Impact of Corporate Governance on Stock Performance-Evidence from BSE Sensex

Raghu Kumari P.S. & Yash Shantilal Jain

Volatility in stock markets is caused by many external and internal factors, one of them being governance in Indian companies. This study is to ascertain the various company-specific elements affecting the stock performance along with corporate governance (CG). The dependent variable is market price of shares and the independent variables considered are: CG, return on equity (ROE), enterprise value, earnings per share (EPS) and dividends (DPS) for the FY 2017-18, for SENSEX (BSE 30) companies. The study concludes that the share price of a company is influenced by governance (CG), ROE, EPS and DPS. The study highlights that companies with improved governance achieve better stock performance.

Raghu Kumari P.S. (E-mail: psrkumari@gmail.com) is Assistant Professor (Finance) K J Somaiya Institute of Management Studies and Research, Vidyavihar, Mumbai. **Yash Shantilal Jain** is Financial Planner at Financial Hospital, Andheri (e), Mumbai

Introduction

The efficient functioning of capital market is important for the country's economic development, having a chain-link effect on all the stakeholders of any economy. The stock market provides the opportunity for companies to easily access capital from the public. These funds have a huge impact on the company's growth as it helps them effectively execute their expansion and diversification strategies and even reduce their leverage position and relieve from financial distress. On the other hand, the performance of stocks impacts the investor's growth and ultimately guides the movement of consumer markets, as higher profits generated from stocks enables the investors to possess higher disposable income leading to higher spending, whereas the losses cause lower spending. This in turn, impacts the industry and commerce of the economy, leading to the fluctuating cycles of inflation and recession and thereby impacts share prices. A breakdown in the securities exchange could detrimentally affect the economy as it has the capability of causing a far-reaching monetary disturbance. The famously known case in the global financial market history, the great depression of 1930s, was predominantly caused by the stock market crash in 1929.

It is very important for analyzing the performance of stocks on a regular basis for the stability of markets and the overall economy. Many scholars have attributed the stock performance to be predominantly based upon several internal and external factors. The company-specific internal factors like their governance and management leadership, financial performance, growth strategies and prospects, profitability, dividend policies, valuation, and other factors have a considerable effect on stock performance (Dow & Ibrahim, 2012).The companies and investors should be wary of and be knowledgeable about these factors to make informed decisions to mitigate risk and maximize returns. The government, regulators and policymakers have a close-eye on these factors to analyze the stock performances and their consequent impacts, for effective and timely decision-making for countering the unpredictability of stock market and maintaining the stability of the overall economy. Thus, it becomes imperative to study the factors impacting the stock performance to manage these factors efficiently and maximize the gains.

Corporate governance (CG) is one of the crucial company-specific internal factors, determining the company's principles and conduct, and in turn reflected through the investor's perception about the companies. It impacts the overall corporate excellence and also is an important instrument for investor protection. The significance of governance principles and management have been highlighted in recent years in the Indian context, and the corporate India has undergone an evolution, starting from the "'Desirable Voluntary Corporate Governance' code by Confederation of Indian Industry (CII) under Rahul Bajaj (1998) to several stage wise amendments in Corporate Governance regulations by Kumar Mangalam Birla Committee Report (1999), Naresh Chandra Committee Report (2002), Narayana Murthy Committee Report (2003), J.J. Irani Committee Report (2005), major Amendments under Companies Act, 2013 and the most-recent Uday Kotak Committee Report (2017 / 2018). These amendments have been made to converge towards globally accepted best practices built around the Organization of Economic Cooperation and Development (OECD) or G20 Principles of corporate governance, pertinent to the context and regulatory framework in India". As per the International Finance Corporation (IFC) Report (2018), the Indian companies having good corporate governance have fared well during the financial year FY2017-18, despite high uncertainties in the stock market. During the past couple of years, the governance considerations have been at the core of several events. In recent years,

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many large Indian companies have faced corporate governance issues which have been reflected in their market price of shares and market capitalization too. The predominant reasons for governance failure include issues related to management, leadership, board independence, transparency, disclosures, number of directorships and other external variables (Metrick, 2003)). Literature says that company specific performance factors and corporate governance, both, individually affect the stock prices. As corporate governance calculation is very complicated and tedious, so far scholars have not included it in stock performance models in the Indian context. For seeking comprehensive insights into the overall health of the companies, it is imperative to understand the impact of all the internal company-specific factors together, laying emphasis on both the economic performance factors and the company's governance. This study is to examine the overall influence of both the factors considered together, on the stock performance by analyzing their impact on the changes in the stock prices in the financial year 2017-18. The study employs a model developed for the Indian context, by considering the proxies for the company-specific internal factors involving corporate governance, financial performance, profitability, dividend policy and firm's valuation on the stocks of the 30 constituents of SENSEX (S&P BSE 30) for the period FY2017-18.

Background Literature

The market prices of stocks are predominantly impacted and governed by the demand and supply forces in the securities markets (Christopher, Rufus & Ezekiel, 2009). The market price reflects the cumulative knowledge and wisdom of the market. The price of the stock is the reflection of the kind of balance obtained between the suppliers and buyers of that stock at that moment of time. The demand behavior of the investors in the markets is generally guided by the factors like government policies, company's public affairs and company's and industry's performance among the other factors. The factors affecting stock prices are predominantly categorized as macroeconomic and microeconomic. The macroeconomic factors include politics, company's economic scenario, government regulations and other such factors. The microeconomic factors include the management and performance factors of the companies. There are many company-specific factors ascribed to the stock price fluctuations. The significant determinants of stock price, identified by Collins (1957) were dividend, PAT, book value and EBIT. Also, Sharma (2011) says DPS, EPS and book value per share have a significant influence on the stock prices.

Return on Equity (ROE)

ROE is a financial performance measure indicating the amount (in percentage) of net profit earned on the shareholders' equity. This reflects the efficiency of the company in utilizing the shareholders' funds for generating profits. ROE holds an important place for investors as it assures them the amounts earned over their investments. ROE directly impacts the stock prices as it reflects the intrinsic value of the shares, and significantly influences the stock prices. ROE effects company's stock price when company's management efficiency and firm performance is high (Liu & Hu, 2005; Raaballe & Hedensted, 2008; Habib et al. 2012). Also, Azeem & Kouser (2002) in their study indicated a significantly positive relation between the stock price and ROE, explaining that companies employing the finances provided by shareholders effectively will have a positive effect on stock price, otherwise the effect on stock prices will be negative. Hence it is hypothesized that

H1: ROE has a significant impact on stock performance.

Enterprise Value (EV)

The EV is a measure of a company's total value, going beyond the boundaries of market capitalization. This measure includes the company's market capitalization, debt obligations (long-term and short-term debts) and the cash component of the company. This is a metric generally used to value a company and used for evaluating its worth during potential takeovers and by investors to understand the overall financial health of the company to maintain its stability. Loughran & Wellman (2011) found that enterprise value is a strong factor for determining the stock returns. According to Will-Marshall blog (www.will-marshall.com), the stock price of the company is equally guided by the changes in enterprise value of the company and the market demand-supply fluctuation of the stock. From these literature evidences it can be hypothesized that:

H2: EV has a significant impact on stock performance

Earnings Per Share (EPS)

The EPS is a measure of profitability of the company, indicating the earnings of the company after making payments of all obligations and dividends, and to be distributed among all the shareholders. EPS helps in projecting the future value of stocks, taking into account the future benefits and associated risks in the company. The higher the quantum of future benefits, the higher will be the stock value and contrariwise. The increase in EPS generally indicates the company's growth and thus reflects in the higher stock prices, assuring a better return to the investors on the stocks. The EPS has a positive relation with the stock prices (Ball & Brown, 1968; Baskin, 1989). This result was also supported by the studies from Liu & Hu (2005) and Adesola and Okwong (2009) which found a positive relation between stock prices and EPS, the shareholders rating the companies higher, having high values of EPS. Therefore, it can be hypothesized that:

H3: EPS has a significant impact on stock performance.

Dividend Per Share (DPS)

The DPS is the proxy for measuring the effect of dividend policy on stock prices. This amount paid is governed by the dividend policy of the company. The stability in the dividend policy helps in countering uncertainties in the investors psyche and helps in developing a stable investment environment. The dividend rate significantly influences the stock prices. The dividends generally positively impact the stock prices as demonstrated in many empirical studies (Gordon, 1959; Desai, 1965; Nishat, Irfan, 2003). The two main themes of dividends are divided into relevance and irrelevance. The irrelevance theory proposed by Miller and Modigliani (1961) says that dividends have no significant impact on stock price and firm value. This theory was supported by others like Adesola and Okwong (2009), finding no relation between share prices and dividend policy. Irrelevant was also supported by Baskin (1989) which says there was a negative relationship found between dividend and share price. From these arguments, it can be hypothesized that

H4: DPS has a significant impact on stock performance.

Corporate Governance (CG)

According to Tricker (1994), "Corporate Governance is related with the way corporates are governed, distinguishable from the way business within such corporations is managed". As per Standard & Poor (2002), "Corporate Governance is the way a company is organized and managed to ensure that all financial stakeholders receive their fair share of a company's earnings and assets". The impact of corporate governance on the firm's performance differs from industry to industry and from one country to another, with consideration of different set of governance mechanisms having varied degree of impacts on corporate governance. Study conducted on Japanese firms found that firm's having better corporate governance practices have fared well up to 15% more than the firms that are not practicing well in terms of better share price and firm value (Bauer et al., 2007). Gupta & Sharma (2014) found that there are differences in corporate governance practices followed in India and South, predominantly related to mandatory disclosures, stakeholder's consideration and board independence, however, the impact of corporate governance on the company share prices have been limited, and should be studied in combination with other factors affecting company's stock performance and financial performance, and not in isolation. Aljifri and Moustafa (2007) attribute the corporate governance factors having strong impact on the firm performance of Malaysian listed companies, to governmental ownership, debt management policy and dividend policy, amongst many of the considered governance mechanisms.

Research on NYSE listed companies show that influence of corporate governance on manufacturing and service firms was different (Obradovich & Gill, 2013). Gompers, Ishii and Metrick (2003) argue that corporate governance is strongly correlated with stock returns. Some sector wise studies by Baumann, and Nier (2004) on banks, found out that information disclosure could be useful for both investors and banks and suggested that banks disclosing more information on important aspects of disclosure show lower stock volatility than the banks disclosing lesser information. Brown and Caylor (2004) found that the firms having weaker governance in comparison to firms with stronger corporate governance, were less profitable, riskier, performed more poorly and had lower return on asset, return on equity and return on investment. Berman, Wicks, Kotha and Jones (1999) asserts that there is a strong positive connection between treatment towards stakeholders and the firm's financial performance. Therefore, it can be hypothesized that:

H4: CG has a significant impact on stock performance.

Data Sample & Collection

This research is based upon the secondary data involving thirty companies listed on the Bombay Stock Exchange (BSE). The sample comprises 30 constituents of BSE SENSEX (BSE 30), an index of S&P BSE, as it represents the entire Indian market, spread across different sectors, and accounting for about 40% of the entire market capitalization. The companies considered for this research is listed in Annexure A. This research includes the independent variables (corporate governance score, ROE, enterprise value (EV), DPS) and MPS and dependent variable (stock prices) for the considered companies for the FY 2017-18.

The financial data for the considered companies has been collected from the financial terminal, Bloomberg and BSE India website www.bseindia.com, for the years 2017 and 2018. The annual reports of these companies and other disclosure reports submitted to BSE, for the years 2016, 2017 and 2018 were collected for this research and the corporate governance score is generated by a model developed, and by analyzing the governance mechanism and practices followed in these companies, through the company websites, company reports and other disclosed documents. The data for this research has also been collected from well-known financial and news websites like Moneycontrol (www.moneycontrol.com) and Bloomberg terminal. The share price has been considered as the dependent variable as a proxy for stock performance, for which, the percentage change in share price has been calculated by considering the stock prices of each of the companies for the ending date of the months across the period between the financial year ends 2017 and 2018. The average annual share price is then calculated by taking the average of all twelve months considered, and then percentage change in the share price is determined by comparing the annual average share price with the share price at the start of this period.

Corporate Governance Score Model

The proxy model for the corporate governance score has been developed on the basis of the 'Corporate Governance Scorecard' framework developed by International Finance Corporation (IFC), BSE Ltd and Investor Advisory Services Ltd (IiAS), together in 2016 for the Indian context. This framework consists of questions divided across four categories, corresponding to the respective OECD or G20 principles. These four categories are: (1) Rights and equitable treatment of shareholders (2) Role of stakeholders (3) Disclosure & Transparency (4) Board's responsibilities. These categories have different questions under each of them and the total number of questions considered is 33. We have considered the questions related to the principles which are most important for good corporate governance, recognized in the OECD/G20 Principles and also in accordance with the recent recommendations and amendments under the Kotak Committee recommendation (2017). The list of questions considered for this research is mentioned in the Annexure B. For the scoring purpose on each question, the quality of corporate governance practices is recognized under three levels, which is in accordance with the response key mentioned under the framework given by IFC, BSE and IiAS. Scoring is as follows

- 0 Point: If the company needs improvement in that element of corporate governance
- 1 Point: If the company follows reasonably good practices or meets only the Indian standard for that element of corporate governance
- 2 Point: If the company follows globally accepted best practices for that element of corporate governance

The weightage of each of the categories is as per the consideration under the model, as mentioned in Fig. 1

Fig. 1 Corporate Governance Score Model

CATEGORY	NO. OF QUESTIONS	MAX POSSIBLE SCORE	CATEGORY WEIGHTAGE (%)
Rights & Equitable treatment of Shareholders (1)	6	12	30
Role of stakeholders (2)	7	14	10
Disclosure & Transparency (3)	12	24	30
Board's responsibilities (4)	8	16	30
TOTAL	**33**	**66**	**100**

Source: BSE India

The total corporate governance (CG) score is arrived at by the weighted addition of each category score.

- Category score = (Aggregate score of all questions in category/ Max. Possible Category score) * Category weightage
- Corporate Governance Score (CG) Score = Addition of all category scores
- CG Score = (Category 1 Score + Category 2 Score + Category 3 Score + Category 4 Score)

Methodology

According to the objective of the study, the relationship between the company-specific internal factors (governance, return on equity, enterprise value, dividend per share and earnings per share) and the stock performance of the company is measured. Fig.2 provides the overview of the variables and their representation for the company's internal factors.

Fig. 2 Summary of the Proxy Variables

VARIABLES	REPRESENTATION FOR	DEFINITION	SYMBOL
Independent Variables:			
Corporate Governance Score	Governance	Corporate Governance Score	CGS
Return on equity	Profitability	Net Income / Shareholder's Equity (%)	ROE
Enterprise value	Firm Valuation	Enterprise value (Rs. Crore)	EV
Earnings per share	Financial Performance	Net Income/ No. of shares outstanding (Rs.)	EPS
Dividends per share	Dividend Policy	Dividend paid/ No. of shares outstanding (Rs.)	DPS
Dependent Variable:			
Change in Market price of shares	Stock Performance	Percent change in average annual share price (%)	MPS

In accordance with the prior studies and our hypothesis that examine the relationship between the company's internal factors and the stock performance, the following regression relationship is employed.

MPS = f (Internal Factors)

This study employs multiple-linear regression test for ascertaining the impact of all the internal factors considered in our study, under the hypothesized model. The general model proposed in our study to test the alternate hypothesis, is demonstrated in the regression equation, which is as follows:

$$\Delta\text{Market price of shares} = \beta_0+\beta_1 CGS+\beta_2 ROE+\beta_3 EV+\beta_4 EPS+\beta_5 DPS$$

where, β_0, β_1, β_2, β_3, β_4, β_5 are the regression coefficients, signifying the degree of impact of each independent variable on the dependent variable (market price of shares) under the proposed model. Notations used in the table are CGS (Corporate governance score), ROE(Return on equity),EV(Enterprise value), EPS(Earnings per share), DPS (Dividend per share).

Multiple linear regression analysis using Microsoft Excel is used in this study. The first analysis (Statistical data) of all the independent variables gives the spread of the range of output and the mean, median and the deviation in the values of all the considered variables. The correlation matrix (Table 2) signifies the relationship between the variables.

Table 1 Descriptive Statistics of the Independent Variables

	Mean	Median	Std. Deviation	Minimum	Maximum
CGS	66.39	67.59	9.38	48.75	81.52
ROE	19.08	18.05	13.71	-2.04	74.35
EV	409550	241064	583610	70662	3141292
EPS	47.41	22.87	59.72	-7.67	255.62
DPS	17.51	7.5	24.08	0	95

Table 2 Regression Analysis (Model Summary)

Regressios Statistics	
Multiple R	0.845
R Square	0.713
Adjusted R Square	0.653
Standard Error	0.162
Observations	30

Correlation analysis explains the direction and magnitude of correlation between each variable with one another. In this study, R^2 being 0.713 implies that 71.3% of the variations can be explained by the variables considered under our proposed model, with the rest explanation owed to other externalities unexplained in this model. Also, the Adjusted R^2 indicates the goodness of fit of the model in the population. The closeness in the values of Adjusted R^2 (0.653) and

Table 3 ANOVA

	Df	*SS*	*MS*	*F*	*SignificanceF*
Regression	5	1.573	0.315	11.937	7.08E-06
Residual	24	0.632	0.026		
Total	29	2.205			

Table 4 Model Coefficients

	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	-0.943	0.238	-3.953	0.001
CGS	0.014	0.004	3.594	0.001
ROE	0.009	0.003	3.204	0.004
EV	0.000	0.000	0.974	0.340
EPS	0.004	0.001	2.822	0.009
DPS	-0.010	0.004	-2.738	0.011

R^2 (0.713), shows a better model fit. This signifies that the proposed model and data considered are fit to be used.

In the ANOVA table, the significance F statistic should be lower than 0.05, which in our analysis come out to be 7.08E-06 (=0.0000007). This implies that the independent variables excellently explained the variation in the dependent variable. Table 4 explains the regression coefficients of each variable in the model and the impact of variation in each of the factor on the dependent variable. It should be noted that the test is analyzed at 95% confidence level. The p-value of each variable should be less than ($\alpha = 0.05$) to have a significant impact on the dependent variable.

Thus, on the basis of the above analysis, the regression equation can be stated as:

ΔMarket price of shares = -0.943+ 0.014(CGS)+0.0009(ROE)+0.004(EPS) -0.01(DPS)

Table 4 results show that CGS, ROE, EPS and DPS have significant impact on share price indicating the need to focus on corporate governance practices along with financial parameters to enhance share price and firm value. H1, H3, H4 supported as p value is below 0.05 and H2 is not supported.

Conclusion

This study highlights that corporate governance is one of the very important factors among other internal factors of the company, on which the company should keep working on consistently and keep improving, since it has a strongly positive effect on the stock prices; better governed companies experience higher appreciation in their stock performance. Also, the study reveals that, though all the corporate governance principles considered have a significant correlation with the stock prices, disclosure and transparency is the utmost important practice, which has a strong impact on the market price of shares. The companies should lay higher emphasis on this aspect of their governance for achieving higher governance excellence. The study also points out that corporate governance, in solitude consideration, does not have significant influence on share prices, but should be considered in association with other internal factors, which provide a robust framework for company analysis.

The empirical findings reveal a positive and significant relationship between ROE and EPS with share prices, suggesting that these factors act as active causal factors for steering the stock prices. However, a significant negative relationship between dividends per share (DPS) with share prices, is in support of dividend irrelevance theory. This suggests that investors are interested in companies providing lower or no dividends and having an expectation to gain higher capital gains in the long term, would seek to save taxes on the dividends, and rather prefer companies reinvesting for their growth, which is aligned with the findings of Walter Model on Dividend Policy about the growth firms and from the study of Sharif, Purohit and Pillai (2015). The study also reveals that the enterprise value does not have a significant impact on the share prices.

Theoretical & Practical Implications

Larger corporations, have the potential to create tremendous impact on the stock markets as well as the economy, in the broader perspective, due to high fluctuations in their stock performance. This study acts as guide for the different stakeholders of the firm from different standpoints in varied measures. The governance model and other firm performance factors provide a benchmark for companies for self-evaluation for periodic measures for improvement in comparison to the company's and other globally accepted governance principles. On the other hand, it also helps the investors to independently evaluate the companies on the basis of the proposed model to check the performance criteria and identify the leading indicators which would impact their stock performance in future, and accordingly make timely investment decisions. This framework also assists the policymakers and regulatory bodies in analyzing most effective factors impacting the companies in specific sectors and markets, and accordingly formulate policies and regulations based on the globally accepted best practices to improve the overall efficiency, effectiveness and governance in the Indian stock market.

Limitations & Future Research

This study has been conducted for a limited time period. The study is done for a small sample of large-cap corporations as CG calculations were done manually and they are very tedious and time taking calculations. Future scholars can incorporate more listed companies for achieving more accurate results. The corporate governance model does not include all the governance attributes, considered under BSE Corporate Governance Score model, which could influence the results. The variables considered are only firm-specific internal factors and does not incorporate other external market factors which can have an impact on the stock performance of the company. This study has been conducted with an outlook to understand the need for improving governance in companies and its reflection on the company's stock performance, with recent regulations by SEBI based on amendments made by the 'Kotak Committee' recommendations in corporate governance in the Indian context. There is scope for carrying out further research, after SEBI regulations on 'Kotak Committee' recommendations are fully effective, to analyze the effect of these recommendations in the light of performance of the corporations on the basis of developments in their corporate governance mechanism.

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Annexure A – List of BSE-30 Companies

SR. NO.	BSE CODE	COMPANY
1	500820	Asian Paints Ltd.
2	532215	Axis Bank Ltd.
3	532977	Bajaj Auto Ltd.
4	500034	Bajaj Finance Ltd.
5	532454	Bharti Airtel Ltd.
6	533278	Coal India Ltd.
7	532281	HCL Technologies Ltd.
8	500180	HDFC Bank Ltd.
9	500182	Hero MotoCorp Ltd.
10	500696	Hindustan Unilever Ltd.
11	500010	Housing Development Finance Corporation Ltd.
12	532174	ICICI Bank Ltd.
13	532187	IndusInd Bank Ltd.
14	500209	Infosys Ltd.
15	500875	ITC Ltd.
16	500247	Kotak Mahindra Bank Ltd.
17	500510	Larsen & Toubro Ltd.
18	500520	Mahindra & Mahindra Ltd.
19	532500	Maruti Suzuki India Ltd.
20	532555	NTPC Ltd.
21	500312	Oil & Natural Gas Corporation Ltd.
22	532898	Power Grid Corporation of India Ltd.
23	500325	Reliance Industries Ltd.
24	500112	State Bank of India
25	524715	Sun Pharmaceutical Industries Ltd.
26	532540	Tata Consultancy Services Ltd.
27	500570	Tata Motors Ltd.
28	500470	Tata Steel Ltd.
29	500295	Vedanta Ltd.
30	532648	Yes Bank Ltd.

Annexure B Corporate Governance Questionnaire

SR. NO.	CORPORATE GOVERNANCE QUESTIONAIRRE
(A)	**RIGHTS & EQUITABLE TREATMENT OF SHAREHOLDERS:**
1	Attendance of all Board members in the previous AGM
2	Gap (in months) between the fiscal year end and the last AGM held
3	Policy requiring all related party transactions (RPTs) to be dealt only by independent non-conflicted board members
4	Presence of a system, policies and procedures, for disclosures of conflicts of interest by stakeholders
5	Transparency while undertaking any M&A, restructuring or slump sale
6	Policy for publicly disclosing the reasons for pledging of shares by controlling shareholders
(B)	**ROLE OF STAKEHOLDERS:**
7	Commitment towards stakeholder relationships development
8	Publicly disclosure of policies & mechanisms for the health, safety, and welfare of employees
9	Policies and practices for supplier/contractor selection and management processes
10	Commitment towards strong ethical practices, anti-corruption and anti-bribery
11	Commitment towards being a good corporate citizen
12	Processes for implementation and measurement of the efficacy of CSR programs
13	Whistle-blower policy and mechanism for stakeholders
(C)	**DISCLOSURES & TRANSPARENCY:**
14	Policy for determination and disclosure of material information
15	Transparency in disclosure of financial performance on a quarterly basis in the past year
16	Comprehensive disclosures on the foreseeable risks and risk mitigation measures
17	Development and disclosure of a comprehensive related party transaction (RPT) policy
18	Provision for timely, accessible and comprehensive information for all shareholder meetings
19	Publicly disclosure of detailed minutes or transcripts of the previous AGM
20	Transparency in disclosure of shareholding pattern quarterly and annually
21	Disclosure of the dividend policy for the shareholders of the company
22	Provision for comprehensiveness and accessibility of information on the company website

SR. NO.	CORPORATE GOVERNANCE QUESTIONAIRRE
23	Publicly disclosure about the independence, competence and experience of the external auditor
24	Disclosure of the experience of each board member and senior executives
25	Disclosure of the details on the training, development and orientation programs for directors
(D)	**RESPONSIBILITIES OF THE BOARD:**
26	Engagement all directors in company matters and committed towards corporate governance
27	Sufficiency of the board meeting for exercising due diligence
28	CEO Duality
29	Gender diversity in the Board
30	Adequacy of independent representation on the Board
31	Adequacy of independent representation on the Board committees
32	Presence of detailed planning and disclosures on succession planning
33	Effectivity of Board evaluation policy and processes