



# REVIEW OF RESEARCH

ISSN: 2249-894X

UGC APPROVED JOURNAL NO. 48514

IMPACT FACTOR : 5.2331(UIF)

VOLUME - 7 | ISSUE - 3 | DECEMBER - 2017



## AN ANALYSIS OF CORPORATE GOVERNANCE PRACTICES OF DIFFERENT SECTORS WITH SPECIFIC REFERENCE TO LISTED COMPANIES

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### ABSTRACT:

Corporate governance [CG] has defined as "a system of law and sound approaches by which corporations are directed and controlled focusing on the internal and external corporate structures with the intention of monitoring the actions of management and directors and thereby, mitigating agency risks which may stem from the misdeeds of corporate officers." CG essentially involves 'balancing the interest of the many stakeholders' in a corporate. Few economists describe the corporation as 'a nexus of contracts' leading towards its creation and existence. Governance is related with the efficient controlling of activity of the corporate sector (Fernando, 2009). Indeed, evaluation of effectiveness of CG practices of different sectors as a general is not only challenging but subjective too. The various board attributes represented in terms of board leadership, CEO duality, frequency of meetings, board diversity, representation of independent (outsider director) is been used as an independent variables and its impact on financial performance.

The present study is exploratory in nature, which has attempted to analyse nature of corporate governance practices of select sectors representing trading and non-trading segments. The governance data is being gathered by reviewing governance attributes information available publicly through website maintained by the Ministry of Corporate Affairs, reviewing annual reports, and company websites and so on. The focus of the study is to assess the nature of governance practices among various companies from specific sector as well as intra-sectors.

**KEYWORDS:** Board, Board of Directors, First Generation business, Independent Director, Corporate Governance, Corporate Sector, business houses, Disclosure, Transparency and accountability, CG Index.

### INTRODUCTION:

The description of review of today's top-notch enterprises reflects predominance of first generation enterprises of professionally run business. In 1991, out of the top fifty corporates 22 were principally controlled by known business families / groups. Post liberalisation, corporate operating in India has transformed themselves from family controlled one to a market driven. In fact said trend has different picture February, 2000, wherein about top 35 corporates were administered by professionals and significantly only about 14, were operated by first generation; only 4 out of 50 were run by old business houses. This transformation represent, out of box thinking of younger generation backed by changing external and internal business environment.

CG refers to "all of processes of governing, whether



undertaken by a government, market or network, whether over a family, tribe, formal or informal organization or territory and whether through the laws, norms, power or language." It relates to "the processes of interaction and decision-making among the actors involved in a collective problem that lead to the creation, reinforcement, or reproduction of social norms and institutions. An important argument in favour of corporate governance is its perceptible belief in 'accountability of role' and 'responsibilities' of fiduciary duty. The principles of corporate governance, advocates the implementation of guidelines and effective mechanism to make sure of good behaviour and protect all stakeholders. According to Shleifer&Vishny, who expressed that, corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting returns on their investment.

It is rightly said that, corporate governance is the mechanism by which the values, principles, policies and procedures of a corporation are inculcated and manifested. In today's context, adoption of good corporate governance practices emerged as an integral elements for doing business.

The argument of corporate governance got limelight through series of corporate failures across the world, notoriously Enron, WorldCorn topped the list. These gigantic corporates collapsed due to lack of governance mechanism. To cater to such challenges, corporate governance principles and codes have been developed by regulatory authorities from different economies. In India, in spite of SEBI's strong surveillance mechanism 'Satyam' saga exposed lack of accountability in the company and raised questions on corporate governance standards of the country too.

A level of adherence to CG depends upon the commitment of the management to abide by the principle of integrity, transparency in operations and disclosure of its practices within governance sphere created by the regulator. Few studies undertaken in this field have analysed board effectiveness as a relationship between boards attributes in terms of its number strength, quality composition, leadership style and financial performance. The present study is an attempt to analyse nature of governance practices amongst listed group companies of business conglomerate, based on CG index score. The CG index score is been worked out based on different attributes of governance. The study determines the broad characteristics of Indian listed firm's board of directors. As the characteristics of all board are distinctive yet in some way alike. But, effectiveness of board may vary depending on a range of various parameters.

### **SIGNIFICANCE OF STUDY**

Numerous studies emanating from academic and non-academic platform over the years show that good corporate governance will yield numerous advantages to the investors, company and nation as a whole.

The result of this study will help in assessing nature of corporate governance practices of various Indian listed firms as part of sector as well to assess intra sectorial adherence of corporate governance practices. The results of this study can be used by corporate decision maker in order to implement desirable practices in their respective sector based on outcome of sectorial assessment. The present study is an attempt to contribute to the body of knowledge in this area through examining the corporate practices among different corporates falling in same sector as well as intra –sectorial. The study may become useful to corporate to strengthen its existing level of governance practices. Finally the outcomes of this study may contribute to Indian regulators for formulating corporate governance policies in India. Eventually, the study may contribute to the overall improvement of Indian corporate governance.

### **REVIEW OF LITERATURE**

Corporate Governance consists of strategies, process and laws through which a firm is directed and controlled. The board of directors are key constituents through which companies are directed within vacuum of legal framework(Vishny, 1997). The directors of the board possess the ultimate executive power and authority within a firm (Renton, 1994). The director's responsibilities are classified into three roles, namely control, services and resource dependence (Kula, 2005). The directors need to monitor functions of managers as custodian of stock holders. The directors are expected to mitigate agency problem and safeguard interest of stakeholders. Independent directors are become a paradigm institution of corporate governance and codes across the world. Independent directors are considered as watch dog of governance

and they are in a better position to determine whether a particular transaction is in the interest of the Company or not (Nicholson, 2007). A director might be in conflict of his interest and yet independent and not conflicted and not independent within the board room (Taylor, 2004).

In Indian scenario, firms often view independence as a mere statutory obligation and fulfil by appointing people who consider the role as ceremonial. Research by (Vance, 1983) asserted that in past; the board were passive and made modest contribution to the strategic decision of the firm. (Hamilton, 1997), asserted that the role of CEO's remain prominent in firm's decision making. With evolution of governance norms and practices, the roles of board of directors have become more and more challenging. The era of globalisation has created challenges while dealing in global operations coupled with cultural divergence (Rajesh, 2007). The dynamics of business management offered immense opportunities for right business house to explore growth options by floating different entities through listing of securities on stock exchanges.

### OBJECTIVE OF STUDY

- 1) To analyse the corporate governance characteristics of specific sectorial companies from different management.
- 2) To examine and assess governance characteristics from different sectors and to assess reasons underlying it for such variation for effective board management, by means of CG Index.

### METHODOLOGY

The study was founded on the positive note. The Corporate governance index scores have been worked out to find out effectiveness of the board as a general. Various broad parameters of governance have been identified and each parameter is been further fragmented and each of the fragmented sub attributes has been assigned with standard score/ value, based on its importance in line with clause 49 / SEBI ( Listing Obligation and Disclosure) Regulation, 2015. The identified parameters covers both mandatory, non-mandatory and few trend setting voluntarily practices which are yet not mentioned in any regulation but could be recommendatory by the regulator in future. The purpose of score card computation is to analyse, compact ability of each firm's compliance level by adherence to defined norms or expected industry standards of governance. For the purpose of evaluation of governance practices, scores have been classified based on its pre-defined classification. Firms having score >86 -100, have been rated as Excellent, whereas those score between 71-85 are tagged as Good. Those firms have score between 56-70 are tagged as Average and score below 55 are rated as 'Poor'.

### Sample Selection

The study of board effectiveness of selected group companies listed on NSE and forming part of NIFTY indices, of select business house out of 137 overall companies identified on select parameters, covering period 2010-11 to 2014-15. Those select companies from different groups are representing different industries and are been selected on the basis of free float criteria have been considered for this study. The study covers 6 six houses under same management, representing different sector, listed on NSE and forming part of NIFTY indices.

### Statistical Analysis

The data of the corporate governance is been computed based on corporate governance score index, prepared specially for this study and relevant statistical methods applied for analysis, as mentioned below.

### Industry-wide distribution

Out of the two sets of companies covered under the study, the first one comprising 123 companies across 10 different sectors is the primary set, which is used for all the statistical analyses. As shown in the industry-wide distribution of companies listed under the study (as in Figure 1.1 here), appropriate consideration is done to include almost equal number of companies across the ten sectors, although it is not

a stringent rule. More companies appear from banking industry as it includes both public-sector banks and private banks.

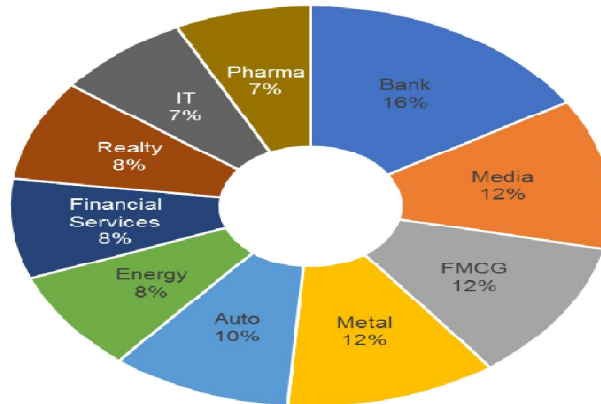


Figure 1.1: Industry-wide Distribution of Companies

**Hypothesis H1 Corporate governance scores among various Sectors of the Indian companies**

**Null Hypothesis:**

**H01:** There is no significant difference in the corporate governance scores among various Sectors of the Indian companies.

**Alternate Hypothesis**

**H01:** There is significant difference in the corporate governance scores among various Sectors of the Indian companies.

The broad objective of this investigative study is to assess the nature of corporate governance practices, observed by the select companies listed on NSE forming part of sectors indices on select parameters. The companies listed on NSE and continuously forming part of any identified index(s) were selected for the study. Select corporate governance parameters have been used to understand / evaluate the nature of corporate governance practices of respective firms. The study is been carried with exercise of 'Corporate Governance Index', designed for purpose of present study. On the basis of diverse factors, review(s) of literature, a specific score value has been assigned to each parameter or group of parameters. The present chapter look forward to deduced summary of findings from the interpreted data. The summaries of findings in this respect are being discussed as under:

Table 1.1: Summary of post hoc analysis test results

**ANOVA FOR INDUSTRY - Post Hoc Analysis Summary**

Industry sectors	02-FMCG	03-Realty	04-Auto	05-Bank	06-IT	07-Energy	08-Metal	09-Media	10-Financial Services	Grand Total
01-Pharma	0.082	0.353	0.014	0.303	0.011	0.001	0.812	0.288	0.003	1.868
02-FMCG		0.014	0.373	0.561	0.242	0.016	0.065	0.005	0.209	1.484
03-Realty			0.003	0.057	0.004	0.000	0.513	0.995	0.001	1.573
04-Auto				0.183	0.705	0.082	0.016	0.001	0.742	1.728
05-Bank					0.137	0.008	0.184	0.025	0.120	0.474
06-IT						0.194	0.016	0.001	0.900	1.111
07-Energy							0.001	0.000	0.108	0.110
08-Metal								0.438	0.009	0.447
09-Media									0.000	0.000
Grand Total	0.082	0.367	0.389	1.103	1.099	0.302	1.607	1.753	2.093	8.796

- From the summary results, it is observed that the corporate governance scores of some industries differ significantly from the corporate governance scores of other industries. More specifically, the following insights can be gleaned from these results:
- The cells highlighted text and backgrounds are the ones where the corresponding two industry sectors differ significantly in terms of the corporate governance scores.
- The cells not highlighted are the ones where the corresponding industry sectors do not differ significantly on the CG scores.
- The CG scores of energy and media companies differ from those of most other industries.

- The above observation is not too surprising considering that most energy companies have highest CG scores and most media companies have least CG scores (see Table 1.2 for avg. CG scores).
- Method: ANOVA one-way analysis

**Table 1. 2 : Summary of corporate governance across 10 sectors**

SUMMARY				
Groups	Count	Sum	Average	Variance
Pharma	9	593	65.89	14.05
FMCG	14	965.8	68.99	16.82
Realty	10	638.4	63.84	28.76
Auto	12	844.8	70.40	14.27
Bank	20	1359.6	67.98	29.04
IT	9	639.4	71.04	14.77
Energy	10	739	73.90	26.78
Metal	14	915.2	65.37	32.39
Media	15	957.4	63.83	23.72
Financial Services	10	708.6	70.86	5.60

**Table 1.3: ANOVA test for equality of means and variance (across sectors)**

Total Corporate Governance Score

Source of Variation	Sum of squares	degree of freedom	Mean Square	F-Value	P-value (Significance)
Between Groups	1167.13	9	129.68	5.95	<b>0.000000861677</b>
Within Groups	2461.29	113	21.78		
Total	3628.42	122			

• **One-way ANOVA result:** F (9, 113) = 5.95, p = 0.000000862

**Overall general industry specific scrutiny of governances practices:**

The CG score points were being assigned to each parameter(s) as per Corporate Score Disclosure Index, designed for the present study purpose. The summaries of average scores obtained by each industry, across study period, are tabulated as follow:

- 1) Average total corporate governance score, across all industry sectors for five years were:

FY	2010-11	2011-12	2012-13	2013-14	2014-15
Average ( All Sectors)	65.76	66.11	67.24	68.24	72.24
All Co's	65.64	66.11	67.27	68.45	72.84

- 2) The Average CG Score for companies on five year basis is 68%. Inclusion of Nifty & MNC's in above computation did not make much difference, in overall score of the companies. There is progressive improvement in overall average industry CG score from 65% to 72%, across all sectors averages as well as all averages of all companies, including MNC and Nifty.
- 3) The industry CG score has improved substantially at the end of FY 2014-15, from immediate past year [2013-14], i.e. 68.45% to 72.84%; this is on account of implementation of the corporate governance provisions of the companies Act, 2013. As observed from records, most of the changes as to board composition / constitution, women directors etc. occurred during second half of FY 2014-15, across all sectors, leading to overall improvement in CG Score Index.
- 4) With reference to the sector wise, composite average scores of five years [all companies] under study, maximum and minimum sectorial score for first year of study and last year of study, are shown herein below:

Industrial Sector	No. of Cos	Average Score	Maximum Score		Minimum Score	
			2010-11	2014-15	2010-11	2014-15
Automobile	12	70.40	78	83	60	71
Bank	20	67.98	78	83	54	58
Energy	10	73.90	83	84	65	67
Fin Services	10	70.86	75	81	64	70
FMCG	14	68.99	72	84	55	68
IT	9	71.04	77	84	65	72
Media	15	63.83	71	76	50	62
Metal	14	65.37	74	87	50	62
Pharma	9	65.89	73	76	54	68
Realty	10	63.84	70	73	47	68
Sub-Total (A)	123	68.21				
MNC	5	70.40	72	83	55	72
Nifty (Other)	9	67.91	72	82	57	72
Sub-Total (B)	14					
Total (A+B)	137	68.37				

- 5) Composite lowest average CG Score on five yearly counts was observed for Media sector of 63.83% and 63.84% for Realty sector respectively, whereas highest CG Score observed for Energy sector with 73.90%, which is followed by IT with 71.04%.

Corporate governance score range distribution for FY 2010-11, 2012-13 and 2014-15

The following are the pre-determined range of CG scores that would give insight as to corporate governance distribution for FY 2010-11, 2012-13 and 2014-15, of all companies under consideration.

**a) CG Score Range –Distribution across all sectors for FY 2010-11.**

Sector	0-40	41-55	56-70	71-85	86-100
Auto	0	0	9	3	0
Bank	0	1	13	6	0
Energy	0	0	3	7	0
Fin Ser	0	0	7	3	0
FMCG	0	1	10	3	0
IT	0	0	6	3	0
Media	0	3	9	3	0
Metal	0	2	11	1	0
Pharma	0	2	6	1	0
Realty	0	2	8	0	0
Sub Tot(A)	0	11	82	30	0
MNC	0	1	2	2	0
Nifty	0	0	8	1	0
Sub To (B)	0	1	10	3	0
<b>Tot (A +B)</b>	<b>0</b>	<b>12</b>	<b>92</b>	<b>33</b>	<b>0</b>

**b) CG Score Range –Distribution across all sectors for FY 2012-13.**

Sector	0-40	41-55	56-70	71-85	86-100
Auto	0	0	8	4	0
Bank	0	0	15	5	0
Energy	0	0	3	6	1
Fin Ser	0	0	7	3	0
FMCG	0	0	9	5	0

IT	0	0	7	2	0
Media	0	1	13	1	0
Metal	0	1	11	2	0
Pharma	0	0	8	1	0
Realty	0	1	9	0	0
Sub Tot(A)	0	3	90	29	1
MNC	0	1	1	3	0
Nifty	0	0	6	3	0
Sub Tot(B)	0	1	7	6	0
<b>Tot (A +B)</b>	<b>0</b>	<b>4</b>	<b>97</b>	<b>35</b>	<b>1</b>

#### c) CG Score Range –Distribution across all sectors for FY 2014-15

Sector	0-40	41-55	56-70	71-85	86-100
Auto	0	0	0	12	0
Bank	0	0	9	11	0
Energy	0	0	2	8	0
Fin Ser	0	0	1	9	0
FMCG	0	0	0	14	0
IT	0	0	0	9	0
Media	0	0	9	6	0
Metal	0	0	7	6	1
Pharma	0	0	1	8	0
Realty	0	0	7	3	0
Sub Tot (A)	0	0	36	86	1
MNC	0	0	0	5	0
Nifty	0	0	1	8	0
Sub Tot (B)	0	0	1	13	0
<b>Tot ( A +B)</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>99</b>	<b>1</b>

The above tables reflect, shift in the proportion of CG scores during first, mid and last year of study. On positive note, none of the Company falls in the CG Score bracket of 0-40, indicating passing of basic test of existence of governance system. To understand the level of CG practices, it is observed that, within CG range of 41-55, in initial year, 12 companies were appearing, which eventually reduced to 4 and 0 (zero) in FY 2014-15.

In the same manner, in respect of CG Score bracket of 56-70, highest concentration of 92 companies at initial stage, which further got increased to 99 and fall down to 37 in the last FY. On positive side, CG bracket of 71-85, has seen much happening in all three periods; 33 Companies were standing in this bracket in FY 10-11, which stood increased to 35 in FY 12-13. In the last period of study, 99 companies got entry to this bracket, indicating substance in the CG index for all these companies.

In negative connotations, no company had exceeding its CG score beyond 85 in FY 2010-11, which just increased to 1 (one) company respectively for FY 2012-13 and 2014-15 .

#### 1.4 Analysis of CG Score range Distribution

##### a) CG Score Range between 41- 55

Sr. No	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1	Auto	0	0	0	0	0
2	Bank	1	3	0	0	0
3	Energy	0	0	0	0	0
4	Fin Serv.	0	0	0	0	0
5	FMCG	1	0	0	0	0
6	IT	0	0	0	0	0

7	Media	3	2	1	0	0
8	Metal	2	2	1	0	0
9	Pharma	2	2	0	0	0
10	Realty	2	1	1	1	0
	All Sect(A)	11	10	3	1	0
11	MNC	1	1	1	0	0
12	Nifty –oths	0	0	0	0	0
	Total (B)	1	1	1	1	0
	All Co's (A+B)	12	11	4	1	0

As far as study of individual CG range of 41-55 is concerned, across all five years, the number of companies have falling within this bracket has reduced to 0 (zero). Auto, Energy, Financial Services, IT stood zero within this range and others sectors have turn to zero, in second, third and fourth year.

#### b) CG Score Range between 56-70

Sr. No	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1	Auto	9	9	8	8	0
2	Bank	13	14	15	12	9
3	Energy	3	3	3	3	2
4	Fin Services	7	6	7	6	1
5	FMCG	10	10	9	9	0
6	IT	6	7	7	3	0
7	Media	9	11	13	14	9
8	Metal	11	11	11	10	7
9	Pharma	6	6	8	7	1
10	Realty	8	9	9	8	7
	All Sector (A)	82	86	90	80	36
11	MNC	2	1	1	1	0
12	Nifty –Others	8	6	6	5	9
	Total (B)	10	7	7	6	9
	All Cos (A+B)	92	93	97	86	45

With reference to individual CG range of 56-70 is concerned, across all five years, the number of companies falling within this bracket has reduced to half of its original size, in last year. The reduction in numbers occurred in last FY. Auto, IT, FMCG and MNC sector indices scores have not fall in this CG bracket in last FY; this indicates swift gearing to attain higher level of CG practices.

#### c) CG Score Range between 71-85

Sr. No	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1	Auto	3	3	4	4	12
2	Bank	6	3	5	8	11
3	Energy	7	7	6	7	8
4	Fin Services	3	4	3	4	9
5	FMCG	3	4	5	5	14
6	IT	3	2	2	6	9
7	Media	3	2	1	1	6
8	Metal	1	1	2	4	6
9	Pharma	1	1	1	2	8
10	Realty	0	0	0	1	3
	All Sector (A)	30	27	29	42	86
11	MNC	2	3	3	4	5
12	Nifty –others	1	3	3	4	8
	Total (B)	3	6	6	8	13
	All Co's (A+B)	33	33	35	50	99



With reference to individual CG range of 71-85 is concerned, across all five years, the number of companies have falling within this bracket were same for FY 2010-11 & 2011-2012. This number has stand increased to 35 in FY 2012-13 and to 50 in FY 2013-14. The number of companies with its CG score in the last year of the study is almost 50% from that of immediate previous year. More companies from Auto, Bank and FMCG, were the constituents of this bracket. In most of the segments, changes occurred in this CG score bracket, that too in FY 2014-15.

## CONCLUSION

Table 1.3 show the result of the ANOVA (one-way analysis) test across the ten sectors. The significance value of the test is 0.000000862 which is less than 0.05 (the 5% significance level  $\alpha$  of the hypothesis). There were statistically significant differences between group means as determined by one-way ANOVA ( $F(9,113) = 5.95, p = 0.000000862$ ). Therefore, the null hypothesis of the test can be rejected to conclude that there is significant variation in the corporate governance scores across the ten sectors.

ANOVA test indicates whether there is an overall difference among the groups, however it does not reflect which specific groups differed; post hoc tests do that. Post hoc tests are performed to ascertain where the differences occurred and between which groups. The post hoc tests should only be run when the ANOVA tests show an overall statistically significant difference in group means (i.e., a statistically significant one-way ANOVA result) which we have here.

Total numbers of directors on the board were observed in range of 04-20 with average number from 10-14 directors on the board. Realty sector has observed lower number of directors of 06-08. Financial Services sector too have average number of board members below 10.

PSU companies having serious problem with minimum requirement of independent directors on the board. Whereas majority of widely held companies complies with the minimum requirement of independent directors on the board. Further, it is observed that majority of widely held listed companies have more than that prescribed by the regulation i.e more than 1/3 in case of non-executive director as Chairman and more than 1/2 in case of executive chairman.

Number of Women Director during FY 2010-11 to 2013-14, found to be very negligible. Only handful of companies, have appointed women directors before it was made mandatorily by the Companies Act, 2013. Even Tata Group, companies are not exception to appointment of women director. It is was observed that, most of companies had appointed women director during last few month of FY 2014-15. IT sector companies progressively have shown healthy trend of appointment of women director(s) from 2012-13 onwards. Percentage of attendance, at board & committee meetings observed to be about 73%, whereas attendance of board members at Annual General Meeting is 69%. As far as office of the Chairman of the Company is concerned, across study period, it is observed that India Inc, had reflected balance picture of both executive and non-executive, across all companies and all sectors.

Overall, progressive legislative compulsion only makes most of Indian firms to adapt to newer level of governance practices. Amongst the selected sectors group, energy sector is pro corporate. The CG practices of manufacturing (non-trading/ non servicing ) industry is far below than that of corporates representing servicing industry. Independent directors need to have a clear understanding of their role in corporate governance and be able to exercise sound judgement about the affairs of the Company. Indian firms have to come out with strong governance practices in order to ensure the confidence and trust of investor, society at large and government. There are numerous development taking at international level, a cue has to be taken by both regulator as well as Indian firms to adhere to those levels.

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### Annexure A

#### Corporate Governance Disclosure Score & corresponding rank of all companies.

SR. NO	1	Auto Index	TOTAL SCORE					TOTAL SCORE					
			CODE	10-11	11-12	12-13	13-14	14-15	10-11	11-12	12-13	13-14	14-15
1	1	Amara Raja Batteries Ltd.	101	70	76	73	70	76	32	5	19	51	30
2	2	Apollo Tyres Ltd.	102	70	65	61	64	71	32	82	115	108	91
3	3	Ashok Leyland Ltd.	103	68	69	70	67	77	49	41	36	78	24
4	4	Bajaj Auto Ltd.	104	68	70	73	73	75	49	32	19	26	44
5	5	Bharat Forge Ltd.	105	63	66	69	75	75	93	72	49	16	44
6	6	Exide Industries Ltd.	106	69	70	70	70	78	43	32	36	51	17
7	7	Hero MotoCorp Ltd.	107	72	66	67	70	74	16	72	67	51	56
8	8	Mahindra & Mahindra Ltd.	108	73	76	71	72	76	13	5	29	34	30
9	9	MothersonSumi Systems Ltd.	109	62	64	65	66	76	97	90	91	89	30
10	10	TVS Motor Company Ltd.	110	60	62	58	68	74	111	104	129	69	56
11	11	Tata Motors Ltd.	111	78	74	78	80	83	3	12	4	3	5
12	12	Maruti Suzuki	112	65	67	68	69	79	77	60	60	60	16
	<b>2</b>	<b>Bank Index</b>											
13	1	Axis Bank Ltd.	201	64	65	62	61	75	85	82	111	121	44
14	2	Bank of Baroda	202	68	68	67	68	68	49	54	67	69	107
15	3	Bank of India	203	56	55	61	67	67	121	127	115	78	115
16	4	Canara Bank	204	54	53	56	59	59	<b>131</b>	<b>132</b>	<b>132</b>	<b>127</b>	<b>136</b>
17	5	Federal Bank Ltd.	205	71	76	76	78	83	21	5	8	5	5
18	6	HDFC Bank Ltd.	206	71	69	70	67	76	21	41	36	78	30
19	7	ICICI Bank Ltd.	207	72	74	76	77	74	16	12	8	10	56
20	8	IndusInd Bank Ltd.	208	60	64	66	69	73	111	90	81	60	68
21	9	Kotak Mahindra Bank Ltd.	209	66	67	70	72	76	66	60	36	34	30
22	10	Punjab National Bank	210	69	67	67	65	65	43	60	67	95	122
23	11	State Bank of India	211	63	65	65	64	66	93	82	91	108	120
24	12	Yes Bank Ltd.	212	66	54	67	68	71	66	130	67	69	91
25	13	Allahabad Bank	213	66	63	64	61	58	66	97	97	121	<b>137</b>
26	14	Andhra Bank	214	61	69	66	74	67	103	41	81	22	115
27	15	IDBI Bank Ltd.	215	70	69	69	78	73	32	41	49	5	68
28	16	Oriental Bank of Commerce	216	62	66	67	67	62	97	72	67	78	131
29	17	Syndicate Bank	217	78	79	80	80	74	3	2	3	3	56
30	18	Union Bank of India	218	70	66	64	66	60	32	72	97	89	135
31	19	City Union Bank Ltd.	219	71	70	72	73	78	21	32	25	26	17
32	20	KarurVysya Bank Ltd.	220	71	65	71	73	77	21	82	29	26	24
	<b>3</b>	<b>Energy</b>											
33	1	BPCL	301	65	65	61	64	68	77	82	115	108	107

34	2	GAIL (India) Ltd.	302	71	69	70	69	67	21	41	36	60	115
35	3	HPCL	303	70	72	72	72	75	32	22	25	34	44
36	4	Indian Oil Corporation Ltd.	304	75	76	74	74	78	8	5	15	22	17
37	5	NTPC Ltd.	305	73	76	74	78	77	13	5	15	5	24
38	6	ONGC Ltd.	306	83	83	83	76	74	1	1	2	12	56
39	7	PGCI Ltd.	307	66	67	67	68	76	66	60	67	69	30
40	8	Reliance Industries Ltd.	308	77	76	75	77	84	6	5	12	10	2
41	9	Reliance Infrastructure Ltd.	309	79	71	69	73	82	2	26	49	26	8
42	10	Tata Power	310	78	74	86	84	82	3	12	1	1	8
	<b>4</b>	<b>Financial Services</b>											
43	1	Bajaj Finance Ltd.	401	67	69	70	72	76	58	41	36	34	30
44	2	Bajaj Finserv Ltd.	402	66	66	66	70	77	66	72	81	51	24
45	3	Bajaj Hold.& Investment Ltd.	403	68	69	70	71	77	49	41	36	45	24
46	4	Housing Dev. Fin. Corp. Ltd.	404	71	71	72	70	78	21	26	25	51	17
47	5	LIC Housing Finance Ltd.	405	68	69	69	75	81	49	41	49	16	11
48	6	M & M Financial Services Ltd.	406	75	73	75	76	75	8	18	12	12	44
49	7	Power Finance Corporation Ltd.	407	75	78	77	63	72	8	3	6	112	79
50	8	Rural Electrification Corporation Ltd.	408	67	72	70	69	72	58	22	36	60	79
51	9	Shriram Transport Fin.Co. Ltd.	409	64	67	67	69	70	85	60	67	60	99
52	10	Sundaram Finance Ltd.	410	65	66	65	70	73	77	72	91	51	68
	<b>5</b>	<b>FMCG</b>											
53	1	Britannia Industries Ltd.	501	70	74	70	73	76	32	12	36	26	30
54	2	Colgate Palmolive (India) Ltd.	502	56	59	58	69	75	121	117	129	60	44
55	3	Dabur India Ltd.	503	70	69	69	72	80	32	41	49	34	14
56	4	Emami Ltd.	504	70	66	66	67	74	32	72	81	78	56
57	5	Godrej Consumer Products Ltd.	505	66	69	67	68	68	66	41	67	69	107
58	6	Godrej Industries Ltd.	506	64	60	60	65	71	85	110	122	95	91
59	7	Hindustan Unilever Ltd.	507	72	71	76	76	84	16	26	8	12	2
60	8	I T C Ltd.	508	69	73	74	67	71	43	18	15	78	91
61	9	Jubilant Foodworks Ltd.	509	67	71	66	69	71	58	26	81	60	91
62	10	Marico Ltd.	510	65	68	68	68	75	77	54	60	69	44
63	11	Procter & Gamble Hy Ltd.	511	55	56	59	60	73	126	126	126	126	68
64	12	Tata Global Beverages Ltd.	512	71	69	71	72	78	21	41	29	34	17
65	13	United Breweries Ltd.	513	71	68	72	70	78	21	54	25	51	17
66	14	MCDOWELL-N	514	65	63	71	72	73	77	97	29	34	68
	<b>6</b>	<b>IT</b>											
67	1	HCL Technologies Ltd.	601	68	67	63	65	75	49	60	105	95	44
68	2	Infosys Ltd.	602	75	75	78	75	81	8	11	4	16	11
69	3	KPIT Technologies Ltd.	603	71	70	70	72	77	21	32	36	34	24

70	4	MindTree Ltd.	604	67	64	67	72	73	58	90	67	34	68
71	5	Tata Consultancy Services Ltd.	605	77	78	76	75	84	6	3	8	16	2
72	6	Tata Elxsi Ltd.	606	65	66	67	67	75	77	72	67	78	44
73	7	Tech Mahindra Ltd.	607	69	67	70	65	72	43	60	36	95	79
74	8	Wipro Ltd.	608	66	68	69	71	75	66	54	49	45	44
75	9	Orcale Financial Services Ltd	609	67	69	69	71	74	58	41	49	45	56
	<b>7</b>	<b>Media</b>											
76	1	D.B.Corp Ltd.	701	59	64	66	56	72	115	90	81	135	79
77	2	Den Networks Ltd.	702	50	50	50	57	64	<b>135</b>	<b>136</b>	<b>136</b>	<b>133</b>	<b>125</b>
78	3	Dish TV India Ltd.	703	68	63	71	75	76	49	97	29	16	30
79	4	Eros Intl Media Ltd.	704	66	71	69	68	76	66	26	49	69	30
80	5	HT Media Ltd.	705	54	53	59	65	64	<b>131</b>	<b>132</b>	<b>126</b>	<b>95</b>	<b>125</b>
81	6	Hathway Cable &Datacom Ltd.	706	71	68	69	68	74	21	54	49	69	56
82	7	Inox Leisure Ltd.	707	55	57	59	59	65	126	123	126	127	122
83	8	JagranPrakashan Ltd.	708	60	60	62	63	63	111	110	111	112	129
84	9	Network18 Media & Investments Ltd.	709	67	70	68	67	70	58	32	60	78	99
85	10	PVR Ltd.	710	56	61	63	61	72	121	109	105	121	79
86	11	Siti Networks Ltd.	711	61	60	62	65	69	103	110	111	95	103
87	12	Sun TV Network Ltd.	712	64	66	66	66	74	85	72	81	89	56
88	13	TV Today Network Ltd.	713	57	60	56	59	62	119	110	132	127	131
89	14	TV18 Broadcast Ltd.	714	61	58	64	65	67	103	118	97	95	115
90	15	Zee Entert. Enterprises Ltd.	715	63	66	65	67	70	93	72	91	78	99
	<b>8</b>	<b>Metal</b>											
91	1	APL Apollo Tubes Ltd.	801	63	60	57	56	62	93	110	131	135	131
92	2	Bhushan Steel Ltd.	802	54	54	55	57	63	<b>131</b>	<b>130</b>	<b>134</b>	<b>133</b>	<b>129</b>
93	3	Coal India Ltd.	803	60	64	65	58	68	111	90	91	131	107
94	4	Hindalco Industries Ltd.	804	66	64	66	63	73	66	90	81	112	68
95	5	Hindustan Zinc Ltd.	805	65	65	64	65	68	77	82	97	95	107
96	6	JSW Steel Ltd.	806	70	64	70	73	74	32	90	36	26	56
97	7	Jindal Steel & Power Ltd.	807	56	57	60	61	64	121	123	122	121	125
98	8	MOIL Ltd.	808	64	63	64	68	72	85	97	97	69	79
99	9	NMDC Ltd.	809	67	65	68	69	68	58	82	60	60	107
100	10	National Aluminium Co. Ltd.	810	65	70	73	74	73	77	32	19	22	68
101	11	Steel Authority of India Ltd.	811	66	67	67	69	73	66	60	67	60	68
102	12	Tata Steel Ltd.	812	74	74	75	76	87	12	12	12	12	1
103	13	Welspun Corp Ltd.	813	50	52	61	61	64	<b>135</b>	<b>134</b>	115	121	125
104	14	Vedanta Ltd.	909	58	60	67	73	75	118	110	67	26	44
	<b>9</b>	<b>MNC Index</b>											
105	1	ABB India Ltd.	901	68	74	71	75	80	49	12	29	16	14
106	2	Ambuja Cements Ltd.	902	71	70	74	78	78	21	32	15	5	17
107	3	Castrol India Ltd.	903	61	63	68	71	81	103	97	60	45	11
108	4	Cummins India Ltd.	904	55	55	54	58	72	126	127	<b>135</b>	131	79
109	5	Siemens Ltd.	907	72	73	77	78	83	16	18	6	5	5

	<b>10</b>	<b>Pharma</b>											
110	1	AurobindoPharma Ltd.	1001	62	62	69	72	76	97	104	49	34	30
111	2	Cadila Healthcare Ltd.	1002	56	58	63	65	70	121	118	105	95	99
112	3	Cipla Ltd.	1003	54	55	64	65	75	131	127	97	95	44
113	4	Divi's Laboratories Ltd.	1004	62	60	63	63	71	97	110	105	112	91
114	5	Dr. Reddy's Laboratories Ltd.	1005	73	73	73	74	74	13	18	19	22	56
115	6	Glenmark Pharmaceuticals Ltd.	1006	61	69	65	62	68	103	41	91	118	107
116	7	Lupin Ltd.	1007	67	67	66	67	71	58	60	81	78	91
117	8	Piramal Enterprises Ltd.	1008	66	68	67	65	74	66	54	67	95	56
118	9	Sun Pharmaceutical Indu. Ltd.	1009	55	52	61	66	76	126	<b>134</b>	115	89	30
	<b>11</b>	<b>Realty</b>											
119	1	DLF Ltd.	1101	68	70	68	67	69	49	32	60	78	103
120	2	Delta Corp Ltd.	1102	64	58	61	62	66	85	118	115	118	120
121	3	Godrej Properties Ltd.	1103	64	67	68	70	73	85	60	60	51	68
122	4	Housing Development and Infrastructure Ltd.	1104	62	63	63	59	68	97	97	105	127	107
123	5	Indiabulls Real Estate Ltd.	1105	64	67	67	71	69	85	60	67	45	103
124	6	Oberoi Realty Ltd.	1106	55	58	60	62	65	126	118	122	118	122
125	7	Phoenix Mills Ltd.	1107	61	62	61	63	67	103	104	115	112	115
126	8	Prestige Estates Projects Ltd.	1108	47	50	50	50	61	<b>137</b>	<b>136</b>	<b>136</b>	<b>137</b>	<b>134</b>
127	9	Sobha Ltd.	1109	61	62	64	65	72	103	104	97	95	79
128	10	Unitech Ltd.	1110	70	67	69	70	72	32	60	49	51	79
	<b>12</b>	<b>Nifty</b>											
129	1	ACC Limited	1201	69	72	71	83	82	43	22	29	2	8
130	2	Adani Ports and Special Economic Zones Limited	1202	59	62	60	66	72	115	104	122	89	79
131	3	Asian Paints Limited	1203	69	72	73	71	72	43	22	19	45	79
132	4	Bharat Heavy Electricals Limited	1204	70	71	73	73	73	32	26	19	26	68
133	5	BhartiAirtel Limited	1205	61	58	66	66	69	103	118	81	89	103
134	6	Grasim Industries Limited	1206	59	65	64	65	76	115	82	97	95	30
135	7	Idea Cellular Limited	1207	57	57	63	64	76	119	123	105	108	30
136	8	Larsen & Toubro Limited	1208	72	70	70	72	71	16	32	36	34	91
137	9	Ultratech Cement Limited	1209	62	63	62	63	72	97	97	111	112	79

## ANNEXURE B

This annexure details the post hoc analysis results of the CG scores across industry sectors. The sample contains corporate governance data for ten industries. Table 2.1 below gives the list of ten industry sectors and the CG scores of the companies within those industry sectors.

**Table 2.1 CG Scores of companies within each of the ten industry sectors**

Pharma	FMCG	Realty	Auto	Bank	IT	Energy	Metal	Media	Financial Services
68.2	72.6	68.4	73	65.4	67.6	64.6	59.6	63.4	70.8
62.4	63.4	62.2	66.2	67.8	76.8	69.2	56.6	54.2	69
62.6	72	68.4	70.2	61.2	72	72.2	63	70.6	71
63.8	68.6	63	71.8	56.2	68.6	75.4	66.4	70	72.4
73.4	67.6	67.6	69.6	76.8	78	75.6	65.4	59	72.4
65	64	60	71.4	70.6	68	79.8	70.2	70	74.8
67.6	75.8	62.8	69.8	74.6	68.6	68.8	59.6	59	73
68	70.8	51.6	73.6	66.4	69.8	77.8	66.2	61.6	70
62	68.8	64.8	66.6	70.2	70	74.8	67.4	68.4	67.4
	68.8	69.6	64.4	66.6		80.8	71	62.6	67.8
	60.6		78.6	64.6			68.4	63.4	
	72.2		69.6	65.2			77.2	67.2	
	71.8			62.4			66.6	58.8	
	68.8			67.4			57.6	63	
				71.8				66.2	
				64.8					
				78.2					
				65.2					
				72.8					
				71.4					