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MADURAI- 625 004, TAMILNADU

PG AND RESEARCH DEPARTMENT OF COMMERCE

NOTIFICATION OF PUBLIC VIVA-VOCE EXAMINATION

As per the regulations governing the award of the degree of Doctor of Philosophy (Ph.D.) by the Madurai Kamaraj University, a Public Viva-Voce Examination will be held through video conferencing:

Title	*"CORPORATE GOVERNANCE IN COMMERCIAL BANKS-(A STUDY WITH SPECIAL REFERENCE TO BANGALORE –KARNATAKA)"*
Researcher	: Ms.R.Mutharasi (Part-Time- P3768)
Date and time	: Monday, 8th March 2021 10.00 AM
Venue	: PG and Research Department of Commerce Mannar Thirumali Naicker College(Autonomous), Madurai – 625 004
Meeting Link	https://us02web.zoom.us/j/85871867746?pwd=c2xHMThrWldNZEVNbnJNaUluNkN2dz09
External Examiner	Dr.P.SARAVANAN, Professor in Accounting and Finance, IIM, Tiruchirappalli, TamilNadu.

Faculty Members, Research Scholars, Students and all those who are interested in the subject matter of the thesis are welcome to participate in the Public Viva-Voce Examination. A copy of the synopsis is available in the website of M.T.N. College, Madurai and a copy of thesis is available in Department Library for reference.

Madurai,

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CORPORATE GOVERNANCE IN COMMERCIAL BANKS (A STUDY WITH SPECIAL REFERENCE TO BANGALORE - KARNATAKA)

Synopsis submitted to Madurai Kamaraj University
for the Award of the Degree of

DOCTOR OF PHILOSOPHY IN COMMERCE

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CORPORATE GOVERNANCE IN COMMERCIAL BANKS (A STUDY WITH SPECIAL REFERENCE TO BANGALORE - KARNATAKA)

SYNOPSIS

1. PREAMBLE

As corporations operate and compete in virtually all parts of the world, there has always been a need to develop some governing law and the purpose of that law has been to integrate the legislatively imposed standards with the realities of the market place, so that overall goals would be promoted. Corporate Governance against the backdrop of globalization has become a delicate and onerous task for survival as well as for seizing the opportunities. Corporate governance is concerned with set of principles, ethics, values, morals, rules regulations and procedures etc. The term "governance" means control and corporate governance is governing or controlling the corporate bodies. Corporate governance stipulates parameters of accountability, control and reporting functions of the board of directors of the corporations. It establishes a system whereby directors are entrusted with duties and responsibilities in relation to the direction of the company's affairs. For corporate governance to be good, the manager needs to meet its responsibilities towards its owners (shareholders), creditors, employees, customers, government and the society at large. Corporate governance helps in establishing a system where a director is showered with duties and responsibilities of the affairs of the company. For effective corporate governance, its policies need to be in such that the directors of the company should not abuse their power and instead should understand their duties and responsibilities towards the company and should act in the best interests of the company in the broadest sense. The concept of 'corporate governance' is not an end, it's just a beginning towards growth of company for long term prosperity (Sangmi and Jan , 2014) [1]

[1] Sangmi. M.D & Jan.S (2014) "Corporate Governance Policies in Indian commercial Banks: An Empirical Analysis" *IOSR Journal of Business and Management (IOSR-JBM)* Volume 16, Issue 1. Ver. VI, *pp.13.*

From a financial industry perspective, corporate governance involves the manner in which the business affairs of individual institutions are governed by their Boards and management. It also includes the effective management of compliance with applicable laws, regulations and guidelines. The focus on corporate governance is particularly acute in financial services and, most of all, in the banking sector. Governance in banks is a considerably more complex issue than in other sectors. Banks will attempt to comply with the same codes of board governance as other companies but, in addition, factors like risk management, capital adequacy and funding, internal control, and compliance, all have an impact on their matrix of governance. Governance is also a curiously two-sided issue for banks since their funding and, often, ownership of other companies makes them a significant stakeholder in their own right. In the financial system, corporate governance is not only vital at the individual company level, but it also is a critical element in maintaining a sound financial system and a robust economy (Romero, 2003)[2]

Indian banking system consists of Public/Private sector banks having a basic difference between them as far as the Reserve Bank's role in governance matters relevant to banking is concerned. The current regulatory framework ensures, by and large, uniform treatment of private and Public Sector Banks in so far as prudential aspects are concerned. However, some of the governance aspects of Public Sector Banks, though they ensure, to the extent possible, uniform treatment of the Public Sector Banks and the Private sector banks have a bearing on prudential aspects, are exempt from applicability of the relevant provisions of the Banking Regulation Act, as they are governed by the respective legislation under which various Public Sector Banks were set up. With regard to governance aspects of banking, the Reserve Bank prescribed its policy framework for the private sector banks. Therefore the endeavor is to maintain uniformity in policy prescriptions to the best possible extent for all types of banks.

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[2] Romero, Alberto, G. (2003), "The need for Corporate Governance in Averting banking Crises -Lessons from the Banco Latino Crisis", speech, KPMG Banking Seminar in the Dominican Republic.

Supervisors have a keen interest in sound corporate governance as it is an essential element in the safe and sound functioning of a bank and may affect the bank's risk profile if not implemented effectively. As the functions of the Board of Directors and senior management with regard to setting policies, implementing policies and monitoring compliance are key elements in the control functions of a bank, effective oversight of the business and affairs of a bank by its board and senior management contributes to the maintenance of an efficient and cost-effective supervisory system. Sound corporate governance also contributes to the protection of depositors of the bank and permits the supervisor to place more reliance on the bank's internal processes. In this regard, supervisory experience underscores the importance of having the appropriate levels of accountability and checks and balances within each bank. Moreover, sound corporate governance practices are especially important in situations where a bank is experiencing problems, or where significant corrective action is necessary, as the supervisor may require the board of directors' substantial involvement in seeking solutions and overseeing the implementation of corrective actions (Basel Committee on Banking Supervision ,2006)[3]

The OECD principles define corporate governance as involving "a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring. The presence of an effective corporate governance system, within an individual company and across an economy as a whole, helps to provide a degree of confidence that is necessary for the proper functioning of a market economy."

A banking corporation is a congregation of various stakeholders, namely, customers, employees, investors, vendor partners, government and society. A bank should be fair

[3] Basel Committee on Banking Supervision,(2006), " Enhancing corporate governance for banking organisations, *https://www.bis.org/publ/bcbs*122.pdf

and transparent to its customers and stakeholders in all its transactions. This has become imperative in today's globalized business world where corporations need to access global pools of capital, need to attract and retain the best human capital from various parts of the world, need to partner with vendors on mega collaborations and need to live in harmony with the community. Unless a corporation embraces and demonstrates ethical conduct, it will not be able to succeed (Prasanna Pai, 2017)[4]

Corporate Governance is all about ethical conduct of business. Ethics is concerned with the code of values and principles that enables a person to choose between right and wrong, and therefore, select from alternative courses of action. Further, ethical dilemmas arise from conflicting interests of the parties involved. In this regard, managers make decisions based on a set of principles influenced by the values, context and culture of the organization. Ethical leadership is good for business as the organization is seen to conduct its business in line with the expectations of all stakeholders (Sanjiv Agarwal 2009**)** [5]Corporate governance is beyond the realm of law. It stems from the culture and mind-set of management, and cannot be regulated by legislation alone. Corporate Governance deals with conducting the affairs of a company such that there is fairness to all stakeholders and that its actions benefit the greatest number of stakeholders. It is about transparency, integrity and accountability. What legislation can and should do is to lay down a common framework – the "form" to ensure standards. The "substance" will ultimately determine the credibility and integrity of the process and is linked to the mind-set and ethical standards of management.[6]

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[4] Prasanna Pai (2017), "Corporate Governance in Banks in India and Disclosure Practices in Indian Public Sector and Private Sector Banks", *International Journal of Engineering Researches and Management Studies,* Volume 4, Issue 7, pp.1

[5] Sanjiv Agarwal (2009**), "**Ethics in Good Corporate Governance", https://www.taxmanagementindia.com/visitor/detail_article.asp?Article

[6] "Corporate Governance and Ethics"(2011), *Excel Books Private Limited,* http://ebooks.lpude.in/management/mba/term

Corporations need to recognize that their growth requires the cooperation of all the stakeholders and such cooperation is enhanced by the corporation adhering to the best corporate governance practices. In this regard, the management needs to act as trustees of the shareholders at large and prevent asymmetry of benefits between various sections of bank customers and shareholders, especially between the owner-managers and the rest of the shareholders. Corporate governance is a key element in improving the economic efficiency of a bank. Good corporate governance ensures that corporations take into account the interests of a wide range of constituencies, as well as of the communities within which they operate and also that their Boards are accountable to the shareholders. This, in turn assures that corporations operate for the benefit of society as a whole. [7]

2. CORPORATE GOVERNANCE GUIDELINES FOR BANKS

Effective corporate governance practices are essential in achieving and maintaining public trust and confidence in the banking system, which are critical to the proper functioning of the banking sector and economy as a whole. Poor corporate governance may contribute to bank failures, which can pose significant public costs and consequences due to their potential impact on any applicable deposit insurance systems and the possibility of broader macroeconomic implications, such as contagion risk and impact on payment systems. In addition, poor corporate governance can lead markets to lose confidence in the ability of a bank to properly manage its assets and liabilities, including deposits, which could in turn trigger a bank run or liquidity crisis. Indeed, in addition to their responsibilities to shareholders, banks also have a responsibility to their depositors.

The essential elements of good corporate governance are

- Transparency in Board's processes and independence in the functioning of Boards.
- Accountability and Fairness to all stakeholders.
- Social, regulatory and environmental concerns.

[7] https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf

- Clear and unambiguous legislation and regulations are fundamentals to effective corporate governance.
- A healthy management environment that includes setting up of clear objectives and appropriate ethical framework.
- Explicitly prescribed norms of ethical practices and code of conduct
- The objectives of the company must be clearly documented
- A well composed Audit Committee to work as liaison with the management, internal and statutory auditors.
- Risk is an important element of corporate functioning and governance, which should be clearly identified, analyzed for taking appropriate remedial measures.
- A clear Whistle Blower Policy whereby the employees may without fear report to the management about unethical behaviour, actual or suspected frauds or violation of company's code of conduct (Puneet Kaur, 2017)[8]

3. STATEMENT OF THE PROBLEM

At the initiative of the Reserve Bank of India, a consultative group, aimed at strengthening corporate governance in banks, headed by Dr Ashok Ganguli was set up to review the supervisory role of Board of banks. The recommendations include the role and responsibility of independent non-executive directors, qualification and other eligibility criteria for appointment of non-executive directors, training the directors and keeping them updated with the latest developments Some of the important recommendations on the constitution of the Board are to participate in the meetings of the board regularly and ensure that their participation is effective & contributory. They must study the reports submitted to them by the management team and enquire about follow up reports on definite time schedule. They should be actively involved in the matter of formulation of general policies, they should be familiar with the road objectives of the bank, and the policies laid down by the govt. and the changes in the

8 Puneet Kaur (2017),"Role of Corporate Governance in Indian Banking Sector",*International Journal of Management and Commerce Innovations*, Volume 5, Issue 1, pp.568.

various laws and legislations time to time. They should be loyal to the bank and must remember that they should not reveal any information relating to any constituent of the bank to anyone. (Leeladhar,2004)[9]

In the past, when banks considered the issue of how best to differentiate themselves from their competition, good Corporate Governance was undoubtedly not applied. Due to the fallout from past corporate failures, more and more banks are looking at good corporate governance from a new perspective. With Indian economic growth increase and major stock Indices reaching record level, the time has come to position corporate governance as a strategic force in Indian banks. Indian banks must drive growth and profitability while continuing to focus on enhancing corporate governance practices. Indian government has mandating corporate governance reforms at banks, can create the necessary infrastructure to ensure the continued flow of investment into the region. Expanding global and regional banks, such as State Bank of India, Bank of Baroda, Bank of India, Punjab National Bank, ICICI Bank, HDFC Bank, Standard Chartered, HSBC, Citibank and others along with major investments by large institutional investor, are enhancing corporate governance practices, increasing competitiveness and permanently changing the competitive landscape of Indian banking environment. Due to rapidly changing banking environment, Indian banks must continue to implement strong corporate governance practices. They must now approach corporate governance as a competitive differentiator in an environment of strong foreign entrants and growing regional competitors.(Rana Zehra Masood 2013) [10]

Reserve Bank of India has taken various steps furthering corporate governance in the Indian Banking System. These can broadly be classified into the following three categories: Transparency, Off-site surveillance and Prompt corrective action. However, there are many gaps in the disclosures in India vis-à-vis the international

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9 Leeladhar,(2004)[9],"Corporate Governance in Banks", RBI Bulletin *https://www.rbi.org.in/scripts/BS_ViewBulletin.*

10 Rana Zehra Masood (2013), "Corporate Governance in Indian Banking Sector", *International Journal of 360o Management Review,* Volume 1, Issue 1,pp.8

standards, particularly in the area of risk management strategies and risk parameters, risk concentrations, performance measures, component of capital structure, etc. Hence, the disclosure standards need to be further broad-based in consonance with improvements in the capability of market players to analyse the information objectively. The off-site surveillance mechanism is also active in monitoring the movement of assets, its impact on capital adequacy and overall efficiency and adequacy of managerial practices in banks. RBI also brings out the periodic data on "Peer Group Comparison" on critical ratios to maintain peer pressure for better performance and governance. There are three major challenges facing governance ratings in India: First, there does not seem to be a clear objective in relation to the capital markets. The second challenge is that there is insufficient accumulated knowledge on corporate governance and a great amount of fluidity in the theory at present and the third challenge is to assign weight to the companies in the context of global markets. The rating agencies need to reflect on these while the regulator refrains from putting pressure to initiate a rating system for corporate governance. [11]

The present scenario regarding Corporate Governance of commercial Banks in Bangalore does not depict a satisfactory and clear picture. Without good governance transparency of the activities of any organisation and its accountability and responsibility to the stakeholders cannot be ensured. There are many corporate failures occurred around the world due to poor governance. Thus corporate governance is felt indispensable in the context of some corporate irregularities occurred throughout the world including India. The Board of Directors is responsible for good governance in any corporate sector including bank. But most of the directors do not know their responsibilities and unaware about the systems and practices of corporate governance. Therefore they do not carry out their duties with sufficient diligence. In some cases the directors are not performing well for the interest of shareholders Lack of qualified 'Independent Director' is another problem to good governance in the banking industry in Bangalore. The term 'Independent Director' often refers to the director elected from current and former government officers and

[11] https://shodhganga.inflibnet.ac.in/bitstream/10603/71108/12/12_chapter%204.pdf

bureaucrats. Some independent directors tend to have business or social connections with the controlling shareholder groups. Such Independent Directors seldom perform their duties independently and in a responsible manner. Another problem of corporate governance of banks lies in the Annual General Meeting (AGM).Usually AGM is the basic forum where shareholders can raise their concerns and make their influence over the management for good governance. But it is observed that small groups of shareholders own or control the majority of shares and by using the majority they control the decision making process of the banks.

Since independence in 1947 till 2014 the financial sector had grown up rapidly, there are many number of commercial banks which includes public sector, private sector and foreign banks in the country. Despite the expansion, the operational efficiency of the banking institutions has continued to be critical. The sector witnessed decreasing profitability, increasing non-performing assets, provision and capital shortfalls, eroded credit discipline, corruption patronized by political quarters, low recovery rate, inferior asset quality, managerial weaknesses, excessive interference from government and owners, weak regulatory and supervisory system etc. The internal control system along with accounting and audit qualities are believed to have been substandard. Many of the problems attributed to lack of sound Corporate Governance among the banks[12].

However there are other problems such as:

- Limited accounting disclosures
- Lack of audit committee members with experience and technical skills
- Lack of training to the staff and managers
- Weak regulatory framework characterise by an inefficient bureaucratic system
- Absence of informed and responsive minority groups etc. (Saha 2012)[13]

[12] https://shodhganga.inflibnet.ac.in/bitstream/10603/71108/12/12_chapter%204.pdf

[13] Saha.U.Z. (2012), "Corporate Governance of Commercial Banks of Bangladesh: An Evaluation", *Thesis, University of Rajshahi*, pp.14; xxii, 265. 332.12/ SAC

The current research work is aimed at identifying whether the above problems are prevailing in the commercial banks in Bengaluru and examining the compliance of Corporate Governance Practices at the selected private banks in Bengaluru.

4. OBJECTIVES OF THE STUDY

This study was conducted for fulfilment of the following objectives:

- To study the existing Corporate Governance practices in Commercial Banks.
- To study the perception of Employees and Directors of Banks on Corporate Governance.
- To study the perception of Accounting Professionals on Corporate Governance in Banks.
- To study the perception of Shareholders of Commercial Banks on Corporate Governance.
- To offer suitable suggestions on the basis of the findings of the study.

5. HYPOTHESES OF THE STUDY

The following hypotheses have been framed for attaining the objectives of the study:

- There is no main effect of demographic variables on opinion of shareholders on components of General Practices
- There is no impact of demographic variables on opinion of directors on the General Aspects and Accounting & Financial Aspects.
- There is no impact of demographic variables on the opinion of employees on Organisational factors and Technological Factors.
- The demographic variables do not have any impact on the level of satisfaction of Accounting Professionals on Accounting and Auditing Practices.

6. SCOPE OF THE STUDY

Commercial Banks include Public Sector Banks, Private Sector Banks and Foreign Banks. Currently there are 19 Nationalised Banks, 19 Private Banks and 36 Foreign Banks functioning in our country. In addition to that there are 45 Regional Rural Banks in India. The study covers only four selected Private Sector banks in Bangalore district in Karnataka State. The scope of the study remains limited with the evaluation of corporate governance practices in commercial banks in Bengaluru during 2013-2018. The study is to analyse the status of Corporate Governance scenario of the commercial banks from the viewpoint of stakeholders. This analysis includes some selected issues like disclosure, responsibility of Board of Directors (BODs), reporting and controls, the role of auditors, accountability of audit, risk management, financial performance and role of stakeholders etc. Finally considering the weaknesses and challenges of the commercial banks and corporate governance practices prevailing in Karnataka some remedial measures have been recommended for improving the operational efficiency of banks.

7. METHODOLOGY OF THE STUDY

Research Design

The validity of any research is based on systematic method of data collection and analysis. This part of the study includes the description of the research design, sample size, sampling technique, development and description of the analytical tool, data collection procedure and method of analysis.

The research design is descriptive in nature. It includes surveys and fact finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. The main characteristic of this method is that the researcher has no control over the variables; the researcher can only report what has happened or what is happening. In the present study, extensive use of both primary and secondary data has been applied systematically. For collecting primary data, on-line survey was used. First-hand information pertaining to employees, directors, auditors and shareholders' opinion on Corporate Governance Practices being followed were collected from four banks namely, ICICI Bank, Karnataka Bank, Karur Vysya Bank, and Lakshmi Vilas Bank, in Bengaluru city. Also, secondary data for the study were collected from the journals, textbooks and websites of respective banks.

Sampling Design

The researcher followed snowball sampling method to gather information from four selected banks in Bengaluru city. The sample size of employees was determined by a definite calculation, and specific number of employees was selected from each of the banks. The directors, auditors and shareholders were included for the study on the basis of their availability.

Population

The population includes all the employees, directors, auditors and shareholders of the selected banks chosen for the study in Bengaluru city.

Sample Frame

The researcher had considered the sampling frame consisting of employees, directors, auditors and shareholders on the selected banks for the study in Bengaluru city. From the sample frame, 650 employees, 25 directors, 20 auditors and 55 shareholders were selected as the sample items for the study.

Sample Size Determination

A pilot study was conducted among 100 employees in Bengaluru city seeking their perception on Corporate Governance (CG) Practices at their banks and 57 of them were responded that they were highly satisfied with the same at their banks. Based on this pilot study the researcher has arrived at a sample size of 650, and the detailed calculation is given below.

Proportion of employees highly satisfied on CG Practices (p) = 0.57

Proportion of employees not highly satisfied on CG Practices (1-p) = 0.43

Confidence level = 99%

Margin of error E = 5%

Z-value to assure every unit is taken for calculation = 2.576

$$\text{Required sample size } (n_0) = \frac{p \times (1-p) \times z^2}{E^2} = \frac{.57 \times .43 \times 2.576^2}{(.05)^2} = 650$$

As the population consist of employees from four banks, i.e., ICICI Bank, Karnataka Bank, Karur Vysya Bank and Lakshmi Vilas Bank, the sample size from each bank was calculated as detailed below:

Sl. No.	Name of the Bank	Number of branches (N_i)	Sample size $n_i = \frac{N_i}{N} \times n$
1	ICICI Bank	92	$n_1 = \frac{92}{228} \times 650 \approx 260$
2	Karnataka Bank	92	$n_2 = \frac{92}{228} \times 650 \approx 260$
3	Karur Vysya Bank	24	$n_3 = \frac{243}{228} \times 650 \approx 70$
4	Lakshmi Vilas Bank	20	$n_4 = \frac{24}{228} \times 650 \approx 60$
	Total sample size		650

The 260 sample items from ICICI Bank and Karnataka Bank had been selected in such a way that 26 branches in ICICI Bank and 26 branches in Karnataka Banks were selected on random basis and 10 employees from each of the branches have been selected for the study. Also, 7 branches from Karur Vysya Bank and 6 branches from Lakshmi Vilas Bank were selected and 10 employees from each of the branches have been selected for the study, thus a total of 650 employees from all the four selected banks were included in the sample.

Sources of Data

The present study is based on both primary and secondary data.

Primary Data

The primary data were collected using structured questionnaire. Four sets of questionnaire have been developed for eliciting primary data from the stakeholders namely Bank employees (executives and Professional Accountants), Directors, Auditors and shareholders. Questionnaire has been prepared with relevant questions or statements to fulfil the set objectives. The response is of two types namely closed (attributes and yes/no) and open-ended (inviting free responses). The necessary data were collected from 650 employees, 25 directors, 21 auditors and 55 shareholders from the four selected banks in Bengaluru city using relevant questionnaires, which have been pre-tested through pilot study.

Secondary Data:

The secondary data were drawn from the literature survey and from the websites of banks to obtain information about banks. The published official documents, reports, statistics, laws, ordinance, reference books, journals, etc. were also used for collecting more details from banks.

Pilot Study

Structured questionnaires were prepared to collect necessary data from the stakeholders in Bengaluru city. The questionnaires were pre-tested to confirm their suitability for the final survey. After the pre-test the required minor changes have been made in the data collection tool.

Reliability Test questionnaires

The statements on the perception of respondents in each of the questionnaire for employees, directors, auditors and stakeholders were tested for reliability validity. The reliability were found to be .714, .802, .869 and .748. The Cronbach alpha coefficients, for these questionnaires were found to be .781, .802, .869 and .742 respectively, satisfying the norms of reliability coefficient > .7. Thus the reliability of the study variables was established.

Validity Test

Factors, taken for the study, were found to satisfy the validity condition, as the statements in each of these factors were highly correlated with the total of the respective factors. Thus, the validity of the factors, taken for the study, had been verified.

Data Analysis and Presentation of Data

The collected data were edited, coded using SPSS software v.22 and analysed using various statistical tools. Data have been presented in the form of text, tables, charts etc.

Tools for the Study

For the purpose of the comprehensive analysis of data, appropriate statistical techniques and tools were used based upon the nature of data and the relevance of the statistical technique. SPSS Package v.22 was used to analyze the data using appropriate statistics to arrive at the results and to draw valid inferences. The following statistical tools were used in the present research study.

- Percentage Analysis
- Test for equality of means: MANOVA
- Gap Analysis – t-test / ANOVA

8. ORGANISATION OF THE STUDY

The present study has been framed into six chapters. A brief outlook of each chapter is presented as follows:

Chapter 1: Introduction

This chapter deals with the general introduction to the whole study. It highlights the statement of the problem, objectives,scope of the study and research methodology of the study. Further a brief summary of selected banks in Bengaluru and the structure and organisation of the study are outlined in this chapter.

Chapter 2: Review of Literature

This chapter presents the review of related corporate governance practices, issues and research gap.

Chapter 3: Conceptual and Regulatory Framework of Corporate Governance

This chapter explains the conceptual framework of corporate governance relating to the key concepts of this study. It summarises the definitions, the history, scope, theories and models of corporate governance around the world. It further highlights the constitution of different committee of the Board of Directors, mechanisms and committee reports related to corporate governance.

The regulatory framework includes legal requirements of Companies Act 2013, Institutional requirements of Securities Exchange Board of India, provisions under Banking Regulations Act and other functional and regulatory requirement. It also summarised the compliance of Reserve Bank of India guidelines for corporate governance.

Chapter 4: Perception of Shareholders and Directors on Corporate Governance

This chapter analyses the opinion of shareholders and directors on corporate governance practices followed in banks.

Chapter 5: Perception of Employees and Accounting Professionals on Corporate Governance

In this chpter analysis is done based on the responses from employees and accounting professionals of selected commercial banks on corporate governance practices.

Chapter 6: Summary of Findings, Suggestions and Conclusion

The final chapter depicts the major findings based on the analysis of the study. It offers some policy recommendations and suggestions which might be useful for better performance and improving efficiency of selected commercial banks.