5.1 Summary, Findings and Conclusions

As put forth in Chapter 1, the main objective of this study is to investigate the current state of corporate governance in India and its effects on the value creation of listed companies in the India. This thesis is primarily motivated by the extent to which listed companies in the India are complying with the provisions of Corporate Governance as enumerated in companies Act, 2013, listing agreement entered by the company with the stock exchange and Listing obligation and disclosure regulations, 2015. The research investigates perceptions of various interested groups concerning corporate governance practices in Indian companies. In addition, there has been a paucity of prior comprehensive academic studies in the area concerning the corporate governance practices and mechanisms with value creation in the Asian region, particularly in India. Moreover, the pressures from global financial crises on the any country have placed greater importance on corporate governance (Ahmad, 2010).

Good corporate governance practices in any economy could assist firms and investors to build up a confident relationship to develop company performance (Al-Matari , Al-Swidi, 2012). Hence, the corporate governance debate in India has drawn the attention of all stakeholders to the linkages between the corporate governance systems, as well as firm performances in listed companies in India. The major purpose of this study was to fill the gap and develop a corporate governance model that could be implemented in listed companies, could introduce the benefits of this concept to their stakeholders. To achieve this aim, the study had several broad objectives:

1. Explore the nature and extent of the development of corporate governance practices in Indian context.
2. Analyse the corporate governance mechanisms of the listed companies and their extent of compliance with the laws relating to corporate governance among listed companies in the India.

3. Identify various indicators of value creation of the companies, and to measure the financial performance for the sample companies under the study, to indicate their value creation.
4. Measure the impact of corporate governance practices on value creation of the companies.
5. Ascertain the perception of Company secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay stock exchange, Executives of National stock exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies and Directors of the Companies, with regard to prevailing corporate governance practices in India.
6. Identify possible obstacles to, and enablers of, the implementation of good corporate governance in the India.
7. Recommend new components of the corporate governance through which value of the Companies from shareholder's perception can be maximized.

This study has comprehensively covered a wide range of issues relating to corporate governance practices in India. The main aim of this chapter is to provide a chapter-by-chapter overview and reviews the descriptive statistics of the questionnaire results and the secondary data. In addition, it discusses the relationship between corporate governance practices and its impact on value creation of the companies. Further, a summary of the significance of this study, in terms of its academic and practical contributions, is presented. It also recommends new components of the corporate governance through which value of the Companies from shareholder's point of view can be maximized and it makes several recommendations for further study.

The structure of this chapter is as follows: Section 5.2 provides a summary of each chapter of this thesis and major findings of each chapter. Objective wise findings of this study are presented in Section 5.3, The developing model of corporate governance is documented in Section 5.4. Section 5.5 provides a summary of the significance of this study in terms of its academic and practical contributions while Section 5.6 highlights the summary of suggestions for future research.

5.2 Chapter wise Summary & Findings

Chapter one deals with the introductory part of the research work. This chapter deals with rationale of the study, objectives of the study; the methodology used for the research, and also spells out the plan of the study.

Chapter Two discusses the concept, need and historical development of corporate governance globally as well as in India. The next part of the chapter discusses development and practice of regulatory framework for corporate governance in India. The further discussion in the chapter includes 'Value' as it was necessary to understand as the very purpose of present research study to check the impact of corporate governance on value creation. It also covers the different concepts of *'value'* identified by different social scientists, researchers as well as professionals and also tries to identify the factors having impact on it. The last section of the chapter summarizes the historical development of the concept of corporate governance and its impact as identified in the literature.

This chapter throws light on some interesting findings as given below:

I. The Idea of governance at the level of government is ancient. The theoretical exploration of the subject "Corporate Governance" is relatively new; the practice of "Corporate Governance" is as old as trade.

II. The French were the first to create a form of corporate incorporation, which restricted shareholders' liability. From 1807 in France the companies were formed with the liability of external investors, but executive directors still remained personally exposed to their companies' debts. British Companies Acts of 1855 and 1862 gave limited liability to all shareholders, whether they were involved in the management of the company or not. During the 19th century, some states in the United States passed, legislation allowing the incorporation and control of companies.

III. Initially, though, all joint-stock, limited-liability companies were public companies-that is, they could invite public to subscribe for their shares. Their main purpose was to raise capital from the public, no longer responsible for their company's debts. By the early 20th century, however, business people saw that the model could be used to give limited liability to family firms and other private businesses, even though they did not need access to capital from outside investors. Such private companies are incorporated in jurisdictions around the world.

IV. In early days, limited-liability companies were relatively small and simple, but by the early years of the 20th century things were changing. In the United States, the United Kingdom, and other economically advancing countries, many companies had become large and complex. Their shareholders were now numerous, geographically widespread, and differed in both their time horizons and their expectations about dividends and capital growth. Shares in most public companies were now listed on stock exchanges. Chains of financial institutions and other intermediaries stood between companies and the votes of their shareholders in company meetings links between management and investors in their companies were becoming distant. The growth of the companies has given rise to separation of ownership from management.

V. Problem governance of arise due to the separation of ownership and control. As result of separation of ownership from the management, the concepts of Audit committee, Independent directors, stakeholders participation all this evolved during the 1970s, to entrust more liability and accountability to the directors.

VI. The need of good corporate governance codes came into existence due to number of corporate collapse taken place over the globe during 1980s and 1990s. In the 1990s, corporate governance codes paved their way and the first landmark was the UK's Cadbury Report (1992), produced by a committee chaired by Sir Adrian Cadbury, on the financial aspects of corporate governance.

VII. As the 21^{st} century dawned, corporate governance seemed to be developing well around the world. Codes of principles or best practices in corporate governance for listed companies were in place in most countries with stock markets. The importance of good corporate governance was well recognized. Many of the corporate governance codes now called for director appraisal, training, and development, and for board-level performance reviews. Many felt that markets were offering a premium for shares in well-governed companies.

VIII. Corporate Governance was not in agenda of Indian Companies until early 1990s and no one would find much reference to this subject in book of law till then. The fiscal crisis of 1991 and resulting need to approach the IMF induced the Government to adopt reformative actions for economic stabilization through liberalization. The momentum gathered albeit slowly once the economy was pushed open and the liberalization process got initiated in early 1990s. As a part of liberalization process, in 1999 the Government amended the Companies Act, 1956. Further amendments have followed subsequently in the year 2000, 2002 and 2003, 2006, 2007, 2011 and finally New Companies Act, 2013 was passed. A variety of measures have been adopted including the strengthening of certain shareholder rights, the empowering of SEBI.

IX. Presently the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 describes the provisions relating to the corporate governance practices.

X. Value creation is the primary aim of any business entity. The company consists of the shareholders and they are the real owners of the company, achieving the goal of shareholders leads the achievement of the company, therefore creating a value of the company as whole means creating the value of shareholders.

XI. Literature review has revealed that EVA is more prominently associated with stock returns and firm values than with accrual earnings, to calculate the value creation of the company and to measure the shareholders' value creation. EVA and MVA can be considered as one of the best tools over the other historical profit based tools to calculate the value creation of the companies.

XII. The decade beginning from 2002 saw that majority of the Corporate Governance Indicators have significant positive impact on the firms' performance and values except the indicator of Board Size and control variable of Debts in case of all of the selected firms The advance corporate governance indicators of CEO status as duality with Chairman and Foreign CEO operating the firms have significantly positive influence on all firms' performance and values variables under all three subsets of the firms

XIII. In India no studies were carried out to check the Impact of Corporate Governance on value creation of the Company, and the yard stick used by the majority of the researches to gauge the impact of Corporate Governance on the shareholders' value creation was the historical profit base tools, instead of real profit and wealth maximization based tools.

Chapter Three presents empirical study on relationship between corporate governance practices, to examine the level to which companies are complying with Corporate Governance guidelines and how it affects the shareholders' value creation and value creation of the companies i.e. the main objective of the chapter was to examine the impact of Corporate Governance practices on value creation of companies by Value based performance measurement Economic Value Added (EVA) and Market Value Added (MVA).

The study has been conducted by selecting 80 companies from the manufacturing and service sector based on the various criterions and corporate governance scores have been calculated for each company for the financial years 2012-13 to 2016-17 as an independent variable, whereas for all the sample companies for the period under the study as depended variables EVA and MVA, have been calculated to represent the value creation of the Companies. It is evident that the data structure involves the combination of both time-series and cross-sectional phenomena, making the data panel data. It is important to note that the time period for all the companies remains same and there is not any missing entry, so this kind of panel data structure is called as balance panel data. For the empirical examination of the issue concerned with the effect of corporate governance on the value creation of the Companies proxied by the EVA and MVA, the panel data econometric techniques have applied. In-depth analysis has been made by using the following three models of panel data analysis.

1. Pooled regression Model
2. Fixed Effect Model
3. Random Effect Model

The hypothesis testing and the estimation of above models of the panel data analysis have shown the following results:

Hypothesis 1 (Ho): *There is no impact of corporate governance practices on Economic Value Added (EVA)*

The Estimated results of random effect model are also in line with the results of pooled regression analysis. In both the estimated fixed effect models the null hypothesis is rejected and the alternative hypothesis is accepted. i.e. the CGS positively and significantly affects EVA

The first hypothesis of the study (H1) concerned with the influence of the corporate governance practices (represented by corporate governance score) had a positive effect on the value creation of the company (represented by EVA). The results indicated a statistically significant relationship between the corporate governance score and EVA. So, corporate governance score and Economic Value Added are positively related. According to the stakeholder theory, good corporate governance practice manages the relationship between the management and the stakeholders, and it improves firm performance. The result of the present study supported the above arguments, and the above hypothesis was accepted.

Hypothesis 2 (Ho)*: There is no impact of corporate governance practices on Market Value Added (MVA)*

The estimated results of random effect model are also in line with the results of pooled regression analysis. In both the estimated fixed effect models the null hypothesis is rejected and the alternative hypothesis is accepted. i.e. The CGS positively and significantly affects MVA.

The second hypothesis of the study (H2) concerned the influence of the corporate governance practices (represented by corporate governance score) had a positive effect on the value creation of the company (represented by MVA). The results indicated a statistically significant relationship between the corporate governance score and MVA. So, corporate governance score and Market value Added are positively related. According to the stakeholder theory, good corporate governance practice manages the relationship between the management and the stakeholders, and it improves firm performance. The results of the present study results supported the above arguments, and the above hypothesis was accepted.

The estimated pooled regression for the penal data analysis, in general clearly explain that the EVA and MVA are significantly affected by CGS meaning that the value creation in the companies is affected the corporate governance practices.

So, it is concluded that the corporate governance practices highly and significantly affects to the value creation of the companies. The high value of R^2 describes that there is a strong positive relationship between corporate governance practices and value creation of companies. Further, from the corporate governance score card developed for the study it is also observed that the companies following internationally accepted practices of corporate governance are having a very high EVA and MVA, which is indicative of the fact that companies are creating more wealth for the shareholders than adopting the corporate governance practices merely for the complying the laws and regulations.

As high standard corporate governance practices result in high wealth creation for the shareholders, the corporate governance practices should be considered by the companies as tool to enhance the wealth of the shareholders instead of responsibility towards the regulators.

The findings of the study have laid down the foundation for establishment of relationship between corporate governance practices and value creation of the companies. The study reveals that there is a positive relationship between corporate governance practices and value creation of the companies.

Chapter Four seeks to gain insight from the Company secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay Stock Exchange, Executives of National Stock Exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies and Directors of the Companies, with regard to prevailing corporate governance practices in India. The results of the empirical analysis provide information about the state of corporate governance practices, in India.
The major findings of the study are explained below:
First part of the findings shows Demographic Profile of the Respondents:

- The results show that 14.0% of those surveyed were less than 30 years old, while 21.7% and 36.3% of the respondents were aged 31–40 and 41–50 years old, respectively. 17.2 % of respondents were aged 51–60 and 10.8% were over 60 years old. Overall, 86.0% were at least 31 years old, 64.3% were more than 40 years old, and one-fourth of the participants were more than 50 years old. However, only 10.8% of the respondents were more than 60 years old, these results are consistent with expectations because people who work at top management (CEOs and board members) usually acquire their jobs after attaining many years of experience.

- 99.4% of respondents were the graduate, 91.10% of the total respondents were post graduate and 50.30% of the respondents were holding the professional qualifications.
- Among the respondents according to their job position, the executives of National Stock Exchange and Bombay Stock Exchange 1.9 % and 1.9 % respectively, followed by executives of Institutional Investors 2.5 % and Officers of Registrar of Companies 5.1%. The percentages for Chartered Accountants, Company Secretaries, and Cost Accountants are 22.3% and 19.1%, and 8.9 % respectively and 50.3 % in aggregate. However, 22.3% of the respondents are the retail investors. In general, the 50.3% of respondents comprised of professional about 49.7% of the respondents comprise of executives of Stock Exchanges, Institutional Investors, and Registrar of Companies. The respondents consist of the proper balance of the people practicing corporate governance in their day to day professional or business life.

Second part of the findings showed the result of inferential statistics. Inferential statistics consist of reliability test and ANOVA were conducted.

- The reliability tests Cronbach alpha coefficient determined that the attributes/ opinion were strongly related to each other and to the composite score. All dimensions of the questionnaire related with measuring opinion were tested and testing the scale for reliability revealed that for all the statements Cronbach alpha coefficient of 0.982. Therefore, this scale is considered reliable.
- Various ANOVA tests were conducted for checking influence of one factor over another: the analysis revealed that there is significant influence of Education Qualification i.e. Graduation, Post-Graduation, and Professional Degree, Work Experience on perception of corporate governance. It was found that there was no significant differences

amongst the respondents in their perception due to change in Work Experience, Professional Degree, and Occupation. It was found that there is significant influence of job category on perception of the respondents for the corporate governance practices in India.

Apart from the above mentioned findings Kruskal–Wallis, a non-parametric test that was adopted to test the differences between respondents' perceptions for the corporate governance. Company secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay stock exchange, Executives of National stock exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies and Directors of the Companies. It is a test of one-way, between-group analysis of variance that allows a comparison of three or more groups (Pallant, 2001), and it was used to test several independent samples. Consequently, in the present study, the Kruskal–Wallis test is used to establish any differences in average responses across the five groups in their answers to each question. When the result of the Kruskal–Wallis test is significant, it indicates that at least one of the nine in the current study is different from at least one of the others. In this study, the Kruskal–Wallis test has been conducted at the 95% level of confidence. However, no significant differences were found amongst the different categories of respondents in their perception for corporate governance. However, the detail findings of the Kruskal–Wallis test have been discussed in detail in chapter four.

Apart from the above mentioned findings, descriptive analysis was also conducted for each questions asked in questionnaire. The descriptive statistics from the analyses of the questionnaire survey were presented in Chapter 4. The main objective of the questionnaire in this research was to survey respondents' perceptions regarding the concept of corporate governance and the measures to strengthen the prevailing corporate governance practices in India. It also attempted to identify the possible obstacles and enablers that face the implementation of corporate governance in India. The descriptive statistics from the secondary data were presented in Chapter 4. They provided the analysis of corporate governance mechanisms in India. Accordingly, this section provides a summary of the main findings from the research in relation to answer following research questions:

- How is corporate governance understood in India?
- What are the perceptions concerning the current state of the implementation of corporate governance in India?
- What are the possible obstacles/enablers to the implementation of the best corporate governance in India?
- Is there a relationship between corporate governance and the value creation of companies in India?
- What measures are to be taken to strengthen current corporate governance practices India?

The major findings of descriptive analysis are as follows:

- The descriptive results for the first part of the questionnaire showed that most participants agreed with the definition of corporate governance that is appropriate for India (based on the stakeholder perspective), and they also agreed that the implementation of corporate governance is important for all stakeholders, including shareholders, investors, managers/CEOs, employees, creditors (e.g., banks, suppliers), customers, auditors, government and the local community.
- Part four of the questionnaire results showed the perspective of participants concerning possible obstacles influencing the implementation of corporate governance practices in India. The findings showed that majority of respondents agreed that the items in the list of possible barriers might affect the implementation of corporate governance in the India, as described in Chapter 4. The results suggested that Legal and regulatory systems that govern companies' activities were regarded as the most effective obstacle, followed by good relationship between the company and the external auditors, excess financial and non-financial disclosure, accounting and

auditing, Government interference in business activities, Present state of accounting and finance education, The costs of practicing good corporate governance outweigh the benefits, Weak legal controls and law enforcement and culture of Indian the community.

- In relation to how corporate governance should be improved in India, the results from part three of the questionnaire indicated that, in general, most respondents agreed with the items in the list of enablers that were investigated. The wide adoption of International Accounting Standards was ranked as the most important enabler, followed by learning from the experiences of other countries in relation to the corporate governance practices described in Chapter 4. The agreement of respondents reflected the reported high mean scores and frequencies. Despite the general agreement in opinion between the respondents, there were also some significant differences regarding certain items on the questionnaire. In general, these differences represented the variance in the level of agreement, with some respondents agreeing more strongly with the statement than others.
- The results of the study shows highest agreement of the respondents with regard to positive relationship between corporate governance practices and vale creation of the companies, moreover it is identified that Careful balancing of the interests of controlling shareholders vis-à-vis minority shareholders crates a value of the company
- Further, it is also revealed from the descriptive analysis that composition and independence of key board committees such as the audit committee and the nomination and remuneration committee leads value creation of Company and independence of the companies' auditors and the quality of audit of its financial statements also creates a value of company.
- Composition of boards, especially their independence in law and in spirit from the company's management; results in to value creation of company.

- In relation to what measures are to be taken to strengthen current corporate governance practices India, the results from part five of the questionnaire indicated that through the board composition and increasing the role of the board of directors, by creating effective board committees, by enhancing the monitoring, by enhancing disclosures and approval practices relating to related party transactions, by improving transparency and disclosers through strong accounting and auditing practices and enhancing the investors participants in the meetings of the company.

5.3 Objective wise Findings

The main objective of this research endeavour is to carry out a systematic study corporate governance practices in India as well as to investigate the impact of corporate governance on value creation of the companies. Further, to identify various indicators of value creation of the companies, and to measure the financial performance for the sample companies under the study, to indicate their value creation by integrating both, qualitative as well as quantitative measures and understanding the same. The major findings in continuation with the objectives are stated below:

Objective 1 & 2: Explore the nature and extent of the development of corporate governance practices in Indian context and to analyse the corporate governance mechanisms of the listed companies and their extent of compliance with the laws relating to corporate governance among listed companies in the India.

The present study reveals that at present corporate governance practices adopted by the Indian companies are in line with the provisions of the corporate governance practices described in the Companies Act,2013 and SEBI (Listing Obligation and Disclosures Regulations), 2015. However, many of the companies are not complying with the corporate governance in true letter and spirit, and level of corporate governance practices differ from company to company.

In order to achieve these objectives of the study, and based on the level compliance and spirit underlying compliance , the corporate governance score has been calculated for all the 80 sample companies for the 5 financial years, i.e. 2012-13 to 2016-17. It was found that the corporate governance score for all the companies are different from year to year and company to company, so it can be concluded that the all the companies are not following the same corporate governance practices.

Objective 3: Identify various indicators of value creation of the companies, and to measure the financial performance for the sample companies under the study, to indicate their value creation.

The present study reveals Simple correlation between EVA & MVA and stock returns is positive and EVA is a reasonably reliable guide to the firm value. EVA & MVA can be a valuable investing tool to identify good companies with good stocks can be a valuable investing tool to identify good companies with good stocks. In nutshell from the literature it was clear that the to calculate the value creation of the company and to measure the shareholders' value creation the EVA and MVA can be considered as best tools over the other historical profit based tools to calculate the value creation of the companies.

In order to measure the value creation of the companies, Economic Value Added (EVA) and Market Value Added (MVA) was calculated for all the 80 sample companies for the 5 financial years, i.e. 2012-13 to 2016-17, and for the main objective of the study the calculated EVA and MVA were identified as indicators of the vale creation.

Objective 4: Investigate the relationship between corporate governance practices of value creation of the companies.

To achieve the said objective of the study a panel data analysis was carried out between 5 year corporate governance score for all 80 sample companies and calculated EVA and MVA of those companies and finding shows that The estimated pooled regression for the panel data analysis, in general clearly explain that the EVA and MVA are significantly affected by CGS which indicates that the value creation in the companies is affected the corporate governance practices.

The estimated results of random effect model are also in line with the results of pooled regression analysis. In both the estimated results fixed effect models the null hypothesis is rejected and the alternative hypothesis is accepted. i.e. the CGS positively and significantly affects EVA.

The estimated results of random effect model are also in line with the results of pooled regression analysis. In both the estimated fixed effect models the null hypothesis is rejected and the alternative hypothesis is accepted. i.e. The CGS positively and significantly affects MVA.

The findings of the study have laid down the foundation for establishment of relationship between corporate governance practices and value creation of the companies. The study reveals that there is a positive relationship between corporate governance practices and value creation of the companies.

Objective 5: Ascertain the perception of Company secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay Stock exchange, Executives of National Stock Exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies and Directors of the Companies, with regard to prevailing corporate governance practices in India.

For this purpose, a Structured Instrument was developed and administered to study perceptions about the corporate governance practices in India. The questionnaire was canvassed to 200 people who willingly consented to participate in the research. In response a hundred and fifty seven questionnaires were received back from the respondents .The answers given by the respondents for each question as well as sub question were quantified in categories and then computed in tabular form for further illustration and analysis. The findings are discussed in chapter four.

Objective 6: Identify possible obstacles to, and enablers of, the implementation of good corporate governance in India.

To identify the possible obstacles, that obstruct the good corporate governance practices, in the part two of the structured questionnaire few statements were developed and respondents were asked to show the agreement with the statement on the Likert scale of 1 to 5 from strongly disagree to strongly agree. The questionnaire results showed the perspective of participants concerning possible obstacles influencing the implementation of corporate governance practices in India. The findings showed that majority of respondents agreed that the items in the list of possible barriers might affect the implementation of corporate governance in India as described in Chapter 4. The findings show strong agreement of respondents with the following obstacles:

1. Legal and regulatory systems that govern companies' activities
2. Good relationship between the company and the external auditors
3. Excess financial and non-financial disclosure
4. Government interference in business activities
5. Present state of accounting and finance education
6. The costs of practicing good corporate governance outweigh the benefits
7. Weak legal controls and law enforcement
8. Culture of Indian the community

In relation to how corporate governance should be improved in Indian companies, the results from part three of the questionnaire indicated that, in general, most respondents agreed with the items in the list of enablers that was investigated. The finding has identified following as a enablers for the good corporate governance practices:

1. Learning from the experiences of other countries concerning corporate governance practice.
2. Participating in international events, conferences, meetings and committees dealing with corporate.
3. Enhancing professional accounting and auditing bodies.
4. Initiating regional corporate governance partnership programs with international organizations such as the OECD.
5. Establishing corporate governance education programs at universities.
6. Developing incentive programs for compliance with principles of corporate governance.

Objective 7: Recommend component wises measures that strengthen the corporate governance practices.

In relation to what measures are to be taken to strengthen current corporate governance practices India, the results from part five of the questionnaire indicated strong agreement with the certain measures and the finding suggest , the component wise measures to strengthen the corporate governance practices.

To strengthen the corporate governance practices through the board composition and by increasing the role of board of directors, the finding suggest following measures:

1. If Independent director retires before the term, he/she should give details of reasons for resignation to the shareholders.
2. Expertise matrix of the board should be regularly disclosed to the shareholders.
3. Company should conduct at least one updation program for all the directors on changes in applicable laws and regulations.

4. The quorum for board meeting is required to be increased from minimum 2 directors to 3 directors and out of them one director should be an independent director.
5. The maximum number of directorship of directors in listed companies should be reduced.
6. Gender diversity positively affects the decision making process of corporate board.
7. There should be an appointment of lead Independent director.
8. There should be age of retirement for the Independent Directors.
9. There should be at least one independent women director in the board of the company.
10. Director should vacant his office, if he remains absent for all the meetings held in last 12 months.

The findings suggest that the measures are related with the board committees through which the corporate governance practices can be strengthened.

1. The listed entity shall constitute a Stakeholders Relationship Committee.
2. At least one-third of members of nomination and remuneration committee should be Independent Directors.
3. Remuneration committee should recommend the remuneration all key managerial persons instead of only remuneration of the board of directors.
4. Audit committee should review the utilization of the fund invested in subsidiary company.

Further measures suggested by the results of part five of the questionnaire relating to enhancing the monitoring of the group entities are:

1. At least one Independent Director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.

2. Secretarial audit should be extended to all material unlisted Indian subsidiaries.

As per the result suggested by the part five of the structured questionnaire following are the measures related to related party transactions through which the corporate governance practice can be strengthen:

1. Related party payment relating to Brand /Royalty in excess of 5% of total revenue of the listed entity should be made after prior approval of majority of shares holders.
2. Related party transactions should be disclosed half yearly.

A company can strengthen its' corporate governance practices under the 'disclosures and transparency' component as the respondents have shown strong agreement with following measures:

1. In addition to financial disclosures a listed company should also disclose a change in financial indictors along with the reasons.
2. The Listed Company should maintain a separate section in the website for disclosers to be made as per the SEBI (Listing obligations and disclosure requirement) regulations and update the same on regular basis.
3. Updated list of all credit ratings obtained by the listed entity be made available at one place, which would be very helpful for investors and other stakeholders.
4. Only a soft copy of the annual report should be given to all shareholders who have registered their email addresses either with the company or with the depository, unless the shareholder specifically asks for a physical copy.

As per the results of the study following improvements relating to accounting and auditing practices are required to strengthen current state of corporate governance practices:

1. Disclosure of credentials and Audit fees of the auditor in the annual report.

2. Ind- AS must be adopted by the listed company
3. If the auditor has expressed any modified opinion(s) in respect of audited financial results, the listed company should disclose the cumulative impact of the same on profit or loss, net worth, total assets, turnover/total income, earning per share, total expenditure, and total liabilities in Annual report.
4. Reasons for resignation of Auditor should be disclosed to the shareholders.

Respondents have also shown their strong agreement with the following measures to improve the investor's participation to strengthen corporate governance practices:

1. E-voting facility should be provided to all the shares holders.
2. Proceedings of the Annual general meetings should be webcasted.
3. Annual general meeting of the listed company should be held within 4 months from the end of financial year to improve participation of shareholders in annual general meeting.

5.4 Summary of the Contributions of the Study

This study will help to fill the large gap in the literature regarding corporate governance practices in India. The main contribution of this study is to strengthen the corporate governance practices in India. Indeed, this study will contribute knowledge not only in India, but also in other developing countries. Measures suggested for strengthening corporate governance practices, will fit within the cultures of the developing countries. It also provides useful insights for academicians regarding the need to implement good corporate governance.

This study itself is the first attempt to reveal the current obstacles and enablers that affect the implementation of corporate governance. This study is the first of its kind in the India, and it will provide useful insights for future research.

The main objective of the study was to identify the relationships between corporate governance and value creation. This study provides a comprehensive investigation using empirical model. It aims to investigate the role of corporate governance mechanisms in influencing value creation in listed companies in India. Thus, the research methodology used for this study has made an important contribution to corporate governance research in India.

The research makes a significant contribution in generating a corporate governance score index which is still in its infancy in India. The index that was developed in this study provides a useful model that can be employed to facilitate the discussion, deliberation and implementation of corporate governance in the India that can be extended to understanding of similar facts and practices in other developing countries. Further, the results provide a clear understanding of the issues with, and the current state of, corporate governance practices in India for stakeholders, including policymakers, regulators and academics.

5.5 Further Research Scope

This study makes a considerable contribution to the exploration of corporate governance practices in India and the role of corporate governance in influencing value creation of companies. However, a significant amount of empirical research has not been covered by this study, which may be useful for further study of the India and other developing countries. Thus, there are numerous ways in which the research study as a whole can be extended.

One possible avenue for future research is to examine external stakeholders' perceptions concerning corporate governance practices in developing countries such as India and Asian region in general. These stakeholders include shareholders, investors, external auditors, academics and the public in developing countries. In addition, this study was focused on listed companies in the BSE and NSE, but it is also important to understand the current corporate governance practice in non-listed companies in India. Therefore, another focus for future research could be a comparison of the corporate governance practices of listed and non-listed companies in India.

This study was undertaken from 2012-13 to 2016-17, and it is likely that the adoption of best practices has increased since 2017 with the introduction of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 and recommendations of Kotak Committee. Future research could examine corporate governance practices and firm performance by exploring a longer period in order to provide an in-depth understanding of the relationship between corporate governance practices and value creation of companies. Moreover, it is recommended that future studies specifically investigate the components suggested by the Kotak Committee to test their relationship with value creation of listed companies.

It is important to understand the effect of corporate governance practices on other financial and market performance measures of firms, giving special attention to the return on sales, profits and shares per earning. Future research can also examine the relationships between corporate governance and economic, social and environmental performance in the Indian context. Further, the corporate social responsibility of companies could be examined, as this area has not been investigated in this study as a performance determinant due to the lack of secondary data.

Finally, the measures to strengthen the corporate governance practices, enablers and obstacles of the corporate governance practices suggested in this study is likely to be appropriate for implementation in India. Consequently, the investigation of the study topic might be extended to Asian and other developing countries with similar characteristics to those of India in order to provide more evidence of corporate governance practice and value creation across economies.

5.6 Recommendations

The companies securing higher the corporate governance scores and conversantly higher value creation for the shareholders, generally follows the corporate governance practices in true letter and spirit. Based on the standard practices followed by high scoring companies, following standard corporate governance practices are recommended:

i. The profit of the companies should be regularly distributed amongst the shareholders by way of dividend or by way of issue of bonus shares and in the absence of profit the proper explanation should be given in the board report regarding non-declaration of the dividend.
ii. The Annual General Meeting of the companies should be held before or within 6 months from the end of the financial year and the proper notice of the Annual General Meeting should be given to all the members of the company at least before 21 clear days before the date of Annual general meeting.
iii. For passing the resolutions at annual general meeting and extra ordinary general meeting of the company on E-voting platform should be provided to shareholders along with the physical voting.
iv. There should be at least one small shareholder's director should be appointed at the board of directors of the company.
v. Appointment of statutory auditor should be compulsory at the shareholders meeting by passing the special resolution by way of either e-voting or postal ballot.
vi. Director's performance report (Board report) with the detail explanation should be given to each shareholder at the Annual general meeting of the Company.
vii. Disclosure of the minutes of the general meeting and voting results of the resolutions passed at the general meetings should be made on the website of the company in accordance with the secretarial standards issued by the Institute of Company secretaries of India.
viii. Directors of the company should be retiring by rotation in true spirit instead of merely complying the provisions of the companies Act, 2013.
ix. Policies to prohibit the misuse of information by directors, management, and staff should be made the company and should be disclosed on the website of the company instead of making general explanation the board report of the company.

x. The company should have to make its own insider trading policy in addition to the applicable laws and regulations and the said policies, laws and regulations should be strictly followed, even the company can make a disclosure in positive way that there is cases of insider trading involving the company directors, management, or staff in the past year.

xi. The statutory audit and secretarial audit should be conducted regularly and the directors should give the proper explanations in the board report as well on the website of the company in respect of qualifications and disclaimer given by the statutory auditor and Secretarial auditor of the company.

xii. In addition to the other statutory committees required to be formed by the board of directors of the company, board should form a “stakeholder’s relationship” committee and the detail of such committee and committee members should be placed on the website of the company.

xiii. The Annual report of the company should be prepared by adopting best global practices and should give the clear picture of the financial as well non -financial performance of the company.

xiv. Director’s responsibility statements should be truly understood and agreed by the all the directors of the company and a signed copy of the director’s responsibility statement should be placed on the website of the company.

xv. In addition to the board of directors, the annual accounts should also be signed and certified by the chief executive officer and chief financial officer.

xvi. Shareholding of the senior management and the key managerial persons should be disclosed in the Annual report of the company as well as on the website. The changes taking place during the financial year in the shareholding of the top management should be regularly updated on the website of the company.

xvii. Company should create a strict vigil mechanism and information relating to the vigil mechanism should be placed on the website along with the email address and phone number of the officer appointed for the vigilance and details of the authority with whom the complaint can be filed in case of fraud or mismanagement of the company by the board or any other person.

xviii. Company should obtain certificate relating to compliance of corporate governance norms, laws and regulations form the practicing chartered accountant or company secretary and the said certificate should be placed in the annual report of the company as well as on the website of the company.

xix. Company should make proper arrangement Risk Assessment & Risk Management.

xx. Company should provide a report on corporate governance as a part of Annual report and the same should be placed on the website of the company.

xxi. Company should follow the provisions of Companies Act, relating to "Corporate Social Responsibility" in true letter and sprit and disclosure for the "CSR Policy" of the company should be made in the Annual report of the company as well as the "CSR Policy" should be placed on the website of the company.

xxii. Company should comply with the provisions of the Companies Act, 2013 and Listing Obligation Disclosure regulations in true letter and spirit.

xxiii. Company should prepare a policy in line with company law and other applicable laws, relating to related party transactions and the said policy should be placed on the website of the company as well as in the Annual report of the company.

xxiv. Company should impart familiarization programs for independent directors.

xxv. Company should appoint an Independent women director on the board of the company instead of appointing an executive and non-independent women director.

xxvi. Proper number of board meetings should be held in the financial year and outcome of the board meeting should be placed on the website of the company as well as the proper disclosure should be made to the concerned stock exchange.

xxvii. Proper succession plans should be prepared and should be displayed on the website as well annual report.

xxviii. There should be a proper whistle blowing policy prepared by the company and should be disclosed on the website of the company.

5.7 Conclusions

This study has been able to achieve its main objective. It has also been able to answer all of the research questions. More specifically, the study has comprehensively investigated corporate governance practices in India. It has also identified the possible barriers to, and enablers of, the implementation of good corporate governance. The study has essentially used two models to examine the relationship between corporate governance practices and value creation of the companies as depicted in Chapter 3.

The results of the panel regression analysis also indicate the effect of corporate governance on value creation of companies. This study supports the argument that there is a positive relationship between corporate governance and value creation of companies in India. Overall, the empirical model has been very useful in achieving the objectives of this study.

So far very few studies have investigated corporate governance practices in India, this study will add to the literature on corporate governance practices from the perspective of an emerging economy, and it will also contribute to the development of corporate governance in India, with policy implications for the code of best practices in corporate governance and the new model, particularly with regard to considering stakeholders' interests. It is hoped that future researchers will be able to further explore the issues highlighted by this study, implement the developing model of corporate governance and extend the avenues that this study has opened up.

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