CHAPTER 3

RESEARCH METHODOLOGY
CHAPTER - 3

Research Methodology

3.0 Introduction
3.1 Research Design
3.2 The Statement of the problem
3.3 Review of Literature
3.4 Plan of the Study
3.5 Scope and Period of the Study
3.6 Objectives of the Study
3.7 Hypotheses
3.8 Significance of the Study
3.9 Research methodology
3.10 Data Collection
3.11 Development of Tools
3.12 Definition of Key words
3.13 Statistical Tools Used
3.14 Limitations of the Study
3.15 Organization of Chapters
3.16 Future Scope of the Study
CHAPTER: 3

Research Methodology

3.0 Introduction

The present research works on the "Corporate governance practices in selected pharmaceutical companies" because corporate governance has become the buzz world in the present context of better corporate management practice globally with the noble intention to satisfy the divergent interests of different stakeholders. Corporate governance has a unique role to play to help attain the organizational goals in a smooth and uninterrupted manner amid all their entrepreneurial and business risks.

The present research work specially made on pharmaceutical companies. The global change has thrown the challenges for pharmaceutical industries especially for implementation of corporate governance. Development of corporate governance is not just corporate management; it is something much broader in approach to user in a fair, efficient and transparent administration to meet certain well-defined objectives. It is a system of structuring, operating and controlling a business with a view to achieving long-term strategic goals to satisfy shareholders goals to satisfy shareholders. Creditors’ employees, customers and suppliers and complying with the legal and regulatory frame work, a part from meeting environmental and local community needs.

The researcher proposes to investigate a comparative study on corporate governance practices in selected pharmaceutical companies of India. This study gives details about corporate governance as well as pharmaceutical companies adopted corporate governance law and (SEBI) clause – 49. The study made on practices and comparisons of corporate governance in Indian pharmaceutical companies.

Research is an art of scientific investigation. Research Methodology plays an important role in the proper conduct of a research and desiring empirical findings thereof research methodology the entire research structure is incomplete.
Research is an academic activity and as such the term should be used in a technical sense. According to Clifford Woody, "research comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting organizing and evaluating data; making deductions and reaching conclusions and at last carefully testing the conduction to determine whether they fit the formulating hypothesis.

Research methodology is the way to systematically solve the research problem.

This chapter narrates the various procedures which have been helpful and adopted to complete this investigation, In the view of the said objectives and formal hypotheses are according to the requirement of the study.

### 3.1 Research Design

Research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis, keeping in view the objectives of the research and the availability of staff, time and money.

It is necessary for the researcher to know not only the research method/techniques but also the methodology.

Researcher not only need to know how to develop certain indices or tests how to calculate the mean the made, the median, or the standard diviation or chi-squair, how to apply particulars research techniques, but they also need to know which of these methods or techniques are relevant and which are not and what would they mean and indicate and why. The researcher also need to understand the assumption underlying various techniques and they need to know the criteria by which they can decide that certain techniques and procedures will be applicable to certain problems and others will not. All this means that it is necessary for the research to design his methodology for his problem as the same may differ from problem to problem.

In the present study however the research design includes area of the study, research tools, procedure of data collection and classification of data.

The present study based on mainly secondary data. It means researcher has to use published annual report for getting data and analyze these to make an evaluation
of material. Hence, the present research work has to follow two or more type of research i.e. case study, empirical research etc. It meance this research is a mixture of different research design.

3.2 The Statement of the problem

This research work traces the implementation of corporate governance in pharmaceutical industries in India and explains its potential in the back-drop of liberalized scenario.

Hence, the title of the problem selected for this study is a follows.

"A COMPARATIVE STUDY ON CORPORATE GOVERNANCE PRACTICES IN SELECTED PHARMACEUTICAL COMPANIES OF INDIA"

3.3 Review of Literature

A good number of theoretical and empirical researches on corporate governance disclosure have been undertaken throughout the globe due to the continuing emphasis on this. For this study researcher has reviewed various research publication and other useful data to get the proper understanding of concept. Review of the literature for this study is briefed as under.

(1) The Association between corporate Attributes and the extent of disclosure in Bangladesh

Karim, A. K. M. W. 1996

Journal of Business Studies

Dhaka University,

Bangladesh

17 (2) Pg. 89-124

"The Association between corporate Attributes and the extent of disclosure in Bangladesh", under this title Karim devoted argued that annual report of the companies should be considered as the most important source of information about a company and they used that for a variety of reasons. In this artical, an attempt has
been made on highlight and analyzed some of the committee's views and recommendations related to the issues of corporate governance like, composition and size of Board of directors, selection, Appointment, Tenure, age limit duties and responsibilities, orientation and training period of board of directors and various committees held in the company.

(2) J. J. Irani Committee Report on Company Law Related to Corporate Governance

S. C. Das (2005)

The management Accountant

page no. 719 to 732.

In this article published in the journal of The management Accountant in page no. 719 to 732. In this study, an attempt has been made on highlight and analyzed some of the committee's views and recommendations related to the issues of corporate governance like, composition and size of Board of directors, selection, Appointment, Tenure, age limit duties and responsibilities, oriantation and training period of board of directors and various committees held in the company. This report gives an exhaustive and detailed observation on company low and offered a number of valued suggestions in this regard.

(3) "Rules of Corporate Governance."

Dr C. N. Sontakki

First Edition – 2011

According to this book, Dr. Sontakki has been defined the rules and regalation of the corporate governance. In this books also defined History and Criteria of good corporate governance. This present work attempt is made to highlight the different committees recommendations both abroad and India like, the Cadbury Report – 1992, Greenbury Report – 1995, The Hample Report – 1998, The TurnBill Report, Higgs, Smith and Tyson Report – 2002, Combine code on corporate governance – 2008, CII'S corporate governance code, Kumar Mangalam Biral Committee Recomendations, Naresh Chandra Committee, N. R. Narayan Murthy Committee, Dr.
J. J. Irani Expert Committee, and also gives detailed about corporate governance through listing agreement. He gives detail about Business Ethics in Indian Corporate world, and Ethical code of conduct.

(4) "Corporate Strategic Management."

Dr. R. M. Srivastava
Pragathi Prakashans Publishers,
Meerut, 199

In this research work presented, One of the first and foremost demands of good corporate governance is to let investors know how their money has been used to further the interests of the company they have invested in. The need for transparency, so far, appears to have been felt in the context of the public sector alone. However, private companies use "Competitive advantage / company interests." as a pretext to hide essential information, Awarding of Contracts, recruitments, transfer pricing are the areas. Which require greater transparency. Dr. R. M. Srivastva gives depth about values and ethics in corporate governance.

(5) Corporate Governance Standards and Practices in engineering Industry in India"

S. C. Das
The Management Accountant.
(2007-08)

According to present study seeks to critically examine the governance practices prevailing the corporate sector in India within the regulatory framework. In this article evaluates the quality of corporate governance standards and present practices in Engineering Industry in India, based on annual report of two major Indian corporate houses for the financial year 2005-2006. The study has been expected to serve as a pointer to the effectiveness of current corporate governance practices in these companies, in particular, and Indian, corporate sector in general.
According above article and report, S. C. Das has been conducted an empirical study on tow renowned Indian companies in the automobile – 2 wheeler industry viz., Bajaj Auto limited and Hero Honda Motors limited. The study has been made to evaluate the state of compliance of key governance parameters in these companies in line with the statutory and non-mandatory requirements stipulated by the revised clause – 49 of the (SEBI) Listing Agreement as also the provisions required by the companies Act, 1956.

In this research work analyzed the governance structures, processes and disclosures made on corporate governance the question arises as to what is the standard and quality of governance that has been achieved by Bajaj Auto and Hero Honda? In this article, He has developed his own model as "working method". The method applied here for evaluation of the standard and quality of corporate governance practiced in these two companies has considered all the relevant conditions of corporate governance stipulated by the revised clause – 49 of the Listing Agreement and provisions of the companies Act, 1956. He is observed that both the companies showed 'good' performance but Hero Honda secured higher score of 64 points than Bajaj Auto that secured 60 points.

Hence, above study as a micro analysis of annual reports of Bajaj Auto and Hero Honda for the year 2005-2006, it appears that there is ample scope for improvement in the level of corporate governance standards and quality of disclosures to be practiced in these companies.
This research paper attempts contemporary issues like good corporate governance and the new concept of Responsible Business Enterprise (RBE) and convergence of accounting standards have ushered in a new horizon of achieving organizational excellence through a holistic approach to best serve the society and to keep away from wide animadversion and hatred for being struck to the idea profit-making only. The present epoch of globalization devoted, corporate failures has led business enterprises to observe transparency and fairness in managing business activities and to work in a Socially responsive manner for which corporate governance practice is a quintessential need. Adherence to better corporate governance has become the cry of the day to protect the diversified interests of different stakeholders and to augment a flourishing corporate ambience through the conduct of social responsibility performance.

(8) Law and Finance

Rafael La. Porta (1998)

"Law and Finance."

Journal of Political Economy 106 p.g. 1113-1150

La. Porta has been studied corporate governance patterns in 27 countries and concludes that the principal agency problem in large corporation around the world is that of restricting expropriation of minority shareholders by the controlling shareholders.
"Fine Tuning Auditing for finer Corporate Governance."

K. Sundar (2005)

Indian journal of Accounting

K. Sundar (2005) emphasized the role of the auditor and audit refouns, which would value add the style of corporate governance. He also pointed out board mechanism, status of auditors, auditor's independence and audit committee.

(10) Corporate Governance

Agarwal N. P. & Jain Sujan C.

Corporate Governance,


Agarwal & Jain explained how the corporate governance can be more effective and objective. It explains the concept of corporate governance. Various ways to exercise governance and its emerging pattern, various challenges to corporate governance disclosure practices in India and abroad and social aspect of corporate governance.

(11) "Corporate governance and firm profitability Evidence from korea before the economic crisis."


Journal of financial economics

John presents evidence on corporate governance and firm profitability from korea before the economic crisis and finds that the weak corporate governance system offered few obstacles against controlling shareholders expropriation of minority shareholders. In fact, weak corporate governance system allowed poorly managed firms to stay in business and resulted in inefficiency of resource allocation, despite law profitability over the years.
(12) "Investing in the Indian Pharmaceutical Industry."

Prof. Robert Tancer & Student Srinivas Josyula

The American Graduate school of Mgt. (1999)

Prof. Robert Tancer has done worked on Indian pharmaceutical Industry. He observe recent change in clause : 49 of corporate governanc and noted that corporate governance is the blood that fills the veins of transparent corporate disclosure. It is muscle that move available and accessible financial reporting system of pharmaceutical companies.

(13) "Working Capital mgt of Pharmaceutical Industry in India (1990)

Dr. Shashi A. Jain

Research study

Sau. Uni. Rajkot

Dr. Shashi A Jain (1990) has been studied in depth analysis of the corporate governance of the selected pharmaceutical companies. She is also studied various ratio of working capital like current ratio, Asid – Test rasio, Profit Ratio, Profit turnover ratio etc.... She suggested that companies with good corporate governance measures are easily able to borrow money from financial institution as compared to companies with poor corporate governance.

(14) "Authentic Happiness self – knowledge and legal policy"

Martin L. Hirsch(2008)

"Authentic Happiness

self – knowledge and

legal policy"

9(2)p.g. 706 To 737

Martin L. Hirsch remarked that pharmaceutical companies have strong corporate governance involves the manner and C.S.R. in which the business and affaires of individual companies are governed by their boards of director and senior
management affecting how companies operate in a safe and sound manner and in compliance with applicable law and regulation.

(15) "Corporate Governance and firm strategy in the pharmaceutical Industry."

Steven Casper, Catherin Matraves

www.econstor.eu

Steven Casper, Catherine Matraves had discussed differences in corporate governance institution and the national system of innovation in Germany and U. K. and how these differences impacted the co.s organizational structure and ability to take advantage of changing technologies.

(16) "Culture and Regulations Role on Corporate Social Responsibility Aimed to Prevent Corporate Corruption."

Dewi Fitriasari

Accounting Research Group.

Dept. of Business studies

Aarhus University.

Dewi Fitriasari explained good corporate governance and citizenship includes responsible business which conducts sustainable business practice economically, socially and environmentally.

(17) Corporate Governance

Hermalin and Weisbash

"International Journal of Research in Computer application and mgt."

vol. I (2011) ISSN 2232-1009

According to Hermalin and Weisbash increased disclosure can be linked to two edged sword, From a contractual perspective, increased disclosure allows principals (investments) to make informed decisions and monitor their managers.
However on the other hand increased monitoring can give management incentives to engage in value reducing activities intended to make them appear more able, It can constitute additional agency problem and other cost for investors, including increased executive compensation, consequently, there can exist a point beyond which additional disclosure make costs out weight benefits thereby decreasing the value of the companies.

(18) "Corporate Governance International and Indian Practices."


The chartered Account

Y. M. Kale has been presented corporate governance International and Indian practices which include different aspects of corporate governance like independence of non-executive directors, role of external auditors and directors remuneration board styles and appraisal, skills, roles and board composition and corporate social Responsibility etc....

(19) "Profitability Analysis of Drugs and Pharmaceutical Companies in India."

Dr. Akhileshwar Sharma


Dr. Akhileshwar Sharma tried to find out the profitability position of various selected unit during that period of time using several criteria. He argues that the more invisible and intangible the assets of a companies are the more beneficial the partnership will be however it may be that the more observed skill are system embedded, collective, culturally bound etc.
"The Domestic Politics of TRIPS : Pharmaceutical Interest, Public Health and NGO Influence in India."

Keshab Das
Gujarat Institute of Development Research
Ahmadabad. July 2003

The research paper repaired for the research project on linking the WTO to the poverty Reduction Agenda (part of DFID – funded Globalization and poverty research programme)

Keshab Das remarked that drugs and pharmaceutical sector has emerged as a net foreign exchange earner, a status it has maintained since 1988 – 89. The average Annual growth rate of export between 1980-81 and 1998-99 was about 33% as against 22% in the case of imports.

Report on pharmaceutical Market Growth

Warren Robert

According to Warren Robert has observed India's pharmaceutical market was growing at 15% to 20% per year in terms of sales revenues, which was among one of the highest growth rate in the world.

“Corporate Governance in India”

Jayati Sarkar & Subrata Sarkar(2011)

Jayati Sarkar & Subrata Sarkar has very good coverage of the CG issues in India. He analyzed the various internal CG mechanisms and various stakeholder’ role which are crucial. He also expand on it by stuying the dynamics of ownership structures, ownership structure in complex groups, highlighting the important role of families in ownership and management the behavior of multiple other shareholders.
and related agency issues. He also covers the nascent market for corporate control in India. Their book an excellent Example of research which shows how CG actually takes place and what can be done to make it work better.

(23) “An empirical study on Corporate Governance in Indian Banking”.


According to his study major findings are followed:

Among the 18 surveyed banks, the study revealed that 15 bank board consist of 10 to 15 members and only 3 banks has board Comprising of 8 to 10 members. They also relevant that large bank boards are relatively small compared to medium and small banks. The study revealed that the position of the chairman of the board and the CEO/MD is filled by the same individuals in most of the 18 Banks in India.


10th quadrennial conference, promote increased transparency and improved corporate governance. This conference undertaken as part of the larger goal of achieving better corporate transparency and accountability in order to facilitate investment flows and mobilizes financial resources for economic development. The conference report very usefulness and recognized the need for tools to promote good practices in corporate transparency and reporting. This report is therefore expected to serve as a useful tool for drawing attention to good CG disclosure Practices that enterprises in different parts of world might wish to emulate.
According to her study, evaluate the various committee performance like audit committee, remuneration committee, customer service committee etc. In this study analyzed the disclosure of financial aspects with corporate governance practices. The study compares the trend of disclosure and transparency of corporate governance practices in selected public and private sector banks.

### 3.4 Plan of the Study

According to the planning stage, specific objective have been set to provide the basis for the inquiry. In the light of the objective, the scope of the study has been delineated and a technique of investigation to be adopted, tools to be followed has been decided.

### 3.5 Scope and Period of the study

The pharmaceutical industries were scattered in all around the world, but researcher has selected pharmaceutical companies from only India.

The present study has been select Indian's Top-5 pharmaceutical companies for a period for 5 years from 2006-07 to 2010-11 during the period.

Researcher has been selected 5 pharmaceutical companies are as under :

1. Ranbaxy Laboratories limited
2. Dr. Reddy's Laboratories limited
3. Cipla Ltd.
4. Sun Pharmaceutical Industries Ltd.
5. Cadila Health Care.
The study has been analyzing the corporate governance practices of pharmaceutical companies in India.

3.6 Objectives of the study

The researcher uses to include the following objectives of relevant problem in the research study.

- To review good corporate governance practices among the selected pharmaceutical companies.
- To identify the process of the C.G. in Pharmaceutical sector of India.
- To determine the level of disclosure, the accuracy and timeline of the financial position, condition, and prospects, and other nonfinancial information of the selected Pharmaceutical Companies in India.
- To develop Corporate Governance Disclosure Index on the Basis of financial and nonfinancial disclosure.

3.7 Hypotheses

In the simple meaning Hypotheses means a more assumption or some supposition to be proved or disapproved.

As part of ongoing study researcher wanted to derive some conclusions for which some hypotheses are formed as under:

(A) \( H_0 \): There is no significant difference in Corporate Governance Disclosure of the financial information among Pharmaceutical Companies in India.

1. \( H_0 \): There is no significant difference in corporate governance disclosure of the financial information among Dr. Reddy’s Laboratories Ltd. and Ranbaxy Laboratories Ltd.

2. \( H_0 \): There is no significant difference in corporate governance disclosure of the financial information among Dr. Reddy’s Laboratories Ltd. and Cadila Heathcare Ltd.

3. \( H_0 \): There is no significant difference in corporate governance disclosure of the financial information among Dr. Reddy’s Laboratories Ltd. and Cipla
4. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Dr. Reddy’s Laboratories Ltd. and Sun Pharmaceutical Industries Ltd.

5. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Ranbaxy Laboratories Ltd. and Cadila Healthcare.

6. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Ranbaxy Laboratories Ltd. and Cipla Ltd.

7. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Ranbaxy Laboratories Ltd. and Sun Pharmaceutical Industries Ltd.

8. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Cadila Healthcare and Cipla Ltd.

9. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Cadila Healthcare and Sun Pharmaceutical Industries Ltd.

10. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Cipla Ltd. and Sun Pharmaceutical Industries Ltd.

(B) $H_0$: There is no significant difference in Corporate Governance Disclosure of the nonfinancial information among Pharmaceutical Companies in India.

11. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Dr. Reddy’s Laboratories Ltd. and Ranbaxy Laboratories Ltd.

12. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Dr. Reddy’s Laboratories Ltd. and Cadila Healthcare

13. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Dr. Reddy’s Laboratories Ltd. and Cipla Ltd.
14. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Dr. Reddy’s Laboratories Ltd. and Sun Pharmaceutical Industries Ltd.

15. $H_0$: There is no significant difference in corporate governance disclosure of the financial information among Ranbaxy Laboratories Ltd. and Cadila Healthcare

16. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Ranbaxy Laboratories Ltd. and Cipla Ltd.

17. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Ranbaxy Laboratories Ltd. and Sun Pharmaceutical Industries Ltd.

18. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Cadila Healthcare and Cipla Ltd.

19. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Cadila Healthcare and Sun Pharmaceutical Industries Ltd.

20. $H_0$: There is no significant difference in corporate governance disclosure of the nonfinancial information among Cipla Ltd. and Sun Pharmaceutical Industries Ltd.

(C). $H_0$: “There is no significant difference in the financial disclosure among the selected pharmaceutical companies in India during the study period (2007 to 2013).”

(D). $H_0$: “There is no significant difference in the nonfinancial disclosure among the selected pharmaceutical companies in India during the study period (2007 to 2013).”

(E). $H_0$: “There is no significant difference between financial and nonfinancial average CGDI of selected Pharmaceutical Companies.”
3.8 Significance of the Study

This study is important for the two major aspects.

Firstly it can give understanding of practical approach or implementation overview.

Secondly, it also gives comparative overview of corporate governance provision in Indian pharmaceutical companies. It is dynamic study in nature. So the significance of the study is very high. Further some observation may be useful to academicians, industry people and policy maker.

3.9 Research Methodology

Researcher has determined to investigate into the problem on empirical base therefore this research work based on secondary data.

It is an empirical study, so researcher has followed scientific approach to design the research methodology for investigation. For this study researcher has used secondary data as a source of information for this research e.g. The annual reports, websites, newspaper, periodicals, journals, magazines, Government circulars, books, article etc....

For sampling research has used Random Sampling method technique. So researcher has taken the top: 5 pharmaceutical companies and for the period of the study researcher has taken study period 7 years and it means years 2006-07 to 2012-13.

3.10 Data Collection

The data related to this study has been collected by on website.

After the selection of the sample, researcher has collected Annual Reports of sample pharmaceutical companies for the year of 2006-07 to 2010-11 on particular companies’ website.

3.11 Development of Tools

In order to collect, the required data from Annual Reports, for analysis purpose, researcher has collected important financial information and nonfinancial
information data of sample pharmaceutical companies. The study was based on analysis of corporate governance on the basis of Corporate Governance Disclosure Index (CGDI). For this purpose, corporate governance disclosures of all pharmaceutical companies are divided in two part-financial disclosure and nonfinancial disclosure. In financial disclosure, researcher has included total fourteen (14) items, and for nonfinancial disclosure, researcher has included total fifty four (54) items and then 1 point has been given to the each disclosure items and 0 point for non-disclosure items. This process help to measure how best a company is governed excellent, complying with mandatory governance requirements or below average or badly governed or misgoverned company. This research consist with corporate governance related aspects like companies information, Board and management structure, Board committees, Transparency, Shareholders’ information, financial and nonfinancial information and corporate social responsibility.

On this basis researcher has developed corporate governance disclosure index with following formula.

\[
CGDI = \frac{\text{Obtained score}}{\text{Expected score}} \times 100
\]

After that researcher has used sophisticated tools to test the hypothesis like t-test, ANOVA 'F' test, Correlation Matrix and Pearson’s’ Correlation.

In addition to researcher has also evaluated the various components of corporate governance with the units and sector.

3.12 Definition of key Words

(1) Corporate Governance:

Corporate Governance is about promoting corporate fairness, transparency and accountability

- James D. Wolfensohn

In present study made on corporate governance disclosure and practices in Indian pharmaceutical companies only.
(2) **Company:**

In this study "Company" means a pharmaceutical company.

(3) **Pharmaceutical Companies:**

Pharmaceutical Companies means pharmaceutical companies stated (worked) in India and purpose of the study researcher has been selected top – 5 Indian pharmaceutical companies like.

1. Ranbaxy Laboratories limited
2. Dr. Raddy's Laboratories limited
3. Cipla Ltd.
4. Sun Pharmaceutical Industries ltd.
5. Cadila Health Care.

3.13. **Statistical Tools Used**

The following statistical tools have been used in the present study, for the analyzing data.

1. Descriptive Statistics include Mean and standard Deviation
2. t-test
3. 'F' Test (Two way ANOVA)
4. Correlation Matrix
5. Pearson’s Correlation

3.14 **Limitations of the Study**

No study can be free from certain limitations: Selection and determination of the problem itself offer some limitations. They are mostly related to limitations of time, areas, efforts, scope as well as the methods of study the present research work is having certain limitations which are as follows.

- The data, which is used for this study is based on annual Report of the pharmaceutical companies which are published from time to time.
Therefore the quality of research depends on quality and responsibility of data published in annual reports.

- This study is based on disclosed information of the pharmaceutical companies.
- This study is mainly based on adopt method, analysis has own limitations.
- This study is related with only selected pharmaceutical companies. Any generalization for universal applications cannot be applied here.

3.15 Organization of Chapters.

Just as for batter, economical and attractive construction of a house we need a blueprint well through and prepared by an expert architect; similarly we need a research design or a plan in advance of organize the chapters for this research work.

"A Comparative study on corporate Governance practices in selected pharmaceutical companies of India." This research work consists of six chapters. An outline of each chapter is given below:

CHAPERT – 1

Overview of Pharmaceutical Companies

The First Chapter is an introductory one. It gives details about the pharmaceutical companies. It includes Indian pharmaceutical industry, feature of Indian pharmaceutical industry, Strengthen steps of Indian pharmaceutical industry, Latest developments and history and development of sample pharmaceutical companies.

CHAPERT – 2

Conceptual Frame Work of Corporate Governance

The Second Chapter deal with the conceptual frame work of corporate governance and related terms. In this chapter included history, meaning, definition, objectives, important committees reports and ethical principle of good governance.
CHAPERT – 3

Research methodology

The Chapter third devoted research methodology to be pursued including the title of problem, objectives and hypotheses of the study, data collection, development of tools, limitations and chapter plan given in this chapter.

CHAPERT – 4

Analysis and Interpretation of Corporate Governance disclosure

The fourth Chapter starting with brief introduction and profile of each selected pharmaceutical companies. In this chapter has analyzing the governance structure, processes and disclosure made on CG the method apply for evaluation of the quality of corporate governance practiced in pharmaceutical companies. After this analysis, researcher has tried to find out the comparison to financial information and nonfinancial information among selected pharmaceutical companies.

CHAPERT – 5

Summary, Findings and Suggestions

The fifth Chapter deal with summary of the earlier chapter in major findings and suggestions regarding an appropriate strategy to in hence overall pharmaceutical companies and corporate governance practices has been discussed in the last chapter.

3.16 Future Scope of the Study

There is a vast scope for the future research as this area needs a lot of work. The same research can be enriched by using the extended parametric test or statistical tools future. This study based on the limited sample size only. So, the same may be extended lay comparison of corporate governance practices with other pharmaceutical companies of developed countries etc.

Reference

C. R. Kothari, Research Methodology. Second addition