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"A STUDY ON IMPACT OF CORPORATE GOVERNANCE ON INTERIM REPORT DISCLOSURE IN THE WAKE OF GLOBAL CHAOS"

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Abstract
The conceptual framework of the Indian Financial Reporting Standards, that is to be followed by all the business that exist in the nation, states that the objective of a financial report is to provide the users of financial reports with the company's financial information, performance and any changes of financial position of the company, wherein, it will be referred across the globe, even though the pandemic has significantly impacted on the business performance. Financial reporting is an important economic activity of any country's businesses and also for the success of any organization to make intensive and extensive economic decisions from the company's corporate governance and also the directors of the company to take ownership of the business during the uncertain time. ***Research Methodology:*** *Conclusion-Based Research design with the research type being quantitative is a base, wherein, the collected secondary data is analyzed by describing the nature of data with the help of descriptive analysis.* ***Sampling and Data Collection:*** *This study involves a systematic sampling in ordered to gather data from the NSE to identify and analyze the impact of Corporate Governance on Interim Report Disclosure during the difficult and uncertain time. This study involves a secondary data gathered from around 210 companies listed in NSE among various industrial sectors.* ***Results:*** *There is a significant influence of size of the board on the effective financial disclosures stating a positive result on the financial reporting, variable board independence have a significant influence on the financial disclosures of the companies, the variable number of board meetings do not have any significant relationship on the financial disclosures and finally the total assets of the sectors also matters and have a significance on the financial disclosures.*

Key Words: Interim Report, Consistency, Corporate Governance, Interim Disclosures, Financial Reporting.

1. Introduction

Financial instruments are very significant component of financial system contribute to organization development and country's economy because, has the directors of the company analyzes the situation of the market and also develops the strategy to be successful in the market, wherein, it helps to trade or exchange of financial products during the uncertain time and majorly during the market chaos. The responsibility of the company chairpersons will increase in all their designing and structuring the organization and also influencing the business to be ethical in nature by maintaining proper financial reporting standards and make sure that, business taxes are paid regularly based on the company's profit and the ethical nature of the business influences the dividends paid to the shareholders of the company and taking care of the stakeholders of the organization during the chaos, has they are the backbone and structure of the business.

Every financial system is a combination of basic components namely financial parameters, financial instruments and financial statements, is very important for the business to operate smoothly and concentrate towards more of gaining profits and these will also help the organizations to develop a proper financial reporting that includes the company's cost accounts, profit and loss accounts and also the balance sheet of the company either annually or in many such cases preparation of financial report interim will be very helpful to study the growth of the business.

Interim financial report is the preparation of financial reporting in the shorter period i.e making multiple reporting either quarterly, bi- annually and then a full financial year to avoid any discrepancy during the market chaos. Interim financial in a simplest form of financial report containing either a complete set of financial statements as it's been described has in Indian Accounting Standards- 1 and presentation of financial statements or a set of condensed financial statements for an interim period stated has either quarterly, bi- annually and then a full financial year to make positive out of tough situation and uncertainty. The main and primary objective of this interim standard is to prescribe and consists the minimum content of an interim financial report and to consist the principles for recognition and measurement in complete or condensed financial statements for an interim period and during marketing chaos.

Hence any organization despite of the important and abundant research on corporate governance is considered to be the major factor for any business success and there is no universally accepted definition of corporate governance available in any nation. Such that the term corporate governance is not properly defined because it potentially includes many different economic trends of the standards so the basic definition of corporate governance stated that has been broadly recognized in all the countries across the globe and carries more responsibilities of the business, especially during the uncertain and market chaos.

2. Literature Review

Caroline and Elizabeth (2020) this study examined the accounting data updated in financial reports may have economic effects through its impact on the behavior of the managers of corporate enterprises. **Lau et al. (2020)** this study speaks about the business being ethical and displaying the statements and reports of the organization adequately will directly influences to minimize or reduction in the fluctuations in company's share prices. **Shirley Leo (2020),** stated that financial reporting it is a tool for obtaining accounts and accurate results from the perspective of the stakeholders, including a comprehensive understanding with respect to interpretations of the described of the business. **S Rujirutana Mandhachitara, et.al (2020),** this study speaks about the pros and cons on the issuance of interims where they have used questionnaires to ascertain investors' perceptions on the usefulness of Indian financial interims. **Anjana Grewal (2020),** this study has stressed on the importance of financial information quality and not how the information was disclosed and the relevant and reliable financial information will generate highest return and consequently lead to efficient capital market. **Chitanya, (2017)** this study speaks about the empirical study on Indian reporting standards that defined interims as a financial report that contains either a complete or condensed set of financial statements for a period shorter than an business for the given financial year. **Ryals and Knox (2020)** this study has stated that audit reviews that are based on enquiry, discussion and also analyses are not adequate for transactions that have occurred in interims. **Popovich (2020),** this study speaks about the financial reports are either published frequently monthly, quarterly or half-yearly or less frequently that is by annually and the frequent issue of financial reports. **Brash (2020),** in this study the major objective is to understand the audit reviews consist primarily of analytical procedures and inquiries of management that they do not include physical inspection. **Soteriou and Zenios (2020),** in evolving economic dispensation, the organizations are internally organized or re-organizing themselves not only drive forward the regional growth agenda but also for organizational-level growth. **Bhaduri (2019)** any business can enjoy the benefits of quality financial reporting, which is ethical in nature if there is an involvement of external auditors. **Swaminathan (2018),** in this study the importance of financial reporting is been highlighted, wherein, any countries economic outlook has continued to drop down recently form many reasons and also the unethical practices followed by the organization. **Boulding et al. (2016),** in his study argue that the implementation of financial reporting has now begun to converge on a common definition of the business to look out for the effective and efficient expansion of the business for its sustainability.

3. Research Methodology

3.1 Need for the Study: The impact of corporate governance on the excellence of interim financial report and its measures for the betterment of business and in preparing the annual financial reports. This study describes the importance of corporate governance, wherein, the company's corporate governance that includes the board of directors and other various instruments considered for the better decision making on company's development and sustainability is appointed to monitor the management during the market chaos and uncertain times.

3.2 Statement of the Problem: The problem identified in the study is that, many earlier researches have only studies on the importance and influence of the corporate governance on the quality of financial reports and only few focus is been offered on the interim reports and negligible amount of research is been carried on studying the impact of the corporate governance on the excellence of interim financial report. Such that this study will help analyze the statistical significance of corporate governance on the financial interims during the market chaos and uncertain times. After availing the clarity on importance of interim financial reports for the success of business and impact of corporate governance on interim reporting excellence by answering the below questionnaires to addressed has the research problem,

1. Which interim standards is effective in consideration for financial reporting of the business during chaos?
2. What is the impact of corporate governance on excellence of interim financial reporting and its disclosures during chaos?

3.3 Objectives of the Study

1. To understand the importance of interim reporting and corporate governance during chaos
2. To analyze the impact of corporate governance on interim disclosures

3.3.1 Hypothesis of the Study

H_{01}: There is no statistical significance among the size of the board and financial disclosures

H_{02}: There is no statistical significance among proportions of independent director and financial disclosures

H_{03}: There is no statistical significance among the number of board meetings held and financial disclosures

H_{04}: There is no statistical significance among the number of board meetings held and financial disclosures

3.3.2 Research Design: In this study, conclusion-based research is designed, and the research type being quantitative, wherein, the collected data is analyzed by describing the nature of data with the help of descriptive analysis.

3.3.3 Sampling Design and Data Gathering: This study involves a probabilistic sampling technique namely, systematic sampling in ordered to gather data from the NSE to analyze the influence of corporate governance on the financial disclosures. This study involves a secondary data gathered from around 210 companies listed in NSE among various industrial sectors.

4. Analysis and Results

a. Industry Classification:

Table 1: Industrial Classification

Industry	No. of non- financial companies in NSE	
	No. of Companies	Percentage in Total
Food and Agro	19	9.05
Chemical Products	45	21.43
Textile	21	10
Consumer Goods	8	3.81
Metal Products	24	11.43
Construction Material	14	6.67
Services	75	35.71
Electricity	4	1.90

The above table describes the selection of companies among the various industrial sectors listed in NSE. Adding on further, the majority of the companies selected in the study belong to the services and least being from electricity (Power Sector).

b. Descriptive Statistics of the Variables.

Table 2: Descriptive Statistics of the Variables

Particulars	Mean	Standard Deviation
Disclosure Score	0.72	0.17
Board Size	8.34	3.64
Board Independence	4.27	1.72
Board Meetings	6.62	2.94
Total Assets	28,814.40	79,533.12

The above table describes the descriptive statistics of variables selected for the study. The above discloses that, the disclosure of score of overall samples is 72%, indicating that companies of various sectors are more observed on disclosing their financial reporting. The values among the other values are disclosed above, wherein, the board size and their independence is more concentrated towards effectiveness of financial disclosures.

c. Range of Disclosures.

Table 3: Range of Disclosures

Disclosure Score	No. of Companies	Percentages of Companies
91-100	**70**	**33.33**
81-90	**52**	**24.76**
71-80	**39**	**18.57**
61-70	**40**	**19.04**
51-60	**09**	**4.28**

From the above table, it is observed that, 33% of the companies of various sector have a disclosures level of 91-100, wherein, 52 companies have a disclosure level of 81-90, similarly the division of the companies and also their level of disclosure are been stated.

d. Regression Analysis.

Table 4: Regression Results

Independent Variable	Dependent Variable	Co-Efficient	Results
Board Size	Financial Disclosures	0.03	Positive
Board Independence		0.01	Positive
No. Board Meetings		0.17	Negative
Total Assets		0.000	Positive

The above regression table illustrates that, the independent variables such as Board Size, Board Independence, No. Board Meetings and Total Assets were analyzed with the dependent variable Financial Disclosures to examine the impact of independent variable on the dependent variable. Adding on further, the above table demonstrates, there is a significant influence of size of the board on the effective financial disclosures stating a positive result on the financial reporting, hence the stated first null hypothesis is rejected. Similarly, the independent variable board independence has a significant influence on the financial disclosures of the companies, hence the stated second null hypothesis is rejected. Adding on further, the variable number of board meetings do not have any significant relationship on the financial disclosures, hence, the stated third null hypothesis is been accepted. Finally, the total assets of the sectors also matter and have a significance on the financial disclosures, describing the stated null hypothesis is been rejected.

5. Conclusion

The importance and influence of the corporate governance on the quality of financial reports and only few focus is been offered on the interim reports and negligible amount of research is been carried on studying the impact of the corporate governance on the excellence of interim financial report. Such that this study will help analyze the statistical significance of corporate governance on the financial interims. After availing the clarity on importance of interim financial reports for the success of business and impact of corporate governance on interim reporting excellence. Hence the study can be concluded in a way that, there is a significant influence of size of the board on the effective financial disclosures stating

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a positive results on the financial reporting, variable board independence have a significant influence on the financial disclosures of the companies, the variable number of board meetings do not have any significant relationship on the financial disclosures and finally the total assets of the sectors also matters and have a significance on the financial disclosures.

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