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CORPORATE GOVERNANCE IN INDIAN BANKING SECTOR: AN EMPIRICAL STUDY

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ABSTRACT

The relevance of corporate governance, specially in today times cannot be ignored wherein multiple sector of economy are pacing and adapting itself with the new advents in technology. Technology like digitization, robots, chatbots, artificial intelligence has changed the landscape of how the organization used to operate.The main focus of Corporate Governance is on corporate fairness, total transparency, integrity of management and their accountability towards stakeholders which includes building confidence and trust among all stakeholders i.e. shareholders, employees, creditors, consumers, and the world at large. Present study is concerned with comparing the governing pattern in private and public sector banks, therefore SBI, PNB and UCO Bank representing public sector and ICICI, HDFC Bank and Axis Bank representing private sector banks. The convenient sampling has been used to collect information from the respondents and the sample size is 542. The paper is focused on; to examine the various attributes of corporate governance in Indian banking industry; to assess the role of information technology in the corporate governance in Indian banking sector. For the accomplishment of the objectives of the paper various statistical methods were used and the results show that there is a strong need for the coporate governance in the Indian banking sector. It is also concluded that banking industry is trying to win over the technology aspect in their corporate governance mechanism.

KEYWORDS: *Corporate Governance, Sample Size, Integrity of Management, Accountability.*

Introduction

Corporate governance basically deals with governing the activities of organisation and ensuring that activities undertaken by management are in interest of the shareholders. As the ownership lies with the shareholders and management of day to day operation lies with the managers it is essential to have a proper mechanism or system in place ensuring things are going well. So, it is about how organization are directed, controlled and held accountable for its activities to the shareholders. The relevance of corporate governance specially in today times cannot be ignored wherein multiple sector of economy are pacing and adapting itself with the new advents in technology. Technology like digitization, robots, chatbots, artificial intelligence has changed the landscape of how the organization used to operate. The consequent change in operational structure requires change in way the corporate used to be regulated.

In India, corporate governance norms for Indian listed companies are detailed out in Companies act, clause 49 of listing agreement and listing obligation and disclosure requirement regulation act 2015. These norms contain different provision regarding disclosure of information

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regarding organisation's financial performance, ownership structure, formation of different committees, presence of independent director on board, structuring of committees, governance report. Though there are stringent laws in place to govern the practices of listed companies but India, certainly lags in implementation of same. Multiple governance issues have been reported every now and then and has been in headlines such as kingfisher case, niravmodi scandal, irresponsible lending by banks in case of ICICI etc. Large portion of scams has strongly contributed to non-performing assets of banks' balance sheet. It has not only significantly hit the Indian banking sector but also smacked the hard earned money and confidence of common people in Indian banking system. Banking sector being the pillar of financial system of any nation demands strong attention and intervention of law makers of how to make system more scam immune. Such cases, does not only questions the law makers but also loose operational structure as well as ownership structure of banks in India. In most of cases, it is the top-level managers that have had been help responsible. Wherein, the banking sector has been revolutionized with latest technologies the same can be harnessed to improve the corporate governance mechanism of banks in India. The present study aims to put forward the above raised concerns and current practices of banks in India and what role does technology can play in maintaining or improving the corporate governance structure in banking sector in India.

The main focus of Corporate Governance is on corporate fairness, total transparency, integrity of management and their accountability towards stakeholders which includes building confidence and trust among all stakeholders i.e. shareholders, employees, creditors, consumers, and the world at large. Hence, it could be said that Corporate Governance implies ethical business conduct Corporate Excellence and Corporate Governance are interwoven with each other upto such an extent that in the marathon of corporate giants it will be difficult to achieve immaculate excellence without good governance of the Corporates.

Research Objectives

- To examine the various attributes of corporate governance in Indian banking industry
- To assess the role of information technology in the corporate governance in Indian banking sector

Data base and Research Methdology

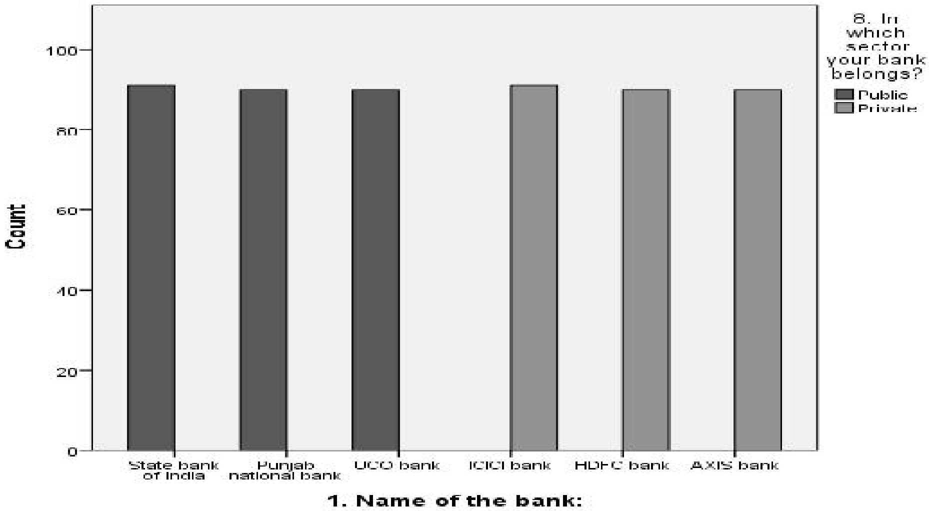
Present study is concerned with comparing the governing pattern in private and public sector banks, therefore SBI, PNB and UCO Bank representing public sector and ICICI, HDFC Bank and Axis Bank representing private sector banks. The convenient sampling has been used to collect information from the respondents and the sample size is 542. At the first stage the entire state has been divided on the basis of districts for the purpose of study. Out of eleven districts of Delhi, three districts, New Delhi, South Delhi and Central Delhi have been selected. All these districts rank highest in terms of number of banks functioning there. In the second stage three sub divisions from each district will be selected keeping in view maximum networking of banks in one sub-division and minimum networking of banks in another sub-division. Thus the proposed study has been conducted in nine sub divisions.In the third stage from every sub-division, number of respondents has been selected in proportion (10 per cent) of the number of program participants in these sub divisions. A total of 542 respondents have been selected.

Data Analysis and Interpretation

The following section deals with data analysis and interpretation. Firstly, the demographics of the respondents have been discussed in detail. This tabulation of respondents is necessary as it will help in analysis of data in the next chapter. After this, an overview of the corporate governance mechanism is provided in the following section on the basis of the perception of the respondents. It was necessary to first provide a brief profile about the banks taken as the sample of the study because the questions asked in the structured questionnaire were more of the perception checking rather than reality. To draw a parallel between perception and reality, it is better to know about what exists first. The required sample size was 540 (90 each from 6 banks). When the data was collected, total of 542 responses were received, from which 6 were rejected because they were incomplete and hence were unsuitable to be included in the results. The required analysis was carried out on the 542 samples.

- **On the basis of Bank Name and ownership structure of Banks**

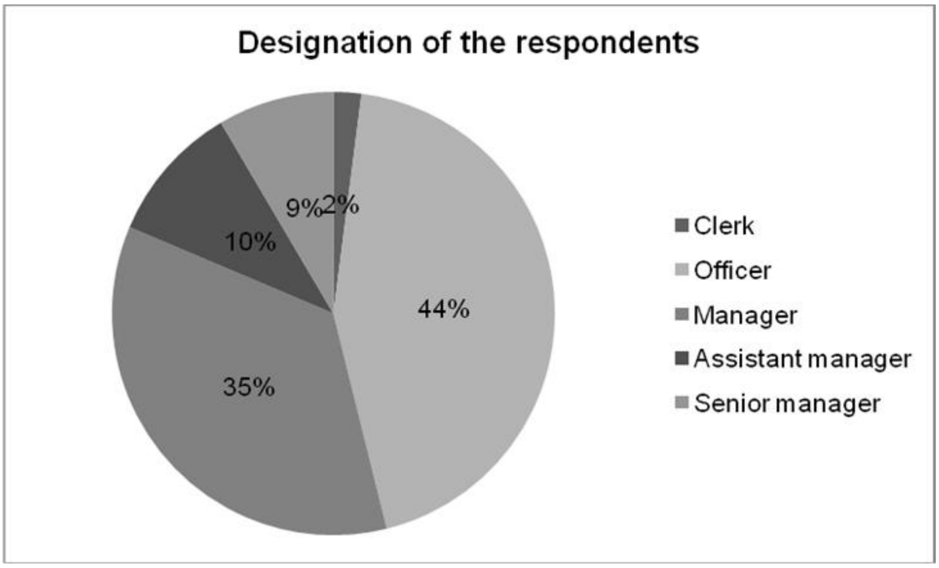
Figure 1



The above figure shows the classification of respondents on the basis of their bank. Of the total respondents in the public sector, 17% respondents belonged to the State bank of India, 17% respondents were from Punjab National bank and 17% respondents were from UCO bank. In the private sector, 17% respondents were from ICICI bank, 17% respondents were from Axis bank and 17% respondents were rom HDFC bank. The bank wise description of the respondents is given in the table below.

- **Bank name and Designation of respondents**

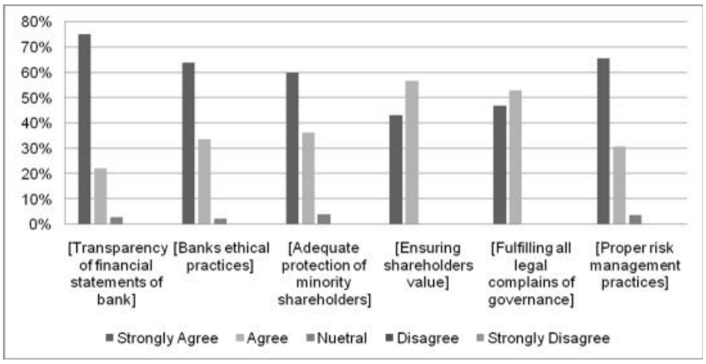
Figure 1



The above figure shows the classification of the respondents on the basis of the designation held by them in their bank. The study focused on managerial, officer and clerical level of employees to better gain insight on the perception of corporate governance amongst all levels of management in bank. Of the total respondents, 44% respondents were officers like probationary officer, 35% respondnents were manager including branch manager, regional director and 10% of the respondents were Assistant manager or deputy manager, 09% of respondents were Senior and 02% managers at clerical level.

- **Key attributes of corporate governance in Indian Banking Sector**

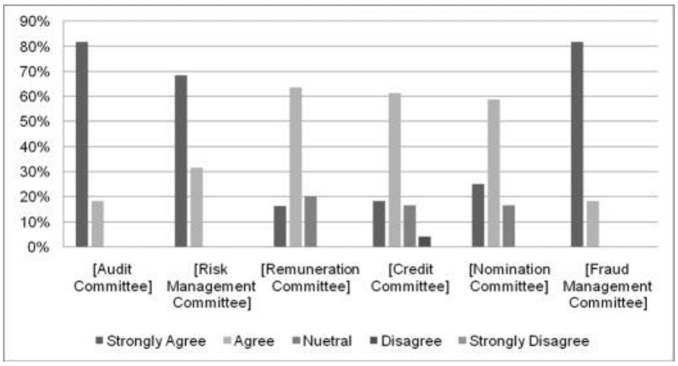
Figure 3



The respondents were asked on importance attached to various aspects of corporate governance namely- Transparency, banks ethical practices, Adequate protection of minority shareholder rights, ensuring shareholder value, fulfilling legal compliance of governance and proper risk management practices. The detailed results are discussed attribute wise. Of the total respondents, around 75% of the respondents strongly agree that transparency is extremely important attribute in the corporate governance system. Banks could ensure that transparency is maintained in their functioning by providing information on their websites through public notices or by use of intranet to communicate information to internal people. 27% considered it as an important attribute and hence agreed to the statement while 3% respondents were neutral as to their view on maintaining transparency by the bank.Of the total respondents, 64% felt that bank ethical practices are extremely important characteristics of corporate governance mechanism of banks. 2% respondents attach to it no importance in strengthening governance mechanism. Overall respondents unanimously agreed on bank ethical practices a strong determinant in ensuring good governance by banks.Of the total respondents, 60% of the respondents strongly agreed on ensuring adequate protection of minority shareholders as an important attribute for corporate governance of banks, 4% consider it to be not important factor, 36% were of opinion that it is important factor and agreed on the same.Of the total respondents, 57% of the respondents agreed ensuring shareholders value as an important attributeof corporate governance mechanism. 43% of the respondents were of opinion that it is not a important attribute, 11% opined that it is less important attribute, 10% considered it to be of importance and 26% percent considered it to have moderate importance.Of the total respondents, 53% agreed fulfilling all legal compliance of governance as an extremely important attribute of the corporate governance mechanism. Supporting the 47%consider it to be of no importance, 7% call it as less important attribute, 11% consider to be of importance and 25% consider it to have moderate importance in the mechanism.Of the total respondents, 65% strongly agreed on proper risk management practice as an extremely important attribute of the corporate governance mechanism while 31% showed agreement on the same and 4%of respondents were indifferent with respect to role of risk management practice of bank.

- **Percetions of respondents regarding the Importance of various Committees**

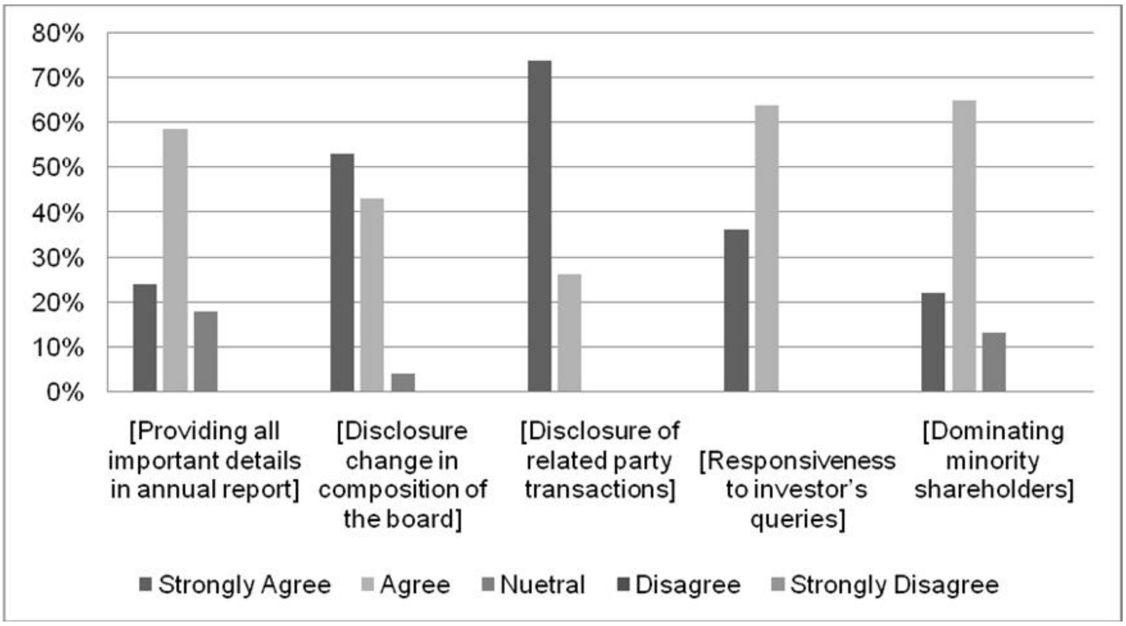
Figure 2



Various committees are formed to ensure that corporate governance is being practiced in the organisation. Some of these committees are formed due to statutory provisions and others are formed voluntarily. Some of the committees include audit committee, remuneration committee, risk management committee, credit committee, nomination committee and fraud management committee. The above figure shows the perception of respondents about importance of these committees. Of the total respondents, 82 % strongly agreed audit committee has to have an extremely important role in ensuring proper corporate governance mechanism. While none were of the view that committee is of no significant importance. Of the total respondents, 68 % strongly agreed and 32% agreed risk management committee as an important committee for ensuring proper corporate governance mechanism. While none were of the view that committee is of no significant importance. Of the total respondents, 64% agreed on role of remuneration committee as an extremely important committee for ensuring proper corporate governance mechanism. 20% consider it to be of no importance while none overlook its role in keeping up the governance mechanism of bank.Of the total respondents, 18 % consider credit committee as an extremely important committee for ensuring proper corporate governance mechanism. 16% consider it to be of no importance, 4% call it as less important attribute by disagreeing on its role on governance mechanism of bank and 61% consider to beone of importance committee.Of the total respondents, 59%agree and consider nomination committee as an important committee for ensuring proper corporate governance mechanism. 16% consider it to be of no importance and 25% strongly agreed on existence of nomination committeeOf the total respondents, 82 % 18% strongly agreed fraud management committee as an extremely important committee for ensuring proper corporate governance mechanism, remaining 18% viewed fraud management committee as an important constituent of governance system of bank.

- **Disclosure and transparency measures from the management point of view adopted**

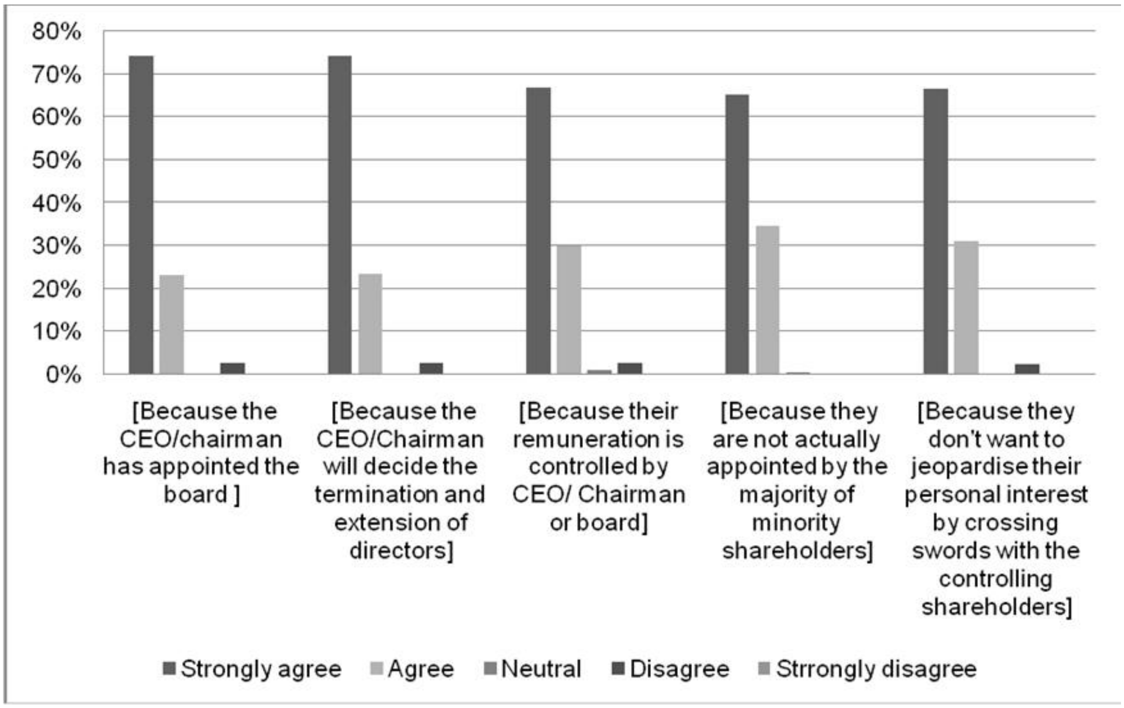
Figure 3



As an ordinary charter of banks require it to be transparent in all its functioning by disclosing all relevant and material information to the concerned stakeholders. Statutory requirement also mandates banks to maintain transparent functioning by proper disclosure of information. In order to account the practices of bank in this respect, respondents were asked to state their view point on various pieces of information that ensures transparent functioning of banks. These measures include providing necessary details in annual report, stating proper disclosure with respect to change in the composition of board, related party transactions, being responsive to investor's queries and dominating minority shareholders.Of total respondents 58% agreed stating all important details in annual report as a central measure to ensure transparency in practices of bank. As annual report caters to different stakeholder's interest disclosure of information in annual report is prerequisite and is considered important by respondents. Though, 18 % of respondents attached no significance to the same.Of total respondents 53% strongly agreed while 43% of respondents agreed disclosure of change in the composition of board as an important attribute taking care of governance mechanism of bank. Remaining 4% were of view that disclosure of change in composition of board does not broadly impacts the transparency of banks.Of total respondents 74% strongly agreed on disclosure of related party transactions as an important constituent for transparent functioning of bank. The disclosure of same is mandated by law as well and is importantly recognized by respondents as well wherein remaining 26% of respondents agreed on recognizing the importance of disclosure of related party transactions.Of total respondents, 64%agreed being responsive to investors queries as a crucial practice adopted by bank to ensure transparency in their functioning. 36% strongly agreed on the same. Of total respondents, 22% 65% 13%agreed disclosing dominating minority shareholders as an important practice to ensure transparency. 13% of respondents did not attach significance to the same while 22% of respondents strongly agreed on having disclosure of dominating minority shareholders.

- **Percetions of Respondents Regarding "independent directors" may not be fully independent from the CEO.**

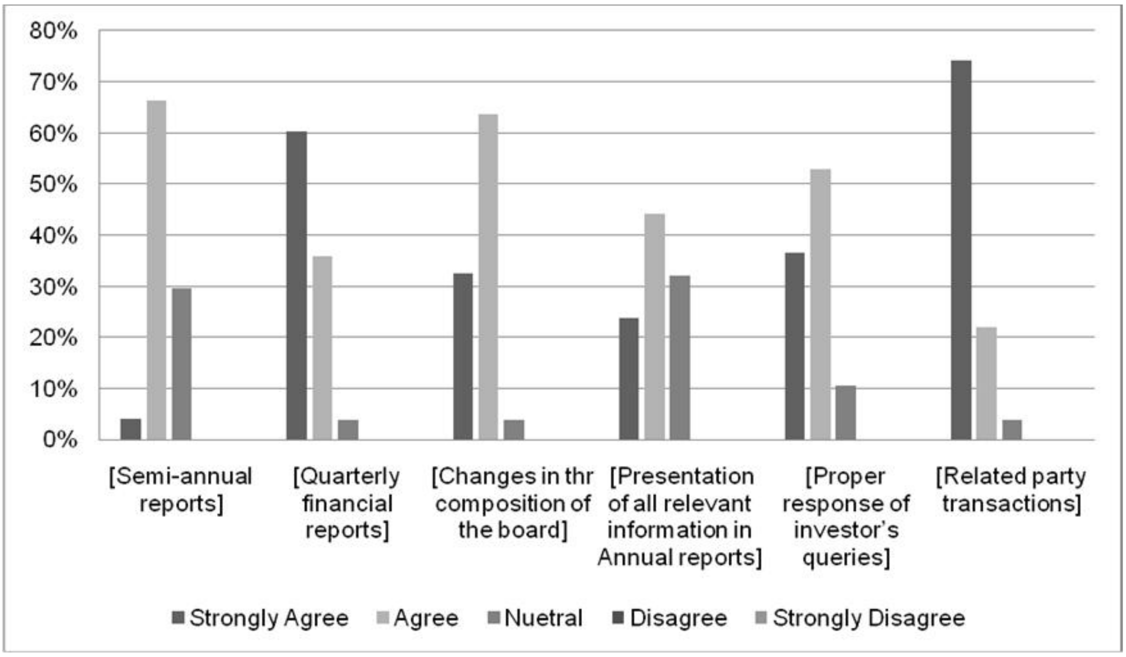
Figure 6



Independent director role is of grave importance and has been recognized under clause 49 as well. Acclaiming the fact of independent director being independent, not sharing any material or pecuniary relationship with company or related party add more transparency and unbiasedness on board. This can be ensured only when the director has no material interest in the internal functioning and is fully independent, but there is possibility that independent director may have seemingly some interest or dependence due to power that chairman or CEO does has with respect to appointment; termination and extension of period of appointment of independent director, power to decide on remuneration and domination of controlling shareholders. The below section represents the perception of respondents on whether the controlling stake of owner has direct or indirect influence on independency of independent director:Of the total respondents, 74 % strongly agree and consider appointment by chairman have strong impact on independent status of independent director and can bring biasness or personal interest on board. 3% disagree to role of chairman appointment, while 23% agree and consider appointment by chairman does have influence on independent director status.Of the total respondents, 74 % strongly agree and consider decision on termination and appointment by chairman have strong impact on independent status of independent director and can bring biasness or personal interest on board. 3% disagree to role of chairman decision, while 23% agree and consider decision of chairman does have influence on independent director status.Of the total respondents, 67 % strongly agree and consider approval of remuneration by chairman have strong impact on independent status of independent director and can bring biasness or personal interest on board. 01% consider it of it having no relation to independent status; 02% disagree to role of chairman approval on remuneration, while 30% agree and consider chairman's remuneration approval does have influence on independent director status.Of the total respondents, 65 % strongly agree and consider not actual appointment by majority of minority shareholders have strong impact on independent status of independent director and can bring biasness or personal interest on board. Remaining 35% agree and consider chairman's remuneration approval does have influence on independent director status. Of the total respondents, 67 % strongly agree and consider presence of controlling shareholders have strong impact on independent status of independent director and can transcend the bank interest. 02% strongly disagree to role of controlling shareholders, while 31% agree and consider presence of controlling shareholders does have influence on independent director status.

- **Opinion of Respondents for the following measures which ensure high level of transparency and disclosures.**

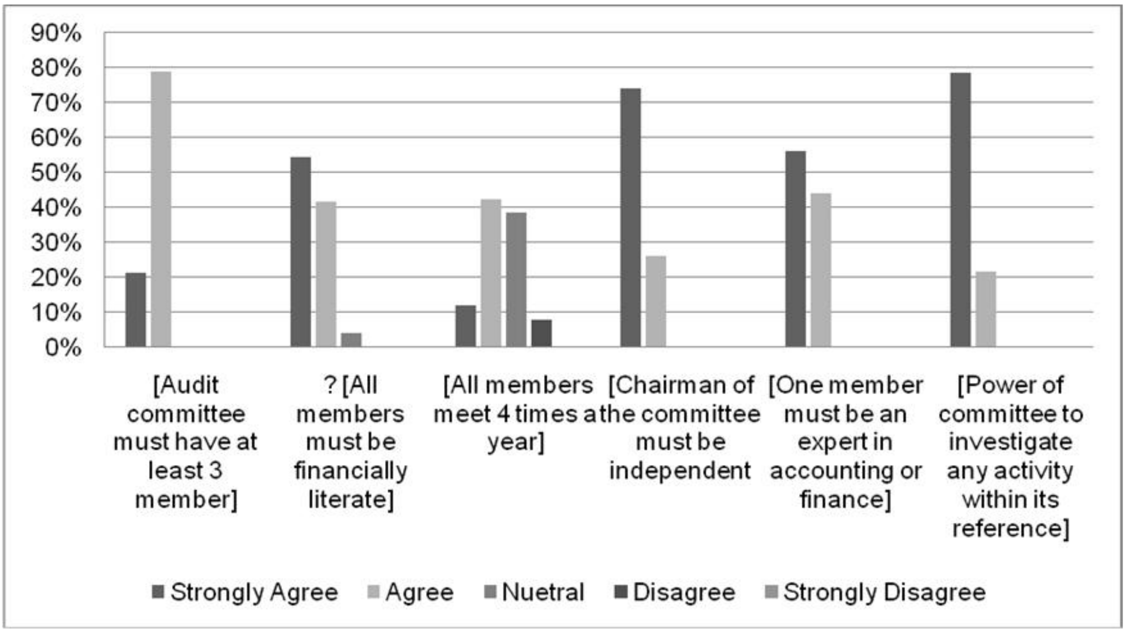
Figure 7



An organisation issues several reports during the year which contains relevant information. These reports may be annual in nature or the company may adopt going for semi annual or quarterly financial statements. The more frequently a company issues such documents, the higher chances are there that it discloses information to the general public timely and effectively. An organisation can disclose information through semi-annual reports, quarterly financial reports or by presenting all relevant facts in annual reports. An organisation can become more transparent in its working by disclosing information such as change in composition of the board or by giving proper response to investor queries.Of the total respondents, 66% agree and consider semi-annual reports as a moderately important measure for bringing transparency in the working of the organisation and disclosing the information to the public. 30% consider it to be of no importance and 4% strongly agree and consider itto haveextreme importance in the mechanism.Of the total respondents, 60 % strongly agree and consider quarterly financial statements as an extremely important measure for bringing transparency in the working of the organisation and disclosing the information to the public. 4% consider it to be of no importance and were neutral indifferent while36%agree and consider it to have moderate importance in the mechanism.Of the total respondents, 44%agree and consider presentation of all relevant information in annual reports as a moderately important measure for bringing transparency in the working of the organisation and disclosing the information to the public. 32% consider it to be of no importance, while 24% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 77%strongly agree and consider disclosing change in composition of the board as an extremely important measure for bringing transparency in the working of the organisation and disclosing the information to the public. 4% were neutral and consider it to be of no importance, while 22% agree and consider it to have moderate importance in the mechanism.Of the total respondents, 53% agree and consider proper response to investor queries as a moderately important measure for bringing transparency in the working of the organisation and disclosing the information to the public. 11% consider it to be of no importance and hold indifferent view, while37% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 64% agree and consider disclosure on related party transaction as a moderately important measure for bringing transparency in the working of the organisation and disclosing the information to the public. 04% consider it to be of no importance and hold indifferent view, while 32% strongly agree and consider it to have extreme importance in the mechanism.

- **Perceptions of Respondents regarding the following audit committee practices.**

Figure 8

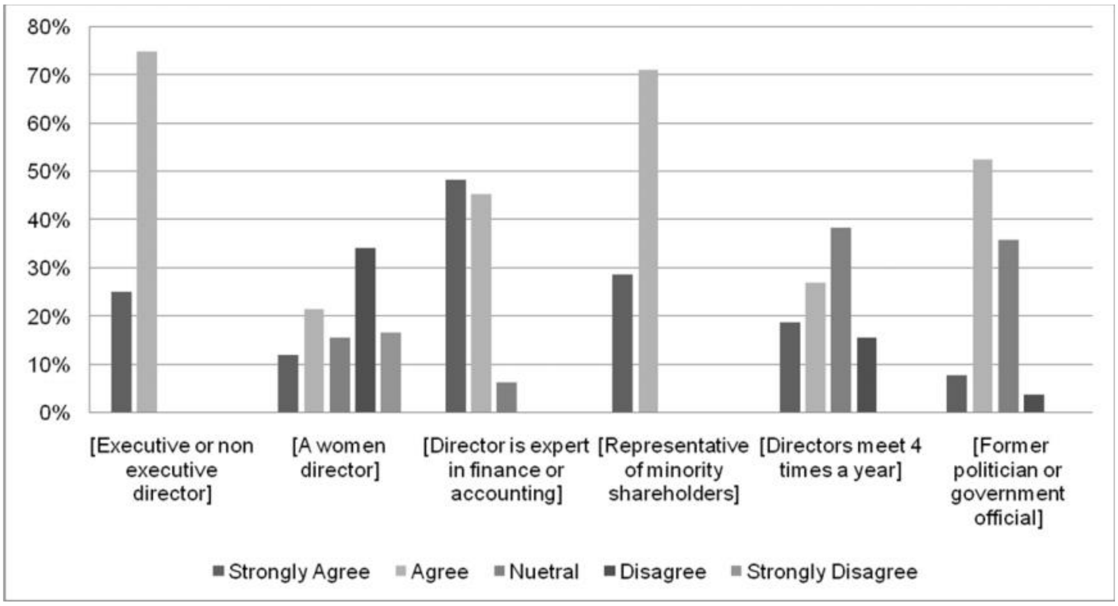


Audit committee was found to be an important committee in ensuring the corporate governance mechanism. Whenever any scam is unearthed, the role of audit committee is thoroughly discussed and focus is on how its power could be increased so that existing loopholes are not exploited in the future. Steps such as altering the minimum number of members, putting a condition on the literacy level of members, determining the number of meetings taking place in year, nature of chairman of the committee, presence of accounting and financial expert in the committee are some of the suggestions that have been accepted and implemented in the formation of committee. In the following section we will look on the perception of respondents on the different factors which are believed to strengthen the audit committee.Of the total respondents,79 % agree and consider minimum 3 members in audit committee as an important attribute for strengthening the audit committee. Remaining 21% consider it to be of extremely importance and strongly agreed on presence of minimum 3 members in audit committee.Of the total respondents, 42% agree and considerfinancial literacy among all the members as a moderately important attribute for strengthening the audit committee. 04% consider it to be of no importance and

54% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 42% agree and consider minimum 4 meetings of the members in a year as a moderately important attribute for strengthening the audit committee. 38% consider it to be of no importance, 8% consider it to be less important and disagree on putting minimum quotient on number of meetings by audit committeewhile 12% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 26% agree and consider chairman of the committee must be independent as a moderately important attribute for strengthening the audit committee and 26% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 44% agree and consider presence of an accounting or financial expert in the committee as a moderately important attribute for strengthening the audit committee and 56% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 79% strongly agree and consider power to investigate any matter within its reference as an extremely important attribute for strengthening the audit committee and 21% agree and consider it to have moderate importance in the mechanism.

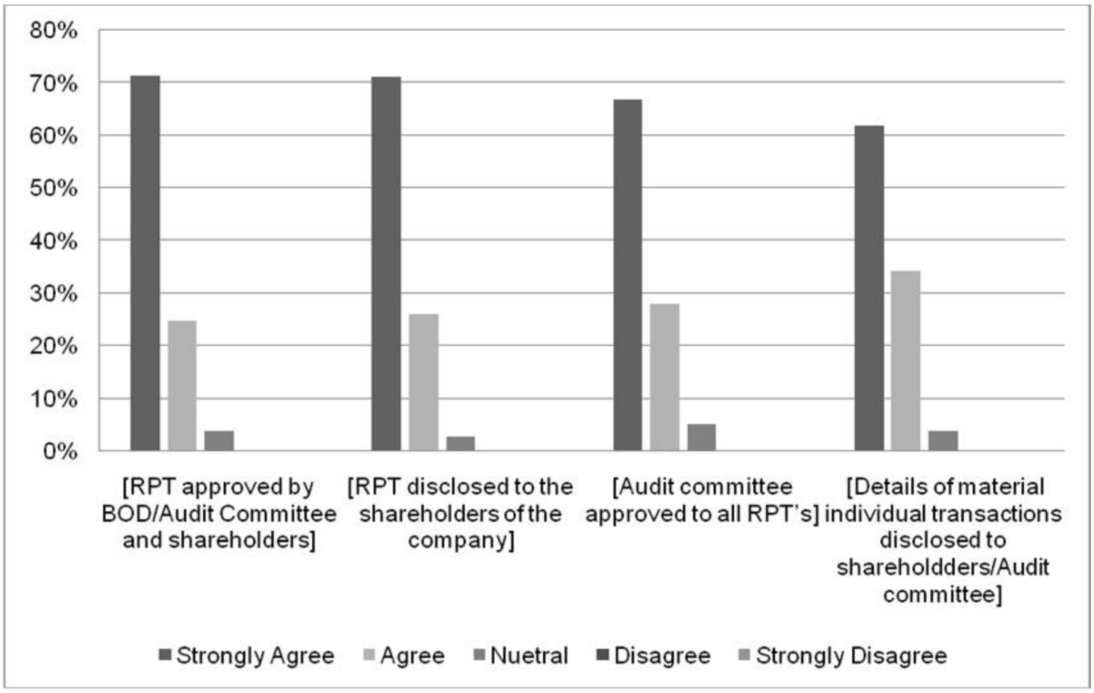
- **Perceptions of Respondents regarding the following points from the Board of Directors point of view**

Figure 9



Board of the directors govern the behaviour of corporation. They are the one's to ensure that an organisation properly follows the corporate governance mechanism by acting as members of various committees and holding timely meetings among themselves. It is necessary that the directors themselves behave in such a manner that they follow an ethical corporate governance mechanism. Mix of independent or executive directors, presence of women director, expertise of directors in finance or accounting, proper representation of minority shareholders in board, minimum four meetings in a year are some of the measures which have been suggested to improve the power of boards. The following section deals with perception of respondents on these suggestions regarding strengthening the board of directors of the organisation.Of the total respondents, 75%agree and consider presence of both executive and independent directors in the board as moderately important measure for ensuring the proper corporate governance mechanism in the board of the organisation. Remaining 25% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 22%agree and consider presence of women director in the board as a moderately important measure for ensuring the proper corporate governance mechanism in the board of the organisation. 16% consider it to be of no importance, 34% disagree and call it as less important attribute, 17% strongly disagree and assumes presence of women director on board has no role in governing behaviour of board while as against to it, consider to be of importance and 12% strongly agree and consider role of women director of extreme importance in the mechanism.Of the total respondents, 48 % strongly agree andconsider presence of financing or accounting expert as director in the board as an extremely important measure for ensuring the proper corporate governance mechanism in the board of the organisation. 06% consider it to be of no importance, while 45% agree and consider it to have moderate importance in the mechanism.Of the total respondents, 71 % agree and consider presence of representative of minority shareholder as director in the board as an important measure for ensuring the proper corporate governance mechanism in the board of the organisation. Remaining, 29% strongly agree and consider it to have extreme importance in the mechanism.Of the total respondents, 27 % agree and consider four meetings of board in a year as moderately important measure for ensuring the proper corporate governance mechanism in the board of the organisation. 38% consider it to be of no importance, 16% disagree and call it as less important attribute while19% consider it to have extreme importance in the mechanism.Of the total respondents, 53 %agree and consider presence of former politician or government official as an important measure for ensuring the proper corporate governance mechanism in the board of the organisation. 36% consider it to be of no importance, 4% disagree and call it as less important attribute, while 08% consider it to have extreme importance in the mechanism.

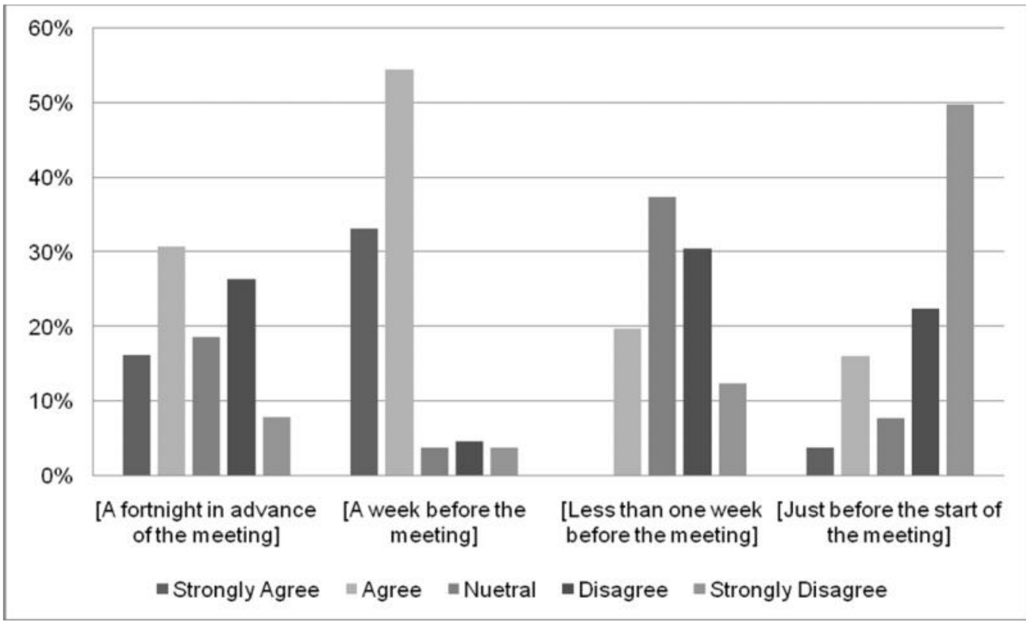
- **Perceptions of Rspondents regarding the most suitable characteristics of related party transactions**



Related party transactions are the transactions wherein part to contract priory holds pre-existing connection. Such transactions are of acute importance and hence are always been looked to ensure that no personal interest lies in such transactions. The following sections deals with yet another important aspect of governance mechanism that is inspection of related party transaction wherein respondent's perception to different characteristics of related party transactions were asked that depicted following results. Of the total respondents, 71 % strongly agree and considerapproval of BOD and shareholdersto related party transaction (RPT) as extremely important measure for ensuring proper functioning and governance mechanism of the organisation. 04% consider it to be of no importance, while 25% consider it to have moderate importance in the governance mechanism. Of the total respondents, 71 % strongly agree and consider disclosure of RPT to shareholders of banks as extremely important measure for ensuring proper functioning and governance mechanism of the organisation. 03% consider it to be of no importance, while 26% consider it to have moderate importance in the governance mechanism.Of the total respondents, 67 % strongly agree and consider approval of audit committee to related party transaction as extremely important measure for ensuring proper functioning and governance mechanism of the organisation. 05% consider it to be of no importance, while 28% consider it to have moderate importance in the governance mechanism.Of the total respondents, 62 % strongly agree and consider disclosure of material RPT to shareholders and audit committee as extremely important measure for ensuring proper functioning and governance mechanism of the organisation. 04% consider it to be of no importance, while 34 % consider it to have moderate importance in the governance mechanism.

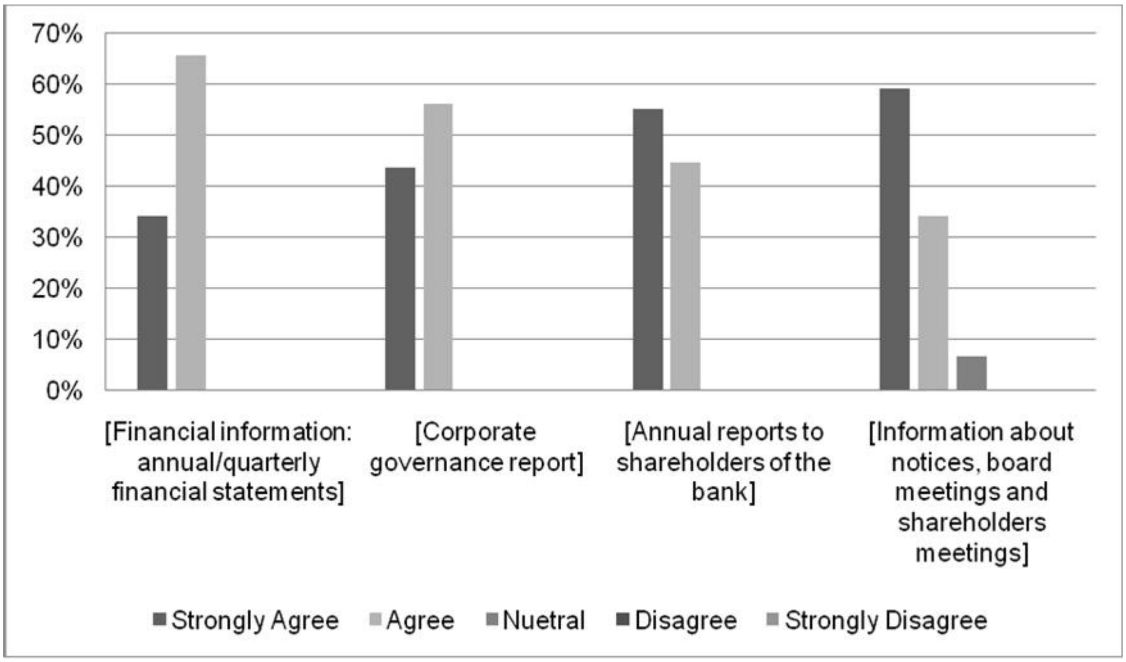
- **Perceptions of Respondents Regarding the Circulation of agenda &information about Board meeting among the board members**

Figure 11



In order to ensure effectiveness and transparency in the proceedings of board meeting, information regarding the agenda of meeting shall be conveyed beforehand. Wherein the law itself mandates timely disposition of information to the members concerned explaining the agenda of the meeting, it is onto discretion of directors to decide on timing of dispersal of information. Various measures that can be adopted by directors involves circulating information a fortnight in advance of meeting, a week before meeting, less than one week before the meeting or immediately before the start of meeting. The following section deals with the perception of respondents on these measures relating to timely circulation of board meeting agenda to members.Of the total respondents, 62 % strongly agree to circulation of meeting agenda a fortnight in advance of meeting and consider it as extremely important measurefor ensuring timely intimation of agenda and requisite forproper functioning and governance mechanism of the organisation. 19% consider it to be of no importance, 26% disagree to this provision, 08% had strong disapproval to the policywhile 31 % agree and consider it to have moderate importance in the governance mechanism.Of the total respondents, 54 % agree to circulation of meeting agenda a week before meeting and consider it as moderately important measure for ensuring timely intimation of agenda and requisite for proper functioning and governance mechanism of the organisation. 04% consider it to be of no importance, 05% disagree to this provision, 04% had strong disapproval to the policy while 33 % strongly agree and consider it to have ecxtreme importance in the governance mechanism.Of the total respondents, 20 % strongly agree to circulation of meeting agenda less than one week before meeting and consider it as extremely important measure for ensuring timely intimation of agenda and requisite for proper functioning and governance mechanism of the organisation. 37% consider it to be of no importance, 30% disagree to this provision and12% had strong disapproval to the policy.Of the total respondents, 50 % strongly disagree to circulation of meeting agenda just before the start of meeting and consider it as no utility in ensuring timely intimation of agenda and requisite for proper functioning and governance mechanism of the organisation. 08% consider it to be of no importance, 23% disagree to this provision, 16% agreed to the policy while 04 % strongly agree and consider it to have ecxtreme importance in the governance mechanism.

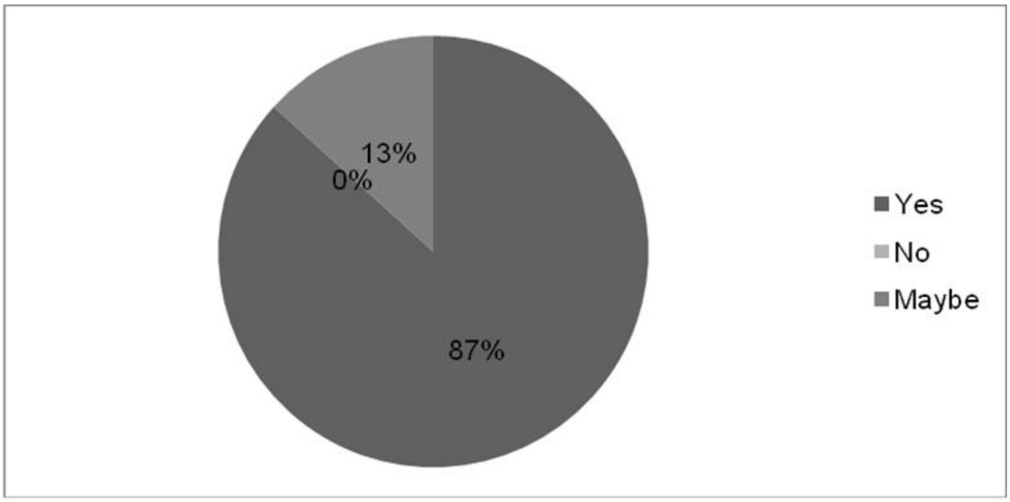
- **Perception of Respondents regarding various information's of banks on their websites**



With the advent of technology, the same has been harnessed to improve the governance mechanism of banks. Banks are encouraged to be as much as transparent of their functioning by disclosing apt and required information on their websites. Websites an empowering tool for stakeholders to gather information about banks. This deals with uploading of annually or quarterly financial statements, corporate governance report, annual report as well as detailed record of minutes of board meeting and shareholder meeting. Availability of online information has strengthened the power of stakeholders as well as contributed in building of better governance network. Following section presents perception of respondents on availability of different type of information by banks on their websites. Of total respondents, 66 % agreeand consider availability of annual/ quarterly financial statement on website as a moderately important measure for maintaining and efficient governance mechanism of the organisation. Remaining 34 % strongly agree and consider it to have extreme importance in the governance mechanism.Of total respondents, 56 % agree and consider availability of corporate governance report on website as a moderately important measure for maintaining and efficient governance mechanism of the organisation. Remaining 44 % strongly agree and consider it to have extreme importance in the governance mechanism.Of total respondents, 55 % strongly agree and consider availability of annual report to shareholders on website as an ectremely important measure for maintaining and efficient governance mechanism of the organisation. Remaining 45 % agree and consider it to have moderate importance in the governance mechanism.Of total respondents, 59 % strongly agree and consider availability of information about notices, shareholders meeting and board meeting on website as an ectremely important measure for maintaining and efficient governance mechanism of the organisation. 07% consider it of no importance while 45 % agree and consider it to have moderate importance in the governance mechanism.Of the total respondents, 86% were of opinion that adoption of automation by bank has led to increased transparency and accountabilityand14% answered may be it has lead to improved transparency in the operationsof bank.Of the total respondents, 82% agreed that adoption of automation by bank has detection of fraud. Remaining 18% answered may be the technology has helped in reduction of fraudulent activities. Of the total respondents, 100% agreed that adoption of automation by bank has helped banks in saving time and cost significantly.Of the total respondents, 84% agreed that that adoption of automation by bank has helped bank in handling complicated tasks more easily. 04% said no such change has been observed, while 12% answered may be it has helped in making tasks simpler but were not sure about it.

- **Perception of Respondents for using Artificial intelligence and Blockchain technology in Banking Sector**

Figure 13



Does adaptation of artificial technology and blockchain technology in totality has been able to bring reform in the way the banks used to function and has made them more transparent than before? Answer to this question were obtained by raising the question to respondents wherein, 87% of total respondents agreed that use of artificial technology and blockchain technology has helped their banks in framing better corporate governance measures and remaining 13% claimed that usage of such technology may have positive influence on the governance mechanism of their bank. Thus, it was found that banking industry is trying to win over the technology aspect in their corporate governance mechanism. They have come so far but there are still leaps and bounds to cover. Use of technology is an integral part of corporate governance and will thus needs to be focused upon thoroughly.

Conclusion of the Study

It is concluded that the total respondents in the public sector, 17% respondents belonged to the State bank of India, 17% respondents were from Punjab National bank and 17% respondents were from UCO bank. In the private sector, 17% respondents were from ICICI bank, 17% respondents were from Axis bank and 17% respondents were from HDFC bank. Out of the total respondents, 44% respondents were officers like probationary officer, 35% respondnents were manager including branch manager, regional director. Out of the total respondents, around 75% of the respondents strongly agree that transparency is extremely important attribute in the corporate governance system. Banks could ensure that transparency is maintained in their functioning by providing information on their websites through public notices or by use of intranet to communicate information to internal people.Out of the total respondents, 82 % strongly agreed audit committee has to have an extremely important role in ensuring proper corporate governance mechanism. While none were of the view that committee is of no significant importance.As an ordinary charter of banks require it to be transparent in all its functioning by disclosing all relevant and material information to the concerned stakeholders. Statutory requirement also mandates banks to maintain transparent functioning by proper disclosure of information. In order to account the practices of bank in this respect, respondents were asked to state their view point on various pieces of information that ensures transparent functioning of banks.it is also concluded that banking industry is trying to win over the technology aspect in their corporate governance mechanism.

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