

Web-Based Corporate Governance Disclosures: A Study of BSE 500 Companies

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Abstract

The internet plays a pivotal role as channel for information disclosure. The current study aims to examine the status of disclosure practices of corporate governance items of Bombay Stock Exchange (BSE) 500 companies on their corporate website. The study uses a twenty-five items checklist to calculate score for the corporate governance items on the company website. The results reveal that score with respect to disclosure of corporate governance items exhibited a wide range, spanning from 44 percent to 96 percent. The average corporate governance disclosure score stands at 69.64 percent which suggests that Indian companies are effectively using their corporate websites to disclose corporate governance information. However, this also highlights a significant room for enhancement in the portrayal of corporate governance attributes on the corporate website.

Keywords: Internet Reporting, Corporate Governance, Web Reporting, Information Disclosure

Introduction

Disclosure behaviour is the fundamental aspect of corporate behaviour to minimise the issues of information asymmetry. This notion acknowledges that in a business environment, key stakeholders often possess varying levels of information. This informational disparity, termed information asymmetry, can create an imbalance of power, influence decisions, and potentially lead to adverse outcomes (Kelton & Yang, 2008). By transparently and comprehensively disseminating pertinent information, companies actively strive to bridge the gap between what they know and what stakeholders, such as investors,

analysts, creditors, and the public, need to make informed decisions. Through proactive disclosure, companies provide a clearer picture of their financial performance, operational strategies, risk management approaches, and other critical facets of their business operations.

The mode of disclosure of company related information plays a pivotal role in fostering corporate governance as well as assessing a firm's financial performance. The benefit of disclosure behaviour lies in the provision of a platform wherein stakeholders can take informed decisions (Sandhu & Singh, 2019). This calls for a need to equipping the stakeholders with all relevant information to determine the financial health of the company, risk profile, and overall growth prospects, thereby, minimising uncertainties (Kiswanto & Setiawan, 2022). This not only enables stakeholders to make more informed choices lacking informational biases but also projects that companies are in line with the principles of corporate governance, accountability, and ethical conduct. Thus, the companies by disseminating both good or bad information can project that they do not compromise interests of stakeholders and have strong commitment to transparency, and avoid selective or manipulative practices (Nobanee & Ellili, 2022).

Due to the increasing need of stakeholders for immediate access to relevant information in this digital era, the companies are facing enormous pressure to deliver comprehensive corporate information in a more accessible manner. This paradigm shift in stakeholder expectations lies in the rapid proliferation of information technology and the transformative influence it has had on the dissemination of information. The ubiquity of digital strategies, constant connectivity, and the proximity of the internet have mutually powered a desire for immediate access to relevant data. Stakeholders,

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including regulators, customers, investors, analysts, and the public, now anticipate seamless access to critical information as it unfolds, rather than waiting for periodic reports or statements (Sandhu & Singh, 2019). The multifaceted advantages of the internet have led to its widespread prominence in all domains, and it is often referred to as an ‘information super highway’. This label is predominantly appropriate due to its role in aiding real-time information flow. News, developments, and updates from across the globe can be rapidly shared and accessed, allowing individuals to stay conversant and involved with current affairs. Moreover, this instant connectivity has redefined business practices, helping e-commerce, online transactions, and global trade by disregarding temporal and spatial barriers (Khlifi, 2022).

The use of web-based disclosure as a substitute for traditional methods of corporate disclosure, provides companies with a possible solution to the challenges associated with annual reports. Contrasting the conventional means of circulating financial information such as newspapers, annual reports, and brochures, web-based disclosure offers several advantages, including minimising concerns relating information asymmetry, provision of timely reporting (Jiang et al., 2009), customising financial reporting (CICA & CIRI, 2008), and addressing to the needs of wider audience. The advantage is not just limited to addressing broader audience with up-to-date information (Ettredge et al., 2002), but it also offers them the flexibility to choose from various presentation formats such as multimedia, hypertext, and file formats, thereby enhancing transparency in information disclosure.

Furthermore, the literature suggests several other benefits related to web-based disclosure. It allows companies to save on the costs associated with producing and distributing business related information and provides wider access to stakeholders at lower costs (Basuony, 2014). Furthermore, it reduces the burden of responding to incidental requests from non-shareholder financial statement users (Khadaroo, 2005). Equitable access to stakeholders through web-based disclosure also creates opportunities for disclosing additional information beyond annual reports in real-time. In essence, the worldwide web equips various stakeholders with both financial and non-financial information, which facilitates prompt decision-making regarding investments, mitigating information asymmetry concerns (FASB, 2000).

From 1995 to 2019, there was a striking increase in the percentage of global internet users, surging from a mere 0.4 percent to an impressive 49.6 percent. Notably, India accounts for 13.5 percent of the global internet users, and ranks second with 462 million users, trailing only China, which has 721 million internet users. However, despite this significant user base, India lags in terms of world wide web penetration. There is a need for Indian firms to catch up the pace with other global players, like firms located in the UK, Japan, US, France, and Germany (Internet Live Stats, 2019).

Against the backdrop of exponential growth in world wide web globally, one approach that firms have resorted to effectively communicate information about company prospects and performance to various stakeholders is maintaining a functional corporate website (Ashbaugh et al., 1999). At the nascent stage, the firms leveraged the internet primarily for marketing objectives, i.e., to endorse products or disclose information relating to marketing strategies. However, there has been a notable shift as investors and other stakeholders increasingly rely on the internet as a primary channel for obtaining information (Davis et al., 2003). A paradigm shift has occurred from relying on traditional paper-based disclosures to embracing electronic disclosures (Ettredge et al., 2002). The benefits obtained from web reporting and increased demand from investors for real time information are the two major contributing factors attributed to the adoption of this new mode of corporate disclosure. Despite the numerous benefits offered by internet disclosure, such as real-time access to information and wider accessibility, it suffers from various drawbacks, such as information overload and credibility issues. With a huge volume of data available online, stakeholders may become overwhelmed by the sheer volume of information available to them. This makes it more challenging for them to absorb the information and segregate the most relevant information. Thus, there is chance of missing out relevant information or grasp the full context of the information disseminated. The second major concern is information credibility. Misleading or inaccurate information can have serious repercussions for stakeholders and the entities they rely on. Nowadays, anyone can create and publish content online, all this raises’ questions about the accuracy, reliability, and authenticity of the information provided (Khlifi, 2022). It becomes imperative for stakeholders to exercise

caution and verify the sources of online information. As organisations continue to utilise the internet as a platform for disclosing information, it is critical to ensure a balance between providing comprehensive data and guaranteeing that it is easily digestible and trustworthy for stakeholders. Nevertheless, the advantages stemming from web-based disclosures outweigh these disadvantages.

In India, effective from April 2011, as part of the equity listing agreement the Securities and Exchange Board of India has made it compulsory for all listed firms to maintain functional corporate website. This directive represents a significant milestone for this digital platform for enhancing corporate transparency, accountability, and stakeholder engagement. On the flip side, there are no universal regulations applied to corporate websites pertaining to the structure and presentation of information disclosure. Although, it is important to have an online presence by maintaining a functional corporate website as mandated by Securities and Exchange Board of India, it does not provide explicit guidelines regarding the specific format, breadth, or type of information that should be presented on the webpages. The substantial regulatory gap has given corporations a leeway in designing their websites, resulting in a diversity of methods to information disclosure. Consequently, there emerges a diversity in the approaches taken by different corporations in their web-based disclosure practices. Given the discretionary nature of web-based disclosure, regulatory bodies in the accounting domain and policy makers feel a need to enforce the potential implementation of standardised national and international guidelines concerning web-based disclosure. Furthermore, the ever-changing internet landscape and the evolving disclosure practices necessitate the assessment of the prevailing status of web-based disclosure, particularly in the Indian context (Sandhu & Singh, 2019). The present study aims to gauge the current state of web-based disclosure of corporate governance information by Indian companies.

The paper is organised in the subsequent manner. Section 2 furnishes literature review, trailed by Section 3, which explains the research methodology, while Section 4 presents data analysis and discussions. Section 5 serves as the conclusion of the paper, and Section 6 addresses

limitations and provides considerations for future research.

Review of Literature

Recently, an increasing amount of scholarly work has laid emphasis on the role of the World Wide Web as a platform for disclosure. While numerous studies have explored the status of web-based disclosure in developed countries like the US, UK, Japan, Australia, and New Zealand, researchers have recently turned their attention to this issue in developing countries. Furthermore, the existing literature examining the extent of web-based disclosure practices have primarily been either focused on specific countries or have involved cross-country comparisons. Numerous studies in US (Ashbaugh et al., 1999), Australia (Chan & Wickramasinghe, 2006), New Zealand (Cheng et al., 2000), UK (Craven & Marston, 1999; Xiao et al., 2005), Slovenia (Dolinsek et al., 2014), Spain (Gowthrope & Amat, 1999) highlighted the current state of web-based disclosure practices. Further, various cross-country comparisons have been made like UK and Finland (Lymer & Tallberg, 1997); UK, US & Germany (Deller et al., 1999), Austria and Germany (Pirchegger & Wagenhofer, 1999), France, Belgium, and Netherlands (Geerings et al., 2003), Australia, US, UK, Canada, and Hong Kong (Allam & Lymer, 2003). Many organisations like Financial Accounting Standards Board (FASB) responsible for setting standards and professional bodies in the field of accounting have explored this domain of web-based disclosure.

The study by Lymer et al. (1999) addressed issues like quality of information disclosed on the website, timeliness dimension, relevance of the information, privacy issues, and authenticity of financial information. The study used a broad sample of 660 firms across 22 countries to examine the nature of the changes taking place in the business reporting environment and their reflection on disclosure practices. The findings revealed high variation in the reporting practices of the firms on the internet, leading to compromised user experience and a need for the framing of a Code of Conduct to promote quality of corporate internet reporting. The study also emphasised on need of Business Reporting Language to better address the needs of the users of financial information. Pirchegger

and Wagenhofer (1999) examined how Austrian firms are presenting financial information on their corporate websites using a weighted approach. In line with this approach content and timeliness dimension were allotted higher weights than other two dimensions i.e., technology and user support. Geerings et al. (2003) examined Euronext Listed companies and found that the companies widely acknowledge the use of the internet as a channel for disclosing activities relating to investor relations. The mean disclosure score was higher for the Netherlands (61 percent) and France (59 percent) in comparison to Belgium (48 percent). The companies were not merely limited to disclosing annual or interim reports but disclosed other information like press release, share prices, financial calendar and the like. Thus, most Euronext companies were at second stage of Internet reporting. However, only few large companies were at third stage, which concerns incorporating multimedia features and fully exploiting the benefits of website disclosure. Davey and Homkajohn (2004) examined the online practices of the top 40 Thai listed companies capturing four dimensions i.e., content, timeliness, user support and technology. The findings revealed that 92.5 percent of sample Thai companies had corporate websites. The online disclosure scores varied from 18 to 64 percent with mean disclosure score of 41.78 percent. The majority of the sample companies (79.4 percent) scored below 50 percent indicating a considerable need for improvement in disclosure practices. Spanos and Mylokani (2006) quantified web-based disclosure of Greek Companies. The mean disclosure score for Greek companies was 45.7 percent with the variation of 6.5 percent to a maximum of 85.5 percent. The findings highlighted that the firms scored well on financial and governance information, but CSR disclosure was very low. Dutta and Bose (2007) analysed web-based disclosure of 268 Bangladesh firms and stated that web reporting is in its infancy with only 38.81 percent companies having web presence. Banking, leasing, and finance sectors outshined other industry sectors. At least one financial and corporate governance item was disclosed online by 61.54 percent and 71 percent companies respectively. Merely, 38 percent of the sample companies furnished social information online. The report by CICA and CIRI (2008) examined Top 100 Fortune 500 US companies on the key parameters of web-based disclosure revealing growth in internet usage by US firms in comparison to previous studies. The findings highlighted that 93 percent

of the firms disclosed some form of financial information and 74 percent furnished complete annual reports on their websites. Despina and Demetrios (2009) analysed 302 Greek firms on various dimensions like financial, non-financial information pertaining to governance, investor relations, corporate social responsibility information. The study also analysed presentation of the webpage. The weighted mean disclosure score for Greek Listed companies came out to be 49.71 percent. The companies performed well in financial information disclosure (78.62 percent) and corporate governance disclosure (55.33 percent) but lacked in CSR information disclosure (17.23 percent). Khan and Ismail (2011) used 87 items checklist to examine internet disclosure practices of Malaysian companies and revealed that IFR scores varied from 48.28 percent to 78.16 percent. The mean IFR score came out to be 65.10 percent. Riro and Waweru (2013) quantified the web-based disclosure of Kenyan listed companies on 'Internet Business Reporting Quality Index' comprising content and design items adopted from Hanafi et al. (2009). The findings indicated significant improvement in mean disclosure scores of the companies from 59.6 percent in 2010 to 68.2 percent in 2013. Kuruppu (2015) examined companies listed on the Colombo Stock Exchange. The study investigated the use of the internet as a channel for the voluntary dissemination of financial information by the firms and the associated opportunities and challenges for stakeholders. The key findings of this study revealed that internet financial reporting is still at its' infancy within Sri Lanka. 244 listed companies were assessed only 59 percent maintain websites, and a mere 43 percent of these websites are used for communicating financial information. Furthermore, the study revealed that the online annual reports of the companies engaged in internet reporting were highly accessible. For the majority of the websites (87 percent), it was possible to locate information in less than 3 clicks. Nobanee and Ellili (2022) examined the voluntary corporate governance disclosure in UAE banks' annual reports within the context of an emerging economy in the Gulf Cooperation Council region. Utilising content analysis from 2003 to 2020, the research finds that the extent of such disclosure is generally low across various indices, with no significant differences between traditional and Islamic banks. Furthermore, the study reveals that voluntary corporate governance disclosure does not significantly impact bank performance, as supported by

dynamic panel data regressions. These findings have implications for UAE's central bank and policymakers as they consider improving disclosure frameworks and enhancing corporate governance in annual reports. Kiswanto and Setiawan (2022) examined Indonesian companies regarding practices of corporate internet reporting. The sample comprised 513 companies out of the total 716 listed on the Indonesia Stock Exchange. The findings recommended that Indonesian companies need to relook at the board composition to enhance the quality of financial information shared online. This proactive approach can send positive signals to all stakeholders, ultimately bolstering trust in the company among its various stakeholders.

Driven by the rising interest of researchers, educators, and regulatory authorities in both advanced and developing economies, efforts gauging the extent of web-based disclosure practices of corporate governance information in the Indian context were made. Chatterjee & Hawkes (2008) examined the top thirty websites of listed firms in India and New Zealand to analyse the effect of cultural variances on the user-friendliness of financial information on the websites and discovered that Indian firms lagged considerably behind firms in New Zealand. Furthermore, substantial variations were identified concerning the structure, accessibility, and terminology disclosed on the corporate websites. Jiang et al. (2009) stated that web platforms play an important role in communicating corporate governance information, enabling timely transparency that fosters positive investor perceptions and potentially enhances a firm's performance. The study assessed governance content and website design across S&P 100 companies. The findings revealed that despite sector-based content standardisation, notable disparities in presentation emerge. Furthermore, manufacturing and technology sectors excel with comprehensive content and advanced design, contrasting finance, healthcare, and services sectors. The results emphasised that more transparent the companies are more they can optimise web content and design strategically. Shukla and Gekhara (2010) compared web-based disclosure practices of firms in India and China on a scale on 20 financial attributes and discovered Chinese firms outshined Indian firms with disclosure percentage of 75 percent and 70 percent respectively. Gakhar (2011) found the overall mean disclosure score of 60.67 percent for BSE 200 companies

while examining web based financial and non-financial attributes. Kumar and Jain (2012) examined BSE-SENSEX companies on forty-three item checklist and findings revealed that there was no difference in the webpages of public and private sector companies. Amaladoss et al. (2012) delved into the examination of governance content and website design of Tata Consultancy Services Limited (TCS), a prominent IT company using an unweighted descriptive index for governance content and design. The study examined content disseminated through Annual Report of 2009-2010 along with additional governance-related material disclosed on the company's website. The findings indicate that TCS has not adopted Web 2.0 i.e., advanced content and design features for its website. Despite certain limitations inherent in the study, its anticipated value lies in serving as an evaluative metric for TCS's efficacy in web communication and providing insights that extend to the broader spectrum of the Indian corporate sector. A study conducted by FTI Consulting (2015) on BSE 100 companies examined the companies based on eleven mandatory and voluntary disclosure parameters. The study provided assessment of these companies' disclosure behaviors, spanning a spectrum of key information deemed relevant for both regulatory compliance and enhanced stakeholder engagement. The study conducted by Sandhu (2018) assessed the disclosure behavior of Indian listed companies using content analysis. The study analysed item-wise scores helping categorise the most and least reported information. Additionally, in order to scrutinise variations in disclosure practices across different sectors, industry-specific scores were taken into account. The findings revealed that the mean disclosure score for financial information on company websites among the sampled firms came out to be 75.15 percent. Notably, the mining industry sector outshined various industry sectors with a mean score of 74.32 percent. Sandhu and Singh (2019) investigated corporate internet reporting practices among 140 Indian companies listed on the Bombay Stock Exchange 200 index using content analysis. The firms were assessed on a comprehensive internet disclosure index. The study highlighted the role of governance attributes, specifically board size and board independence, offering insights valuable for regulators in assessing and improving board effectiveness. A cross country comparison amongst Asian economies—Indonesia, China, and India were conducted by Purbawangsa et al. (2020). The study investigated the

interrelationship between governance mechanisms, firm profitability, corporate social responsibility disclosure, and corporate value for a period of 4 years from 2013 to 2016. The findings revealed a consistent pattern in each country offering valuable insights into the complexities of corporate behaviour and performance within diverse global contexts.

It is evident from the preceding discussion that a clear focus of research efforts was centred across developed economies, while developing countries have become the recent subject of interest for educators. This clearly suggests that examining the issue of web-based disclosure practices in developed economies is no longer a primary concern, given the context that utilisation of corporate websites for disseminating information is well established in those regions. In contrast, developing countries are still at early stages when it comes to fully harnessing the benefits of web-based disclosure. Hence, the present study aims to bridge the gap in Indian research and explores the extent of web-based disclosure practices of corporate governance information among BSE 500 companies using a comprehensive twenty-five item checklist. The study delves into the item-wise internet disclosure scores of these companies to achieve this objective. By scrutinising both mandatory and voluntary disclosure criteria, the study attempts to provide a holistic view of the level to which these BSE 500 companies are adhering to regulatory requirements while also proactively sharing additional relevant information. This dual focus on obligatory and discretionary disclosures underscored the importance of transparency not only from a legal standpoint but also as a strategic practice to foster stakeholder trust, attract investors, and maintain market credibility. The outcomes of this study would have likely shed light on variations and trends in the disclosure practices of BSE 500 companies, highlighting areas of strength and potential areas for improvement. In addition, the study will serve as a benchmark against which companies could gauge their own disclosure practices and consider adjustments to align with best practices and evolving stakeholder expectations. Hence, the study aims to contribute to the understanding of disclosure trends within this subset of prominent Indian companies and offers valuable insights into their overall transparency and disclosure strategies.

Research Methodology

Objectives of the Study

- To study the extent of web-based disclosure of corporate governance information by Indian companies.
- To analyse item wise and company wise web-based corporate governance disclosures of Indian companies.

Sample

The study investigates the web-based disclosure of BSE-500 listed as of June 2018. The rationale behind selecting BSE 500 index is that companies taken together account for 93 percent of total market capitalisation in BSE (Hiremath & Singh, 2014). Out of the 500 companies listed on the BSE-500 index, 493 have operational websites; hence, the study examined the status of web-based disclosure for these 493 companies.

A web-based disclosure index was prepared based on the research works of Ettredge et al. (2002), Marston and Polei (2004), Xiao et al. (2005) & Kelton and Yang (2008), CICA and CIRI (2008) in order to examine the disclosure practices of companies on websites. The index checklist comprises of twenty-five corporate governance items. An analysis of the content on companies' websites was conducted between mid-June and mid-December 2018 to determine the corporate governance disclosure index score. The scoring of items has been done on dichotomous basis wherein value of 1 is assigned for the presence of an item on the website and 0 otherwise. The maximum obtainable score for items is 25. The calculation of the 'item-wise disclosure score' is done by dividing the count of companies that disclose a particular item by 493 (the overall sample size). Additionally, for the purpose of categorising the distribution of companies in accordance with their percentage disclosure scores, the 'company-wise' disclosure score has been determined by dividing the score obtained by each individual company by the maximum achievable score (25) to discern those with high and low disclosure levels.

Data Analysis and Discussion

This section presents the disclosure scores for individual items within the sample companies, followed by categorising the companies based on their percentage disclosure scores. Furthermore, the analysis includes the comprehensive web-based disclosure scores of both the highest and lowest-ranking companies. Information pertaining to corporations assists users in assessing the quality of information and direct stakeholders in defining expectation regarding prospects of the company (Bhat et al., 2006). The examination of corporate governance disclosures on corporate websites throws light on how investor relations departments strategically utilise corporate disclosure and recognise areas for improvement to improve informative transparency. This section includes information pertaining to the board of directors, board committees, governance reports, policies, AGM notices, and like.

Table 1 presents the detailed scores for individual items. The average disclosure score in this category stands at 69.64 percent. It is evident from the results that the most reported items are the names of board directors, corporate governance, board committees, and directors' reports. On the contrary, the least reported elements are the charter for board committees and corporate citizenship which have less than 10 percent disclosure. Several items, such as Code of Conduct and Ethics, Remuneration policy exhibit robust disclosure rates at 99.59 percent each followed by the Annual General Meeting (AGM) notice with 98.58

percent, Related Party Transaction (RPT) Policy with 97.57 percent and Whistle Blower Policy with 96.96 percent disclosure.

Furthermore, items such as the Familiarisation Programme for Independent Directors and the Terms and Conditions of Appointment of Independent Directors achieve relatively favourable disclosure rates at 83.37 percent and 81.54 percent, respectively. Profiles and pictures of board directors follow suit with 73.63 percent and 72.01 percent, respectively. Notably, certain items face significant disclosure gaps. For instance, disclosure rates are notably lower for items like the charter for board committees, corporate citizenship, citizen's charter, memorandum of association, and articles of association, registering mere rates of 3.04 percent, 5.27 percent, 10.95 percent, 13.18 percent, and 18.66 percent, respectively. Thus, the spectrum of disclosure scores for corporate governance information on company websites ranges from a minimum of 3.04 percent to complete compliance. Notably, 64 percent (16 items) surpass the average disclosure score. This heightened disclosure aligns with the stipulations of Clause 49 of the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which necessitate the mandatory disclosure of attributes such as board committees, RPT policy, Code of Conduct, Whistle Blower Policy, Remuneration policy, terms and conditions of independent directors' appointments, AGM Notice, and familiarisation programmes for independent directors.

Table 1: Disclosure Scores for Corporate Governance Information (Item-Wise)

<i>Sr. No.</i>	<i>Corporate Governance Information</i>	<i>No. of Companies Disclosing an Item</i>	<i>Disclosure Score (%)</i>
1	Names of board of direction	493	100.00
2	Board committees	493	100.00
3	Corporate Governance Report	493	100.00
4	Director's report	493	100.00
5	Code of conduct and ethics	491	99.59
6	Remuneration Policy	491	99.59
7	AGM Notice	488	98.89
8	Related Party Transaction Policy	481	97.57
9	Whistle Blower Policy	478	96.96
10	Voting results of AGM	453	91.89

Sr. No.	Corporate Governance Information	No. of Companies Disclosing an Item	Disclosure Score (%)
11	Familiarization programme for independent directors	411	83.37
12	Terms and conditions of appointment of independent directors	402	81.54
13	Corporate presentations	394	79.92
14	Policy of Material Subsidiaries	369	74.85
15	Profiles of board of directors	363	73.63
16	Pictures of board of directors	355	72.01
17	Proxy form and attendance slip	334	67.75
18	List of key executives or senior management team	318	64.50
19	Transcripts of conference calls	274	55.58
20	Quarterly compliance report on Corporate Governance	257	52.13
21	Articles of association	92	18.66
22	Memorandum of association	65	13.18
23	Citizen's charter	65	10.95
24	Corporate citizenship	26	5.27
25	Charter for Board committees	15	3.04
	Overall Mean	343.32	69.64

Classification of Companies Based on Percentage Disclosure Scores

Table 2 clearly demonstrates that the majority of the companies (41.17 percent) fall within the range of 60 to 69 percent disclosure, closely followed by 31.85 percent falling in the category of 70-79 percent disclosure. 16.84 percent (83 companies) fall in the bracket of 80 to 89 percent. Merely 8.12 percent companies score between 50 to 59 percent. However, three companies outperform with disclosure by more than 90 percent. Only seven companies (1.4 percent) disclose less than 50 percent.

Table 2: Classification of Companies Based on Percentage Disclosure Scores

Total Disclosure Score (in Percentage)	No. of Companies	Percentage of Companies
Less than 50	7	1.41
50-59	40	8.12
60-69	203	41.17
70-79	157	31.85
80-89	83	16.84
More than 90	3	0.61

Given that most companies (98.59 percent) attain a total disclosure score above 50 percent, Indian companies can be considered “good disclosures” in line with classification of Wallace in 1988. Wallace’s work likely identified specific disclosure practices and standards that companies should meet to be considered as “good disclosures”. Transparent and comprehensive disclosure practices can help build trust with investors, attract capital, and enhance corporate governance. It also provides stakeholders with crucial information to make informed decisions (Wallace, 1988).

Top and Bottom Companies

It can be observed from Table 3 that Dr. Reddy Laboratories Ltd. holds the first rank in corporate governance disclosure score on the internet. This indicates that Dr. Reddy Laboratories is exemplary in terms of transparency and disclosure practices related to corporate governance. Eros International Media Ltd. and Fortis Healthcare Ltd. share the second rank in disclosure score with a 92 percent score. This implies that these companies also have strong corporate governance disclosure practices, although they are slightly behind Dr. Reddy Laboratories.

Table 3: Top and Bottom Companies

<i>Sr. No.</i>	<i>Name of the Company</i>	<i>Disclosure Score (%)</i>	<i>Rank</i>
1	Dr Reddy Laboratories Ltd.	96	1
2	Eros International Media Ltd.	92	2
3	Fortis Healthcare Ltd.	92	2
4	Aarti Drugs Ltd.	48	487
5	Clariant Chemicals India Ltd.	48	487
6	IFB Industries Ltd.	48	487
7	S.E. Investments Ltd.	48	487
8	ABG Shipyard Ltd.	44	491
9	PMC Fincorp Ltd.	44	491
10	Risa International Limited	44	491

On the other end of the spectrum, companies Aarti Drugs Ltd, Clariant Chemicals India Ltd., IFB Industries Ltd., and S.E. Investments Ltd. obtained low disclosure score merely 48 percent sharing rank 487. This advocates that these companies may have inadequate transparency in provision of corporate governance disclosures. ABG Shipyard Ltd, PMC Fincorp Ltd., and Risa International Limited occupy last rank 491 with 44 percent corporate governance disclosure score. This shows that they have even lower levels of transparency and disclosure related to corporate governance compared to the companies. The disclosure score rankings provide valuable insights into how these companies engage in corporate governance practices. The information can be useful for investors, stakeholders, and regulators in evaluating the transparency and accountability of these companies.

Conclusion

The present study aims to gauge the level to which Indian companies have adopted the corporate website as a platform for voluntary disclosure, particularly, corporate governance disclosure. The findings reveal that corporate governance disclosure scores show a wide range, spanning from 44 percent to 96 percent. Dr. Reddy Laboratories Ltd., Eros International Media Ltd., and Fortis Healthcare Ltd. stand out with disclosure percentage of 96 percent and 92 percent, respectively. The average corporate governance disclosure score stands at 69.64 percent which suggests that Indian companies are effectively using their corporate websites for disclosing corporate governance information. However, there is still a lot of scope in fully harnessing the advantages that web-based disclosure can offer. While companies are undoubtedly moving towards

a digitisation, the current trend still echoes the traditional practice of annual reports. This clearly reveals that while companies have embraced online platforms, they have not fully leveraged the dynamic and interactive nature of the digital medium. The drive amongst the company for these high disclosure scores is the mandatory nature of the information as outlined in regulations of the Companies Act of 2013, Clause 49 and Clause 54 of the Listing requirements. These scores show that companies are merely disclosing these items to comply with legal requirements.

Besides, this inconsistency extends to the structure of the website, accessibility, and even the jargon used. This could potentially act as a deterrent in stakeholders' ease of understanding and comparison. For instance, some companies had well-organised websites offering a user-friendly experience to the concerned stakeholder. The visitor could easily locate information, whereas, other companies lacked such feature, leading to potential confusion. Furthermore, this inconsistency was exacerbated by complex navigation menus or blocks to accessing critical data. All this acted as a barrier for stakeholders' ability to comprehend and compare information effectively.

Stakeholders, including customers, investors, analysts, and the public, rely on corporate websites as primary sources of information. Inconsistent and unclear presentation styles and language choices can lead to frustration and inefficiency in accessing and interpreting critical data. As a result, stakeholders will not be able to make informed decisions, perform accurate comparisons among companies, or assess a company's transparency and accountability effectively. All this calls for addressing

this crucial issue on priority basis. The need of the hour is to devise standardised guidelines governing the dissemination of information on corporate websites to boost the credibility and usefulness of the information provided to end users. By establishing uniform criteria for presentation, accessibility, and comprehensiveness, regulatory bodies and industry stakeholders can contribute to enhancing the transparency, comparability, and reliability of corporate information online. A more standardised and coherent presentation of information can not only strengthen stakeholder confidence but also contribute to the larger goals of transparency, accountability, and informed decision-making in the corporate landscape.

Limitations and Areas for Future Research

This study is subject to certain limitations that should be taken into consideration by researchers in future research. First and foremost, it is important to note that this study is cross-sectional in nature, which means it provides a snapshot of web-based disclosure at a specific point in time. To gain a more comprehensive understanding, longitudinal studies are recommended. Secondly, it is worth acknowledging that the construction of the disclosure index and the scoring process used in this study may be influenced by subjective biases of the researchers. Additionally, despite the best efforts to comprehensively assess website content, there is a possibility of some data being overlooked in this study. Future research can explore methods to enhance data collection and analysis techniques to minimise the likelihood of missing relevant information. Furthermore, a promising avenue for future research is the exploration of determinants of web-based disclosures specific to the banking sector. Investigating the factors that influence web-based disclosure could provide valuable insights into this critical sector's disclosure practices.

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