CHAPTER -- III

REVIEW OF LITERATURE

This chapter aims at providing an overview of the body of research performed on Corporate Governance both in India and abroad. It is proposed to discuss the empirical research on Corporate Governance practices, board culture, compliance with disclosure practices, shareholders democracy, board functioning and performance. Finally the research gap is identified.

INDIAN STUDIES:

1. Dr. Nitin Pathak and Dr. Pramod Kumar of the Dayal Bagh Educational Institute, Agra presented his empirical study to examine the investors’ perception towards accounting disclosures. They contended that annual reports must also disclose non-mandatory issues.

2. Dr. Ram Pravesh Singh and Dr. M.K. Singh of Vinobha Bhave University, Dhanbad, captioned “New horizons of accounting disclosure practices – stress global accounting standards of accounting. They outlined the differences in disclosure practices with respect to intangible assets and also wanted to have global accounting standards.

3. Dr. L.N. Koli of Dayal Bagh Educational Institute, Agra has critically evaluated the role of the auditor with respect to Accounting Standard-6 on the depreciation accounting. He further emphasized that methods once employed must consistently be applied from year to year.

3. Dr. L.N. Koli of Dayal Bagh Educational Institute, role of the auditor ‘New Horizons of Accounting disclosure practices’, The Indian Journal of Commerce Vol. 57, No.3, July -Sep 2004 P-138
4. Dr. P.C. Thakur and Dr. R.P. Sinha of BRA, Bihar University, Muzaffapur in their paper suggested that Accounting Standard-5 should be reviewed to remove the anomalies of multiple income statement. They further said that disclosures of earnings per share should be made compulsory in the income statement.

5. Dr. G.K. Jha and Divakar Jha of LN Mithila University, Darbhanga, discussed the issues of global accounting harmonization. The paper also discussed the problems of complete harmonization. They contended that deviations could be minimized to pave the way for a solid accounting uniformity on standardization of accounting practices.

6. Dr. I.P. Tripath, Dr. R.P. Gulpta and Mr. Pratush Tripathi of APS University, Rewa, in their paper “Accounting diversion – an evaluation” have stressed that the accounting ability should take care of technical as well as allocative efficiency. They concluded that social accountants must accept the challenges and march towards the better accounting environment.

7. Prof. J.P. Bhosale and Prof. D.H. Gujarathi of Pune University in their paper captioned “Maintenance of Farm Accounts – As an aid to successful farming business” gave a vivid account of farm accounting in Indian context. They also cited the reference of a booklet on farm accounting issued by Institute of Cost and Works Accountants of India.
8. Dr. S.K. Singh and Dr. Jaishankar Prasad Singh from BN Mandal University, Madhepura have reviewed disclosure of accounting policies in India. The contended that the major considerations governing the selection and application and accounting policies are prudence, substance over form and consistency. The paper also analyzed Accounting Standard-2 with reference to harmonization of accounting policies at global level.

9. Dr. Jaspal Singh and Miss Poonam Sharma in their paper stressed the role of human factor in the formation and implementation of the policies governing mutual funds. They opined that SEBI has followed a reactive policy. They suggested the review of legal framework governing mutual funds in India.

10. Dr. A.K. Tripathi of Gorakhpur University and Dr. R.N. Singh from BRA university, Muzaffarpur concluded that the new approaches in accounting are developed on account of inherent weaknesses in conventional accounting. They contended that the current socialistic society has shifted the emphasis from economic and accounting profit to the social profit or the national profit.

11. Dr. P.K. Thaod of Sardar Patel University has given a detailed account of segment reporting practices prevalent in corporate sector in India. In his empirical study, it is found that segment reporting information is disclosed as per Accounting Standard-17 and USGAAP.

12. Dr. A.K. Jha and Dr. U.M. Jha of BRA Bihar University made a comparative analysis of social accounting in India and abroad in their paper. They contended that there is a need for developing national and local level “Social Indicators”. They opined that India has to exert a lot in this regard.

8. Dr. S.K. Singh and Dr. Jaishankar Prasad Singh disclosure of accounting policies in India’, The Indian Journal of Commerce Vol. 57, No.3, July -Sep 2004 P-139
9. Dr. Jaspal Singh and Miss Poonam Sharma ‘the role of human factor in governing mutual funds’ The Indian Journal of Commerce Vol. 57, No.3, July -Sep 2004 P-139
10. Dr. A.K. Tripathi and Dr. R.N. Singh, “segment reporting practices” ‘New Horizons of Accounting disclosure practices’, The Indian Journal of Commerce Vol. 57, No.3, July -Sep 2004 P-139
12. Dr. A.K. Jha and Dr. U.M. Jha “social accounting in India” ‘New Horizons of Accounting disclosure practices’, The Indian Journal of Commerce Vol. 57, No.3, July -Sep 2004 P-139
13. Dr. K. Rampriya of Osmaniya University in her paper “Transparency in Financial Statements – Role of Companies and Auditors” found that good accounting standards alone do not ensure transparency. She suggested that companies and auditors have an important role in ensuring effective implementation of accounting standards.

14. Prof. G.C. Gondane of LRT College of Commerce, Akola critically evaluated the role of internal audit in corporate world. He also referred to MAOCARO of companies Act. He suggested separation of internal audit from routine audits.

15. Dr. Om Prakash Singh of Banaras Hindu University in his paper on accounting and disclosure norms for the Indian Banks said that there is no separate accounting standard like Accounting Standard-30, 37 and 39. He suggested that there is need for safe and sound disclosure norms for more transparency.

16. Vedant Pandiya from Bhavnagar University in his paper captioned “What makes companies disclose more accounting information” reviewed resource dependence theory and cultural influence theory. He said that the higher disclosure of accounting information would lead to higher returns.

17. Vibha Goyal and Vedant Pandya in their paper attempted to identify stakeholders for disclosing accounting information. They argued that accounting standards are necessary for adequate disclosures. They argued that accounting information is useful.

14. Prof. G.C. Gondane ‘the role of Internal Audit’ The Indian Journal of Commerce Vol.. 57, No.3, July -Sep 2004 P-139
15. Dr. Om Prakash Singh, “accounting and disclosure norms for the Indian Banks” The Indian Journal of Commerce Vol.. 57, No.3, July -Sep 2004 P-139
18. Vedant Pandya and Neelam Dosani in their paper captioned “New horizons of accounting disclosure” attempted to review the conceptual framework and relevance of disclosure. They argued that globalization and corporate social responsibilities are among the most significant factors leading to emergence of new horizons of accounting for Voluntary disclosures in India.

19. Dr. N.C. Tripathi, RDVV, Jabalpur, Dr. Ramesh Mangal, DAVV, Indore and Dr. Mukesh Jain, RDVV, Jabalpur in their paper captioned “Social responsibility accounting in state transport undertakings – Assessment of disclosure practices” contended that social responsibility for accounting be developed in state transport undertakings. They further argued that it should be made mandatory.

20. Prof. Rameshwar Ladda of Banshi in his paper captioned “Accounting Standards – A Social Need” contended that accounting standards are useful. He said that Institute of Chartered Accountants of India (ICAI) is playing an important role in this regard. He suggested that accounting standards be made mandatory.

21. Dr. Ramesh Kumar Garg of Jhalawar in his paper captioned “Accounting disclosure Practices” said that the disclosure of accounting principles, depreciation methods, inventory pricing methods, contracting, conversion of foreign currencies and contingencies estimation are essential to make the accounts more transparent for decisions.

22. Dr. Vijayesh Kumar of BRA Bihar University, Muzaffarpur contended the need to review the Accounting Standards-1,2,10,13 and 16 as pronounced by Accounting Standards Board of ICAI.

19. Dr. N.C. Tripathi and Dr. Ramesh Mangal, Dr. Mukesh Jain “Social responsibility accounting in state transport undertakings Assessment of disclosure practices” The Indian Journal of Commerce Vol. 57, No.3, July-Sep 2004 P-140
22. Dr. Vijayesh Kumar Accounting Standards’ The Indian Journal of Commerce Vol. 57, No.3, July-Sep 2004 P-140
23. Dr. Nageshwar Rao and Dr. D. Mehta from Vikram University contended that companies in Public Sector are more concerned with the disclosure of accounting standards as compared to private sector. They further argued that raising of capital through cross border transactions has also generated a lot of interest in harmonization of accounting standards.

24. Prof. Shivaji Singh of BRA Bihar University, Muzaffarpur narrated the uses of Accounting Standards-8,21,22, 24 and 28. He suggested the need to review them by Accounting Standards Boards of ICAI.

25. Dr. Nageshwar Rao and Dr. Deepak Gupta from Vikram University in their paper on “Social responsibility disclosure practices in public enterprises” explained the impact of key company features on the level of social disclosures. A sample of 30 companies was taken.

26. Prof. L.K. Shukla of BRA Bihar University, Muzaffarpur explained the relevance of Accounting Standards-4,5,6,20 and 26. He felt that review of these standards is made by ICAI at the earliest.

27. Mr. Ambuj Srivastava and S.K. Gard from APS University, Rewa in their paper captioned “Accounting Dimension and Disclosure of Practice” contended that Accounting Standards-1,4,7 and 16 be reviewed carefully for better disclosures. They made an analytical view of these standards for quality disclosure.

25. Dr. Nageshwar Rao and Dr. Deepak Gupta, “Social responsibility disclosure practices in public enterprises” The Indian Journal of Commerce Vol.. 57, No.3, July - Sep 2004 P-140
28. Prof. M.R. Parikh of Talad, North Gujarat University explained the process of decision-making with respect to make or buy decisions. He contended that the related cost concepts be analyzed in detail for better decision-making.

29. Mr. Alkesh Jaisawal of Vikram University discussed Accounting Standard-17 with respect to Bank. His empirical study is related to 22 banks equally drawn from all sectors. They study revealed that about 50% banks gave two segment disclosures.

30. Dr. R.K. Gupta and Dr. A.K. Vashishtha of Punjab University, Chandigarh in their paper captioned “Environmental Reporting the need of the day” explained in detail different forms of environmental disclosure practices adopted in India. Article 51A of the Constitutions was also referred to.

31. Mr. Y.A. Saindane and M.S.P. Palve in their paper captioned “New Horizons of Accounting Disclosure Practices” explained the relationship between disclosure and accounting policies. Further, they narrated new scheme as proposed by the ICAI for various types of enterprises.

32. Dr. Malabika Deo, Dr. K.C. Rao and K. Jansi Ram in their paper on “Human Resource Accounting – A New Dimension to Accounting Disclosure” explained the importance of HRA with respect to accounting disclosure. They also suggested the need to have an accounting standard.

33. Dr. S.D. Vashishtha of Rohtak and Dr. V.K. Kaushik of Bhiwani in their paper captioned “Accounting Disclosure Practices” discussed Accounting Standard-1,17,19 and 25 with respect to disclosures. They contended that transparency must be ensured in the accounts.
34. Dr. Subhash Garg of University of Rahasthan and Miss Manisha Sinha of University of Delhi in their paper titled “Environmental Reporting in India” contended that Indian Corporate Sector is late in responding to the needs of environmental reporting. They suggested a standard environmental report.

35. Dr. Nageshwar Rao and Dr. D.D. Meena of Vikram University in their paper discussed and analyzed the issue to timeliness in corporate reporting with and empirical study of having a sample of 30 companies. They discussed the issue of reporting time lag and audit time lag industrywise and periodwise separately.

36. In 1997, Brockmann in his study “The relationship between corporate governance patterns and the potential for surviving a bankruptcy episode” examined the impact of corporate governance mechanisms during the reorganisation and recovery times after filing for bankruptcy. He concluded that reorganisation time could be reduced with a powerful CEO.

37. LI Joanne Wai Mei in his study (1997) “Board of directors in the context of corporate governance” concludes that the monitoring by Board of Directors acts as a mechanism to resolve the agency problem between top management and shareholders.

34. Dr. Subhash Garg and Miss Manisha Sinha, “Environmental Reporting in India” –The Indian Journal of Commerce Vol. 57, No.3, July -Sep 2004 P-142
37. LI Joanne Wai Mei Board of directors in the context of corporate governance” Unpublished dissertation, Madurai Kamaraj University, 2001
38. Purbach and Michal Joseph in their dissertation entitled “The changing face of Corporate Ownership - Do institutional owners affect firm performance?” examined the inter relationships among the major participants in corporate governance - owners, boards of directors and top management teams. The dissertation also examines as to how these inter relationships may affect corporate decision-making and ultimately firm performance.

39. Karish, Gail Amn in his dissertation (in 1997) entitled, “Towards a National Model for Corporate Governance”, made an attempt to know as to whether there is a link between privatisation and corporate governance, with reference to private sector in Latin America. Latin America was chosen for the study because considerable privatisation activity has taken place there. The analysis revealed that private sector corporate governance has several weaknesses leading to economic inefficiencies.

40. Ellingson made a study in 1996 “Board composition and the use of Accounting measures: The effect on the relation between CEO compensation and Firm performance”. The result of the study revealed that outside directors act in the interests of shareholder by linking compensation to stock return. Thus the outside directors play an important role in the corporate governance process.

41. Darazsdi, James Joseph conducted a study The identification of characteristics associated with corporate boards and their members which demonstrate a significant statistical relationship to above average financial performance over time “Food processing industry” in 1996. This study identified those variables, which were viewed by experts in the field of corporate governance as influential in the determination of financial performance.

42. Kang, David Lee, 1996, made a study “The impact of ownership type on organisational performance”. This dissertation concluded that the separation of ownership and control found in the U.S. public corporations has resulted in decreased firm performance, as dispersed shareholders have failed to encourage managers to make strategic decisions that enhance firm performance.

43. David, Parthiban, conducted a study ‘Corporate Governance, Strategy and Performance: Antecedents and Consequences of Activism by institutional Investors” in 1996. The study concluded that the diffusion in ownership accompanying the increase in size of public corporations decreased the power of its owners and provided managers significant discretion over corporate policies. For this dissertation, institutional investors have appeared to be active monitors. Institutional investors have been found to leverage the power gained from their ownership stake by adopting an activist stance.

44. Anderson, Ronald C, in his dissertation entitled “Intervention on interference: An examination of the new rules governing managerial compensation”, concluded that the compensation committees have played an important role in corporate governance.

45. Luchansky, William Josheph, in his dissertation entitled ‘The overthrow of the managerial revolution’ - An examination of managerial, agency theory, and institutional approaches (corporate control) made an attempt to find the impact of ownership patterns on corporate governance. The study concluded that large institutional owners, such as pension or mutual funds have been able to exert much influence over managers who hitherto controlled the corporation. Thus these large institutional owners have been in a better position than the small shareholders.

46. O’Neal, Donald E in his dissertation entitled “Director Network And Directors selection keys to the strategic role of the Board of Directors”, explains the need for “strategic role of the Board of Directors. The primary role of Board of Directors includes continued, advice/counsel and strategy. This study focuses on the implications of the strategic role of directors, and how it may be significantly influenced by the process of selecting directors and by multiple board memberships, commonly referred to as interlocks.

47. Gillan, Stnart Leigh in his dissertation entitled “Shareholder activism through the proxy mechanism: An Empirical investigation (Pension Funds)” made an attempt to investigate the effects of shareholders activism by both institutional and non–institutional investors over the time 1987–1991. The purpose of this study is to find as to whether this activism was effective, during the said period, in achieving the primary goal of pressuring under performing management to enhance corporate value.

48. Hanson, Danny Carrol in his dissertation entitled “The Legal Responsibilities and Implications of Non-profit Corporate Governance” paid his attention to governance of non-profit organisations.

46. O’Neal, Donald E, “Director Network And Directors selection keys to the strategic role of the Board of Directors”, Unpublished dissertation, Madurai Kamaraj University, 2001
47. Gillan, Stnart Leigh “Shareholder activism through the proxy mechanism: An Empirical investigation (Pension Funds)” Unpublished dissertation, Madurai Kamaraj University, 2001
48. Hanson, Danny Carrol “The Legal Responsibilities and Implications of Non-profit Corporate Governance” Unpublished dissertation, Madurai Kamaraj University, 2001
49. Jolls, Christure, in his dissertation entitled “The growth of Performance based managerial pay – Implications for corporate governance” made an attempt to examine the implications of the principal – agent, paradigm of shareholder – manager relations, for a set of policy issues in corporate finance.

50. Wahal Suml in his dissertation entitled “Institutional investors and firm performance” (shareholder activism) made an attempt to provide evidence on the efficacy of shareholders activism.

51. Dr.K.Shalini Raju, conducted a research titled “Corporate Governance in Banking System” published “The Economic and politiciced weekly” March 20, 2004 focused on the relative link between CEO turnover and corporate performance in the banking system in India. The study revealed that the CEOs of poorly performing banks were observed to face higher turnover than the CEOs of well-performing banks.

52. A.P.Pati in his thesis “Corporate Governance Interventions and performance of Indian banks” concluded that the empirical study of the last five years, provides an inconclusive inference about the association of governance and performance. The statistically in significant relationship and non-impact on key variables suggest that in the Indian context, corporate governance appears to be a non-determinant factor.

53. Tamal Datta Chaudhuri in his thesis “Size or Business segment; which is important?” analysed the perception of the financial sector reforms undertaken in India since 1991 through the rise and decline of an all India Development Finance Institution (DFI). It also highlights the basic areas that a financial intermediary has to safeguard against for compliance with regulatory norms and long-term viability in a competitive financial system.

51. Dr.K.Shalini Raju “Corporate Governance in Banking System” The Economic and politiciced weekly” March 20, 2004
52. A.P.Pati “Corporate Governance Interventions and performance of Indian banks” ICFAI Journal of Bank Management Vo. 6 Feb 2007 P- 18-33
53. Tamal Datta Chaudhuri “Size or Business segment; which is important?” www.Yahoo.com
54. B.S. Bodia and Richa Verma in the research paper “Evaluating performance of study of SBI and ICICI” studied the performance for the period 2000-2001 to 2004-2005. It was found that SBI has an edge over its counterpart ICICI in terms of capital Adequacy. However the vice versa is true regarding assets quality earning quality and management quality. The liquidity position of both the banks is sound and does not differ significantly.

55. K. Satya Narayana in his thesis “Indian Banking system – Gearing up for Basel II” concluded that Basel II transition should further strengthen the banks to play a crucial role in ensuring that the fruits of economic reforms especially the financial sector reforms, are in the reach of the vast and vulnerable sections of the society.

56. Roji George in his thesis “Computation of Economic Value Added (EVA) in Indian Banks” analyzed the relationship between EVA and non-performing assets and the relationship between EVA and employee productivity. It was found that banks, both private and public sector ones, create economic value and that there is a positive relationship EVA and productivity and a negative one between EVA and non-performing assets.

57. GRK Murthy, Dean at the Institute of Chartered Financial Analyst of India (ICFAI) university in his research study on “Corporate Governance in Banks; Embedded conflicts” published in professional banker April 2004 remarked that poor incentives in terms of salaries, rules, regulations, promotions and the like in the public sector banks are not conducive to employee performance. Moreover, his research has established a positive relationship between CEO turnover and poor performance in large corporations.
58. S.C. Das, in his article “Ethics in Governance products in corporates -some issues and implications” published in “The management Accountant April 2006” highlights the ethical principles and values and their influence in corporate governance. He explains in depth the various financial scams and unethical practices perpetrated by the corporate world and points out that it is the responsibility of the government, regulatory authorities and professional bodies to exercise strict vigil and control over the conduct and functioning of the corporate professionals.

59. Mr. Ajay Kumar Mohanty in his article “Dimensions of corporate governance in Indian Banking” published in “Professional Banker November 2006” stressed that reforms in the Indian banking sector call for strong corporate governance to enhance the shareholders value. It is also stressed that excellence in corporate governance can contribute to a collaborative working relationship between bank management and supervisors.

60. Dr. V. Manickavasagam and S. Sivaramakrishnan in their thesis “Disclosures under Sec 217 (2A) of the companies Act” and in “The Management Accountant November 1999” analyzed all the disclosures as needed by the section. Their concluding remark was that full disclosure in the proper format as per the provision should be made compulsory. So that they can be of use to shareholders, creditors and general public.

61. Mr. Shiv Shankar Tripathi in his thesis “Corporate Social responsibility. A effective tool of gaining Mindshare of the customer” published in the ICFAI Journal of corporate governance, January 2007, concluded with some suggestions while using CSR initiatives in the society, so that they will definitely be able to gain the mindshare for the brands promoted by the company at the micro level, and a better image for the whole company at the macro level.

59. Mr. Ajay Kumar Mohanty “Dimensions of corporate governance in Indian Banking” “Professional Banker November 2006, p- 44-51
60. Dr. V. Manickavasagam and S. Sivaramakrishnan “Disclosures under Sec 217 (2A) of the companies Act” “The Management Accountant November 1999” p- 861 and 862
Dr. R. Neelamegam and V. Gopathy in their thesis “Globalisation and Corporate Governance in India” published in the Management Accountant, July 2000 attempt to evaluate the changes in the behaviour of shareholders, Board of Director and Auditors and highlight the role played by globalization on the behavioural modification of different constituents.

**STUDIES IN ABROAD**

1. Gita Radha Krishan and Leo poiston in their research thesis on “Fraud in Internet Banking; A Malaysian Legal perspective” examined the legal issues specific to internet banking focusing on the incidence of fraud and crimes and its prosecution. The objective of the research is to investigate three questions in relation to Malaysia firstly, the incidence of fraud, secondly the adequacy of the relevant regulations and stcdutes and thirdly, whether the setting up of cyber court – could better facilitate the prosecution of such financial crimes in Malaysia. The results revealed that the applicability of various existing laws and banking practices to internet banking has not been fully tested in Malaysia and is still evolving.

2. Adolfhus J. Toby in his research thesis on “Extent of Nigerian Banks’ compliance with Basel sound liquidity Management practices”. It was observed that there is a significantly positive relationship between compliance level and banks’ liquidity profile. It was also concluded that Bankers must regularly appraise and reappraise their soundness by optimally managing the liquid assets profile given policy constraints.

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62. Dr. R. Neelamegam and V. Gopathy “Globalisation and Corporate Governance in India” Management Accountant, July 2000, p- 492-498

1. Gita Radha Krishan and Leo poiston Fraud in Internet Banking; A Malaysian Legal perspective” [www.yahoo.com](http://www.yahoo.com)

3. Ross Levine in his thesis “Corporate Governance of banks” discussed special attributes of banks that make them special in practice; greater opaqueness and greater government regulation. He concludes that, it is important to strengthen the ability and incentives of private investors to exert governance over banks rather than to rely excessively on government regulators. These conclusions, however, are particularly tentative because more research is needed on how legal, regulatory, and supervisory policies influence the governance of banks’.

4. Asli Demirguc-kunt examined the “impact of bank supervision on the financing obstacles faced by almost 5000 corporations across 49 countries. Their findings revealed that firms in countries with strong official supervisory agencies that directly monitor banks tend to face greater financing obstacles. The authors also find that bank supervisory agencies that force accurate information disclosure by banks and enhance private monitoring tend to ease the financing obstacles faced by firms”.

5. T.G. Arun and J.D. Turner in the article “Corporate Governance of Banks in developing Economies; concepts and Issues” suggest that banking reforms may be a prerequisite for the successful government ownership. It also suggested that the increased competition resulting from the entrance of foreign banks may improve the corporate governance of developing economy banks. Moreover banking reforms can only be fully implemented once a prudential regulatory system is in place.

3. Ross Levine “Corporate Governance of banks” www.yahoo.com
5. T.G. Arun and J.D. Turner, “Corporate Governance of Banks in developing Economies; concepts and Issues” www.yahoo.com
6. Mr. Jaime Caruana, Governor of the Bank of Spain and Chairman of the Basel Committee on Banking Supervision, spoke on the topic “Basel II and corporate governance issues”, at the 2nd Islamic Financial Services Board (IFSB) summit 2005. He discussed on “why does CG matter for banks and banks supervisors”, and shared his thoughts on “how the Basel II capital framework contributes to better CG. He also emphasized that CG is much broader than Basel II and concluded that sound CG should be considered a key element of a bank’s ability to understand and manage its risks.

7. Prof. Paul M. Health and Prof. Krishna G. Palepu, Harvard Business School conducted a study on “The role of corporate Boards in improving Governance through effective disclosures”. The study revealed that western style capital markets and corporate Governance critically rely reliable and complete disclosure. Since investors rely on corporate disclosure, Boards should use to perform important governance function.

8. Erik Berglof and Stijn Claessens from University of Amsterdam conducted a research on “Corporate Governance and Enforcement” and published in the ICFAI Journal of corporate governance January 2005. The empirical study suggests that private tools are more effective than public enforcement in necessary regardless, and private enforcement mechanisms often require public laws to function.

6. Mr. Jaime Caruana “Basel II and corporate governance issues” www.yahoo.com
8. Erik Berglof and Stijn Claessens, Corporate Governance and Enforcement” ICFAI Journal of corporate governance January 2005
IDENTIFICATION OF THE RESEARCH GAP

Though lots of research studies have been undertaken in India and abroad covering various areas in Corporate Governance, very little research studies have been undertaken in respect of Financial Institutions, especially focusing on Commercial Banks. Though the RBI, Ministry of Finance and related Government bodies have made several notable efforts to improve regulation in this sector, very few banks have established an outstanding track record of innovation growth and value creation. This is reflected in their market valuation. To support the Indian banking industry in the prevailing modern and vibrant economy the researcher has undertaken this study to bring prospects of Corporate Governance in the banking sector with special reference to Indian Overseas Bank.