The purpose of this study was to investigate the various elements of financial reporting frameworks and practice in the context of the Internet. The Internet has emerged as a new medium of presentation of corporate information. Currently, the levels of disclosures are very wide among companies at global level. India is one of the highest in growth rate of Internet users in last 5 years and the impact of globalization in Indian scenario plus the benefits of Internet are the main reasons of conducting this study.

It was intended in this research to identify the present trend of Internet financial reporting in Indian scenario and also to analyze the variation in the practices of Internet financial reporting and Traditional financial reporting and in the last very important to study the stakeholders or users perception regarding Internet financial reporting in International reporting scenario.

BSE-100 and NYSE-100 companies as on 14th October, 2010 was taken as sample. So the total sample size for the study was 200 companies and the periods used for this study was April, 2010 to December, 2011.

To measure the type and the extent of Web disclosure by the sample companies regarding their financial and non-financial information, Corporate Internet Reporting Index (CIRI) was prepared. The CIRI, which consists of 60 items, is divided into seven categories, viz., (1) Accounting and Financial Information (2) Corporate Governance Information (3) Corporate Social Responsibility and Human Resource Information (4) Details of Investor Relation and Related Conveniences (5) Presentation Format; and (6) Technological Advantages and Uses Support. All these elements are found on the basis of studied different annual reports, regulatory guidelines.

The findings regarding corporate disclosures on websites by the selected US companies are; 97 US companies have a CIRI score in between 55-60, and only 1 company that is Berkshire Hathaway Inc. Cl B has a CIRI score between 43. Two U.S.
companies i.e., Alcon Inc. and XTO Energy Inc. are merged with Novartis and Exxon Mobil Corporation respectively that why they are exclude for this objective. Around 56 Indian companies have a CIRI score in between 55-60 and 35 of company are comes under score of 50-55. While there 8 companies whose score is less than 50 but there is no Indian company whose score is less than 40 out of 60. This shows that on US companies are better in terms of use of website to disseminate information. Indian companies are also doing well but still there is a gap to be fulfilled by providing more information.

As regards to the practices of Internet financial reporting, it is found that companies are interested in disclosed financial information on their websites but it grew at steady rate. The entire sample companies having their own websites on the internet and also provides all the above said sections in very dynamic way. However, the performance of U.S. companies are better than Indian. U.S. companies are very much familiar with the concept of internet reporting while this is a new concept for Indian companies.

A comparison between printed format of annual report with internet based financial reporting is also made in this research. After comparison and evaluation of printed version of annual reports and information available on the companies’ websites, researcher concludes that there is no difference in Internet Financial Reporting with printed format of annual reports. However, companies’ are efficiently use internet to provide information which comes after the declaration of quarterly or annual results. Companies’ put all the relevant information and news promptly on the website and even companies’ provide information regarding every new event and result directly in the mail box of their registered users through email.

The main benefit of Internet is that it provides any information at any time at any place whenever required. So in this context, an attempt has been made in this study that to analyze the timeliness of companies on the Internet in providing quarterly reports. For this researcher made three slabs i.e. within 10 days, 11-15 days and 16-30 days from the end of the quarter and the results show that US companies perform better as their maximum number of companies declares the quarterly result on internet within 30 days. On an average more than 75% US companies declares their
results within one month from the end of concern quarters. While only 50% of Indian companies declares their quarterly results within one month from the end of concern quarters. As concerned with the comparison between the practices of Internet financial reporting and paper based financial reporting, companies are found better on the Internet as compare to the paper based financial reporting.

Stakeholders or users are also interested to opt Internet financial reporting because they required quick updated information whenever they needed.

The findings show that there is a lack of a uniform approach in India to financial reporting disclosure on the Internet. Financial reporting disclosure on the Internet ranges from none to extreme detail (including voluntary reporting disclosures) for corporations on the Internet. However, in case of U.S., The SEC rules clearly describe the requirements of reporting on Internet. In the context of the qualitative characteristics identified by the International Accounting Standards Board framework, adopted by national jurisdictions, this would compromise quality, relevance, usefulness and timeliness of financial reporting information on the Internet. In return this would pose a dilemma for the user in the context of comparability, due to the lack of uniformity.

In this study one reporting language, called the XBRL was also investigated. This was done due to the immense benefits and potential offered in the literature in support of XBRL, enhancing the qualitative characteristics of understandability, timeliness and more extensive coverage of auditing and verification of information. It was found that this reporting language is mandatory in U.S. and U.S. companies file their annual and quarterly result in XBRL. But in India, it is in experimental stage and that a more extensive time frame may be required for its wider adoption and usage. In this study recommendations were made to improve financial reporting disclosure by companies on the Internet and to make the Internet a more reliable source for presentation of financial reporting information.

SHUBHENDU KUMAR JAIN