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## **Abstract**

The financial reporting has become more important in the modern globalized business environment during the last decade. The regulatory framework of the financial reporting in Indian commercial banks has been improving as per the best international practices by providing for the various additional disclosures in their annual reports. It is in this context, the present study has been conducted to discuss the conceptual and regulatory framework of corporate financial reporting in Indian commercial banks, present the profile of Sample Banks (SBs), analyze the financial reporting practices of SBs, find out the changes in their financial reporting practices, compare the financial reporting practices of SBs in the groups of Sample Public Sector Banks (SPSBs) and Sample Private Banks (SPBs), and recommend the measures for improvements in the financial reporting practices of Indian commercial banks.

A comprehensive review of the studies that have made significant contribution to the various dimensions of corporate financial reporting has been conducted to do the present study. The present study is a unique study as it has attempted to analyze and compare the financial reporting practices of Indian commercial banks over the last decade on the basis of various aspects of financial reporting, overall financial reporting, mandatory financial reporting and voluntary financial reporting. The six null hypotheses have been formulated and tested in the present study including hypothesis no. 1 of no significant difference in the financial reporting practices of SBs over the study period, hypothesis no. 2 of no significant difference in the financial reporting practices of SPSBs over the study period, hypothesis no. 3 of no significant difference in the financial reporting practices of SPBs over the study period, hypothesis no. 4 of no significant difference in the financial reporting practices of SPSBs and SPBs, hypothesis no. 5 of no significant difference in the mandatory financial reporting practices of SPSBs and SPBs, and hypothesis no. 6 of no significant difference in the voluntary financial reporting practices of SPSBs and SPBs. The data for the study has primarily been collected from the annual reports of SBs for FY 2006-07 and 2015-16. The

study includes a sample of 12 Indian commercial banks comprising of 6 PSBs and 6 PBs which were on Bank Nifty as on April 1, 2014. The financial reporting practices of SBs have been analyzed and compared for FY 2006-07 and 2015-16 so as to find out the changes in their financial reporting practices over the last decade. The study analyzes and compares the financial reporting practices of SBs by taking 102 financial reporting items on the various aspects of financial reporting including 15 profitability, 9 capital adequacy, 12 asset quality, 10 risk exposure, 10 corporate governance, 9 human resource, 16 corporate social responsibility, 12 overall performance and 9 miscellaneous reporting items. The selected 102 financial reporting items have further been classified into 86 mandatory and 16 voluntary financial reporting items on the basis of the regulatory framework of Indian commercial banks. The content analysis has been used to examine the financial reporting practices of SBs by reading their annual reports and scoring the information therein as per the dichotomous procedure of assigning unweighted score “1” to each reported item and “0” to each unreported item. The various tools and techniques used to analyze the data include mean, maximum, minimum, ranks, paired samples t test and one way ANOVA.

The Indian commercial banks have started reporting more items in FY 2015-16 as compared to FY 2006-07 so as to meet the increasing regulatory requirements of Reserve Bank of India, Securities and Exchange Board of India, Companies Act 2013, Banking Regulation Act 1949, Basel norms and increasing informational needs of the stakeholders as witnessed from the improvements in the financial reporting practices of SBs, SPSBs and SPBs over the study period for all the aspects of the financial reporting practices. The overall financial reporting practices of SBs, SPSBs and SPBs have also improved significantly over the study period. The financial reporting practices of SPSBs are not significantly different from SPBs over the study period. The SPBs have better mandatory financial reporting practices than SPSBs while the SPSBs have better voluntary financial reporting practices than SPBs for FY 2015-16.

To conclude, it can be said that although the financial reporting practices of Indian commercial banks have improved significantly during the last decade due to the concerted efforts made by the professional and regulatory bodies, yet the financial reporting framework of Indian commercial banks can further be improved as per the best international practices by constituting a super regulator for designing a simple and uniform financial reporting framework based on Ind AS converged to International Financial Reporting Standards for providing classified and complete information to the stakeholders by incorporating more voluntary financial reporting items and forecasts of key business indicators.