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## Here are the top 20 BSE 100 companies with strong corporate

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India Inc. kept a steady focus on improving its governance practices in 2021 despite uncertainties over the Covid-19 pandemic, according to a study done by Institutional Investor Advisory Services (IIAS).



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India Inc. kept a steady focus on improving its governance practices in 2021 despite uncertainties over the Covid-19 pandemic, according to a study done by Institutional Investor Advisory Services (IIAS). The study highlighted that the median scores of companies in the BSE 100 index increased marginally to 62 from 61 a year ago due to better disclosures and enhanced stewardship practices. These improvements were built on the median score of 58 in 2019.

The findings show that 20 companies in the BSE 100 came in the 'Leadership' category in 2021, against 11 in 2020 and six in 2019. This included Bharti Airtel, Cipla, Crompton Greaves, Dr Reddy's Laboratories, HDFC Bank, HDFC Life, Hindustan Unilever, HDFC, ICICI Lombard, ICICI Prudential Life Insurance, Infosys, Kotak Mahindra Bank, Mahindra & Mahindra, Marco, Tata Consumer Products, Tata Motors, Tata Power, Tata Steel, Titan and Wipro.

The BSE 100 constituents account for about 67 per cent of total market capitalisation. The framework for the Indian Corporate Governance Scorecard was developed over 2015 and 2016, jointly by International Finance Corporation (IFC), a member of the World Bank Group and Bombay Stock Exchange (BSE) and IIAS.

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As many as 8 firms moved to the 'Leadership' category in 2021 from the 'Good' category in 2020. Based on industry classification, the financials, consumer discretionary and industrials sectors have shown an improvement in their governance scores. The telecom and utility industry has shown a decline in median scores to 52 in 2021 from 58 in 2020, largely on account of underperforming PSUs and new additions in the BSE 100.

Coming to the benchmark BSE Sensex, 80 per cent of the companies have scored 60 and above (Leadership and Good category) compared to 67 per cent and 54 per cent in the 2020 and 2019 study respectively.

Commenting on the study, Amit Tandon, MD and CEO, IiAS said, "In 2021, the continued volatility due to the Covid-19 pandemic has exposed companies to unique circumstances and risks. The study showed that most companies have continued to improve governance practices even through the pandemic years. Boards are responsible for setting the corporate governance agenda, which is why the composition and structure of the board of directors are of critical importance."

"Our analysis shows a correlation between governance scores and the degree of institutional ownership. This is also reflected in how markets reward well-governed companies (those with a score of 60 and more) – at a portfolio level, these have shown to have stronger price performance and lower stock beta than those that are not as well-governed. Our analysis this year also shows that index inclusion may have tacitly factored in the governance quality of companies – companies that have entered the main indices have higher median scores than those that have exited these indices," added Hetal Dalal, President and COO, IiAS.

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