PREFACE

There has been a number of research work carried out by number of researchers in various areas. These researches have made knowledge base and opened various newer fields for learning and have significantly contributed to the overall wellbeing of Indian society at large.

The present research work is a very modest effort from the side of researcher to add to the current knowledge base in area of pharmaceutical industry and its corporate governance practice. The last decade has seen many positive developments in the Indian pharmaceutical industry deals in life-and-death issues, and its products not only relieve illness, but can often improve the quality of life. The Indian pharmaceutical industry is operated by privately owned companies, created to realize profits for its shareholders. Competition is multiplying every day in this sector and that has given birth to number of good and bad aspects. Some want to survive cutthroat competition by applying unethical practices, while some wants to enjoy healthy competition through ethical and transparent activities.

Good governance is the expectations of every stakeholder, specially shareholders. Most Indian pharmaceutical companies would adhere to their corporate governance policies. There for the governance of the pharmaceutical companies is significantly important compared to other companies.

In the present study, researcher has selected five companies of Indian pharmaceutical industry for a period of 7 years. This study focuses the quality of corporate governance in Indian pharmaceutical sector in this regard. The present study is based on analysis of corporate governance practice and compared other selected pharmaceutical companies. To evaluate the corporate governance practices of the pharmaceutical companies, researcher has considered the paper prepared by the UNCTAD (United Nations Conference on Trade And Development) secretariat for the nineteenth session (2002) of ISAR (International Standard of Accounting and Reporting), entitled “Transparency and Disclosure requirements for corporate governance” and the twenty second session (2005) of ISAR, entitled “Guidance on Good practice in Corporate Governance Disclosure”.

pg. V
Accordingly researcher has prepared the Corporate Governance Disclosure Index (CGDI) divided in two categories of financial disclosure and nonfinancial disclosure. After deciding the CGDI for all the selected pharmaceutical companies, the researcher has applied different statistical tools to test the hypothesis of the study. To know the comparison of difference factor on CGDI, the researcher has used ‘t’ test and for testing of hypothesis ‘t’ test and ANOVA, Pearson’s correlation etc.

Last chapter provides the detailed discussion regarding the summary of this study, researcher findings by researcher and suggestions to overcome the major limitations of the pharmaceutical companies in the area of corporate governance practices. Thus, this study is a relook in the governance principles followed by the Indian Pharmaceutical sectors and to evaluate the same with international standard of good governance.

Ms. Jagruti K. Dhadus
(Researcher)
Shri M.N.Kampani Arts &
Shri A.K.Shah Commerce College,
Mangrol.