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Corporate Governance Practices of Commercial Banks: An Investigation in Select Public Sector Banks in India

Jubayeer Ahmed Talukdar[1], Jaynal Uddin Ahmed[2]

[1]Research Scholar, Department of Management, North Eastern Hill University, Tura Campus, Chasingre - 794002, Meghalaya, India
Email: *talukdarjubayeer[at]gmail.com*

[2]Professor, Department of Management, North Eastern Hill University, Tura Campus, Chasingre - 794002, Meghalaya, India. Email: *juahmednehu[at]gmail.com*

Abstract: ***This study evaluates corporate governance disclosures across four leading public sector banks, viz., State Bank of India, Bank of Baroda, Punjab National Bank and Union Bank of India - revealing differing compliance levels. Bank of Baroda demonstrates the highest compliance rate at 90.39%, whereas State Bank of India exhibits the lowest at 79.06%. Challenges are evident in areas such as Board Effectiveness (BF), Audit Function (AF), and Risk Management (RM). Addressing these lacunae is imperative for fostering trust and ensuring regulatory compliance within the banking sector. Future research may explore specific influential factors and innovative strategies to rectify weaknesses. Additionally, conducting comparative analyses across sectors or international benchmarks could offer valuable insights for enhancing corporate governance practices in the banking industry.***

Keywords: Corporate Governance, Public Sector Banks, Disclosure, Compliance

1. Introduction

In today's globalized world, businesses operate in a highly interconnected environment where observance to global principles is essential for remaining competitive. Corporate governance, as a practice ensuring effective decision - making and implementation processes, has acquired significant attention on the global stage (Gandhi & Raju, 2010). This is particularly crucial given the dynamic nature of corporate governance, which is subject to constant changes and developments driven by evolving market dynamics and regulatory landscapes (Seenivasan, 2014). One of the central challenges that corporate governance seeks to address is the agency problem, which arises from the separation of ownership and management in large businesses (Naushad & Malik, 2015). This problem has historically led to issues such as conflicts of interest and managerial opportunism, ultimately resulting in poor organizational performance. In response, efforts to enhance corporate governance have sparked widespread debate and discussion, with stakeholders seeking to establish frameworks and mechanisms that mitigate agency risks and promote accountability (Turlea et al., 2010). The importance of governance in directing and controlling corporate operations has been recognized since ancient times, as evidenced by historical examples and early organizational structures (Rani & Mishra, 2008). The influential Cadbury Report of 1992 emphasized the role of governance in safeguarding the interests of shareholders and stakeholders alike. Moreover, with businesses expanding beyond traditional manufacturing and trading roles to cover a wide array of services, maintaining stakeholders' confidence and trust at the same time enhancing shareholder value has become imperative (Dave & Pratapsinh, 2012). This underscores the critical role of corporate governance in ensuring organizational sustainability and long - term success in today's complex business landscape.

While the roots of corporate governance can be traced back to the inception of the corporate world (Kaur, 2014), notable events like the Watergate scandal in the U. S. and the 2007 - 08 financial crisis stressed the need for regulating the corporate sector, including the banking industry (Khan, 2017). Internationally, various committees and their recommendations such as the Cadbury Report in 1992 and the Hampel Committee in UK in 1995, Greenbury Reports are among the frontrunner in formulating best practices for corporate governance (Rani & Mishra, 2008). In the Indian context, numerous committees and reforms have played a pivotal role in shaping the current development of corporate governance practices. Initiatives by bodies like the Confederation of Indian Industries (CII), Securities and Exchange Board of India (SEBI), and Department of Corporate Affairs (DCA) have been crucial (Shukla, 2009). The Kumar Mangalam Birla Committee Report led to the inclusion of key recommendations in Clause 49 of the Listing Agreement, enhancing transparency (SEBI, 2000). Committees chaired by Naresh Chandra and Narayana Murthy also contributed recommendations on governance standards and revisions to the Companies Act (Ministry of Finance and Company Affairs, 2002; SEBI, 2002). Moreover, the establishment of the National Foundation for Corporate Governance and NSE Centre for Excellence in Corporate Governance further emphasized the importance of governance standards (Ministry of Corporate Affairs, 2009; NSE, 2012). The enactment of the Companies Act 2013 brought significant changes, including provisions for independent directors, related party transactions, and corporate social responsibility (CSR) (Government of India, 2013). These measures have aimed to improve governance standards, simplify regulations, and protect minority shareholders' interests in the Indian corporate landscape.

In the banking industry, corporate governance aims to bolster accountability, credibility, trust, transparency and integrity to protect stakeholders' interests and ensure economic stability (Khan, 2017). The stability of a country's economy depends significantly on its financial institutions, with banks serving as the backbone (Kumar & Pavithra, 2017). India's banking system, a vital component of its financial landscape, has undergone continuous reforms, especially post - independence, and following recommendations from committees like the Narshimham committee. These reforms, coupled with liberalization, privatization, and globalization, have intensified competition within the Indian banking sector, prompting banks to enhance governance mechanisms to earn stakeholders' trust (Davis & Mathew, 2018). These committees aimed to prevent corporate failures by assisting corporations in implementing effective internal controls (Padhi et al., 2017). Therefore, acknowledging the significance of corporate governance, this paper examines its practices in selected public sector banks in India.

2. Review of Literature

The corporate governance practices in the banking sector rise to the context within which banks and their managers function to achieve robust and transparent risk management and decision - making. Good corporate governance is important for banks and financial institutions because they are charged with upholding the public trust and protecting depositors. Good governance also promotes public confidence and upholds the well - being and soundness of the banking system. Given the aforesaid background in mind, several studies already exists dealing with different aspects of corporate governance practices particularly in the banking sector. A review of some of the studies has been done both from the applied and methodological viewpoints.

2.1. Review Related to Corporate Governance of Banks

Arun and Turner (2004) examined the corporate governance of banks in developing economies amid ongoing banking reforms, emphasizing the unique nature of banking institutions. They argued that banks may require stronger corporate governance mechanisms than other firms, but implementation in developing economies could face challenges such as government ownership, distributional cartels, and restrictions on foreign bank entry. Nonetheless, they suggested that banking reforms should be accompanied by a robust prudential regulatory system. Privatization was seen as integral to banking reforms, with corporate governance reforms considered a prerequisite for successful divestiture of government ownership. Additionally, the entry of foreign banks was deemed beneficial for improving corporate governance practices. Adelegan (2005) investigated the relationship between internal and external mechanisms in Nigerian banking companies, utilizing secondary data from annual reports. Findings revealed a higher proportion of non - executive directors and a tendency to separate the roles of chairman and CEO compared to other Nigerian quoted companies. Nigerian banks were also found to employ audit committees with a significant proportion of non - executive directors. Som (2006) analyzed the corporate governance code in India, noting efforts to derive it from international best practices but highlighting challenges rooted in Indian cultural values. Widespread issues such as ownership concentration, lack of protection for minority shareholders, and disregard for disclosure norms were identified as hindering progress in corporate governance principles. Marcinkowska (2012) critically analyzed literature and regulations on corporate governance in banks, attributing weak and ineffective governance mechanisms as contributing factors to the financial crisis. She advocated for significant changes in areas such as board roles, risk management, management remuneration, and transparency. Deb (2013) investigated corporate governance practices in Indian banks, assessing adherence to attributes such as transparency, accountability, disclosure, and share price movements. Findings indicated a commitment to good corporate governance, with executives driving the mission forward. However, the study emphasized the importance of ethical responsibility beyond legal compliance. Ranju and Vineeth (2018) examined women's participation on Indian bank board’s using a sample of 12 banks from the NIFTY Bank Index. Their study revealed that gender balance, particularly with women directors, often met only the minimum statutory requirement, with private banks leading in gender diversity. They recommended increased representation of women on boards beyond statutory measures. Sanchez et al. (2020) empirically analyzed how the global financial crisis of 2007 - 08 prompted changes in the corporate governance mechanisms of banks and improvements in efficiency, comparing the shareholder and stakeholder models. Their study of 46 of the largest commercial banks from various countries over 2002 - 2015 found that Anglo - American countries following the shareholder model maintained high governance effectiveness post - crisis. Conversely, Continental European banks adhering to the stakeholder model enhanced governance effectiveness by modifying practices such as board structure, executive compensation, and implementation of CSR committees, leading to a convergence of governance systems.

2.2. Methodological Review

Hossain (2008) examined the extent of corporate governance compliance and disclosure among Indian banking companies, analyzing mandatory disclosures recommended by SEBI for 38 banks listed on the Bombay Stock Exchange and the National Stock Exchange. The study identified 46 mandatory disclosure items and found that attributes such as size, ownership, board composition, and profitability significantly influenced corporate governance disclosure. Kumar and Upadhaya (2011) aimed to construct a Corporate Governance Index (CGI) for compliance assessment in Nepalese commercial banks. Their methodology involved answering 110 questions distributed across categories including board responsibility, structure, shareholder rights, transparency, and disclosures, with a binary scoring pattern. The resultant CGI was a composite index derived by summing weighted values from each category. Tuteja and

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Nagpal (2013) endeavored to develop a corporate governance index specifically tailored for Indian banks. Their study synthesized existing literature to identify critical factors for evaluating bank governance, ultimately formulating the Corporate Governance Index with benchmarks drawn from Clause 49 of the Listing Agreement of the Indian Stock Exchanges. The index encompassed key factors such as the board of directors, audit committee, remuneration committee, nomination committee, risk management, related party transactions, and disclosures, each further delineated into sub - elements. Haldar and Rao (2013) formulated a corporate governance index for large listed Indian firms spanning 2008 to 2011, utilizing six key governance mechanisms and covering 44 factors affecting governance. They constructed sub - indices for each mechanism and averaged these values to derive an overall Corporate Governance Index, revealing an upward trend in Indian companies' governance levels. Additionally, their findings indicated positive effects of governance and promoter holdings on financial performance, while leverage had a negative impact.

2.3. Research Gap:

The literature review underscores the evolving landscape of corporate governance, particularly within the banking sector, where research incorporating extensive governance variables remains limited. Existing studies predominantly originate from foreign contexts, resulting in a dearth of understanding regarding the effectiveness of governance frameworks specifically tailored to banking firms. Given recent regulatory shifts towards global standards, there exists an opportunity to delve into the corporate governance practices prevalent in the Indian banks. Therefore, this study seeks to bridge these research gaps by identifying and scrutinizing corporate governance factors within the Indian banking sector.

3. Objective of the study

The objective of the study is to assess the implementation of corporate governance practices in select public sector banks.

4. Research Methodology

4.1 Population and sample

The study focuses on corporate governance within the Indian banking sector, specifically on four listed public sector banks with the highest market capitalization as of March 2024. These banks have been in operation since 2015 and are listed on Indian stock exchanges. Secondary data from various reliable sources such as government websites, RBI data, banks' websites, and annual reports will be analyzed to investigate corporate governance practices within these banks. The findings aim to provide insights into their governance frameworks and contribute to understanding corporate governance in the Indian banking industry. Table 1 presents the list of the sample banks.

Table 1: List of the sample banks

Sl. No.	Name of Banks
1.	State Bank of India
2.	Panjab National Bank
3.	Bank of Baroda
4.	Union Bank of India

4.2 Period of the Study

The present study covers the period of last 7 financial years from 2015 - 16 to 2020 - 21. The aforesaid period has been chosen by looking at mainly two important regulatory guidelines as envisaged at -

1) The New Companies Act, 2013 and
2) The Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 of the SEBI Act, 1992.

4.3 Variables Considered:

Basically, there are two types of corporate governance dimensions/mechanisms namely, internal and external. For this study, only internal corporate governance dimensions/ mechanisms have been considered based on literature review and committee recommendations. The variables (Corporate governance dimensions) considered for this study.

I. Board Effectiveness (BE)
II. Audit Function (AF)
III. Risk Management (RM)
IV. Remuneration (R)
V. Shareholder Rights and Information (SRI)
VI. Disclosure and Transparency (DT)

In addition to incorporating various sub - variables, norms, and indicators derived from previous research, a corporate governance index is developed.

4.4 Measuring Technique

Qualitative phenomena or the attributes can be quantified based on the presence and absence of the concerning attributes. Academic researchers have put a considerable effort towards the development of models to measure the governance quality. The typical model takes the form of a Corporate Governance Index that aggregate a several input variables to a single metric. To construct an Index, researchers select governance features (in the form of variables and sub - variables) that are deemed to be important. These variables are quantified while using Dichotomous Approach (Generally through the assignment of two numerical values i. e.0 or 1) and compiled into a Single Unweighted Index that is said to reflect overall governance quality. A banks corporate governance score can be readily compared against those of others to measure its relative effectiveness.

Corporate Governance Index (CGI) will be developed after thoroughly studying the different Acts and Laws prevailing in India which is applicable to Indian banking sector especially New Companies Act 2013 and The Securities and Exchange Board of India (listing obligations and disclosure requirements) regulations, 2015 of the SEBI Act, 1992, Recommendations from different national and international committees, Reports of Corporate governance rating agencies and other literature on corporate governance index. Construction of CGI will carry the key variables and subsequently the sub - variables. The formula to be used to calculate the CGI:

$$CGI = \frac{Actual\ Score}{Expected\ Score} x\ 100$$

5. Analysis and Interpretation

The analysis and interpretation provide a detailed examination of the data collected, uncovering patterns, and its implications. Through careful analysis of the data, we aim to reveal key findings and their significance. The interpretation phase goes beyond the data to offer explanations and insights, contextualizing the results within existing literature and theoretical frameworks. This section presents an assessment of the corporate governance practices of selected banks considered for the study based on the abovementioned selected variables. The bank wise corporate governance practices are presented as under.

Table 2: Corporate Governance Practices of State Bank of India

S. No	Variables/ Years	2015 - 16	2016 - 17	2017 - 18	2018 - 19	2019 - 20	2020 - 21	2021 - 22	**ACGS**	ECGS	**%**
1	BE (20)	12	13	14	16	15	15	14	**99**	140	**70.71**
2	AF (9)	7	7	7	8	7	8	8	**52**	63	**82.54**
3	RM (5)	3	4	4	5	5	5	5	**31**	35	**88.57**
4	R (5)	2	3	2	2	3	3	3	**18**	35	**51.43**
5	SRI (12)	12	12	12	12	12	12	12	**84**	84	**100.00**
6	DT (7)	6	5	5	6	5	5	5	**37**	49	**75.51**
ACGS:		**42**	**44**	**44**	**49**	**47**	**48**	**47**	**321**	**406**	**79.06**
ECGS		58	58	58	58	58	58	58			
%		**72.41**	**75.86**	**75.86**	**84.48**	**81.03**	**82.76**	**81.03**			

Note: (BE) is for Board Effectiveness, (AF) is for Audit Function, (RM) is for Risk Management, (R) is for Remuneration, (SRI) is for Shareholder Rights and Information and (DT) is for Disclosure and Transparency, (ACGS) is for Actual Corporate Governance Score and (ECGS) is for Expected Corporate Governance Score.

Source: *Self - calculated by researchers*

Table 2 offers a comprehensive analysis of the State Bank of India's Corporate Governance disclosures from the fiscal year 2015 - 16 to 2021 - 22, showcasing scores and compliance percentages for each year. Over this period, the bank demonstrated varying levels of compliance, culminating in an overall compliance level of 79.06%. A deeper examination through content analysis of cumulative Corporate Governance disclosures from 2015 - 16 to 2021 - 22 reveals areas of concern where the bank appears to fall short. Notably, in dimensions such as Board Effectiveness (BE), Audit Function (AF), Risk Management (RM), Remuneration (R), and Disclosure & Transparency (DT), there are noticeable gaps in compliance. Specifically, in Board Effectiveness (BE), the bank achieved a compliance rate of 70.71%, indicating opportunities for enhancing governance practices related to board functions. Similarly, in Audit Function (AF), the bank met only 82.54% of the criteria, highlighting room for improvement in audit - related processes. Furthermore, while the bank demonstrated relatively better performance in Risk Management (RM) with an 88.57% compliance rate, there are still areas for refinement. Similarly, compliance rates for Remuneration (R) and Disclosure & Transparency (DT) stood at 51.43% and 75.52% respectively, indicating areas where the bank can strengthen its practices. These findings underline the importance for the State Bank of India to focus on improving corporate governance practices in dimensions like Board Effectiveness (BE), Audit Function (AF), Risk Management (RM), Remuneration (R), and Disclosure & Transparency (DT) which will enhance transparency, accountability, and advance overall governance within the organization, developing trust and confidence among stakeholders.

The aforesaid table 3 offers an overview of the content analysis of Corporate Governance disclosures for the Bank of Baroda from 2015 - 16 to 2021 - 22, detailing scores and compliance percentages for each year. Notably, the bank consistently maintains high compliance levels, with scores ranging from 89.66% to 91.38% across the years, resulting in an impressive overall compliance level of 90.39%. Further, the dimensional cumulative analysis reveals that out of 406 disclosure indicators, the bank scored 367, achieving a compliance level of 90.39%. However, there are specific areas where the bank exhibits lower compliance rates. Particularly, in Board Effectiveness (BE), where out of 140 criteria, the bank fulfilled 117, translating to 83.58% compliance. Similarly, in Audit Function (AF), the bank met 77.78% of the 63 criteria. In Risk Management (RM), it achieved a relatively higher compliance rate of 94.29% by fulfilling 33 out of 35 criteria.

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Table 3: Corporate Governance Practices of Bank of Baroda

Sl No.	Variables/ Years	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021-22	ACGS	ECGS	%
1	BE (20)	17	16	16	17	17	17	17	**117**	140	**83.57**
2	AF (9)	7	7	7	7	7	7	7	**49**	63	**77.78**
3	RM (5)	4	4	5	5	5	5	5	**33**	35	**94.29**
4	R (5)	5	5	5	5	5	5	5	**35**	35	**100.00**
5	SRI (12)	12	12	12	12	12	12	12	**84**	84	**100.00**
6	DT (7)	7	7	7	7	7	7	7	**49**	49	**100.00**
ACGS:		**52**	**51**	**52**	**53**	**53**	**53**	**53**			
ECGS		58	58	58	58	58	58	58	**367**	**406**	**90.39**
%		**89.66**	**87.93**	**89.66**	**91.38**	**91.38**	**91.38**	**91.38**			

Note: (BE) is for Board Effectiveness, (AF) is for Audit Function, (RM) is for Risk Management, (R) is for Remuneration, (SRI) is for Shareholder Rights and Information and (DT) is for Disclosure and Transparency, (ACGS) is for Actual Corporate Governance Score and (ECGS) is for Expected Corporate Governance Score.
Source: *Self calculated by researchers*

These findings highlight Bank of Baroda's consistent adherence to corporate governance practices, with robust compliance rates largely. However, there are areas such as Board Effectiveness (BE) and Audit Function (AF), where the bank could focus on improving compliance to further strengthen its corporate governance framework. Addressing these specific areas of deficiency could contribute to enhancing the bank's overall governance performance and ensuring sustained trust and credibility within the financial sector.

The table 4 shows the content analysis results of corporate governance disclosures of Punjab National Bank from 2015 - 16 to 2021 - 22 that exhibit a generally positive trend, with fluctuations in compliance levels over the years.

Table 4: Corporate Governance Practices of Punjab National Bank

Sl No.	Variables/ Years	2015 - 16	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	ACGS	ECGS	%
1	BE (20)	13	16	17	18	16	15	16	**111**	140	**79.29**
2	AF (9)	7	7	7	9	8	7	7	**52**	63	**82.54**
3	RM (5)	4	4	4	4	3	3	4	**26**	35	**74.29**
4	R (5)	4	5	5	5	3	3	5	**30**	35	**85.71**
5	SRI (12)	11	12	12	12	12	12	12	**83**	84	**98.81**
6	DT (7)	6	6	6	6	6	6	6	**42**	49	**85.71**
ACGS:		**45**	**50**	**51**	**54**	**48**	**46**	**50**			
ECGS		58	58	58	58	58	58	58	**344**	**406**	**84.73**
%		**77.59**	**86.21**	**87.93**	**93.10**	**82.76**	**79.31**	**86.21**			

Note: (BE) is for Board Effectiveness, (AF) is for Audit Function, (RM) is for Risk Management, (R) is for Remuneration, (SRI) is for Shareholder Rights and Information and (DT) is for Disclosure and Transparency, (ACGS) is for Actual Corporate Governance Score and (ECGS) is for Expected Corporate Governance Score.
Source: *Self - calculated by researchers*

Remarkably, the bank's scores improved steadily from 2015 - 16 to 2018 - 19, reaching a peak of 93.10%, but experienced slight declines in 2019 - 20 and 2020 - 21, before bouncing back in 2021 - 22 to 86.21%. The overall compliance level across these years stands at 84.73%. However, a dimensional cumulative analysis reveals areas of improvement. While the bank demonstrates strong performance in Shareholder Rights and Information (SRI), scoring 98.81% compliance, there are notable gaps in dimensions such as Board Effectiveness (BE), Audit Function (AF), and Risk Management (RM), where compliance levels range from 74.29% to 79.37%. Remuneration and Disclosure & Transparency also show moderate compliance levels. Overall, while the bank's commitment to corporate governance is evident, focused attention is needed to enhance compliance in specific dimensions such as Board Effectiveness (BE), Audit Function (AF), and Risk Management (RM) to ensure sustained improvement across all aspects of governance.

The table 5 shows the analysis of Union Bank of India's corporate governance disclosures from 2015 - 16 to 2021 - 22 reveals a generally positive trajectory, with overall compliance levels consistently above 80% and peaking at 94.83% in 2019 - 20. Despite minor fluctuations in yearly scores, the bank maintains a commendable overall compliance level of 86.95%. However, a dimensional cumulative analysis underscores areas of improvement. Especially, the bank falls short in Board Effectiveness (BE), achieving only 76.43% compliance, indicating a need for enhanced governance structures and practices. While Audit Function (AF) and Risk Management (RM) also displays lower compliance levels, scoring 87.31% and 74.29% respectively, Disclosure & Transparency stands out with a robust compliance rate of 93.88%. These findings suggest a strong foundation in certain governance aspects but highlight the necessity for Union Bank of India to address deficiencies in Board Effectiveness (BF) and Risk Management (RM) to further strengthen its overall governance framework.

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Table 5: Corporate Governance Practices of Union Bank of India

Sl No.	Variables/Years	2015 - 16	2016 - 17	2017 - 18	2018 - 19	2019 - 20	2020 - 21	2021 - 22	ACGS	ECGS	%
1	BE (20)	14	13	16	17	18	14	15	**107**	140	**76.43**
2	AF (9)	7	8	8	8	8	8	8	**55**	63	**87.30**
3	RM (5)	3	3	3	4	5	4	4	**26**	35	**74.29**
4	R (5)	5	5	5	5	5	5	5	**35**	35	**100.00**
5	SRI (12)	12	12	12	12	12	12	12	**84**	84	**100.00**
6	DT (7)	6	6	6	7	7	7	7	**46**	49	**93.88**
ACGS:		**47**	**47**	**50**	**53**	**55**	**50**	**51**	**353**	**406**	**86.95**
ECGS		58	58	58	58	58	58	58			
%		**81.03**	**81.03**	**86.21**	**91.38**	**94.83**	**86.21**	**87.93**			

Note: (BE) is for Board Effectiveness, (AF) is for Audit Function, (RM) is for Risk Management, (R) is for Remuneration, (SRI) is for Shareholder Rights and Information and (DT) is for Disclosure and Transparency, (ACGS) is for Actual Corporate Governance Score and (ECGS) is for Expected Corporate Governance Score.

Source: *Self calculated by researchers*

6. Compliance Level and Implications

The analysis of results from each selected public sector bank demonstrates excellent and very good performance in corporate governance practices, upholding findings from notable studies by Shukla (2009) and Das (2013). These studies categorize corporate governance scores into five ranges: Below 41, 41 - 55, 56 - 70, 71 - 85, and 86 - 100, representing Poor, Average, Good, Very Good, and Excellent respectively. This consistency highlights the strength of our findings and confirms that the banks exhibit a relatively high level of commitment to effective corporate governance practices, placing them significantly within the spectrum of governance performance. Our research study's outcomes align consistently with these classifications, as illustrated in table 6.

Table 6: Compliance Level of Select Banks

Private Sector Banks	Compliance (%)	Category	Rank
Bank of Baroda	90.39	Excellent (86 - 100)	1
Union Bank of India	86.95	Excellent (86 - 100)	2
Punjab National Bank	84.73	Very Good (86 - 100)	3
State Bank of India	79.06	Very Good (71 - 85)	4

Corporate governance disclosures across four prominent public sectors banks—State Bank of India, Union Bank of India, Punjab National Bank, and Bank of Baroda—reveals a diverse levels of compliance and performance. Bank of Baroda demonstrates the highest compliance at 90.39%, followed by Union Bank of India at 86.95%, Punjab National Bank at 84.73%, and State Bank of India at 79.06%. While each bank exhibits strengths in certain areas, such as transparency and shareholder rights, there are consistent challenges in dimensions like Board Effectiveness (BE), Audit Function (AF), and Risk Management (RM). Addressing these deficiencies is crucial for enhancing trust, stability, and regulatory compliance within the banking sector, ensuring sustained growth and resilience across the industry.

7. Direction for Future Research:

The present study represents an initial exploration into the corporate governance practices of select public sector banks, focusing on six specific variables. However, future research endeavors could delve deeper into identifying the specific factors influencing governance performance and explore innovative strategies to address identified weaknesses. Additionally, there is a need for comparative and longitudinal analyses to identify effective governance strategies and their impact on overall organizational performance and stakeholder confidence. Comparative studies across different banking sectors or international benchmarks could provide valuable insights for improving corporate governance practices within the banking industry. Such comprehensive research initiatives are essential for fostering continuous improvement and ensuring the resilience and trustworthiness of banking institutions in an ever - evolving regulatory and market landscape.

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Author Proifle

Jubayeer Ahmed Talukdar completed his MBA (Management) from North Eastern Hill University, Tura Campus, Meghalaya, India Currently, he is pursuing his Ph. D from the Department of Management, North - Eastern Hill University, Tura Campus, Meghalaya, India. Mr. Talukdar has published one research paper in a peer - reviewed journal and two papers in edited - volume books/conference proceedings. He has presented research papers on Corporate Governance related to various international, and national seminars and conferences.

Jaynal Ud - din Ahmed, completed his M. Com (Accounting & Finance), Ph. D., and a Master's degree in Law (LL. M). He has completed successfully four sponsored major research projects. Prof. Ahmed has published around five dozen research papers in referred journals (Scopus indexed, Web of Science, UGC care listed, SCI indexed, ProQuest etc) besides eleven research - based books. He has also edited fifteen books to his credit and is actively involved in the supervision of doctoral - level theses. He has presented research papers and has delivered lectures as a resource person in various international and national - level seminars and conferences. Prof. Ahmed is the Chairman of the North - Eastern Management Association and Fonder Chief Editor of the International Journal of Applied Management Research and Executive Editor of the Journal of Advances in Management Sciences & Information Systems, Life Science Global. He is devotedly involved in various socio - economic and research institutions in India and abroad and is actively engaged in teaching and research for over eighteen years. Dr. Ahmed has worked in various administrative capacities at the university throughout his career. At present, he is holding the position of Professor in the Department of Management at North - Eastern Hill University, Tura Campus, Meghalaya, India.