

A Study of Public Sector Bank with Reference to Corporate Governance

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Abstract

Research Type: - Empirical Study.

Research Problem: - Corporate governance, in particular, has become a focus of market and public attention. Confidence was shattered by a series of high-profile bankruptcies because of a lack of effective action in which corporate governance was an important factor. Corporate Governance is the system through which all the activities of a company are monitored and controlled. The concept of Corporate Governance has been gaining importance and momentum all over the world. It has emerged as a means of achieving corporate excellence and a driving force for accomplishing much better performance, maximizing the stakeholder's wealth and corporate value. Corporate governance affects the creation of wealth and its distribution to different pockets. Good governance is a source of competitive advantage among economies to attract international capital. Responsibility, transparency, fairness and accountability are the four pillars of strong corporate governance. Corporate Governance helps in forming a system in which a director holds the duties and responsibilities of the affairs of the Company. This study introduces the corporate governance disclosure practices of SBI. (Public Sector Bank listed in BSE Top 100)

Objective of the study are as follow:

1. To Create Corporate Governance Disclosure Index on the basis of Mandatory and Non-Mandatory requirement issued by SEBI in Revised Clause 49 of Listing Agreement.
2. To find out the Corporate Governance practices in SBI (Public Sector Bank listed in BSE Top 100)
3. To do comparative analysis of Corporate Governance practices of two financial years.(2019-2020 and 2020-2021)

Research Findings: The study recovered that the level of Corporate Governance compliance is fairly good in SBI (Public Sector Bank). The bank fulfilled the mandatory requirements in all sub-indices of the Clause 49. The bank complies with all applicable mandatory requirements of the Corporate Governance Code. Mandatory under the SEBI Listing Agreement.

Research Suggestions: The bank has complies with all the applicable mandatory requirements of the Corporate Governance code as per Clause 49, But to improve market condition, to gain interest of stakeholders and also to remove corruption and avoid scams, Banks should follow Corporate Governance practices in more efficient manner and SEBI should be taken action for any Non-Compliances by any companies.