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Comparative corporate governance reforms in India and Turkey: Stakeholder accountability and regulatory challenges

Dr. Subhajit Chakraborty

Assistant Professor in Law, Xavier Law School, St. Xavier's University, Kolkata, India

Email: adra4354@gmail.com

Orcid Id: <https://orcid.org/0000-0003-4190-8499>

Dr. Avik Banerjee

Assistant Professor in Law, Faculty of Commerce and Management, St. Xavier's University, Kolkata, India,

Email: adrjournal17@gmail.com

Orcid Id: <https://orcid.org/0000-0002-7074-5273>

Dr. Rashmi Pradhan

Principal, University Law College, Vinoba Bhave University


Orcid: <https://orcid.org/0009-0001-0849-5146>

Sangramesh Talukdar

Assistant Professor in Law, Brainware University, Barasat, West Bengal

Orcid Id: <https://orcid.org/0009-0005-0312-6930>

Abstract--Corporate governance holds considerable significance when it comes to enhancing the level of corporate accountability, transparency, investor protection, and sustainable economic development in emerging economies. This paper aims to perform a comparative doctrinal study of the corporate governance structure of India and Turkey by looking into various elements such as legislation, securities laws, shareholder rights, board structures, disclosures, and other institutional aspects. In this paper, the impact of international standards on corporate governance and specifically OECD principles will be analyzed while discussing the changes made to corporate governance by India and Turkey. It will be seen that despite the adoption of reforms in order to comply with international governance norms, many issues related to enforcement and regulatory inefficiencies remain.

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Corresponding author: Chakraborty, S., Email: adra4354@gmail.com

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1.0 Introduction

It is essential to note that corporate governance has become a key area of corporate regulation and business administration in developing countries, largely due to economic liberalization, globalization, and foreign investment, which have significantly impacted the corporate world. The concept of corporate governance centers on the issue of how a corporation operates, is managed, and controlled, with a focus on transparency, responsibility, equity, and the protection of stakeholders' rights. It is noteworthy to mention that, according to the definition given by the Organization for Economic Cooperation and Development (OECD), the aspect of corporate governance can be described as the distribution of rights and responsibilities among various stakeholders within a firm (Dignam & Galanis, 2009; Mallin, 2019).

In the contemporary business environment, the significance of corporate governance has increased considerably due to the rise of multinational corporations, cross-border investments, financial scandals, and corporate failures. Emerging economies such as India and Turkey have witnessed substantial regulatory reforms aimed at strengthening governance standards and aligning domestic corporate practices with international norms (Shleifer & Vishny, 1997; Tricker, 2015). Both countries have adopted governance reforms influenced by globalization, capital market integration, and the increasing role of institutional investors. Despite these reforms, concerns relating to weak enforcement mechanisms, concentrated ownership structures, inadequate board independence, related-party transactions, and minority shareholder protection continue to remain central governance challenges (OECD, 2015).

In today's business environment, the importance of good governance has been significantly enhanced as a result of the emergence of multinational organizations, international investments, financial scandals, and corporate collapses. Many emerging nations like India and Turkey have experienced a lot of regulatory reforms concerning their corporate governance systems. These nations have adopted some reforms of corporate governance, which have been affected by globalization and capital market integration. However, many problems that relate to enforcement, concentration of ownership, lack of board independence, related party transactions, and protection of minority shareholders still exist and become important governance issues. Corporate governance reforms were encouraged in Turkey as a result of some developments that occurred in its financial markets, along with other regulatory influences from the international world. The Turkish corporate governance system is mostly governed under the Turkish Commercial Code and Capital Market Law. The Turkish Corporate Governance Board (CMB) developed corporate governance principles based on OECD principles and implemented the "comply or explain" method. It is worth noting that the Turkish corporate governance system focuses on four fundamental principles, which include transparency, fairness, accountability, and responsibility. However, some

studies reveal that some problems, like concentration of ownership, ineffective boards, poor enforcement, insider trading, inadequate disclosure policies, and an inefficient judicial system, are important impediments to governance in Turkey (Gillan, 2006; Daily et al., 2003).

Similarly, India has undergone significant transformations in corporate governance, largely due to economic liberalization and its integration into the global economy. Governance systems in India are characterized by the Companies Act, 2013; the Securities and Exchange Board of India (SEBI) and numerous corporate governance committees, including the Kumar Mangalam Birla Committee and the Kotak Committee, among others. Corporate governance reform in India revolves around disclosure requirements, board of directors' independence, corporate accountability, and shareholder rights. Despite this progress in corporate governance, issues like corporate fraud, promoter control, non-compliance, and poor enforcement persist in the Indian corporate world.

In fact, from the literature review carried out in this paper, it is clear that corporate governance is an important tool for achieving superior firm performance and sustainability. Researchers who conducted studies in Turkey have observed a range of outcomes on the association between corporate governance practices and firm performance. In this respect, some scholars found a positive correlation between the two variables, while other scholars argue that corporate governance does not necessarily lead to profitability and superior market performance. On this basis, the present study seeks to conduct a comparative assessment of the corporate governance systems used in India and Turkey. Firstly, the study will analyze the laws, regulations, and institutions that govern firms in these nations. The focus will be placed on the rights of shareholders, corporate boards, disclosure obligations, stakeholder participation, and the enforcement mechanism. Moreover, the impact of OECD corporate governance practices in developing these systems will be investigated. The focus of the present research paper is on the degree to which the corporate governance framework in Turkey and India has adapted to international standards for corporate governance. Nevertheless, this research paper will assert that even if significant reforms to the corporate governance structure have been instituted using international standards, the efficacy of corporate governance is mainly determined by institutional enforcement.

1.1 Rise of Corporate Governance in India and Turkey: The Impact of Corporate Scandals and Regulatory Failures

The history of corporate governance in India and Turkey shows a gradual evolution of corporate management due to the emergence of many scandals in both the financial sector and business world. The history of corporate governance in these two states has been greatly influenced by economic crises in the form of financial scandals, bank crises, failure of corporate audits, etc., as they have led to poor transparency and accountability of corporations. In short, the evolution of corporate governance in these two countries can be seen as a response to these economic crises that have occurred due to corporate scandals (Coffee, 2001; Roe, 2004).

A change in economic environment occurred in India during the early nineties, where economic liberalization and reforms were brought about in order to invite investment into the Indian market. This process of development in the economic environment of India also emphasized the inefficiencies and loopholes of the regulatory system. The first scandal to occur in the country was the Harshad Mehta Securities Scandal of 1992. The scandal involved Harshad Mehta, who managed to manipulate the securities market with the help of fraudulent bank receipts and used them in speculative trading. As a consequence of this scandal, regulators of SEBI gained new powers, and electronic markets were introduced in India.

Another case is that of the Ketan Parekh Scandal in 2001, wherein once again there was manipulation of stocks in the stock market using the technique of circular trading. Here, SEBI acted by instituting rolling settlement systems so as to prevent any sort of speculation in the market. The biggest corporate governance scandal in India to date is that of the Satyam Computer Services fraud in 2009, committed by B. Ramalinga Raju. This can be referred to as "India's Enron." This scandal involved manipulating accounts, increasing profits, and inflating cash reserves for several years. This fraud case illustrated serious loopholes in auditing practices, corporate governance, and ethical standards in organizations. It proved that an organization with reputed directors and external auditors can commit huge financial fraud. In this case, SEBI took measures such as appointing an independent panel to investigate the case and suspending the company from trading its securities (Bhasa, 2004; Chakraborty, 2005). As a result of the Satyam scandal, the Companies Act, 2013, was enacted. This law included several reforms, such as the appointment of independent directors to boards, auditor accountability, corporate social responsibility provisions, and whistleblower protection laws.

The other case, that of Sahara India Pariwar, illustrated how important governance was concerning the protection of investors and regulatory requirements. This organization was involved in raising billions of rupees using optionally fully convertible debentures without following appropriate disclosure requirements and SEBI regulations. This case extended the jurisdiction and powers of SEBI in dealing with cases related to public fund raising and protection of investors' interests. Similarly, the collapse of Kingfisher Airlines and the controversies surrounding Vijay Mallya exposed governance failures in relation to excessive debt accumulation, misuse of corporate funds, and poor board oversight. The inability of lenders and regulators to identify financial stress at an early stage raised questions regarding banking governance and credit monitoring systems. These events contributed to broader financial sector reforms and eventually supported the introduction of the Insolvency and Bankruptcy Code, 2016, which aimed to improve corporate insolvency resolution and financial discipline in India (Bose, 2009; Goswami, 2002).

The 2018 collapse of Infrastructure Leasing & Financial Services (IL&FS) marked another critical phase in the evolution of Indian corporate governance. IL&FS, a major non-banking financial institution, accumulated massive undisclosed debt and suffered from weak risk management practices. The crisis exposed failures in board supervision, credit rating mechanisms, and financial disclosures. It created

systemic risks for the Indian financial sector and forced regulators to strengthen governance standards for non-banking financial companies (NBFCs). The Reserve Bank of India increased scrutiny over risk management systems, board accountability, and disclosure practices following the crisis. The governance crisis at Yes Bank in 2020 further revealed the consequences of weak internal controls and aggressive lending practices. Allegations of evergreening loans, poor risk management, and governance failures by senior management led to regulatory intervention by the Reserve Bank of India. The crisis emphasized the need for stronger banking supervision, fit-and-proper criteria for directors and executives, and improved transparency in private banking institutions.

In more recent times, the dispute between Adani and Hindenburg from 2023 to 2025 brought about international focus on governance rules in India. Hindenburg Research claimed that Adani had manipulated its stocks, engaged in irregular related-party transactions, and used offshore shell firms (Umakanth, 2015). While some of the claims were taken into account by regulators and sparked discussion, the issue led to a heated debate about the independence of regulatory bodies, the necessity for corporate transparency and disclosure, and the accountability of big conglomerates. The case also attracted considerable attention to ESG criteria and activist shareholders in India. At the same time, the Byju's crisis in 2024 brought forth new questions pertaining to the governance issues in Indian startups and unicorn companies. Issues concerning delayed reporting, resignation of auditors and members of the board, as well as financial mismanagement, raised many questions about corporate governance in India's startup sector (Bhattacharyya, 2013; Varottil, 2012).

The growth of corporate governance in Turkey was greatly facilitated by financial turmoil and banking crises. The pivotal moment for corporate governance in Turkey occurred in 2001 when there was a great banking and economic crisis in Turkey, which highlighted various flaws regarding corporate governance within the financial institutions. Political intervention in banking, connected lending, poor risk management practices, and weak regulatory supervision caused the country's economy to be highly volatile. As a result, the powers of the Banking Regulation and Supervision Agency (BDDK) in Turkey were increased, and the country introduced a number of corporate governance measures that were in line with those prescribed by the OECD.

Another incident of corporate governance crisis that needs mentioning in this regard is the case of Imar Bank of 2003, caused by fraudulent deposits and the inadequacy of the financial regulations. The situation exposed several flaws associated not only with the auditing practices in the banking sector but also with the supervision procedures of the banks. There were also corporate governance problems emerging in relation to shareholder controversies in the case of Turkcell, Turkey's major telecommunications company. In such a way, conflicts between shareholders, problems with the appointment of board members, and even political problems regarding ownership revealed several weaknesses in terms of minority shareholders' protection and board independence. It encouraged the development of more attention towards the issue of corporate governance codes and shareholder rights in Turkey's corporate law. The emergence of fintech in digital finance raised new corporate governance challenges for Turkey in the

period between the late 2010s and early 2020s. One such case is a case of a Ponzi scheme of Çiftlik Bank, which is a fraud in the form of a digital farming business. The fall of the crypto-exchange platform known as Thodex in the same year became one of the biggest financial scandals to date that revolved around cryptocurrencies. Due to its fraudulent nature, which involved massive amounts of money, the scandal revealed the lack of proper regulation and protective measures towards investors. In turn, the scandal contributed to heated discussions about crypto-regulation and compliance in the country. Moreover, it showed how technological development could outrun legislative progress. Between 2024 and 2025, there was an intensification of regulatory measures taken by the authorities against electronic money institutions and fintech companies due to non-compliance and other types of problems associated with governance issues. In particular, increased inspection, sanctions, and cancellations of licenses were signs that regulators paid attention to transparency and anti-money laundering measures. Moreover, there was the matter of COINO, which is a company connected with suspicious financial activities and a lack of proper controls (Coffee, 2001; Roe, 2004).

Through a comparison between the governance crisis cases of India and Turkey, it is clear that, although the governance crisis cases were different for India and Turkey, there existed a similarity in the results of the situations. In India, corporate governance reforms resulted from scandals in the corporate sector, such as securities, accounting, and corporate scandals. The case of Turkey, however, involved financial scandals as well as digitization of finance in the country. These included financial scandals involving banks' bankruptcy, political interference in financial operations, and digitization of finances. Both countries have used regulatory measures as part of the solutions to improve their corporate governance practices. This has involved adopting new laws, rules, regulations, shareholder protection, and corporate accountability mechanisms. Finally, from the above discussion, it is clear that the corporate governance systems of India and Turkey have been established based on some corporate scandals that occurred in those nations. This means that the governance systems have not been set up in a preventive manner but rather when the countries encountered the governance crises. From the older corporate scandals involving securities, accounting, and banks to the newer ones involving fintech and cryptocurrencies, corporate governance in India and Turkey continue evolving. It is expected that, by 2026, corporate governance will expand beyond its usual scope to include ESG accountability and digital finance.

1.2 Literature Review

Corporate governance has been a subject of much academic interest because of its association with corporate accountability, investor protection, transparency, and sustainable economic growth. Initial studies on corporate governance mainly revolved around ownership structure, agency theory, and shareholders' rights protection. Adolf Berle and Gardiner Means, for instance, argued that the distinguishing feature of contemporary corporations was the separation of ownership from control, and that managerial abuse was likely without adequate governance practices (Berle & Means, 1932). The work of Andrei Shleifer and

Robert Vishny later confirmed that corporate governance was all about how investors could maximize their profits while minimizing risks.

There is ample evidence in the literature concerning emerging economies that good corporate governance practices enhance the development of financial markets, foreign investment, and institutional reputation. Studies by the World Bank Group and Organization for Economic Co-operation and Development (OECD) indicate that sound corporate governance increases transparency, curbs corruption, cuts the cost of capital, and enhances investor confidence. The research by La Porta et al. also proves that the legal system and investor protection measures directly affect corporate performance and growth of capital markets (Jensen & Meckling, 1976).

In the Turkish setting, the literature that currently exists mainly addresses issues like ownership concentration, family business groups, protection for minority shareholders, and institutional weaknesses in the governance system. The work of Yurtoglu shows that companies in the Turkish stock market are characterized mainly by ownership concentration and a governance structure that is dominated by insiders, making it likely to affect negatively the rights of minority shareholders and board independence (Donaldson & Preston, 1995). Issues in corporate governance literature in Turkey include judicial enforcement problems, poor disclosure, poor accounting practices, and inadequate supervision. Recently, discussions on corporate governance in Turkey have started focusing more on ESG governance, board diversity, sustainability, and digitization through entities like the Corporate Governance Association of Türkiye (TKYD).

In India, literature on corporate governance mainly came up after the period of economic liberalization and corporate scandals. The work of Indian academics and regulation scholars mainly focuses on governance reforms under the Companies Act, 2013, SEBI regulations, Clause 49, and committee proposals like those of the Kumar Mangalam Birla Committee and the Kotak Committee. The literature in India mainly focuses on the issue of promoter dominance, related party transactions, disclosures, auditor independence, and minority shareholder protection. Corporate scandals in companies such as Satyam Computer Services greatly influenced corporate governance literature in India (Shleifer & Vishny, 1997). Although substantial literature exists separately on Indian and Turkish corporate governance systems, comparative doctrinal scholarship between the two emerging economies remains comparatively limited. Most existing studies focus independently on governance reforms, ownership structures, financial market development, or investor protection within a single jurisdiction (Bebchuk & Weisbach, 2010). Limited research comparatively examines how institutional structures, enforcement mechanisms, ESG governance, board practices, and shareholder protection frameworks operate across both India and Turkey. Therefore, there remains a need for a comparative doctrinal analysis that evaluates convergences, divergences, and institutional effectiveness within the governance frameworks of both jurisdictions (Monks & Minow, 2011; Solomon, 2020).

1.3 Research Gap

The current body of literature focuses on corporate governance in India and Turkey individually, without carrying out a comparative study of both countries. In addition, topics like enforcement issues, ESG governance, board responsibility, and institutional efficiency concerning the said nations have been studied to a lesser extent. Hence, there is a need for a comparative analysis of corporate governance in India and Turkey.

1.4 Research Methodology

The study uses doctrinal and comparative methods of analysis through a literature review approach that includes secondary materials like statutes, journal articles, reports, and book publications. Comparative analysis is conducted on the corporate governance structures of both India and Turkey.

1.5 Hypothesis

The research posits that despite India and Turkey having implemented changes in their corporate governance systems that conform to international norms, the difficulties concerning enforcement, concentration of ownership, and institutional inefficiency still remain in applying those principles.

1.6 Comparative Analysis of Corporate Governance in India and Turkey

Corporate governance has increasingly become a crucial component of development, confidence among investors, and accountability within emerging nations. Both India and Turkey have experienced extensive governance reforms following financial crisis, market volatility, globalization, and the growing relationship between domestic and international capital markets. While there are some differences regarding legal framework and institutionality between the two nations, both of them have similar governance issues, including shareholder rights, concentration of ownership, regulatory enforcement, transparency, and accountability of the board of directors. Turkey's approach towards corporate governance has been significantly shaped by its financial crises and the ambition to join the European Community and world markets. Increasingly growing involvement of the Turkish economy with the European Union and other international parties had necessitated Turkey to enhance its institutional structure concerning governance, transparency, and investment protection (Organisation for Economic Co-operation and Development, 2006). Turkey's corporate governance framework has largely emerged through the introduction of the Capital Markets Law and the formation of the Capital Markets Board of Turkey (CMB). The latter became the key regulatory body supervising operations within the capital markets of Turkey. The creation of the Istanbul Stock Exchange also facilitated the development of a corporate governance framework in Turkey (Ararat et al., 2017).

Despite these reforms, Turkey's corporate governance framework has historically suffered from weaknesses in shareholder protection, judicial efficiency, accounting standards, and regulatory enforcement. Comparative studies noted that Turkey ranked comparatively low in relation to minority shareholder protection and judicial effectiveness (Ararat et al., 2010). The Turkish governance debate therefore largely revolves around three major concerns: protection of minority shareholders and creditors, effective enforcement of laws and

regulations, and deficiencies within the legal and regulatory framework (Aguilera & Jackson, 2003).

Similarly, India's corporate governance framework has evolved through extensive legislative and regulatory reforms introduced after economic liberalization and major corporate scandals. The Companies Act, 2013, SEBI regulations, Clause 49 of the Listing Agreement, and recommendations of various governance committees significantly strengthened disclosure standards, board independence, audit requirements, and shareholder rights (Afsharipour, 2009). Both India and Turkey have therefore moved toward internationally accepted governance principles emphasizing fairness, transparency, accountability, and responsibility. One of the most important similarities between India and Turkey is the dominance of concentrated ownership structures and family-controlled enterprises. Research on Turkish corporate ownership demonstrates that a significant number of listed companies are controlled by dominant shareholders, usually family-controlled holding companies exercising substantial control through pyramidal ownership structures. Family-controlled corporate structures remain highly dominant in both India and Turkey. In Turkey, large conglomerates such as Koç Holding, Sabancı Holding, and Doğu Holding operate through complex pyramidal ownership structures where controlling families exercise significant influence over subsidiaries and affiliated entities (Yurtoglu, 2003). These business groups historically played a major role in the Turkish economy and continue to maintain concentrated decision-making authority within family networks. Similarly, in India, several leading corporate groups, including Reliance Industries, Adani Group, Tata Group, Birla Group, and Mahindra Group, are characterized by promoter-driven ownership structures where founding families or promoter groups retain substantial voting rights and managerial influence. Although these groups contribute significantly to economic growth and market development, concentrated ownership often raises concerns relating to minority shareholder protection, related-party transactions, succession control, and board independence in both jurisdictions. Such insider-oriented governance structures often weaken minority shareholder protection and increase the risk of expropriation by controlling shareholders. Similar patterns are visible in India, where promoter dominance and concentrated ownership continue to shape corporate decision-making within many listed companies. In both jurisdictions, concentrated ownership structures frequently undermine genuine board independence and stakeholder participation.

The board's composition and governance practices reflect other comparative issues. Research on the board composition of companies in Turkey suggests that the majority of the board members consist of relatives in Turkey, and there are not many independent and non-executive directors. The combination of ownership and management roles makes it difficult for the board to monitor its effectiveness and performance and creates issues of accountability. As for India, in order to tackle similar problems, India has adopted mandatory criteria for the appointment of independent directors, women directors, and board committees as per SEBI regulations and the Companies Act, 2013. However, the problem of board independence, related party transactions, and compliance culture persists.

The other key issue with regard to the two nations is enforcement. While the Turkish Capital Markets Board has broad regulatory powers, enforcement of rules and regulations remains poor due to inefficiencies in the process. It is observed from the statistics that a mere percentage of the regulatory complaints registered actually receive some form of punishment. This has hurt investor confidence and enforcement. Similarly, the Indian Securities and Exchange Board has been known to face problems in the enforcement of compliance monitoring. Other aspects that can be compared between the two nations are those of transparency and disclosure requirements. With regard to Turkey, it is well established in the literature on corporate governance in Turkey that poor accounting standards, lack of proper disclosure practices, and failure to meet the international accounting standards (IAS) have remained persistent problems (Claessens & Yurtoglu, 2013). These poor standards of transparency can easily be used by corporate executives and others to indulge in insider trading, asset transfers, tunneling, and market manipulation. The Indian scenario has also witnessed controversy over accounting frauds, inadequate disclosure practices, and related party transactions. Hence, greater emphasis on disclosures and sustainability reporting as per the rules set out by SEBI becomes necessary. Yet another common trend between the two nations is in terms of adopting Environmental, Social, and Governance (ESG) governance practices and sustainability practices. Corporate governance practices in modern times include not just maximization of shareholders' welfare but also matters relating to environment, ethics, stakeholder participation, and sustainability. Artificial Intelligence, digitization, cybersecurity, and climate risk management have emerged as new challenges for directors' governance practices in both nations.

To conclude, this comparative analysis of corporate governance in India and Turkey has found that both countries have made progress in their respective governance practices and reforms. However, there remain critical structural issues of ownership concentration, lack of enforcement, transparency standards, and corporate accountability in both the nations. Thus, sustainable corporate governance requires a combination of legal reforms along with an independent judiciary and regulator, transparent regulators, ethical business practices, and stakeholder participation.

1.7. Role of Regulatory Authorities and Institutional Enforcement

Regulation by the regulatory body and institutional enforcement mechanism are key determinants of good corporate governance in both India and Turkey. Effective regulation is vital for the integrity of the market environment, protecting shareholders' interests, providing transparency, and guarding against corporate wrongdoing. While India and Turkey have developed elaborate corporate governance regulations in accordance with global practices, corporate governance largely depends on regulatory enforcement and judicial efficiency.

The Capital Markets Board of Turkey (CMB) is the main regulatory body in Turkey that regulates and oversees the securities market. The Capital Markets Board actively monitors the companies listed on the stock exchange and enforces Turkish Corporate Governance Principles that include mandatory requirements, while others follow a "comply or explain" approach (Zattoni & Cuomo, 2008). The corporate governance system in Turkey focuses on the principles of fairness,

transparency, accountability, and responsibility (Ergin, 2012). The Corporate Governance Index has been developed by the Istanbul Stock Exchange to promote corporate governance among listed companies. Companies not complying with financial and corporate governance requirements are placed on the "Watch List Tier" of the Istanbul Stock Exchange (Khanna & Palepu, 2004).

Turkey's institutional background is characterized by a number of strengths in terms of board structure, disclosures, and audit regulations. Under the Turkish Corporate Governance Principles, a majority of board members in publicly held corporations must be non-executive directors, while at least a third of the board must be independent directors. Also, publicly held corporations are supposed to set up an audit committee whose membership is made up only of independent directors. In addition, there is a need for the corporations to disclose pertinent financial and non-financial data using their web pages and the Public Disclosure Platform operated by the Turkish stock exchange. These factors imply that Turkey has made many strides towards achieving adherence to the OECD corporate governance principles and disclosure standards. However, despite the existence of a fairly developed legal framework, Turkey suffers from institutional weaknesses with regards to the effectiveness of enforcement and judicial procedures. Empirical studies have shown that information about board evaluation, audit committee meetings, and related party transactions are not adequately disclosed. Besides, issues still exist concerning executive interference in the deliberations of the nomination and remuneration committees, which leads to a high probability of conflicts of interest.

The principal regulatory authority for corporate governance in India is the Securities and Exchange Board of India (SEBI). The Companies Act, 2013 and SEBI's Listing Obligations and Disclosure Requirements (LODR) Regulations led to improved transparency, independence, disclosure, and audit committee requirements among others (Ministry of Corporate Affairs, 2013). Mandatory requirements concerning independent directors, women directors, related party transactions and BRSR have also been introduced in India (Chakrabarti et al., 2008). Despite improvements in corporate governance regulations, India still faces problems such as promoter domination, delay in enforcement proceedings, regulatory overlap and violations (Sarkar et al., 2012).

India is facing significant issues relating to governance as evident in recent corporate scandals involving IL&FS, Yes Bank and Adani Group's alleged malpractices, which have brought the effectiveness of SEBI regulations into question (Narayanaswamy et al., 2012). Like Turkey, India's system of governance indicates that legislative measures will not be enough to enhance governance efficiency unless there is adequate institutional independence and effective enforcement action taken against violators of regulations. Both countries have established corporate governance policies according to international standards; yet, due to a lack of effective enforcement action, practical implementation remains problematic in both countries. Unlike India, Turkey has integrated with Europe in its governance policies; however, enforcement weaknesses are undermining the Turkish system. Both countries have developed corporate governance policies in accordance with international standards, but enforcement issues continue to pose challenges in terms of implementation and the

effectiveness of disclosure systems. Although Turkey is more aligned with European corporate governance systems than India, the latter has adopted common-law-based governance regulations. Institutional effectiveness in Turkey and India depends on the independence of regulatory bodies, efficient judiciary systems and sound corporate governance culture through constant monitoring of corporate practices.

1.8. Emerging Trends in Corporate Governance

Corporate governance is becoming more focused on the issues of sustainability, technological revolution, stakeholder participation, and corporate ethics rather than the conventional aspects of financial accountability and protecting shareholders' interests in both India and Turkey. The need for the sustainable development of corporations and long-term value creation through responsible corporate behavior, environmental sustainability, technological innovation, and organizational resilience has become more apparent due to the impacts of globalization (OECD, 2019; OECD, 2025).

The emergence of ESG principles and corporate governance based on them is one of the key trends in the field of corporate governance today. In line with the increased emphasis on responsible corporate practices that have been put forth by investors, consumers, employees, financial institutions, and other stakeholders, ESG corporate governance is considered a critical element in modern business strategies. As part of its mission, the Corporate Governance Association of Türkiye (TKYD) advocates for corporate governance that takes sustainability into account as one of its major components (Capital Markets Board of Türkiye, 2020). In addition, many Turkish corporations face certain expectations related to the European Green Deal and are influenced by the relevant international standards of sustainability. Likewise, the requirement of SEBI to submit Business Responsibility and Sustainability Reports (BRSRs) by the largest public companies in India can be seen as a move towards making ESG governance a norm in corporate management (Kumar, 2004). Thus, ESG-based corporate governance has already started developing from a voluntary and ethical initiative into an obligatory process in India and Turkey.

The evolution of digitalization has also had some implications for corporate governance structures in the two nations. Technologies such as artificial intelligence, blockchain, big data analysis, cybersecurity tools, and digital reporting systems are transforming corporate governance. Directors of corporations operating in Turkey and India have a legal duty to manage corporate governance areas like automation risks, digital privacy issues, and cybersecurity threats.

Furthermore, sustainability reporting has become an important aspect of corporate governance in current times. It refers to the expectation of investors and regulators that corporations should disclose information on matters related to environmental impacts, climate change risks, social responsibility practices, diversity, and corporate governance. In Turkey, organizations are encouraged to embrace sustainable business practices and organizational resilience as core factors of successful corporate governance structures. Likewise, the recent

corporate reforms in India have mandated the disclosure of information regarding ESG, sustainability efforts, and stakeholder involvement among other matters.

Finally, digitalization is creating some new dimensions of corporate governance in modern times through digital compliance systems and technology-based corporate governance tools. Electronic disclosure systems, automated compliance solutions, digital auditing, and technology-assisted risk management processes have been making the corporation more transparent and easier to regulate. Listed companies in Turkey can make public financial and non-financial data using the platform operated by the stock exchange. Likewise, India has incorporated digital governance systems through online compliance processes, e-filing procedures, electronic shareholder communications, and technology-based corporate regulation under SEBI norms.

Finally, another new approach to corporate governance gaining prominence across the globe is stakeholder capitalism. The concept seeks to extend the shareholder-based corporate governance approach by accounting for the interests of employees, consumers, creditors, local communities, and environmental stakeholders. Thus, corporate governance is no longer regarded solely as a tool for maximizing shareholder wealth but as a structure for addressing broader social and economic concerns. Both Indian and Turkish firms are gradually integrating stakeholder-centered corporate governance systems that emphasize ethical management, social responsibility, sustainability, and inclusive corporations. Clearly, the evolution of corporate governance in India and Turkey suggests that global corporate governance is experiencing a transformative shift from conventional corporate models driven by profit maximization and shareholder interests to a more comprehensive corporate governance structure that prioritizes social welfare and sustainable development. ESG governance, AI, sustainability reporting, digital compliance, and stakeholder capitalism are gradually becoming defining factors of contemporary corporate governance systems. Both jurisdictions will need to enhance institutional adaptability, regulatory responsiveness, and governance frameworks to promote sustainable and technology-driven corporate governance.

Incorporating investor protection is among the principal goals of corporate governance in India and Turkey. In publicly traded corporations, any alteration in corporate control is likely to influence minority shareholders, market confidence, and corporate accountability. Therefore, investor protection provisions in publicly listed corporations should be designed to ensure transparency, fairness, information disclosure, and equal opportunity to exit the corporation during takeover processes and changes in corporate control. From this standpoint, the mandatory tender offer process plays a vital role as an investor protection instrument under corporate governance systems.

In Turkey, the mandatory tender offer regime is regulated by Articles 25 and 26 of the Turkish Capital Markets Law, along with the Communiqué on Tender Offers (II-26.1) by the Capital Markets Board of Turkey (CMB). The purpose of the Turkish mandatory tender offer regime is to provide market integrity, transparency, and fair dealings amongst parties during control transfer transactions. As per Article 12 of the Communiqué, corporate control occurs

when a person, either alone or acting in concert with other individuals, directly or indirectly acquires an ownership interest in a company above 50% or holds privileges that allow him/her to appoint the majority members of the company's board of directors. In case such control has been gained, the mandatory tender offer obligation imposed by Article 11 requires the acquiring party to make a tender offer for the shares of minority investors. Time limits under Article 13 mandate applications for approvals to be made before the CMB within six working days and completion of the tender offer within two months from the date of gaining control of the business.

Under Article 15 of the same Communiqué, rules regarding investor-friendly pricing of securities have been made applicable to protect the shareholders during control transfer deals. In addition, Article 16 ensures price equality whereby automatic adjustment of price upwards occurs in case the acquiring party buys shares at a greater price during the tender offer period.

In this vein, India has created an elaborate investor protection regime pursuant to the Companies Act, 2013; the Securities Contracts (Regulation) Act, 1956; and regulations framed by Securities and Exchange Board of India (SEBI). The core piece of legislation for takeover proceedings and mandatory open offer in India is the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 popularly known as the SEBI Takeover Code. According to Reg. 3(1) of the SEBI Takeover Code, the person acquiring voting rights of 25% or more in a listed company will be compelled to make a mandatory open offer to shareholders (Kumar & Singh, 2013). Reg. 4 provides that an open offer is necessary if the person acquiring shares obtains control over the company. "Control" includes the right to appoint the majority of the directors of the company and exercise managerial control and decision-making authority directly or indirectly. It is clear from this that the Indian regulatory regime follows a wider meaning of the term, just like Turkey to avoid any form of circumvention (Pande & Kaushik, 2012).

As regards pricing and disclosures, the Indian Takeover Code provides elaborate provisions. Regs. 8 & 9 describe how the open offer price will be determined depending on the criteria, including negotiated price, market price, and the highest price paid by the acquirer. Other continuous disclosure obligations are laid down in the Regs. 29 & 30 dealing with substantial acquisitions and changes in shareholding patterns. Further, there are many provisions in the Companies Act, 2013, which protect the interests of investors (Saha & Bhattacharya, 2020). These provisions impose certain fiduciary duties on directors requiring them to discharge their duties in good faith in the best interests of the company, its stakeholders, including the interests of the company's members and employees. Under Sec. 177, companies having paid up capital exceeding 1 billion or total revenue exceeding 3 billion are obligated to establish audit committees. Likewise, under Sec. 178, nomination and remuneration committees are established. In case of oppression and mismanagement, the minority can resort to Sec 241 & 242, wherein NCLT orders appropriate action.

Recent Indian corporate controversies have intensified discussions regarding investor protection and governance effectiveness. The governance scrutiny surrounding the Adani Group raised concerns relating to disclosure standards,

related-party transactions, and market supervision. Similarly, the collapse of Infrastructure Leasing & Financial Services (IL&FS) exposed serious governance deficiencies involving board oversight, auditor accountability, and risk management failures, thereby highlighting the practical importance of strong institutional enforcement mechanisms (Sandeep & Ravindran, 2008). Comparatively, both India and Turkey demonstrate substantial convergence in their approach toward investor protection and corporate governance. Both jurisdictions impose mandatory tender offer obligations, broad definitions of corporate control, disclosure requirements, and pricing safeguards aimed at protecting minority shareholders during changes in corporate control. However, practical implementation challenges continue to persist due to concentrated ownership structures, family-controlled business groups, regulatory delays, and enforcement limitations. Therefore, effective investor protection depends not only on comprehensive legal frameworks but also on strong institutional supervision, judicial efficiency, an ethical governance culture, and consistent regulatory enforcement.

1.9. Challenges and Issues in Corporate Governance in India and Turkey

Good corporate governance is essential for any company or country willing to compete effectively in the global market. Both India and Turkey have developed extensive corporate governance frameworks aimed at strengthening transparency, accountability, investor protection, and market integrity. However, despite regulatory reforms and institutional developments, several structural and enforcement-related challenges continue to affect the practical implementation of governance principles in both jurisdictions.

In Turkey, corporate governance challenges are closely associated with concentrated ownership structures and family-controlled business groups. According to the OECD report *Corporate Governance in Turkey: A Pilot Study* (2006), family-controlled groups dominate the Turkish business environment and frequently operate through complex cross-shareholding and pyramidal ownership structures. Controlling shareholders often exercise substantial influence over corporate management and strategic decision-making, thereby weakening independent oversight mechanisms. Although Turkey has improved financial reporting standards, accessibility of disclosures, shareholder information, and stakeholder policies, significant concerns continue regarding disclosure of ownership structures, related-party transactions, and the effectiveness of internal control systems.

Scholars such as Melsa Ararat and Hakan Orbay identify several persistent governance problems in Turkey, including concentrated ownership and opaque control structures, weak separation between ownership and management, ineffective boards, market manipulation, insider trading, weak internal audit practices, and poor reporting on connected lending and related-party transactions. Additional governance concerns include weak enforcement mechanisms, inefficient judicial systems, lack of shareholder participation in major asset transactions, and the extensive use of privileged share classes that strengthen the dominance of controlling shareholders.

Similarly, India continues to face substantial governance challenges despite reforms introduced through the Companies Act, 2013 and regulations issued by the Securities and Exchange Board of India (SEBI). Concentrated ownership and promoter dominance remain defining characteristics of Indian corporate structures. Large business groups such as Reliance Industries, Adani Group, and Tata Group continue to function through promoter-driven governance systems where founding families retain substantial managerial and voting control. Such concentration frequently raises concerns relating to board independence, minority shareholder protection, and related-party transactions.

Several Indian government and regulatory reports have acknowledged these governance concerns. The SEBI Kumar Mangalam Birla Committee Report emphasized that corporate governance is a crucial instrument for investor protection and highlighted concerns regarding weak financial reporting, inadequate shareholder grievance mechanisms, and misuse of preferential allotments affecting minority investors. The report also noted that ineffective enforcement and insufficient transparency undermine investor confidence.

Further governance reforms were introduced through the SEBI Uday Kotak Committee on Corporate Governance, constituted in 2017 to improve standards of board independence, disclosure obligations, related-party transaction safeguards, and investor participation in corporate decision-making. The Committee highlighted concerns regarding promoter dominance, ineffective board evaluation mechanisms, inadequate transparency, and weak audit practices within Indian listed companies. Many recommendations were subsequently incorporated into the SEBI (Listing Obligations and Disclosure Requirements) Regulations to strengthen governance standards.

India has also witnessed major corporate governance failures involving Infrastructure Leasing & Financial Services (IL&FS), Yes Bank, and governance allegations surrounding the Adani Group. These controversies exposed deficiencies relating to auditor accountability, risk management systems, disclosure practices, and regulatory supervision. Similarly, Turkey has experienced governance controversies involving the Yunus Emre Institute and İstanbul Gold Refinery, demonstrating continuing weaknesses in procurement transparency, financial controls, and institutional oversight.

Another major challenge common to both India and Turkey concerns enforcement effectiveness. Although both countries possess comprehensive governance regulations aligned with OECD and international standards, implementation remains inconsistent due to regulatory delays, weak institutional independence, inefficient judicial processes, and political or economic influence. Insider trading, market manipulation, weak whistleblower protection, and inadequate disclosure of related-party transactions continue to undermine investor confidence in both jurisdictions.

Current trends in governance, in addition to ESG commitment and sustainability disclosures, present a range of new challenges in the governance of artificial intelligence, cybersecurity, and digital compliance. India and Turkey are advocates of stakeholder-oriented governance and sustainability within their

corporate regulations. However, implementation is still a work-in-progress, attributed to the flux of guidelines, a lack of institutional readiness, and difficulties associated with new technologies. While both Turkey and India are implementing better corporate governance systems, ownership concentration, transparency, enforcement of regulation, judiciary effectiveness, and the protection of vulnerable shareholders are persistent challenges. Complex corporate governance balances the systems and frameworks, alongside the standards of conduct and the expectations of stakeholders.

1.9. Findings and Discussion

The comparative analysis of corporate governance in India and Turkey reveals that both jurisdictions have significantly strengthened their corporate governance frameworks through regulatory reforms aimed at improving transparency, accountability, and investor protection. India has developed its governance structure through the Companies Act, 2013 and SEBI regulations, while Turkey has aligned its governance mechanisms with OECD and European governance standards through reforms introduced by the Capital Markets Board of Turkey (CMB) and the Corporate Governance Association of Türkiye (TKYD).

A comparative analysis of the corporate governance of India and Turkey shows that both countries have made considerable investments to strengthen their corporate governance systems through legal and regulatory mechanisms for corporate transparency, accountability, and investor protection. In India, the corporate governance framework has been established through the Companies Act of 2013 and SEBI regulations, while in Turkey, the alignment of governance mechanisms to the OECD and European governance standards, particularly through the Capital Markets Board of Turkey (CMB) and the Corporate Governance Association of Türkiye (TKYD), has been observed. Concentration of ownership and family domination continues to prevail in both countries, leading to challenges around the independence of boards, protection of minority shareholders, and issues related to related-party transactions. There are strong disclosure requirements, takeovers, and investor protection regulations in both countries, but largely ineffective due to delays in enforcement, lack of competence of institutions, and ineffective regulatory oversight. In addition, India and Turkey are focusing on governance around ESG, sustainability disclosure, digital compliance, artificial intelligence, and stakeholder governance. Challenges of governance and enforcement continue as seen with the recent business controversies of India's Adani Group, Infrastructure Leasing & Financial Services (IL&FS) and Yes Bank, and Turkey's Yunus Emre Institute and the Gold Refinery. The research concludes that across both areas, even with important legal reforms, strong institutional enforcement, a transparent corporate culture, board accountability, and stakeholder engagement, are essential to realize effective corporate governance.

2.0 Conclusion

The analysis of corporate governance in India and Turkey shows that both countries enhanced their governance systems through regulations on transparency, accountability, and improved protections for investors and market systems. Though both have improved their governance systems, concentrated

ownership structures, poor implementation of governance, lack of board independence, and inadequate protections for minority shareholders continue to be challenges. This analysis shows improvements in governance in both countries, moving toward ESG governance, disclosure of sustainability, digital governance, and governance with an emphasis on stakeholders. Though India has strengthened governance through SEBI regulations and the Companies Act, 2013, Turkey has better aligned its governance systems with the OECD and governance systems in the European Union. Even with the regulations in India and Turkey, a strong set of governance regulations in both countries is improved and has been established to ensure the enforcement of regulations. The emerging corporate governance systems in India and Turkey demonstrate the need for strong regulations, improved institutional accountability, better corporate governance, and active participation of stakeholders in order to retain investor confidence.

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