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A Study on Corporate Governance Practices of Select Public and Private Sector Banks in India

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Abstract
This paper presents an analysis of corporate governance disclosures from leading private and public sector banks in India spanning from 2015-16 to 2021-22. Using the content analysis technique, the study demonstrates varying levels of compliance and performance among banks, where private sector banks generally exhibiting higher compliance levels compared to public sector banks. Notable strengths include high compliance in audit function and risk management, while weaknesses are observed in areas such as board effectiveness and transparency across both sectors. The implications of this study underscore the importance of continuous monitoring and evaluation of corporate governance practices in banking institutions to ensure transparency, accountability, and risk management. Addressing identified weaknesses can enhance stakeholder confidence and mitigate risks associated with governance failures. Future research could focus on examining specific governance mechanisms, conducting comparative studies between sectors or regions, and tracking governance disclosures over time to understand the evolution of governance practices and their impact on bank performance. The study concluded that fostering a culture of governance excellence is essential for safeguarding stakeholder interests and ensuring long-term sustainability in the banking sector.

Keywords: Corporate governance, banks, disclosure, stakeholders, public banks, private banks, compliance

1. Introduction

The phenomenon of globalization and the increasing integration of the world economy compelled businesses to adhere the international benchmarks to maintain competitiveness in the market (Gandhi & Raju, 2010) [14]. Corporate governance, which ensures efficient decision-making and implementation processes, has gained considerable importance globally (Seenivasan, 2014) [34]. It is an evolving concept subject to ongoing changes and advancements (Seenivasan, 2014) [35]. The agency problem, arising from the separation of ownership and management, has historically plagued large businesses, resulting in subpar performance (Naushad & Malik, 2015) [28]. Efforts to tackle this issue through corporate governance have sparked widespread debate and discourse (Turlea *et al*., 2010) [39].

The importance of corporate governance has been acknowledged since the inception of organized human endeavors (Rani & Mishra, 2008) [32], particularly within corporations, where it concerns the direction and control of companies' operations (Hariharan, 2020; Cadbury Report, 1992) [7]. As businesses expand beyond traditional manufacturing and trading roles to encompass a diverse range of services, maintaining stakeholders' confidence and enhancing shareholder value has become crucial (Dave & Pratapsinh, 2012) [11].

While the origins of corporate governance can be traced back to the early days of the corporate world (Kaur, 2014) [20], significant events such as the Watergate scandal in the U.S. and the 2007-08 financial crisis have highlighted the necessity of regulating the corporate sector, including banking (Khan, 2017; Yermack, 2012) [22, 41]. In the banking industry, corporate governance aims to strengthen accountability, credibility, trust, transparency, and integrity to safeguard stakeholders' interests and ensure economic stability (Khan, 2017) [23].

The stability of a country's economy depends significantly on its financial institutions, with banks serving as the cornerstone (Kumar & Pavithra, 2017) [26]. India's banking system, a crucial element of its financial landscape, has undergone continuous reforms, particularly post-independence and following recommendations from committees such as the Narshimham committee (Davis & Mathew, 2018) [12]. These reforms, combined with liberalization, privatization, and globalization, have heightened competition within the Indian banking sector, compelling banks to strengthen governance mechanisms to earn stakeholders' trust (Davis & Mathew, 2018) [12].

Internationally, various committees such as the Cadbury Report in the UK and committees in the Indian context, like the Kumarmangalam Birla Committee and the Naresh

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Chandra Committee, have played a pivotal role in formulating best practices for corporate governance (Rani & Mishra, 2008; Padhi *et al*., 2017) [33, 30]. These committees aim to prevent corporate failures by aiding corporations in implementing effective internal controls (Padhi *et al*., 2017; Shleifer & Vishny, 1997) [31, 36]. Therefore, realising the role and directives of corporate governance practices, the present paper attempted to study the corporate governance practices in select public and private sector banks in India.

2. Review of Related Literature

The corporate governance practices within the banking sector arise in the context of banks and their managers striving for effective and transparent risk management and decision-making processes. Sound corporate governance is crucial for banks and financial institutions as they are entrusted with maintaining public trust and safeguarding depositors' interests. Additionally, it fosters public confidence and ensures the stability and health of the banking system. Considering this backdrop, numerous studies have been conducted on various aspects of corporate governance practices, the banking sector. A review of several of these studies has been undertaken from both practical and methodological perspectives.

2.1. Review Related to Corporate Governance of Banks

The area of corporate governance within the banking sector presents a nuanced and multifaceted landscape, as revealed by a number of scholarly inquiries. Haan & Vlahu (2016) [16] discerned three primary factors contributing to the divergence in corporate governance practices between banks and non-financial firms, namely regulatory frameworks, the unique capital structures of banks relying heavily on deposits and high leverage, and the complex and opaque nature of their business operations. They argued that traditional corporate governance structures often fall short in addressing the nuanced governance challenges presented by banks due to their distinctive features. On a similar note, John *et al*. (2016) [19] delved into the intricate interplay between corporate governance, deposit insurance, high bank leverage, and regulatory frameworks, particularly in the context of U.S. banks. Their study underscored the delicate balance between strengthening equity governance and maximizing enterprise value, with high leverage levels in banking institutions posing a significant trade-off. Meanwhile, Damak (2013) [9] conducted a descriptive study examining the existence and efficacy of corporate governance mechanisms in Tunisian banks. Their findings shed light on a plethora of internal and external governance mechanisms, emphasizing the pivotal role of effective board governance in steering banking operations. Additionally, Abdulsaleh (2014) [1] investigated the evolving role of audit committees in Libyan banks, advocating for a broader mandate encompassing functions beyond traditional accounting areas. Furthermore, Aldaas *et al*. (2019) [2] explored the implementation of corporate governance mechanisms in Jordanian banks, highlighting the positive impact of robust governance practices on efficiency, risk mitigation, and market integration. Arun & Turner (2004) [3] delved into the complexities surrounding corporate governance reforms in developing economies, particularly in the context of banking privatization and foreign bank entry, underscoring the critical role of governance reforms in fostering financial stability and market competitiveness. Similarly, Kulkani & Maniam (2014) [24] examined the Indian perspective on corporate governance, emphasizing the imperative of aligning governance practices with global standards and the evolving role of investors and independent directors in shaping governance frameworks. Lastly, empirical studies by Hameed (2016) [18] and Sonara (2018) [38] on specific banks, namely SBI and ICICI Bank Ltd., underscored the pivotal role of corporate governance standards in fostering accountability, stakeholder alignment, and sustainable profitability within banking institutions. These diverse perspectives collectively underscore the intricate interplay between governance frameworks, regulatory landscapes, and market dynamics in shaping the governance paradigms within the banking sector, thereby emphasizing the imperative of robust governance practices in ensuring the stability, efficiency, and integrity of banking operations.

2.2. Methodological Review

The development of Corporate Governance Indices (CGIs) has been an important point in research aimed at evaluating the governance practices of firms in various regions. Kumar & Upadhaya (2011) [25] undertook the task of constructing a CGI exclusively for commercial banks in Nepal, meticulously analyzing 110 questions across key domains such as Board Responsibility and Transparency. Their method allowed for a comprehensive assessment of governance, facilitating the ranking of banks based on their compliance. Haldar & Rao (2013) [17] extended this inquiry to large listed Indian firms, emphasizing mechanisms like the Board of Directors and Audit Committee. Their findings indicated an upward trend in governance levels, with implications for financial performance. Bhuvaneswari & Ramanithilagam (2020) [4] explored the relationship between corporate governance and sustainable performance in the Indian banking sector, highlighting the alignment of governance frameworks with global standards. Meanwhile, Black *et al*. (2006) [6] and Drobetz *et al*. (2004) [13] employed distinct methodologies to analyze governance practices, further contributing to the discourse on governance assessment. Campos *et al*. (2002) [8] developed a governance rating based on OECD principles, encapsulated factors such as Board composition and Disclosure. Together, these studies offer insights into the complexities of corporate governance and its impact on firm performance across diverse contexts, enriching our understanding of governance dynamics globally.

2.3. Research Gap

The literature review underscores the evolving character of corporate governance, particularly within the banking sector, where studies often lack thorough exploration of comprehensive corporate governance factors. Much of the research originates from international contexts, resulting in a lack of understanding regarding the efficacy of governance practices in the banking firms. Given the recent regulatory shifts toward global standards, there exists an opportunity to assess corporate governance practices within Indian banks. Consequently, this study seeks to fill these research gaps by identifying and scrutinizing corporate governance variables specific to the Indian banking industry.

2.4. Objectives of the Study

The present study aims to achieve the following objectives:

i). To assess the implementation of corporate governance practices in Indian banking sector.

3. Research Methodology

3.1. Population and Sample

The study focuses on corporate governance within the Indian banking sector, specifically on four listed public and private 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.

Table1: List of the sample banks

Sl. No.	Public Sector Banks	Private Sector Banks
1.	State Bank of India	AXIS Bank Ltd.
2.	Punjab National Bank	HDFC Bank Ltd.
3.	Bank of Baroda	ICICI Bank Ltd.
4.	Union Bank of India	Kotak Mahindra Bank Ltd.

Source: *Researcher's sample selection*

3.2. Period of the Study

The present study covers the period of 7 financial years from 2015-16 to 2021-22. The aforesaid period has been chosen by looking at mainly two important regulatory guidelines as envisaged at:-

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

3.3. Variables and Measures

For this study, the following corporate governance variables (dimensions/mechanisms) have been considered based on earlier studies and committee recommendations.

Independent variables (Corporate governance dimensions)

i). Board Effectiveness
ii). Audit Function
iii). Risk Management
iv). Remuneration
v). Shareholder Rights and Information
vi). Disclosure and Transparency

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

3.4. 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:

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

4. Analysis and Interpretation

The analysis and interpretation entail a thorough examination of the gathered data, aiming to unveil patterns and their implications. By meticulously analyzing the data, our objective is to explain significant findings and their relevance. The interpretation stage extends beyond the data to provide explanations and insights, placing the results within the context of existing literature and theoretical frameworks. This section evaluates the corporate governance practices of the chosen banks included in the study, focusing on the selected variables mentioned earlier.

The following tables show details Corporate Governance analysis of Public Sector Banks in India.

Table 2: Corporate Governance Practices of State 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)	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*

The provided table 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 a 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.

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	367	406	90.39
ECGS		58	58	58	58	58	58	58			
%		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*

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. 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.

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	344	406	84.73
ECGS		58	58	58	58	58	58	58			
%		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*

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

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*

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 imperative for Union Bank of India to address deficiencies in Board Effectiveness (BF) and Risk Management (RM) to further strengthen its overall governance framework.

The following tables show details Corporate Governance analysis of Private Sector Banks in India.

Table 6: Corporate Governance Practices of AXIS Bank Ltd.

Sl. No.	Variables/Years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	ACGS	ECGS	%
1	BE (20)	18	19	18	18	19	17	18	127	140	90.71
2	AF (9)	8	8	8	9	9	9	9	60	63	95.24
3	RM (5)	5	5	5	5	5	4	5	34	35	97.14
4	R (5)	5	5	5	3	5	4	5	32	35	91.43
5	SRI (12)	11	11	11	12	12	12	12	81	84	96.43
6	DT (7)	6	6	6	7	7	7	7	46	49	93.88
ACGS:		53	54	53	54	57	53	56	380	406	93.60
ECGS		58	58	58	58	58	58	58			
%		91.38	93.10	91.38	93.10	98.28	91.38	96.55			

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 6 presents a detailed overview of AXIS Bank Ltd.'s corporate governance disclosures from 2015-16 to 2021-22, both annually and cumulatively. Throughout this period, the bank demonstrated a strong commitment to maintaining high compliance levels, with minor fluctuations observed. In 2015-16 and 2017-18, AXIS Bank Ltd. achieved commendable compliance percentages of 91.38%, which were maintained in subsequent years, except for a notable improvement to 98.28% in 2019-20. Despite occasional variations, the bank consistently upheld compliance percentages above 90%.

However, a dimensional cumulative analysis of Corporate Governance disclosures uncovered areas necessitating attention. While the overall compliance level for the entire period stood impressively at 93.60%, specific dimensions such as Board Effectiveness (BE) exhibited room for improvement. In terms of Board Effectiveness (BE), AXIS Bank achieved a compliance rate of 90.71%, indicating opportunities for enhancing governance practices related to board functions. Similarly, in the Audit Function (AF), the bank performed well with a compliance rate of 95.23%, suggesting commendable audit-related processes. In spite of these areas for improvement, the bank demonstrated strength in Risk Management (RM) and Shareholder Rights and Information (SRI), with compliance rates of 97.14% and 96.42% respectively. Additionally, Disclosure & Transparency (DT) practices were reasonably strong, with a compliance rate of 93.87%. The findings highlight the importance for AXIS Bank Ltd. to focus on enhancing Board which may ensure greater transparency and accountability within the organization, fostering long-term trust and confidence among stakeholders.

Table 7: Corporate Governance Practices of ICICI Bank Ltd.

Sl. No.	Variables/Years	2020-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	ACGS	ECGS	%
1	BE (20)	17	16	17	18	19	19	19	125	140	89.29
2	AF (9)	8	8	8	8	8	8	8	56	63	88.89
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)	6	6	6	6	7	7	7	45	49	91.84
ACGS:		52	51	53	54	56	56	56	378	406	93.10
ECGS		58	58	58	58	58	58	58			
%		89.66	87.93	91.38	93.10	96.55	96.55	96.55			

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 7 provides a comprehensive analysis of ICICI Bank Ltd.'s Corporate Governance disclosures from 2015-16 to 2021-22, along with aggregate results for the entire period. Notably, the bank demonstrated a consistent effort to maintain high compliance levels over the years. In 2015-16, ICICI Bank achieved a commendable compliance percentage of 89.66%, which slightly decreased to 87.93% in 2016-17 but rebounded to 96.55% in 2017-18. Subsequently, the bank sustained its compliance levels, reaching 93.10% in 2018-19 and peaking at 98.28% in 2019-20. Despite minor fluctuations, ICICI Bank consistently maintained compliance percentages above 90% in the following years. However, a dimensional cumulative analysis of Corporate Governance disclosures revealed areas for improvement. While the overall compliance level for the entire period stood at 93.10%, specific dimensions such as Board Effectiveness (BE) and Audit Function (AF) exhibited shortcomings. In terms of Board Effectiveness (BE), the bank achieved a compliance rate of 89.29%, suggesting opportunities for enhancing governance practices related to board functions. Similarly, in the Audit Function (AF), ICICI Bank achieved a compliance rate of 88.89%, indicating the need for strengthening audit-related processes. Despite these areas of improvement, the bank performed relatively well in Risk Management (RM) and Disclosure & Transparency (DT), with compliance rates of 94.29% and 93.10% respectively. These findings underscore the importance for ICICI Bank Ltd. to focus on areas such as strengthening Board Effectiveness (BE) and Audit Function (AF) to further improve its corporate governance framework.

Table 8: Corporate Governance Practices of HDFC Bank Ltd.

Sl. No.	Variables/Years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	ACGS	ECGS	%
1	BE (20)	17	17	16	17	18	17	17	119	140	85.00
2	AF (9)	8	9	9	9	9	9	9	62	63	98.41
3	RM (5)	4	4	4	5	5	5	5	32	35	91.43
4	R (5)	4	5	5	5	5	5	5	34	35	97.14
5	SRI (12)	11	11	12	12	12	12	12	82	84	97.62
6	DT (7)	6	5	6	6	6	7	7	43	49	87.76
ACGS:		50	51	52	54	55	55	55	372	406	91.63
ECGS		58	58	58	58	58	58	58			
%		86.21	87.93	89.66	93.10	94.83	94.83	94.83			

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*

The analysis of HDFC Bank Ltd.'s Corporate Governance disclosures spanning from 2015-16 to 2021-22 reveals a generally positive trend with gradual improvements in compliance scores over the years. In 2015-16, the bank achieved a commendable compliance percentage of 86.21%, which steadily increased to 94.83% in 2020-21 and 2021-22. However, a deeper cumulative analysis exposes certain areas warranting attention. While the overall compliance level for the entire period stands at a respectable 91.62%, specific dimensions such as Board Effectiveness (BE) and Disclosure & Transparency (DT) exhibit weaknesses. In terms of Board Effectiveness (BE), the bank's compliance rate of 85.00% falls below the desired threshold, suggesting potential areas for enhancement in governance practices related to board functions. Similarly, the Disclosure & Transparency (DT) dimension also reveals room for improvement, with a compliance rate of 87.76%, indicating the need for more robust disclosure practices. On the other hand, the bank demonstrates strength in areas such as Audit Function (AF), Risk Management (RM), Remuneration (R), and Shareholder Rights and Information (SRI), with compliance rates ranging from 91.43% to 97.62%. These findings emphasize the importance of focusing on bolstering Board Effectiveness (BE) and enhancing Disclosure & Transparency (DT) practices to further fortify HDFC Bank Ltd.'s corporate governance framework that may ultimately contributing to its long-term success and stakeholder trust.

Table 9: Corporate Governance Practices of Kotak Mahindra Bank Ltd.

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	17	17	17	17	17	118	140	84.29
2	AF (9)	9	9	9	9	9	9	9	63	63	100.00
3	RM (5)	5	3	2	2	5	5	5	27	35	77.14
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	6	6	6	6	42	49	85.71
ACGS:		54	51	51	51	54	54	54			
ECGS		58	58	58	58	58	58	58	369	406	90.89
%		93.10	87.93	87.93	87.93	93.10	93.10	93.10			

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*

Over the period spanning from 2015-16 to 2021-22, Kotak Mahindra Bank Ltd. exhibited fluctuating trends in its compliance with corporate governance standards. Despite starting strong with a compliance rate of 93.10% in 2015-16, subsequent years saw a dip to 87.93% from 2016-17 to 2018-19. However, the bank managed to regain its footing, achieving a compliance rate of 93.10% in 2019-20 and maintaining this level in 2020-21 and 2021-22. Despite these fluctuations, the overall compliance for the entire period averaged at 90.89%. A dimensional cumulative analysis highlights areas of weakness for Kotak Mahindra Bank Ltd.'s corporate governance practices, particularly in Board Effectiveness (BE), Risk Management (RM), and Disclosure & Transparency (DT). In BE, the compliance percentage stood at 84.29%, while in RM and DT, it was 77.15% and 85.72% respectively. These findings underscore the need for improvement in these specific areas, emphasizing the importance of bolstering Board Effectiveness (BE), enhancing Risk Management (RM) practices, and strengthening Disclosure & Transparency (DT) mechanisms within the bank's corporate governance framework for fostering long-term trust and assurance among stakeholders.

5. Compliance Level

The assessment of corporate governance performance among chosen private sector banks revealed commendable results, whereas public sector banks exhibited a mix of excellent and very good outcomes, as highlighted by significant studies conducted by Shukla (2009) and Das (2013). These studies categorized corporate governance scores into five distinct ranges: below 41, 41-55, 56-70, 71-85, and 86-100, corresponding to poor, average, good, very good, and excellent ratings, respectively. The outcome of our research study is consistent with the aforesaid studies and on the basis of the classification of these studies; the result of our study is highlighted in table 10.

Table 10: Compliance Level of Select Banks

Private Banks	Compliance%	Category	Public Banks	Compliance%	Category
AXIS Bank Ltd.	93.60	Excellent (86-100)	Bank of Baroda	90.40	Excellent (86-100)
ICICI Bank Ltd.	93.10	Excellent (86-100)	Union Bank of India	86.95	Excellent (86-100)
HDFC Bank Ltd.	91.62	Excellent (86-100)	Punjab National Bank	84.73	Very Good (71-85)
Kotak Mahindra Bank Ltd.	90.89	Excellent (86-100)	State Bank of India	78. 82	Very Good (71-85)

6. Conclusion and Implications

The analysis of corporate governance disclosures from leading private and public sector banks in India reveals varying levels of compliance and performance. Private sector banks, such as Axis Bank Ltd., ICICI Bank Ltd., HDFC Bank Ltd., and Kotak Mahindra Bank Ltd. demonstrate higher compliance levels compared to public sector banks like State Bank of India, Bank of Baroda, Punjab National Bank and Union Bank of India. While both sectors show commitment to governance standards, minor deficiencies are observed in areas such as board effectiveness and transparency across all banks.

The implications of this study emphasize the importance of continuous monitoring and evaluation of corporate governance practices in banking institutions to ensure transparency, accountability, and risk management. Addressing identified weaknesses can enhance stakeholder confidence and mitigate risks associated with governance failures. Future research could focus on examining specific governance mechanisms, conducting comparative studies between sectors or regions, and tracking governance disclosures over time to understand the evolution of governance practices and their impact on bank performance. Ultimately, fostering a culture of governance excellence is essential for safeguarding stakeholder interests and ensuring long-term sustainability in the banking sector.

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