Drivers of Mandatory and Non-Mandatory Internet Corporate Reporting in Public and Private Sector Indian Companies

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Abstract

The paper's objective was to measure the drivers of mandatory and non-mandatory internet corporate reporting by public and private sector companies following the internet disclosure compliance of listing and obligation requirement of SEBI under Clause 46. Several drivers, namely firm size, profitability, leverage, liquidity, board size, independence of board, and CEO duality, were used to measure the effectiveness of mandatory and non-mandatory disclosure. A multiple regression model was applied to test the present paper's hypotheses. The results of multiple regression revealed that the firm's size was exceptionally important for both sectors. In contrast, public sector disclosure was largely impacted by leverage, liquidity, board size, and board independence. In comparison, the private sector disclosure scores were mainly impacted by leverage and board size, although there is no relationship between ICR and firm profitability and CEO duality. In performing separate multivariate regression between the two sectors, many disparities emerged. This disparity showed that public and private sector corporations had quite different firm and governance characteristics of the disclosure. As the first exploratory research to assess the mandate internet disclosure of public and private sector companies in India, it is very informational, specifically for those working on Indian companies' regulation, compliance, and research.

Keywords : **Internet corporate reporting, disclosure, regulation, SEBI**

JEL Classification Codes : M41, M48, L33

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A worldwide investor notion survey on corporate reporting conducted by PricewaterhouseCoopers (PwC) reported that more and more investors recognize that access to accurate information available in a timely fashion can influence investment decisions and affect the overall efficacy of the firms (PwC, 2017). For the last many decades, listing firms have utilized financial disclosure as a method to satisfy investors' information requirements, attract potential ones, and lead to improved financial performance (Alnabsha et al., 2018). The Internet is now a ubiquitous tool for disclosing information (Arora & Rathi, 2019), a tool that is technically sophisticated and mutually beneficial for firms and their stakeholders (Cormier et al., 2009). Tremendous use of information technology has been observed over the decade in disclosure literature (Deloitte, 2019). However, regulatory internet disclosure studies in the internet-based disclosure literature are sparse. Hence, the encouragement behind the present research is to analyze the internet corporate reporting (ICR) of public and private sector companies in India, following the compliance of listing and obligation requirements of SEBI under Clause 46 (SEBI, 2015). SEBI internet disclosure requirements provide the listed companies with the

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recommendation and guidelines to disclose the minimum information on the internet (See Clause 46). In addition, with the direction of disclosure requirements, SEBI improves the translucence and consistency of internet disclosure, thereby enabling listed companies with typical guidelines and scaffolding for comparison of disclosure. There is also an argument in the disclosure literature that studies that examine compliance are important as they impact the demand for capital and provide the required information to the investee company (Samanta & Dugal, 2016). While complying with mandated reporting regulations and voluntarily disclosing added facts may benefit the company, the quality and capacity of information supplied may vary (Schuster & O'Connell, 2006). Henceforth, previous findings of internet disclosure are related to voluntary disclosure, and this particular study's findings would be interesting, which measure the mandatory internet disclosure by taking Indian companies as the sample.

The motivation for this study is twofold. Firstly, the changes in corporate disclosure over the last few decades have significantly affected financial reporting practices and insisted that the concept of internet-based disclosure needs to research in light of regulatory change. While there has been a conception of internet corporate reporting studies across the globe, there is a shortage of research analyzing compliance with internet-based disclosure exigencies. Henceforth, the present study bridges the theoretical chasm in internet disclosure literature by analyzing the exploratory nature of public and private sector companies' post-mandated internet disclosure. Additionally, the study also has practical implications for regulators such as SEBI in that their efforts to improve disclosure practices are effective. Secondly, most of the existing research on ICR has centralized on either the private or public sectors independently, and there have been few studies on data interception between the two. Some empirical evidence suggests that public sector companies in India have been inversely related to disclosure practices (Patel et al., 2002). Thus, this paper attempts to answer crucial questions like whether private and public sector companies differ in their ICR practices post the regulatory requirements related to their website disclosure.

Review of Literature

A traditional paper-based medium, such as an annual report, was used by earlier researchers to investigate accounting disclosure practices (Cooke, 1989; Haniffa & Cooke, 2002; Wallace & Naser, 1995). Later, as information technology advanced, numerous researchers used company websites to study the practice of accounting disclosure practices (Ahmed et al., 2017; Ashbaugh et al., 1999; Debreceny et al., 2002). Additionally, researchers have made numerous attempts to quantify the potential determinants for internet-based reporting (Alnabsha et al., 2018; Aly et al., 2010; Boubaker et al., 2012; Bowrin, 2015; Gandía, 2008; Kelton & Yang, 2008; Khlifi, 2022; Sandhu & Singh, 2019; Xiao et al., 2004). Likewise, similar research was covered from the perspective of an Indian company (Shukla & Gekara, 2010; Singh, 2011; Singh & Singh, 2018; Sandhu & Singh, 2019). However, the literature indicates a specific research gap focused on Indian companies. For example, a review of earlier studies in India revealed that there aren't many thorough empirical studies that compared the web disclosure practices of public and private sector companies in India. Additionally, earlier studies used a time frame before the implementation of Digital India and the SEBI listing obligations and website disclosure requirements under Clause 46 in 2015 (SEBI, 2015). Henceforth, the current paper aims to fill the research gap by investigating how corporate characteristics affect mandatory and non-mandatory online disclosure of both public and private sector Indian companies.

Theoretical Framework and Hypotheses Development

The previous studies established the rationale for disclosure procedures using several theoretical approaches (Sharma, 2013). The “agency theory,” given by Jensen and Meckling (1976), is used widely for the empirical

research of disclosure practices. The agency theory describes the manager – shareholder relationship based on the agent-principal interaction (Jensen & Meckling, 1976). Through this relationship, various agency cost conflicts arise between the agent and principal. The disclosure of accounting information reduces conflicts arising from the agency problem between the two parties (Sharma, 2013). Another widely used theory in disclosure studies is the "signaling theory." The signaling theory suggests that information asymmetry can be reduced by sending corporate signals to stakeholders (Morris, 1987). Henceforth, the above-mentioned well-known theories of corporate disclosure provide the foundation and justification for the variables extracted and considered in the present study's hypotheses development.

Firm Characteristics Variables

Firm Size

The agency theory mainly explains the relationship between companies' size and disclosure standards. According to the agency theory, larger enterprises have a greater agency cost due to knowledge asymmetry between market participants (Jensen & Meckling, 1976). As a result, larger corporations adopted greater disclosure to reduce agency costs and the problem of information asymmetry. Most previous studies examined the relationships between firm size and disclosure level and provided mixed results. Debreceny et al. (2002), Boubaker et al. (2012), and Ahmed et al. (2017) found that firm size and disclosure on the internet were positively related. However, few studies reported no significant relationship between the size and extent of internet disclosure, like Aly et al. (2010). In the context of the above arguments, the current study proposes a positive relationship between firm size and the extent of internet disclosure.

↳ **H1 :** There is a significant positive association between firm size and the extent of ICR of the public and private sector companies.

Profitability

The signalling theory illustrates how profitability and disclosure practices are related. As per the signaling concept, the disclosure of corporate information is a signal sent to capital markets to decrease information asymmetry between management and their stakeholders to minimize finance costs and maximize corporate value (Sharma, 2013). Whether disclosed through traditional or electronic media, profitability's impact on corporate disclosure is inconclusive. Aly et al. (2010) and Kamalluarifin (2016) found a positive association between profitability and disclosure. In contrast, Xiao et al. (2004) and Bowrin (2015) found no association between the two variables. Hence, the above-mixed results are re-tested in light of the Indian economy based on the following hypothesis:

↳ **H2 :** There is a significant positive association between firm profitability and the ICR of public and private sector companies.

Leverage

Agency theory explains that with a high level of leverage ratio, the monitoring cost also increases due to the potential conflict of wealth transfer between the shareholders and debt-holders (Jensen & Meckling, 1976). Thus, to lessen the agency risk between shareholders and debt-holders in more leveraged firms, debt holders have more incentive to push managers to reduce the agency problem by more disclosure (Debreceny et al., 2002). Several

studies linked the extent of internet disclosure with leverage and found differing results. Samaha and Abdallah (2012) reported a significant association between leverage and the level of disclosure; whereas, Aly et al. (2010) and Boubaker et al. (2012) reported no relationship between leverage and disclosure level. Uyar (2012) and Giannarakis (2014) found a significant negative relationship in the Turkish context. The empirical evidence of leverage is inconclusive, however, there is generally a positive relationship, as stated in the following hypothesis :

↳ **H3 :** There is a significant positive association between firm leverage and the extent of ICR of the public and private sector companies.

Liquidity

The firm's capacity to achieve short-term obligations without risking long-term wealth is critical to stakeholders' company evaluations. According to signalling theory, the firm's soundness is determined by its high liquidity ratio and high disclosure level (Cooke, 1989). Highly liquid firms create their high-level liquidity visible through higher disclosures (Wallace & Naser, 1995). On the other hand, agency theory implies that firms with low liquidity should provide more information to meet the information needs of shareholders and creditors (Aly et al., 2010). The empirical association between liquidity and disclosure extent is also inconclusive. Alnabsha et al. (2018) and Masum et al. (2020) reported that highly liquid companies had more disclosure levels. On the contrary, Wallace and Naser (1995) and Ahmed et al. (2017) showed that low-liquid companies had more disclosure levels. However, Aly et al. (2010) reported no association between them. In this context, the current study posits a positive relationship between the two and proposes the following hypothesis:

↳ **H4 :** There is a significant positive association between firm liquidity and the extent of ICR of public and private sector companies.

Governance Characteristics Variables

Board Size

The majority of good regulations believe that the board should have a fair number of members because their effectiveness determines the best number in carrying out their supervisory duties (Gandía, 2008). Generally, larger boards typically include more representatives from various stakeholder groups, providing a greater variety of experience, expertise, and specialized abilities. According to Samaha and Abdallah (2012), larger boards are less likely to be dominated by senior executives. On the other hand, smaller boards have a superior working style due to enhanced cohesion, which allows for better coordination, communication, and fewer disagreements (Kim & Nofsinger, 2007). According to Fama and Jensen (1983), smaller boards may be more adept at overseeing the CEO, making it more difficult for the CEO to be involved in broad decisions. The previous findings showed a mixed connection between board size and the extent of corporate disclosure (Alnabsha et al., 2018; Giannarakis, 2014; Samaha & Abdallah, 2012). With this argument, the current study assumes that the size of the board will positively affect the disclosure of information positively. Thus, the study proposes the following hypothesis:

↳ **H5 :** There is a significant positive association between firm board size and the extent of ICR of the public and private sector companies.

Board Independence

Following agency theory, Fama and Jensen (1983) argued that independent directors bear a reputation cost that

prompts them to monitor management actions more carefully and make decisions in the interest of shareholders. Furthermore, the board's independence plays a key role in minimizing agency costs and creating pressure for improved disclosure when managers and owners are at odds (Arul, 2010). Also, the presence of independent members in the board structure strengthens the corporate governance mechanism. Therefore, managers are less likely to hold information, which improves the quality of corporate disclosure (Kelton & Yang, 2008).

Literature suggests that the independence of the board is an essential variable in monitoring corporate financial reporting (Kelton & Yang, 2008). However, numerous studies (Giannarakis, 2014; Masum et al., 2020) showed no association between these two variables. In contrast, Kamalluarifin (2016) showed that the extent of disclosure was inversely related to the variable: board independence. With these results, the proposed hypothesis is as follows:

↳ **H6 :** There is a significant positive association between board independence and the extent of ICR of the public and private sector companies.

CEO Duality

CEO duality is a situation in the board structure when one of the directors holds two positions in the organization. However, agency theory holds that if the CEO-board chair is not separate, it creates an agency problem. The CEO-duality may imperil board independence by allowing the CEO to dominate board meetings, select board members, and limit information flow (Bowrin, 2015). Furthermore, the concentration of power can stifle a company's corporate disclosure, resulting in the generation and dissemination of low-quality data (Samaha & Abdallah, 2012). Consistent with the above perspective, several studies showed a negative association between role duality and disclosure level (Rajpurohit & Rijwani, 2020). Haniffa and Cooke (2002) found that role duality had a significant positive impact on disclosure. In contrast, various researchers found no association between role duality and disclosure level (Bowrin, 2015; Gandía, 2008; Kelton & Yang, 2008; Kamalluarifin, 2016). Based on the empirical findings, the following hypothesis is tested in the Indian context:

↳ **H7 :** There is a significant negative association between CEO role duality and the extent of ICR of the public and private sector companies.

Research Methodology

Sample and Data Collection

The present investigation is secondary and based on a sample of 184 Indian companies, that is, 84 public sector and 100 private sector companies listed on the BSE-500 Index as of March 31, 2020. The prime source of information is the web pages of the companies under study. The sample companies which did not have a website were excluded from the study. Only one public sector company had no accessible website; thus, it was excluded. The data related to the companies and governance-specific characteristics were collected from the Business-Beacon database of the Center for Monitoring Indian Economy (CMIE). The data were gathered from the websites of the sample companies from October to November 2020 to measure the extent of mandatory and non-mandatory information on the Internet.

Dependent Variables : Total Disclosure, Mandatory and Non-Mandatory Disclosure

Internet disclosure is a dependent variable of interest in the present research. The internet disclosure is a categorical variable measured in a binary value, and assignee, one of the attributes of the Internet Disclosure Index

(ICR), is presented on the website of the sample company and zero otherwise. The criteria for assigning a score to the attribute are unweighted as applied in various disclosure studies of traditional annual report medium (Cooke, 1989) and current digital format medium (Debreceny et al., 2002; Xiao et al., 2004). The primary measure is an internet total disclosure score (ICR-T) across all 52 attributes. The remaining two dependent variables, the internet mandatory disclosure score (ICR-M), which comprises 14 attributes, and the internet non-mandatory disclosure score (ICR-NM), which comprises 38 attributes, are constructed from the subsets of the total attributes. The list of mandatory attributes was extracted from SEBI (Listing obligations and disclosure requirements) 2015 guidelines (see SEBI, 2015), and non-mandatory attributes comprise financial, governance, marketing, human resources, and contact information from the previous research (Aly et al., 2010; Xiao et al., 2004).

Independent Variables

Prior ICR literature has identified important firm and governance characteristics in identifying disclosure on the internet. Hence, based upon the review, firm-specific and governance-specific factors are studied as explanatory variables in the models, and their influence on the ICR is examined (Table 1).

Development of Multiple Regression Models

A multivariate regression analysis using the ordinary least square (OLS) method has been employed to measure the effect of firm and corporate governance variables on the extent of ICR of public and private sector companies. Three different models using different dependent variables, that is, internet total score (ICR-T), mandatory score (ICR-M), and non-mandatory score (ICR-NM), were run separately with the aid of SPSS package 23 for both public and private sector companies. The regression equations using different dependent variables are presented below. The description of dependent and independent variables used in the following regression models is presented in Table 1.

Table 1. ***Descriptions of the Dependent and Independent Variables***

Variables	Descriptions	Source
Dependent Variables		
ICR-T	Internet total disclosure score	Company's website
ICR-M	Internet total score of mandatory attributes	Company's website
ICR-NM	Internet total score of non-mandatory attributes	Company's website
Independent Variables		
SIZE	Firm Size, i.e., total assets during the financial year.	Prowess database
PRF	Profitability, i.e., the ratio of net profit to total shareholders' funds.	Prowess database
LEV	Leverage, i.e., ratio of total debt to total equity.	Prowess database
LIQ	Liquidity, i.e., the ratio of current assets to current liabilities.	Prowess database
BSIZE	Board Size, i.e., the total number of directors in the board structure.	Prowess database
INDEP	Board Independence, i.e., the number of independent members in the board structure.	Prowess database, Author calculations involved
DUAL	CEO-Duality, i.e., one if the CEO and the chairman are separated, and otherwise zero.	Prowess database
e	Error term.	

$$ICR-T = \alpha + \beta_1(SIZE) + \beta_2(PRF) + \beta_3(LEV) + \beta_4(LIQ) + \beta_5(BSIZE) + \beta_6(INDEP) + \beta_7(DUAL) + \varepsilon \quad ....(1)$$

$$ICR-M = \alpha + \beta_1(SIZE) + \beta_2(PRF) + \beta_3(LEV) + \beta_4(LIQ) + \beta_5(BSIZE) + \beta_6(INDEP) + \beta_7(DUAL) + \varepsilon \quad ....(2)$$

$$ICR-NM = \alpha + \beta_1(SIZE) + \beta_2(PRF) + \beta_3(LEV) + \beta_4(LIQ) + \beta_5(BSIZE) + \beta_6(INDEP) + \beta_7(DUAL) + \varepsilon \quad .... (3)$$

Data Analysis and Results

Summary of Descriptive Statistics

Table 2 shows consolidated descriptive statistics for public and private sector companies in terms of mean, standard deviation, minimum, and maximum values. It also shows the results for the firm and governance characteristics used in the study as independent variables.

Table 2 demonstrates that private sector companies have a marginally higher ICR-T mean score (33.67) than public sector companies (31.69). Similarly, private sector companies have higher average ICR-M and ICR-NM scores than public sector companies (Table 2). Furthermore, Table 2 shows that the public sector companies (₹1,296,496 million) are more substantial than private sector companies (₹492,914 million) in terms of total assets. The higher value of standard deviation in the case of the public sector (₹2,624,864 million) than that of the private sector (₹1,070,639 million) indicates comparatively more variations in public sector companies. On an average, private sector companies (9.94) generated more profit than public sector companies (3.06).

Furthermore, public sector companies appear to leverage highly, with a mean debt-to-equity ratio of 1.58 compared to 0.79 for private sector companies. A similar relationship is seen for the variable liquidity (current assets to current liabilities). The mean score of liquidity is larger in the public sector, at 2.42, compared to private sector companies, at 1.64. The descriptive statistics reveal that public sector companies are more highly leveraged and liquidated than private sector companies. Moreover, on an average, the board size among both sectors is almost equal, with a mean score of 14.68 in the public sector and 13.71 in the private sector companies. The results for board independence from Table 2 indicate that the average ratio of independent members in the board structure is more considerable in private sector companies ($M = 41.19$) than in public sector companies ($M = 26.27$). Panel B of Table 2 shows the descriptive statistics of categorical variables. The mean score of CEO-duality among public sector companies is 0.289; in private sector companies, the score is 0.183. In general, it is observed that both sector companies are large and vary with respect to leverage, liquidity, and profitability. It is also observed that the sample companies from both sectors maintained the minimum requirement of board independence and board size. One managing director's dual role is observed more in public sector companies than private sector companies.

Table 2. ***Summary of Descriptive Statistics Relating to Independent Variables***

Variables	Statistics	Public Sector	Private Sector
Panel A : Scaled Variable			
ICR-T	Mean	31.69	33.67
	Std. Deviation	4.989	3.436
	Minimum	18	19
	Maximum	40	40
ICR-M	Mean	8.1566	8.444
	Std. Deviation	1.418	1.135
	Minimum	5	6

	Maximum	11	10
ICR-NM	Mean	23.54	25.23
	Std. Deviation	4.191	2.982
	Minimum	13	13
	Maximum	32	32
SIZE	Mean	1296496.55	492914.97
	Std. Deviation	2624864.25	1070639.35
	Minimum	1123.20	2.08
	Maximum	20514956.30	6487841.60
PRF	Mean	3.06	9.94
	Std. Deviation	8.56	8.67
	Minimum	–23.97	–13.19
	Maximum	55.24	30.94
LIV	Mean	1.58	0.79
	Std. Deviation	2.47	1.45
	Minimum	0.00	0.00
	Maximum	12.71	7.19
LIQ	Mean	2.42	1.64
	Std. Deviation	2.03	1.63
	Minimum	0.04	0.05
	Maximum	13.04	11.73
BSIZE	Mean	14.687	13.714
	Std. Deviation	3.935	2.765
	Minimum	6	7
	Maximum	25	20
INDEP	Mean	26.27	41.19
	Std. Deviation	16.89	9.53
	Minimum	0	16.67
	Maximum	58.33	73.33
Panel B : Categorical Variables			
CEO Duality	Mean	0.2892	0.183
(Dummy Variable)	Std Deviation	0.4563	0.384

Multiple Regression Analysis Results

Table 3 compiles the outcomes of the OLS regression analysis of the study models. These models use three dependent variables (total, mandatory, and non-mandatory).

H1 states that the company's size has a significant positive impact on the extent of ICR. The expectation for size is largely supported by the public and private sector companies (Table 3). The size coefficients are positive and statistically significant for ICR-T, ICR-M, and ICR-NM for both sector companies. Hence, hypothesis H1 is accepted for the companies of both sectors. The significant positive association between firm size and level of ICR depicts that the larger firms from both sectors welcomed the new technology interface in their business processes.

Table 3. ***Summary of Multiple Regression Models***

	Total Disclosure		Mandatory		Non-Mandatory	
	Private Sector	**Public Sector**	**Private Sector**	**Public Sector**	**Private Sector**	**Public Sector**
SIZE	0.362***	0.779***	0.418***	0.666***	0.364***	0.685***
PRF	–0.129	0.144	–0.119	0.064	–0.056	0.140
LEV	–0.204**	–0.459***	0.114	–0.490***	–0.162	–0.382**
LIQ	0.125	–0.222**	0.103	–0.096	0.086	–0.216**
BSIZE	0.232**	–0.283**	0.012	–0.174	0.238**	–0.263**
INDEP	0.130	0.239**	0.053	0.255**	0.102	0.199*
DUAL	–0.091	–0.026	–0.027	0.076	–0.055	–0.044
Model Summary						
Adjusted *R*-square	0.249	0.40	0.141	0.332	0.222	0.283
F-ratio	5.574***	8.795***	3.279**	6.817***	4.961**	5.629***
	1.592	1.897	2.053	1.632	1.523	1.919

The company size results can also be elucidated by agency theory, which states that to lower agency costs, larger firms must disclose more information (Jensen & Meckling, 1976). Furthermore, the firm size results align with former studies on corporate internet reporting, which found that corporate disclosure rises with firm size (Alnabsha et al., 2018). From the preceding data, it can be inferred that larger companies have a greater motivation to reveal more information on their websites.

H2 states that the profitability (PRF) of a company positively affects the level of ICR. Inconsistent with the hypothesis, the coefficient of PRF of the company is uniformly insignificant with all three measures of the ICR in Indian public and private sector companies (Table 3). Hence, there is no clear evidence that the variable PRF of the company affects the extent of online disclosure; thus, H2 is not supported by the current study. The overall profitability results align with previous research studies, such as Gandía (2008) and Uyar (2012), who found no relationship between profitability and disclosure scores. The profitability result shows the maturity of Indian public and private sector companies. An immature company would disclose profits only when they are high and fail to disclose them when they are low (Serrano-Cinca et al., 2007).

Contrary to hypothesis H3, the estimated coefficient of LEV is mainly negative in the case of public and private sector companies (Table 3). ICR-T, ICR-M, and ICR-NM are statistically significant for public sector companies. Similarly, the coefficient of LEV is significant and negatively associated with ICR-T and ICR-NM for private sector companies. Hence, H3 is not supported in this study. Zimmerman (1977) argued that public sector companies utilized the additional disclosure as an incentive that facilitates creditors. In contrast to the literature, it seems that Indian public sector companies disclose less informative data on the web for fear of losing competition and market position due to high debt burdens. The probable justification for the scarcity of positive association is that companies' creditors pay less attention to the website information because there are other reliable sources for the same information. Furthermore, the negative impact of LEV on the breadth of ICR for Indian corporations could be elucidated by the signaling theory, which suggests that companies with lesser leverage may want to draw attention to their financial structure by sharing more informative data. They tend to reveal more business information about their risk management policy by revealing pertinent information (Uyar, 2012). Similarly, by the negative relationship between these two variables, it can be made clear by the fact that when the debt-equity ratio of the company is high, it tends to reveal less information to save the competition's place in the market.

H4 predicts that the extent of the disclosure is associated positively with firms' liquidity ratio (LIQ).

Unexpectedly, LIQ is negatively associated with all three ICR proxies, with the coefficient for ICR-T and ICR-NM being statistically significant in the case of public sector companies (Table 3). On the other hand, consistent with H4, all of the coefficients for LIQ are positively related to the ICR in the case of private sector companies and are uniformly insignificant (Table 3). The agency and signaling theories may be accountable for the public and private sector's divisive results. According to the agency theory, corporations with little liquidity, such as public sector companies, are more likely to reveal more informative data (Jensen & Meckling, 1976). This finding suggests that public sector Indian enterprises with lessened liquidity ratios regard their financial outcomes as dreadful news and, as a response, consider providing more details as part of their internet disclosure obligation to investors and other stakeholders. On the contrary, in the case of private sector companies, the positive relationship between liquidity and internet disclosure is explained with the argument of the signaling theory that high-liquid firms are supposed to disclose more information. Henceforth, H4is also rejected in the current study.

The BSIZE variable exhibits a pattern of selective and different results for both sectors' companies. In private sector enterprises, all BSIZE coefficients are positive, confirming H5, though ICR-T and ICR-NM are statistically significant (Table 3). Surprisingly, in the case of public sector enterprises, BSIZE is adversely associated with ICR proxies, with statistically significant coefficients for ICR-T and ICR-NM. As a result, H5 is only partially supported. The findings in the public sector back up Jensen's (1993) argument that a small board serves a superior controlling function. In contrast, CEOs are more likely to dominate corporations with a larger board.

According to H6, there will be a positive relationship between the ICR and the proportion of independent board members. The positive and substantial association for ICR-T, ICR-M, and ICR-NM in the case of public sector companies significantly supports the hypothesized impacts of INDEP (Table 3). Similarly, the coefficients of INDEP are positive but non-significant in the case of private sector companies (Table 3). Overall, the variable INDEP shows that with the rising number of independent members on the board of directors, the requirement for additional information also increases. This confederation can be interpreted by the agency theory, which claims that having independent board members might increase disclosure and corporate performance (Jensen, 1993). Furthermore, independent directors frequently serve as a check on the behavior of executive directors who have access to greater insider knowledge (Fama & Jensen, 1983). As a result, the greater the number of independent members on the board of directors, the better the internal monitoring mechanism, and the greater the demand on corporate enterprises to provide more information through various channels such as information technology.

H7receives no support via DUAL inverse and an insignificant coefficient for all the disclosure variables in the case of public sector companies (Table 3). For private sector companies, the coefficients of DUAL are mainly inverse and insignificant. Thus, the evidence for H7 does not support as large a role for CEO-duality as I had hoped. The overall outcome of the relationship between CEO-duality and the level of online disclosure in Indian enterprises is insignificant, which corresponds with Kelton and Yang (2008) and Giannarakis (2014). The lack of association is because, whether the CEO-duality exists as a unitary organization or as a separate entity, both roles are critical since those in positions of power are also significant stockholders (Kamalluariffin, 2016).

To summarize, the study's findings show that various patterns of factors impact the level of internet disclosure of public and private companies. The disclosure scores of public sector corporations are heavily influenced by firm size, leverage, liquidity, board size, and board independence. Firm size, leverage, and board size influence private sector companies' different online disclosure scores. Kaur and Arora (2013) also observed a similar pattern of results in the case of public and private sector companies using traditional annual report disclosure.

Theoretical and Managerial Implications

The research provides a needed contribution to the disclosure literature from a theoretical perspective. While much of the existing work on ICR has focused on the private or public sectors separately, there have been few

investigations on the interception of data between the two. Thus, the current study extends ICR literature into the private and public sectors. The study results further explain ICR drivers' differences in public and private sector companies. The study results provide insights into the regulators and standard-setters such as SEBI as these organizations are making efforts to make the internet disclosure practices in India effective. So this will give them more confidence in making the regulations for other technology-based initiatives such as bitcoin, cloud computing, and fintech. The study findings can also serve for practical referral, such as the study drawing attention to the fact that SEBI regulation Clause 46 obliges ICR disclosure. Investors will profit from the findings since they will better know the reliability of website disclosure provided by corporations with particular characteristics.

Conclusion, Limitations of the Study, and Scope for Future Research

Internet corporate reporting has remained a nucleus concern of various studies all over the globe. Continuously, researchers are shedding light on the issue of ICR around the world. However, this particular study provides an interesting finding related to ICR post the mandate ICR. The present study aims to bridge the research gap in knowledge regarding the ICR landscape in Indian public and private sector companies. The study examines 84 public and 100 private sector Indian companies. To determine the nature and extent of internet disclosure, I used an unweighted disclosure index of 52 attributes divided into 14 attributes of mandatory and 38 attributes of non-mandatory disclosure. The study results highlight that both sector companies are capitalizing on the internet of information dissemination for the stakeholders. Still, there is a long way to fill the gap, as all disclosure scores received less than 50% on average among both sectors.

The results of multiple regression reveal that the firm's size is exceptionally significant for both sectors. In contrast, leverage, liquidity, board size, and board independence mainly impact public sector disclosure scores. The private sector disclosure scores, on the other hand, are primarily influenced by leverage and board size. At the same time, there is no association between ICR and firm profitability and CEO duality. In performing separate multivariate regression between the two sectors, many disparities emerge. This study highlights the various characteristics that influence different sectors' disclosure preferences. Interestingly, the indications of the public sector companies' coefficients in the regressions are opposite (LIQ and BSIZE). This disparity shows that public and private sector corporations have quite different firm and governance characteristics of disclosure. Therefore, the results have implications for policymakers to acknowledge the differential drivers of ICR reporting of the public and private sector companies before introducing the regulations related to the disclosure.

The results show that the firm and governance factors employed in the study can explain approximately 40% of the variance for public-sector Indian companies and 20% of the variance for private-sector Indian enterprises. This indicates that other determinants may influence website disclosure practices. As a result, future studies may include other aspects in their investigations, such as the stock market, business risk, and market risk as determinants of ICR. Another limitation of the study is the dynamic nature of the Internet. With rapid changes and developments of websites, the generalization of the results might not be applicable in the future. However, this study has value even with this limitation and may contribute to further academic analysis of company web pages and policymaking.

Author's Contribution

Dr. Harmandeep Singh conceptualized and drafted the manuscript. He himself managed the data collection, analysis, and interpretation.

Conflict of Interest

The author certifies that he has no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

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