bangladesh Bank Corporate Governance Guidelines, Retrieved from: <https://www.bb.org.bd/mediaroom/circulars/brpd/oct272013brpde11.pdf>
- Ksenija Denčić-Mihajlov and Dejan Spasić (2012). Mandatory and Voluntary Disclosures of Serbian Listed Companies - Achieved Level and Some Recommendation for Improving their Relevance Retrieved from <http://www.stybelpeabody.com/isscoresandshareholder value.pdf>
- Chidambaran, N. K., Palia, D., & Zheng, Y. (2006). Does Better Corporate Governance "Cause" Better Firm Performance. Unpublished working paper.
- Anup Kumar Saha* Shahnag Akter* (2013). Corporate Governance and Voluntary Disclosure Practices of Financial and Non-Financial Sector Companies in Bangladesh *The Journal of Finance*, 61(2), 655-687.

Voluntary Disclosure and Profitability Information from the pharmaceutical company's annual report.

Zuleikha Rashid and Jehovaness Aikaeli (2015, November). Relationship between Profitability and Voluntary Disclosure: A Case of Banks in Kenya Retrieved from <http://arno.unimaas.nl/show.cgi?fid=16114>

Eccles, R. G., Ioannou, I., & Serafeim, G. (2012). The impact of a corporate culture of sustainability on corporate behavior and performance (No. w17950). *National Bureau of Economic Research*.

G4 Sustainability Reporting Guidelines: Reporting Principles and Standard Disclosures. *Global Reporting Initiative*. Retrieved from <https://www.globalreporting.org/resource/library/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf>

Muhammad Zahangir Alam (2019), Director of Finance, Square Pharmaceuticals Limited, Article name: Bangladesh Pharmaceutical industry and global perspective.

-----THE END-----