An Analysis of Corporate Governance Disclosure Practices of BSE 200 Indian Companies

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Abstract

Purpose : The study examined the corporate governance (CG) disclosure practices of BSE 200 Indian companies and also focused on the extent of variation in the scoring of the companies during 2015 and 2023.

Methodology : It examined the disclosure practices of 142 Indian firms listed on the BSE Sensex from the period of 2015 to 2023, based on secondary data. A "dichotomous method" was conducted to examine CG disclosure, and an index of CG was created. A total of 30 item parameters had been chosen from the CG section of the annual reports. Additionally, the paired sample *t*-test was employed to gauge the degree of score variability throughout the measurement period.

Findings : The results showed that out of 142 BSE companies, Infosys Ltd. scored first, followed by ITC Limited and Mahindra and Mahindra Ltd., respectively, and it also revealed that there was significant variability in scores for the years 2015 and 2023. The results of the paired sample *t*-test indicated that the scores acquired in 2022–2023 were higher than the scores in 2014–2015.

Practical Implications : These findings will help BSE regulators in formulating the disclosure practices requirement. The authors pointed out that corporate India has more motivation to follow CG reforms when there is an independent regulator in place with the authority to take action against offenders.

Originality : It included the incorporation of a CG scorecard, a significant innovation presented in this paper.

Keywords : **corporate governance (CG) index, dichotomous method, Clause 49, SEBI regulations, BSE Sensex**

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A growing body of academic research is examining corporate governance (CG) in light of the global financial crisis (Briano-Turrent & Rodríguez-Ariza, 2016) and other business scandals, such as Marconi in the UK and Enron and Andersen in the US (Balagobei & Keerthana, 2022). Effective CG is becoming more and more necessary since it guarantees improved oversight, satisfies shareholder demands for value maximization, and protects the interests of other stakeholders. The transparency and accountability of the company's governance-related matters are examined by the quality of CG, which also aids in determining how well or poorly the company is governed. Recently, CG has received a lot of attention from the press and academic community, particularly in the wake of the failure of some of the most well-known companies in the world. CG pertains to the efficient, transparent, and responsible management of an organization's operations by its leadership, all the while safeguarding the interests of its constituents, which include creditors, shareholders, authorities, and members of the public. However, putting "Corporate Governance" into practice is not as easy as it seems. There is a great deal of discussion on this broad topic. While CG is a relatively new concept that has

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garnered the interest of investors and business executives worldwide, there is an urgent need for its implementation. The need for this study stems from the disconnect between business owners' rights and the operational control that professionally managed listed corporations' management exercise. CG is necessary because of this divergence. An urgent need for efficient CG results from this communication breakdown. Good governance is based on the following tenets: accountability, transparency, efficacy, relationships with shareholders, and a long-term focus on equity performance. It is also necessary to follow these guiding principles.

To enhance transparency and accountability in emerging markets, a robust CG disclosure framework must be formed, which has been discussed in this paper. This paper assesses the adherence of the BSE-listed companies to the provisions of the Securities and Exchange Board of India (SEBI) regulations. Companies like Infosys Limited and ITC ranked at the top in disclosure practices; in contrast, Steel Authority of India Limited scored the lowest rank in disclosure practices. This disparity emphasizes the necessity of ongoing studies to encourage thorough and uniform disclosure across industries (Subramanyam & Dasaraju, 2014).

This work aims to review the quality of CG based on earlier empirical research. The CG scorecard, which is used to rank companies as either the best or worst governed, is described as the code of governance, rules, regulations, and best practices connected to governance. CG is a framework for managing and overseeing businesses. The adherence to Clause 49 of CG (for all listed businesses) was first imposed by the SEBI, which oversees the country's stock markets, on April 1, 2004, and majorly amended in 2018.

Clause 49 of the Listing Agreement

The phrase “Clause 49” refers to Clause 49 of the Listing Agreement between a firm and the stock exchanges on which it is listed. Every Indian stock exchange, including the NSE and BSE, uses the same Listing Agreement. This clause was added to the Listing Agreement in 2000, following the 1999 recommendations of the Kumar Mangalam Birla Committee on CG, which SEBI established. In addition to bringing about several significant improvements in governance and disclosures (many of which we now take for granted), Clause 49 was originally included to introduce some fundamental CG practices in Indian corporations. The SEBI established the Narayana Murthy Committee in late 2002 with the goal of “assessing the adequacy of current CG practices and to suggest improvements.” On October 29, 2004, SEBI released a revised Clause 49 based on the committee's recommendations. The amended Clause 49 went into effect on January 1, 2006. In India, all listed firms are required to file a CG report every quarter under Revised Clause 49 of the Listing Agreement. Furthermore, major amendments have been made in the year 2018 under SEBI (LODR) regulations. After that, small updates have also been made for more clarification.

The main aim is to evaluate the degree of compliance with mandatory and optional disclosures for CG practices among Indian listed companies as outlined by SEBI under Clause 49 for Indian companies to raise the bar for governance and to identify any further compliance measures that may have been implemented in to generate value for stakeholders and additionally to examine the extent of variability of scores of the Indian companies.

The disclosure of CG practices has been the subject of numerous prior research, each with a distinct model, sample size, and theoretical underpinnings (Nsour & Al-Rjoub, 2022; Nasir & Mustapa, 2024). CG is essential to economic growth and development. The researcher tries to answer the question, Do the companies adhere to the SEBI regulations in the right spirit? To what extent are they adhering to the norms? And what are the changes seen in the disclosure practices over the period? Is there a significant difference in the scores of companies over the period? In this study, researchers try to disclose the variations made in the performance by assigning ranking over the period, i.e., from 2015 to 2023. Together with the degree of variability across the whole period, this study, which is being carried out for the first time in Indian enterprises, seeks to inform Indian businesses and assist

shareholders, investors, management, creditors, debtors, and other stakeholders in making better financial decisions. Regulators and other CG enthusiasts will find this study helpful in understanding companies' inclination to divulge information about their CG processes when there are no institutional mandates to do so. The study's conclusions also have implications for standard-setters and stock exchange authorities across the globe since they directly address the controversy over the relative merits of mandated and voluntary CG disclosure standards. The study also advances our knowledge of how crucial independent regulatory oversight and enforcement are to enhancing investor protection (Ntim et al., 2012). Along with addressing particular concerns regarding CG disclosures, the study's conclusions also help other stock market and accounting regulators, as well as accounting standard setters like the International Accounting Standards Board (IASB), better understand the elements that influence adherence to corporate disclosure laws. Scholars have also expressed concerns about non-compliance with disclosure rules, even in nations that have already embraced IFRS (Nobes, 2013).

This study attempts to contribute to the expanding research on CG disclosure in emerging nations with particular attention on BSE 200 Indian companies. Additionally, this study focuses on a comparative study of two periods, i.e., 2015 and 2023, which has not yet been done in previous studies. Despite ample study of CG regulations framework, there is a dearth of studies examining both mandatory and non-mandatory regulatory frameworks. Hence, this study fills this gap.

Literature Review

One of a corporation's most effective "communication" tools is governance disclosure. A "good" firm can wow the markets with its integrity if it has an appropriate corporate disclosure system in place. According to Bhasin and Bamahros (2016), companies must follow recent trends in corporate reporting to comply with "best practice" regulations. These trends include narrative reporting, a balanced report structure, inclusion of management reports, reporting on corporate social responsibility and CG, balancing financial and non-financial information, comparability over time, etc.

Various studies have investigated CG disclosure practices (Abraham et al., 2015; Katarachia et al., 2018; Kiranmai & Mishra, 2019; Singh et al., 2022). Many Indian companies began adhering to the restrictions when SEBI regulations amended Clause 49 because higher penalties were levied. Abraham et al. (2015) reported that government-controlled companies are less governed than privately owned companies. In contrast, as per the study by Katarachia et al. (2018), most of the companies were not able to comply with the voluntary provisions of the regulations. According to Shikha (2017), companies that voluntarily revealed more information about their board practices became more competitive in global marketplaces; nevertheless, disclosures about ownership decreased market share. The financial disclosure processes of companies could be improved by the caliber of governance procedures, especially the composition of the audit committee. In Sri Lanka, listed consumer services companies were less likely to experience financial difficulties when they had a large number of directors on their boards. Additionally, a corporation is more likely to have financial difficulties if its top executive officer also serves as the chairman of the board (Balagobei & Keerthana, 2022). It is well known that the foundation of corporate boards and voluntary disclosure are the two primary powerful mechanisms that significantly impact and lower the costs associated with withholding and distorting information about the agency problem (El-Chaarani, 2014).

Due to its financial difficulties, CG has drawn a lot of attention from Asian countries. An analysis of the CG reporting methods of 30 Indian businesses listed on the BSE was conducted by Gupta (2006). Data analysis was done using the least squares regression technique, and content analysis was performed to examine the CG part of the annual reports for the years 2001–2002 and 2002–2003. The research discovered "differences in the reporting procedures of the corporations, and in certain instances, the exclusion of obligatory requirements as per Clause 49." Similarly, Subramanian (2006) conducted another study in which he determined the variations in the

financial information disclosure pattern and governance features. Ninety firms were selected from the BSE 100 index and the NSE Nifty. The information about the disclosure score was gathered from the corporations' 2003–2004 annual reports. "There were no differences in the disclosure pattern of public/private sector companies, as far as financial transparency and information disclosure were concerned," the study's final finding stated. Thomas et al. (2023) examined the non-financial companies listed on BSE 200 from the period 2016 to 2021 by developing a CG index and suggested that a highly governed company could foster innovation and influence the market value of its shares. Abraham et al. (2015) constructed a disclosure index of BSE 100, including nine sub-indices related to mandatory as well as non-mandatory requirements of Clause 49. It posited that government companies are less in compliance with provisions of Clause 49 than private companies. They compared the pre-and post-period of Clause 49 of SEBI regulations, where they concluded that there is improvement in adherence due to the penalty imposed. A CG index was prepared by Bhasin and Bamahros (2016), including voluntary provisions over mandatory ones for 50 corporations for the years 2004 and 2005. It consisted of 40 items from the CG part of the annual reports of the companies. Its findings showed that only 50% of companies complied with the provisions. Sandhya and Parashar (2019) developed a CG index of five banks for the period 2009–2016; 42 items of provisions were subdivided into six sub-indices based on Clause 49. The findings included that the scores of private banks were higher than those of public banks, and there was significant improvement in the disclosure practices over the period.

The examination of studies mentioned above indicates that there is a pressing need to investigate the CG disclosure policies that Indian firms employ. A significant amount of research has been done to examine the "mandatory" component of CG. The investigation of mandatory as well as non-mandatory procedures is still a relatively new field of inquiry. The dearth of studies involving non-mandatory provisions of SEBI regulations demands the requirement of new studies. Furthermore, previous researchers studied disclosure practices of a particular year but did not make a comparative study of scores during the period. Here, I try to examine the disclosure practices in the year 2015 and then compare their performance with the year 2023. I also examine the changes that have occurred during the period from 2015 to 2023. CG is evolving, and it is anticipated that as time goes on, the extent of required CG will be increased. Therefore, in this developing stage of CG in India, research on CGD practices (mandatory as well as non-mandatory) becomes important. "The governance practices followed by the Indian corporations" is the subject of this paper's investigation.

Research Objectives

The two "specific" goals listed below have been taken into consideration when planning this study:

- To investigate the CGD practices of 200 BSE companies.
- To determine the "degree of variation" in the CG practices disclosure pattern of the companies under study over the period.

Data and Research Methodology

Data and Research Sample

A sample of 142 companies was selected from the companies listed on the BSE, based on the Market Capitalization as of 12 Oct 2019. The primary sources of information were the annual reports of the chosen companies. In light of the most recent SEBI Clause 49 of the Listing Agreement, this study will give us an overview of the current condition of CG practices and disclosure standards. We used a sample of 200 BSE-listed

Indian corporations from 2015 to 2023; where after excluding the following companies like banks, insurance companies, NBFI, six companies that were not listed in 2015, and companies that merged during the period, the remaining sampled companies limited to 142. Banks, insurance companies, and non-banking financial institutions were excluded because these may lead to data misinterpretation due to different regulations.

These companies were chosen throughout the period from 2015 to 2023 based on their market capitalization. The period before 2015 could not be taken because of a major amendment in Clause 49 of SEBI regulations. All these amendments were implemented in the financial year 2015. The Ace equity database was used to extract the sampled data. Gretl software was used for analysis.

Research Methodology

This is an empirical type of research that includes comparative and descriptive research design because it compares and describes the disclosure practices over a period. It is based on secondary data. The CG scorecard has been constructed because it helps in understanding and measuring disclosure practices by developing the indices related to the specific objectives of the companies, similar to the studies of Sandhya and Parashar (2019) and Thomas et al. (2023). For this, each corporation's annual report has been examined as part of the coding process, and the material is coded using pre-established categories of CG disclosure, as indicated in the Appendix.

Moreover, to check the extent of variability between the scorecards during the period, a paired sample *t*-test was used between two years, i.e., 2014–2015 and 2022–2023, similar to the studies of Alshdaifat et al. (2024) and Malikah (2021).

Measurement of the Corporate Governance Score Card

We conducted the study based on the mandatory and non-mandatory requirements stipulated by the revised Clause 49 of the Listing Agreement as well as the provisions required by the Companies Act, 2013, to assess the structure and processes for CG followed by BSE 200 and its effectiveness in terms of substance and quality of disclosure of CG in the annual report. A CG scorecard has been framed by considering 30 factors. All the analyzed information included in the scorecard is based on the provisions of Clause 49 of SEBI regulations. Based on the degree of adherence to the several CG characteristics and the weight assigned to each parameter, the CG score is determined for each company under consideration in this study, as shown in the Appendix. The CG analysis has made use of the equal weightage method. The checklist's items were all given identical weights, with "5 points" denoting the item's availability and "0" denoting its non-availability. Das (2012) and Gupta (2006) are two such researchers who employed this kind of criterion. CG disclosure's degree has been quantified. This is referred to as the "dichotomous" approach in general (Beattie et al., 2004).

The reliability of the survey instrument is determined by Cronbach's alpha, which specifies the internal consistency of the instrument (Bland & Altman, 1997). The reliability test of the 30 sub-indices that make up the overall CGDI had a score of 0.855, indicating that the sub-indices are reliable indicators to measure the extent of CGD. Disclosure indices are useful analysis tools, but their design and scoring must be done correctly to avoid problems with reliability and validity (Sharma, 2014). To examine each company's CGD procedures, the disclosure score was calculated as follows:

↳ **Formulae:** *Total score gained by the company/Number of parameters in scorecard * 100*

Hypotheses Development

↳ **H01 :** There is no extent of variation in scores between the period of 2015 and 2023.

↳ **Ha1 :** There is some extent of variation in scores between the period of 2015 and 2023.

Analysis and Results

This section examines the degree to which Indian listed companies have adhered to the guidelines set forth by the Ministry of Corporate Affairs, the disclosures outlined by SEBI under Clause 49 of the listing agreement, and the additional compliance, that is, disclosures made to create value for stakeholders.

Testing of Hypotheses

Table 1 indicates that there is a statistically significant difference in the means between the CG scores from 2014–2015 to 2022–2023, with the 2022–2023 scores being higher, according to the paired samples *t*-test. The *p*-value, confidence intervals, and effect size all corroborate the robust results, which show that the observed difference is unlikely to be the consequence of chance and that it represents a significant shift in CG procedures over time. Although the mean scores do not differ considerably, the reduced standard deviation in 2022–2023 indicates greater stability in CG scores as compared to 2014–2015. Table 2 shows a 95% level of significance, with a *p*-value of 0.007795. Hence, our null hypothesis is rejected. Therefore, taking into account all 30 of the CG disclosure index's characteristics, there is a statistically significant variation in the CG disclosure practices score between the two years, i.e., 2014–2015 and 2022–23.

With the help of a paired sample *t*-test, we can conclude that there is a significant variation in CG scores of BSE 200 Indian companies. However, to know the extent of variability, how the scores differ, whether there is a significant improvement or not in the scores of companies during the period, and how much variability occurs in the scores during the period, researchers allot ranking to the companies as per their scores.

Initially, a cumulative ranking of all the companies throughout the period, i.e., 2015 to 2023, was obtained. Subsequently, to check the consistency of the ranking of the companies throughout the period, 10 top-ranked and 10 bottom-ranked companies in the years 2015 and 2023, respectively, were found, and simultaneously, the change was also examined. Table 3 exhibits the top 10 ranked companies in two phases; the first phase shows the top 10 companies in 2015, along with a change in their ranking over 9 years (2023). It exhibits the top 10 ranked companies that comply with the majority of provisions of Clause 49 of SEBI guidelines related to CG. The majority of the companies that scored under the top 10 companies in the year 2015 failed to occupy the position in

Table 1. ***Paired Sample t-test of Statistics***

Scores of Governances	Year	*N*	Mean	Standard Deviation	Standard Error of Mean
	2014–2015	142	67.8266	6.16797	0.515792
	2022–2023	142	69.4894	4.12444	0.344903

Table 2. ***Results of Significance Level***

CG Score	Significance (2 - Tailed)	95% Confidence Interval of Mean	
		Lower Case	Upper Case
2014–2015	0.007795	66.807	68.8462
2022–2023		68.8076	70.1712

Table 3. ***Top 10 Ranked Indian Companies in the Years 2015 and 2023***

Phase 1					Phase 2				
Companies (2015)	**Score (2015)**	**Rank**	**Score (2023)**	**Rank**	**Companies**	**Score (2023)**	**Rank**	**Score (2015)**	**Rank**
Eicher Motors Limited	79.58986	1	79.59184	4	Infosys Ltd.	89.79592	1	76.59574	4
Dr Reddy's Laboratories	78.7234	2	71.2766	47	Mahindra & Mahindra Ltd.	85.71429	2	72.34043	31
Dabur Ltd.	77.55102	3	70.21277	50	Ltc Ltd.	80.85106	3	74.46809	19
Bharti Airtel Ltd.	76.59574	4	74.46809	21	Eicher Motors Limited	79.59184	4	79.58986	1
Infosys Ltd.	76.59574	4	89.79592	1	Godrej Consumer Products Ltd.	79.59184	4	63.82979	107
Nestle India Ltd.	76.59574	4	72.34043	37	Dabur Ltd.	77.55102	6	77.55102	3
Reliance Industries Ltd.	76.59574	4	65.95745	100	Divis Laboratories Ltd.	77.55102	6	68.08511	71
ACC Ltd.	75.5102	8	71.42857	41	Jsw Steel Ltd.	76.59574	8	68.08511	71
Ambuja Cements Ltd.	75.5102	8	73.46939	24	DLF Ltd.	76.59574	8	74.46809	19
Gillette India Ltd.	75.5102	8	67.34694	83	Jsw Energy Ltd.	76.59574	8	70.21277	47

the year 2023, as mentioned in Table 3. This shows that companies are not consecutively complying with the provisions of the SEBI guidelines. In 2023, two out of 10 companies, namely Infosys Limited and Eicher Motor Limited, were able to maintain a rank under ten. Except for these, all other corporations have slipped into their tier. Moreover, only one firm named Infosys Ltd. improved its ranking from fourth to first place; other companies are unable to do so. Lots of variations could be seen in the ranking of the companies during the period.

Table 3 (phase 2), however, shows that all of these companies have improved their ranks between 2015 and 2023, except Eicher Motor Ltd., which was ranked 1 in 2015 and is currently at 4. It shows that since 2015, companies have been adhering to the majority of the provisions outlined in SEBI Regulation 49, which has improved their ranking. Meanwhile, in phase 2 companies, Infosys Ltd. is ranked in the top 10 in the year 2023, followed by Mahindra & Mahindra Ltd., ITC Ltd., Eicher Motors Limited, Godrej Consumer Products Ltd., Dabur Ltd., Divis Laboratories Ltd., JSW Steel, DLF Ltd., and JSW Energy Ltd. However, phase 2 polls indicate that all of the top 10 corporations in 2023 increased their rankings from 2015, except Eicher Limited, which dropped to rank 4. Similarly, Table 4 (phase 1) depicts the lowest 10 ranked companies in the year 2015, named AIA Engineering Ltd., followed by Astral Poly Technik Ltd., Steel Authority of India Ltd., Mangalore Refinery & Petrochemicals Ltd., The Ramco Cements Ltd., GlaxoSmithKline Pharmaceuticals Ltd., Alkem Laboratories Ltd., Coal India Limited, Interglobal Aviation Ltd., and Varun Beverages Ltd. Eight companies out of ten improved their corresponding ranking in the year 2023. From 2015 to 2023, Mangalore Refinery & Petrochemicals Ltd., Varun Beverages Ltd., and GlaxoSmithKline Pharmaceuticals Ltd. all have significant improvements because they were able to occupy the rank below 100. Similarly, in phase 2 in the year 2023, the bottom 10 ranked companies were Container Corporation India Ltd. followed by Indian Oil Corporation Ltd., NBCC Las Ltd., NHPC Ltd., Indraprastha Gas Ltd., Torrent Power Ltd., AIA Engineering Ltd., Petronet LNG Ltd., Piramal Enterprise, and Steel Authority of India Ltd. Table 4 illustrates that in the year 2023, all organizations have fallen to a lower position as a result of their failure to comply with governance. As phase 2 of Table 4 makes

Table 4. ***Bottom 10 Ranked Indian Companies in the Years 2015 and 2023***

Phase 1					Phase 2				
Companies	**Score (2015)**	**Rank**	**Score (2023)**	**Rank**	**Companies**	**Score (2023)**	**Rank**	**Score (2015)**	**Rank**
AIA Engineering Ltd.	59.18367	134	61.22449	140	Container Corporation of India Ltd.	63.04348	133	63.04348	117
Astral Poly Technik Ltd.	59.18367	134	65.95745	100	Indian Oil Corporation Ltd.	63.04348	133	69.56522	52
Steel Authority of India Ltd.	58.69565	136	52.17391	143	NBCC (India) Ltd.	63.04348	133	65.21739	104
Mangalore Refinery & Petrochemicals Ltd.	57.14286	137	70.83333	49	NHPC Ltd.	63.04348	133	71.73913	40
The Ramco Cements Ltd.	55.31915	138	65.95745	100	Indraprastha Gas Ltd.	62.5	138	62.5	121
GlaxoSmithKline Pharmaceuticals Ltd.	55.10204	139	67.34694	83	Torrent Power Ltd.	61.70213	139	59.57447	132
Alkem Laboratories Ltd.	51.06383	140	63.82979	123	AIA Engineering Ltd.	61.22449	140	59.18367	134
Coal India Limited	47.82609	141	63.04348	133	Petronet LNG Ltd.	61.22449	140	59.57447	132
Interglobal Aviation Ltd.	46.80851	142	63.26531	125	Piramal Enterprise Ltd.	55.31915	142	65.95745	91
Varun Beverages Ltd.	44.68085	143	67.34694	83	Steel Authority of India Ltd.	52.17391	143	58.69565	136

obvious, no corporation under the category of bottom 10 ranked companies in the year 2023 can improve its ranking from 2015 to 2023.

Performance Evaluation of BSE 200 Companies Based on Cumulative Corporate Governance Disclosure Index

In the cumulative disclosure index, Infosys Limited held the top spot (94.85%), followed by ITC Ltd. (90.1%), Mahindra & Mahindra Ltd. (89.76%), Wipro Ltd. (88.33%), Eicher Motors Ltd. (88.27%), Shree Cement Ltd. (88.1%), DLF Ltd. (86.30%), Siemens Ltd. (85.52%), Bharti Infratel renamed as Indus Tower Ltd. (84.96%), Nestle India Ltd. (84.67%), and so on. Unfortunately, Steel Limited scored the lowest ranking, 142, by obtaining 66.64 scores. Tables 5 and 6 depict the ranking and cumulative scores of the top 10 and bottom 10 ranked companies.

Table 5. ***Top 10 Ranked Indian Companies Based on Cumulative Scores of 9 Years from the Years 2015 to 2023***

S. No.	Companies	Rank	Score
1	Infosys Ltd.	1	94.85
2	ITC Ltd.	2	90.1
3	Mahindra and Mahindra Ltd.	3	89.76

4	Wipro Ltd.	4	88.33
5	Eicher Motor Ltd.	5	88.27
6	Shree Cement Ltd.	6	88.1
7	DLF Ltd.	7	86.304
8	Siemens Ltd.	8	85.522
9	Bharti Infratel Ltd.	9	84.967
10	Nestle India Ltd.	10	84.67

Table 6. ***Bottom 10 Ranked Indian Companies Based on Cumulative Scores of 9 Years from the Years 2015 to 2023***

S. No.	Companies	Rank	Score
1	Bharat Petroleum Corporation Ltd.	133	71.73
2	Coal India Ltd.	134	70.94
3	AIA Engineering Ltd.	135	70.88
4	Alkem Laboratories Ltd.	136	70.78
5	Piramal Enterprise Ltd.	137	70.61
6	NATCO Pharma Ltd.	138	70.49
7	Container Corporation of India Ltd.	139	69.35
8	Oil India Ltd.	140	68.94
9	Varun Beverages Ltd.	141	68.56
10	Steel Authority of India Ltd.	142	66.64

Evaluating the Score Using a 5-Point Scale

Following the computation of the aggregate score according to the factors listed in the Appendix, the sample companies have been assigned a 5-point rating, as indicated below.

Table 7 illustrates that 34 firms have demonstrated excellent performance in adhering to the guidelines for CG disclosure. These companies have scored within the range of 81 and above, with Infosys achieving the highest score of 94.85%. Based on their performance, 105 companies have been categorized as very good, falling between the 70 and 80 scores. However, just four businesses have good performance, defined as a score of between 50% and 59%. No company is in the 60% range or lower. Thus, it is clear that the companies are performing extremely well overall.

Table 7. ***Score Ranges of the Companies***

Range of Scores	Status Based on Grading System	No. of Companies
81 and Above	Excellent	34
70–80	Very Good	105
60–69	Good	4
50–59	Average	0
Below 49	Poor	0

Source : Based on the theory of grading by Subhash Chandra Das in "Corporate Governance in India : An Evaluation," Third Edition, 2012; Patel (2016).

Conclusion

Even though the companies included in the current study have satisfactory average CG code compliance rates, the findings should only be used to conclude that Indian companies generally follow the CG codes found in Clause 49 when it comes to financial reporting. More work needs to be done to determine whether these compliances are just on paper or are practiced in earnest to draw an accurate conclusion about CG practices. It is undoubtedly a challenging task to go past the surface of theoretical compliance and determine the true intentions and honesty behind these standards' observance. According to Baek et al. (2009), consumers have timely and cost-effective access to all pertinent information. According to the OECD (2004), the CG framework should support open and effective markets, uphold the rule of law, and unambiguously define the roles and duties of various regulatory, supervisory, and enforcement bodies. Therefore, the foundation of "good" CG is the timely publication of consistent, comparable, relevant, and trustworthy information about business financial performance (Jain et al., 2023). Designing and implementing a "dynamic" CG mechanism that safeguards the interests of pertinent stakeholders without impeding business expansion is essential (Negi & Jain, 2022). As a result, it should go without saying that corporate disclosure is a crucial component of CG since adequate and meaningful disclosure contributes to the production of "good" CG. Additionally, the study's findings imply that "CG standards have generally improved over the period." We may also conclude that the CG disclosure practices might use a great deal of improvement and that the size of the company has a big impact on disclosures (Kaur & Dey, 2025).

We conclude from the preceding analysis that it is considered a good disclosure because 34 companies have scored between 80 and above on the overall cumulative disclosure index, as indicated in Table 7. First place went to Infosys Ltd. with a score of 94.85%, followed by ITC Ltd. with a score of 90.10% for the second place, and Mahindra & Mahindra Ltd. with a score of 89.76% for the third place. Furthermore, when looking at the degree of variance throughout the study, the results of the paired sample *t*-test show a considerable improvement in the scores from 2015 to 2023. The study's ultimate finding is that as far as financial transparency and information disclosure are concerned, there are major differences in the disclosure patterns of top/bottom 10 ranked companies in 2015 and top/ bottom ranked companies in 2023. We need strong, well-crafted norms and zealously enforce them if we want to have "robust and effective CG." It can also be found that private companies are more compliant with the provisions of SEBI regulations than public companies. Legislation alone is not sufficient to govern CG, as it originates from the management culture and mindset. The true purpose would be rendered useless by the sheer number of legal provisions and their complexity. India still needs to do a lot of work, and the CG culture's mindset hasn't yet taken hold. The protection of minority investors, full convergence with global CG disclosure standards, accounting and audit standards, stricter enforcement of current laws and regulations, etc., are some of the "grey" areas that need instant attention. Initiatives to encourage the "convergence" of CG disclosure procedures are underway throughout the world.

Implications

Managerial Implications

This study provides a benchmark for managers to evaluate their performance by comparing their disclosure practices and hence provides the scope for improvement. Managers can also assist their companies by providing potential governance-related risks for the long-term survival of the company, similar to the study of Ronoowah and Seetanah (2023) and Singh et al. (2025). There is always a need for improvement; high adherence to the SEBI regulations shows that CG stakeholders are working to strengthen CG standards. Policymakers can use the different factors that affect enterprises' CG disclosure to further increase CG standards to draw in investors. When

deciding whether investments and financing are offered, both domestic and foreign investors may base their expectations on the factors that affect CG features, ownership structure, and their effects. For marketers, the highest-scored company can enhance its reputation in the market by complying with provisions in totality and also build trust and confidence among its customers. CG quality, which is determined by CG rating or benchmarking and used as a tool to determine or forecast the factors that determine success or failure, has been emphasized by academics, practitioners, regulators, and oversight bodies.

Practical Implications

It also demonstrates that sound governance helps investors in mitigating the issue of information asymmetry. It also implies that CG should be observed by practitioners and policymakers, as the argument over formal CG legislation versus informal self-regulation is influenced by these findings. The effectiveness of CG transparency depends on efficient laws and a corruption-free marketplace.

Overall, the empirical findings of this study add significantly to the body of literature by shedding light on the degree of information disclosure among listed companies in India, a rising country. It implies that there is a need for emerging economies to expand through cross-border trade and acquisitions as well as to draw in foreign investment. Good governance practices become ingrained in their cultures, as this will have long-term implications on the firm's performance. From a regulatory standpoint, the question of whether CG disclosure practices should be made mandatory, with severe and explicit penalties for noncompliance, such as denial of access to the capital market, arises because good CG disclosure practices partially encourage financial returns (Jose et al., 2022).

Theoretical Implications

These findings provide the credence that the performance of a company could be improved with the extent of disclosure. This study posits that private companies are more compliant with disclosure practices than public companies. Hence, public companies can make effective decisions for the enhancement of disclosure practices similar to the study of Abraham et al. (2015).

Limitations of the Study and Scope for Further Research

These studies have some limitations. The research is carried out utilizing information from secondary sources, i.e., the corporations' CG Reports, which are provided in a different section of their Annual Reports. In addition to yearly reports, additional sources of information can be employed, such as manager, investor, and supplier interviews, as well as a review of the company's records, if feasible, to ascertain the true state of the firm's governance quality. The quality of disclosure is not examined in this study; only its existence and degrees are examined. Subsequent investigations ought to ascertain the extent to which investors ought to attend to the caliber and profundity of the information presented. Thus, more research ought to concentrate on the kind and caliber of data disclosed in annual reports. This adds to the uncertainty over the generalizability of the findings in the Indian context. Foreign results may differ. Future studies may compare Indian enterprises with overseas organizations to evaluate disparate outcomes and gain a deeper comprehension of foreign companies' governance standards. The study used a sample size of BSE 200, which may be increased to BSE 500 to have a wider understanding of the governance of additional companies that were not included in BSE 200 but were taken into consideration in BSE 500.

Author's Contribution

Jagdeep Kaur came up with the concept and created the qualitative and quantitative design for the empirical investigation. After extracting reputable research papers and filtering them using keywords, the author produced concepts and codes pertinent to the study design. The researcher herself oversaw the research and confirmed the analytical techniques. Gretl software was utilized for the analysis of data, and she also wrote the manuscript.

Conflict of Interest

The author attests that she is not connected to or involved with any organizations or entities that have a financial or non-financial interest in the topics or resources included in this publication.

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Appendix. *Detailed Corporate Governance Scorecard*

S. No.	Analyzed Information	Points	
		0	5
1.	The company issued a formal letter of appointment to an independent director in the manner prescribed in the Companies Act 2013.	No	Yes
2.	Terms and conditions of appointment are disclosed on the website of the company.	No	Yes
3.	The nomination committee evaluates the performance of the independent director and it is declared in the annual report.	No	Yes
4.	The familiarization program for independent directors is detailed on the company's website.	No	Yes
5.	The code of conduct is posted on the website of the company, and the annual report contains a declaration signed by the CEO.	No	Yes
6.	The whistleblowing policy disclosed details of the establishment on the website and annual report.	No	Yes
7.	All members of the audit committee are financially literate, and at least one member has accounting or related financial management expertise.	No	Yes
8.	The chairman of the audit committee is an independent director.	No	Yes
9.	The chairman of the audit committee presents at the annual general meeting.	No	Yes
10.	Constitution of nomination and remuneration committee.	No	Yes
11.	Adoption of risk management and oversight committee.	No	Yes
12.	Half-yearly declaration of financial performance sent to each household of shareholder.	No	Yes
13.	Separation of the position of Chairman and CEO (the same person is not posted for both positions).	No	Yes
14.	Internal auditors report directly to the audit committee.	No	Yes
15.	Non-executive chairman maintains a chairman office at the expense of the company.	No	Yes
16.	Also, allow reimbursement of expenses incurred while performing duty.	No	Yes
17.	Unqualified financial statements.	No	Yes
18.	Adoption of a code of conduct for the prohibition of insider trading.	No	Yes
19.	Any award for excellence in CG.	No	Yes
20.	Awards won for taking initiatives for corporate social responsibility.	No	Yes
21.	Any fraud was disclosed by the auditor in the audit committee or board.	Yes	No
22.	Significant and material orders passed by regulators and courts.	Yes	No
23.	The presence of the CSR committee.	No	Yes
24.	Provides CSR reporting in annual reports and websites.	No	Yes
25.	Independence of audit committee.	No	Yes
26.	Independence of CSR committee.	No	Yes
27.	Independence of stakeholder grievances committee.	No	Yes
28.	Independence of nomination committee.	No	Yes
29.	Are all directors in the nomination and remuneration committee non-executives?	No	Yes
30.	Are the chairmen of the nomination and remuneration committee independent directors?	No	Yes

Source : Adopted from Srinivasan, 2010; p. 231.

About the Author

Jagdeep Kaur is a Research Scholar at Guru Nanak Dev University, Amritsar, Punjab. She has around 15 research articles in her 10 years of experience. She is currently working in a government department.