# CHAPTER 1
## INTRODUCTION

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“It is clear that good corporate governance makes good sense. The name of the game for a company in the 21st Century will be conform while it performs.”

– Mervyn King

(Chairman: King Report)

1.1 INTRODUCTION

Globalisation and Liberalisation of the Indian Economy is forcing Indian banks to be at par with international standards. In the recent years, the banking system in India has become more and more complex and open. It is at this juncture that a need for qualitative standards is felt. Corporate Governance regulations include standards such as internal controls, composition and role of the Board, disclosure standards and risk management. Such disclosure standards would put India on par with international standards. Banks play a vital role in the economy and the strength and stability of the banking system is of paramount importance. High ethical standards are necessary in banks and financial institutions to ensure their accountability to society. Consequently, only banks that follow sound and efficient governance practices will enjoy the confidence of the people.

1.2 RELEVANCE OF THE TOPIC

In India, the increasing awareness and importance of Corporate Governance in the industry, particularly in the banking sector can be attributed to a number of factors such as liberalization, corporate failures in banks, mainly co-operative banks, grim financial and other irregularities that have led to a growing public distrust of the governance process in the banking sector, competition due to the entry of new private and foreign banks and increased participation of shareholders.
Also, demand for investment capital is increasing throughout both the developed and developing world due to the emerging global market. Simultaneously, governments of countries are reducing the amount of aid provided to companies. Due to the decrease in the free flow of capital made available to organisations, policy makers have started appreciating that the quality of corporate governance is relevant to capital formation. Subsequently, it has also been accepted that weak corporate governance systems, combined with corruption, alter the efficient allocation of resources to organisations destabilize competition and finally hamper further investment opportunities and economic development.

Banks that attach importance to Corporate Governance Standards always command a high premium due to the transparency of their transactions. Transparency of transactions and a high degree of disclosures mean that the stakeholders, internal and external, shall always have all the information that they need easily available at hand. This will result in banks gaining the confidence of its stakeholders, which will evidently have positive effects for the banks in return. The implementation of corporate governance practices also proves to be advantageous to banks and other financial institutions because it helps in evaluation of risk and well-timed remedial action against failure. Therefore, numerous elements like adoption of international benchmarks and strengthening of prudential norms will help to make the banking system in India stronger and more efficient.

1.3 RATIONALE FOR SELECTING THIS SUBJECT

Banks play a vital role in the economy and the continued strength and stability of the banking system is a matter of general public interest and concern. In spite of this, the implementation of corporate governance
practices in a large number of banks remains. Also, there are many gaps in the disclosures made in Indian organizations in comparison with the international standards. Indian standards fall short of international standards in the areas of constitution and accountability of boards, risk management and performance measures.

Another area that requires attention is transparency in the balance sheets of co-operative banks. Commercial banks in India are required to make various disclosures relating to accounting ratios, return on assets, Non-Performing Assets, loans and advances, and borrowings and deposits. Similar disclosures should also be included in the audit reports of co-operative banks. Finally, it remains to be seen whether the implementation of these practices will bring about the desired Transparency and Accountability in the dealings of the Banking Industry. The researcher intends to study the Corporate Governance theory and practice with reference to the Banking Sector in India in order to improve its competitiveness.

1.4 SIGNIFICANCE OF THE STUDY

Banking in India originated in the 18th century. The General Bank of India came into existence in 1786 followed by the Bank of Hindustan. Both these banks are non-operational now. State Bank of India was established as "The Bank of Calcutta" in Calcutta in June 1806. It is the oldest bank in existence in India today. Indian banking sector was formally regulated by Reserve Bank of India from 1935. The Reserve Bank of India (RBI) was established in 1935 and it became a state owned institution from January 1, 1949. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers. Hence, India had a moderately well developed commercial banking system in place at the time of independence in 1947.
The Banking Regulation Act was enacted in 1949 to provide a framework for regulation and supervision of commercial banking activity in the country. The regulatory framework for the banking industry under the Banking Regulation Act was circumscribed by the special provisions of the Bank Nationalisation Act both of which had elements of corporate governance incorporated with regard to composition of Board of Directors in terms of representation of directors. The concept of social control in the banking industry was introduced by the Government in 1967. This was aimed at bringing some changes in the management and distribution of credit by the commercial banks. This was another step towards good corporate governance. Appointment of whole-time Chairman with special knowledge and practical experience of working of commercial banks was made necessary. This was aimed at absorbing qualified and proficient people in the top management of banks. Restrictions were imposed on loans to be granted to the directors and their relatives. This was intended to avoid undesirable flow of credit to the units in which the directors were interested. The scheme also provided for the take-over of banks under certain circumstances.

Corporate Governance is increasingly gaining popularity, the reasons for which have already been specified above. Globalisation and Liberalisation of the Indian Economy is forcing Indian banks to be at par with international standards. All these factors are instrumental in creating awareness about the importance of Corporate Governance in our country, especially in the Banking Sector. It is unquestionably due to these reasons, amongst many others, that the Reserve Bank and SEBI have made the implementation of Corporate Governance practices mandatory. These institutions have set up committees like the Kumar Mangalam Birla Committee and the Ganguly Committee for framing sound corporate governance practices for our organizations. The Reserve Bank of India has also set up various Advisory
Groups like the Advisory Group on Corporate Governance headed by Dr. R.H. Patil and the Advisory Group on Banking Supervision headed by Mr. M.S. Verma. Banks are a decisive constituent of any financial system. They are the main suppliers of financial services to the masses. They are also looked up to in times of challenging market situations to make credit and liquidity easily available. Banks also have access to government safety nets. All these factors make it exceedingly indispensable for banks to have strong and efficient corporate governance practices.

1.5 STATEMENT OF THE PROBLEM

The Reserve Bank of India has the responsibility of ensuring that the best Corporate Governance practices are followed by the banking sector. It is unquestionably due to these reasons, amongst many others, that the Reserve Bank and SEBI have made the implementation of Corporate Governance practices mandatory. Corporate governance for banks is also important as they affect the functioning of the entire corporate sector for the reason that they are the primary lenders to all organizations. These institutions have set up committees like the Narasimhan Committee (1991), Patil Committee (2001), Kumar Mangalam Birla Committee and Ganguly Committee (2001) for framing sound corporate governance practices for our organizations. Thus, it is apparent that the concept of Corporate Governance has been acquired through the various developments taking place outside India. In other words, it can be said that this concept does not have its origins in India.

Economic susceptibility, on the national scene as well as the international market, can arise due to inadequate corporate governance standards in banks and financial institutions. Detrimental developments taking place in one bank or financial institution can generate similar effects in other banks or
financial institutions, which may affect the financial stability of the country, as well, as the international market as a whole. Moreover, most of the funds that are used by the banks belong to the creditors of the banks who are mostly the depositors. Depositors are unable to shield themselves from the unfavorable developments taking place in the banks owing to lack of adequate information. And, it is on account of this reason that Corporate Governance becomes indispensable for the continued existence of banks. Consequently, it becomes obligatory for the Banking Sector to adhere to mandatory corporate governance practices since unsatisfactory governance practices can result into ineffective risk management and financial instability. Thus, the importance of corporate governance, especially in the banking sector, cannot be overlooked. Hence, the researcher has selected the topic “A Study of Corporate Governance Practices in the Indian Banking Sector with reference to selected Nationalised Banks, Private Banks and Foreign Banks”

1.6 OBJECTIVES OF THE STUDY

The researcher has decided upon the following objectives in this study:

1. To study the Corporate Governance practices followed by Indian banks and Foreign Banks.
2. To study the approach of the banks towards implementation of corporate governance practices.
3. To study the areas of disparity between Indian corporate governance practices and international corporate governance practices in the banking sector.
4. To study whether the implementation of corporate governance practices is leading towards the desired transparency and accountability in Banking Sector.
5. To give suggestions to the banking sector to implement Corporate Governance practices in the true sense of the term.

Table 1.1 shows the questions that are directly related to the research objectives set up by the researcher for the purpose of this research study.

**Table 1.1: Interlinking of objectives and questions in the Questionnaire (Appendix 1)**

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>To study the Corporate Governance practices followed by Indian banks and Foreign Banks.</td>
<td>All the questions in the questionnaire administered to the executives in the bank were designed to collect data related to Corporate Governance practices followed by Indian banks and Foreign Banks.</td>
</tr>
</tbody>
</table>
| To study the approach of the banks towards implementation of corporate governance practices. | 3. Has the bank been rated by an external agency for Corporate Governance?  

7. Has the bank formulated its own policies for corporate governance? If yes, please specify.  

12. How would you perceive the extent of corporate governance in your bank?  

22. What is the bank’s policy on
<table>
<thead>
<tr>
<th>To study the areas of disparity between Indian corporate governance practices and international corporate governance practices in the banking sector.</th>
<th>8. According to you, what are the areas of disparity between Indian corporate governance practices and international corporate governance practices in the banking sector?</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Has the Bank been rated by an external agency for Corporate Governance?</td>
<td>5. Do you feel that Corporate Governance would bring about the desired level of fairness, transparency and accountability in banks?</td>
</tr>
<tr>
<td>6. In your opinion, has the adoption of Corporate Accountability and Responsibility of the Board of Directors?</td>
<td>25. Does the bank have a written code of conduct for directors, senior management and employees?</td>
</tr>
<tr>
<td>26. Does the bank have a Whistle-Blower Policy?</td>
<td></td>
</tr>
</tbody>
</table>
Governance practices in banks made any difference with regard to the overall functioning of banks in the following areas?

a. Increasing Transparency and Accountability

b. Increasing Shareholder’s value

c. Increasing the Responsibility of the Board of Directors

d. Increasing the Internal Control exercised in the Bank

11. How would you rate the degree of transparency in your bank?

22. What is the Bank’s policy on Accountability and Responsibility of the Board of Directors?

To give suggestions to the banking sector to implement Corporate Governance practices in the true sense of the term.
1.7 **RESEARCH METHODOLOGY**

1.7.1 **Type of Research:**
- a) Partly Qualitative and partly Quantitative

1.7.2 **Sampling Frame:**
Website of the Indian Banks Association

1.7.3 **Population:**
There are 25 nationalized banks, 21 private Banks and 38 foreign banks in India.

1.7.4 **Determination of sample size:**
Sample size determination using Proportion method (for small population)

Sample size was determined

\[ n = \frac{z^2 \cdot (p \cdot q)}{e^2} \]

Where:
- \( n \) = sample size
- \( z \) = standard score associated with 90% level of confidence i.e. 1.645
- \( p \cdot q \) = variability (To determine \( p \cdot q \), the worst case scenario was considered. Thus, \( p \) was considered as 50 and \( q \) was also considered as 50.)
- \( e \) = Tolerable error (15%)

Therefore;

\[ n = \frac{(1.645)^2 \cdot (0.5 \cdot 0.5)}{(0.15)^2} \]

\[ = 2.70 \cdot 0.25/0.0225 \]

\[ = 0.675/ 0.0225 \]

\[ =30 \]

Applying finite correction factor,

\[ SS = SSF \cdot \sqrt{(N-n)/N-1} \]

Where:
- \( N \) = Population size=84
n= computed sample size=30
Therefore;
\[ SS = 30 \times \sqrt{(84-30)/83} \]
\[ = 30 \times 0.80 \]
\[ = 24.19 \]

Sample Size:
The sample size of this research study is 27 banks i.e. 9 nationalized banks, 9 private Banks and 9 foreign banks

1.7.5 Parameters of the study:
The researcher has used the following parameters for the purpose of this research study.

1. Corporate Governance Initiatives by the Bank
2. Board Independence and Procedures
3. Stakeholder and Shareholder Development
4. General Body Meetings
5. Committees established in the Bank (Audit, Remuneration, Risk-Management, Investor’s Redressal etc.)
6. Transparency and Disclosures

1.7.6 Definition of Terms:

- A ‘Study’, in this context, means a research or an analysis carried out with the objective of studying the details of the Corporate Governance systems of banks.
- ‘Corporate Governance’ is a process that ensures that a company or an organization is managed in the best interests of all internal and external stakeholders. Accountability, Transparency and Disclosures are the main essentials of good Corporate Governance.
‘Practices’, in this context, means the procedures and guidelines that constitute the policies of the banks and regulatory authorities towards good Corporate Governance.

‘Private Banks’ as governed by Companies Act, 1956 and the Banking Regulation Act, 1949.


‘Foreign Banks’ as registered with the Registrar under Section 592 of the Companies Act and are banking companies under the Banking Regulation Act, 1949.

‘Approach’ in this context, is the attitude that the banks have towards implementation of corporate governance practices and the method adopted by the banks for the implementation of corporate governance practices.

‘Infant Stage’ in this context, can be explained to be the initial period when the implementation of corporate governance has just started and the results of this implementation are not yet seen in the banking sector.

‘Developing Stage’ in this context, can be said to be the period when some results of the implementation of corporate governance practices become visible.

1.7.7 **Criteria for selection of Sample:**
The researcher has considered only those banks having their offices in Pune and Mumbai only. Banks have also been considered on the basis of their size in terms of network of branches.

1.7.8 **Sampling Technique:**
Stratified and Convenience Sampling.

Table 1.2 indicates the banks included in the sample:
Table 1.2: Banks included in the sample

<table>
<thead>
<tr>
<th>Nationalized Banks</th>
<th>Private Banks</th>
<th>Foreign Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Maharashtra</td>
<td>HDFC Bank</td>
<td>Bank of America</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(United States of America)</td>
</tr>
<tr>
<td>Union Bank of India</td>
<td>ICICI Bank</td>
<td>Deutsche Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Germany)</td>
</tr>
<tr>
<td>Oriental Bank of Commerce</td>
<td>IDBI Bank</td>
<td>Standard Chartered Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(United Kingdom)</td>
</tr>
<tr>
<td>Central Bank of India</td>
<td>IndusInd Bank</td>
<td>BNP Paribas Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(France)</td>
</tr>
<tr>
<td>Dena Bank</td>
<td>Axis Bank</td>
<td>HSBC Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(United Kingdom)</td>
</tr>
<tr>
<td>Bank of Baroda</td>
<td>Development Credit Bank</td>
<td>Abu Dhabi Commercial Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Abu Dhabi, United Arab Emirates)</td>
</tr>
<tr>
<td>Vijaya Bank</td>
<td>Kotak Mahindra Bank</td>
<td>Barclays Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(United Kingdom)</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>Yes Bank</td>
<td>JP Morgan Chase</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(United States of America)</td>
</tr>
<tr>
<td>Corporation Bank</td>
<td>Ratnakar Bank</td>
<td>ANZ</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Australia)</td>
</tr>
</tbody>
</table>

1.7.9 **Pilot Study:**

A pilot study was conducted using the same questionnaire used to collect the primary data. This pilot study was conducted during the period March 2009 to October 2009. The sample size for this pilot study was a total of 15 banks which consisted of 5 nationalised banks, 5 private sector banks and 5 foreign banks. One main finding of this pilot study was that more than 70% of the banks were of the opinion that corporate governance in Indian banks is not in an infant
stage but in a developing stage. Infant stage, in this context, can be explained to be the initial period when the implementation of corporate governance has just started and the results of this implementation are not yet seen in the banking sector. On the other hand, developing stage, in this context, can be said to be the period when some results of the implementation of corporate governance practices become visible. However, there still remains room for improvement and growth.

1.7.10 Methods of Data Collection:

a) Primary Data:
Primary Data was collected to get first hand information about the Corporate Governance practices followed by the Bank and also the initiatives taken by the Bank towards development of their own corporate governance standards. This was done to collect qualitative as well as quantitative data. Sources of Primary Data Collection were as follows:

1. **Questionnaires (Appendix 1)** were administered to executives in the banks to find out the bank’s policies on corporate governance and also the initiatives taken by the Bank towards development of their own corporate governance standards. Questionnaires are structured with a mix of open and close ended questions.

2. **Personal Interviews** of executives were conducted to seek their opinion of the Corporate Governance. These individuals are vice presidents, company secretaries, top-level management officials and experts in the area of corporate governance.

b) Secondary Data:
Secondary Data was collected to understand the concept of Corporate Governance, both in general and specifically related to the Banking Industry. The following sources were used to collect secondary data.
1. **Libraries:** Resources such as journals, reports, books, magazines, articles and newspaper articles were obtained from the following libraries:

1. The British Council Library, Pune
2. National Institute of Bank Management, Pune
3. College of Agricultural Banking, Reserve Bank of India, Pune
4. The American Library, Mumbai,
5. Institute of Company Secretaries of India-Centre For Corporate Governance Research & Training, Navi Mumbai
6. Sainsbury Library, Saïd Business School, University of Oxford, United Kingdom
7. Bodleian Library, University of Oxford, United Kingdom
8. Judge Business School, University of Cambridge, United Kingdom
9. LSE Library, London School of Economics and Political Science, United Kingdom

2. **E-Resources and Subject Literature:** Secondary Data was also collected as follows:

A questionnaire (Appendix 2) was used to collect data related to standards set and standards actually followed by the bank. This data was collected using information obtained through the Bank’s Annual Reports and data collected from the Reserve Bank and SEBI publications.

A Ratio Table (Appendix 3) was prepared to collect data related to the key financial ratios of the bank. This data was obtained through the Bank’s Annual Reports and website.

**1.7.11 Statistical techniques used:**

Statistical Techniques used in this research study have been applied with the help of the SPSS software to test the hypotheses.
1. Kruskal-Wallis Test
2. A one sample T-test.
3. Chi-Square test of Contingency.
4. Simple Regression Analysis.
5. Graphs and Charts

1.8 **HYPOTHESES**

1. H0: Not more than 70% of the banks feel that corporate governance in India is not in an infant stage but in a developing stage
   H1: More than 70% of the banks feel that corporate governance in India is not in an infant stage but in a developing stage

2. H0: Degree of Transparency is independent of corporate governance practiced
   H1: Degree of transparency in banks is not independent of corporate governance practiced in these banks

3. H0: Good Corporate Governance is not a predictor of Investor Relations
   H1: Good Corporate Governance is a significant predictor of Investor Relations

4. H0: The three populations are identical
   H1: At least one population out of the three populations is different

Table 1.3 shows the basis on which data was obtained for the purpose of hypotheses testing.
Table 1.3: Interlinking of the Hypotheses and Questions from the Questionnaire (Appendix 1) and Ratio Table (Appendix 3)

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Questions/Ratios used</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: More than 70% of the banks feel that corporate governance in Indian</td>
<td>4. Does the Bank organize programs for Directors in matter relating to Corporate</td>
</tr>
<tr>
<td>banks is not in an infant stage but in a developing stage</td>
<td>Governance?</td>
</tr>
<tr>
<td></td>
<td>5. Do you feel that Corporate Governance would bring about the desired level of</td>
</tr>
<tr>
<td></td>
<td>fairness, transparency and accountability in banks?</td>
</tr>
<tr>
<td></td>
<td>6. In your opinion, has the adoption of Corporate Governance practices in banks</td>
</tr>
<tr>
<td></td>
<td>made any difference with regard to the overall functioning of banks in the</td>
</tr>
<tr>
<td></td>
<td>following areas?</td>
</tr>
<tr>
<td></td>
<td>a. Increasing Transparency and Accountability</td>
</tr>
<tr>
<td></td>
<td>b. Increasing Shareholder’s value</td>
</tr>
<tr>
<td></td>
<td>c. Increasing the Responsibility of the Board of Directors</td>
</tr>
<tr>
<td></td>
<td>d. Increasing the Internal Control exercised in the Bank</td>
</tr>
<tr>
<td>H2: Degree of Transparency is not independent of corporate</td>
<td>11. How would you rate the degree</td>
</tr>
<tr>
<td>governance practiced</td>
<td>of transparency in your bank?</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>12. How do you perceive the ‘extent of corporate governance’ practiced in your bank</td>
<td></td>
</tr>
</tbody>
</table>

**H3: Good Corporate Governance is a significant predictor of Investor Relations**

Good Corporate Governance practices were measured using Net NPA Ratio and Investors Relations was measured using Return on Equity Ratio.

The net NPA ratio is used as a measure of the overall quality of the bank's loan book. A higher ratio reflects an increasingly bad quality of loans given out to customers.

Return on equity ratio is the ratio of net income generated by a business during a year to its shareholder’s equity during that year. Higher ROE ratios mean that the company is efficient in generating income for its shareholders. It is a measure of profitability of an organisation.

**H4: At least one population is different**

The Capital Adequacy Ratio was used as a basis to test this hypothesis.

A bank's capital adequacy ratio is
the ratio of qualifying capital to risk adjusted assets. This ratio ensures that the bank do not expand their business without having adequate capital. A ratio below the minimum indicates that the bank is not adequately capitalized to expand its operations.

The Banking sector in India has grown at an enormously high pace in the recent past. As such, all banks have to maintain a CAR well above the prescribed limit.

1.9 SCOPE OF THE STUDY

- Scope of this research study is restricted to listed banks in Pune and Mumbai only. Corporate Governance, as a process, is applicable to all industries and organisations, particularly organisations listed in the various stock exchanges. Studying the Corporate Governance process associated with all industries and organisations will result in this research study becoming extensive and vast. Hence, the researcher has confined this study only to the banking industry in India.
- The banks included within the scope of this research study have been selected on the basis of their size in terms of network of branches. The SEBI, through the Clause 49 of the Listing Agreement, requires all listed banks to adhere to corporate governance regulations.
- According to guidelines issued by RBI, at present, foreign banks operating in India can undertake banking operations only through a
branch form of presence. This means that they have reduced corporate governance requirements in India as they follow corporate governance regulations that are prescribed by the regulating authorities in the parent country. However, these banks have to follow the minimum parameters of functioning as prescribed by the Reserve Bank of India.

- Even though Cooperative Banks form a large chunk of the Indian Banking Industry, they do not trade in shares. Hence, they are not listed on any stock exchange. Even though most large cooperative banks follow corporate governance practices, they have been excluded from the scope of this research study mainly due to this reason.

1.10 LIMITATIONS OF THE STUDY

1. Nearly all the respondents were unwilling to share information related to the corporate governance process, citing the sensitive nature of the issue. They agreed to do so only on the condition of anonymity.

2. Foreign Banks that operate in India follow corporate governance regulations that are prescribed by the regulating authorities in the parent country. Therefore, due to the existing disparities between corporate governance regulations amongst different countries, detailed information was not available. Therefore, comparison was difficult. Despite this, the researcher has collected whatever information was available. Therefore, the researcher has not included the foreign banks in the scope of the secondary data analysis but has presented the available data in the relevant chapter i.e. Chapter 7- Secondary Data Analysis. However, the researcher has included all the banks i.e. Nationalised Banks, Private Banks and Foreign Banks in the scope of the primary data analysis. The parameters of primary data analysis have been applied to all the above mentioned banks. Interviews of respondents working in foreign banks
have also been conducted to collect primary information relating to corporate governance practices of that bank.

3. Corporate Governance requirements and parameters set up by the regulating authorities in the parent country whose branches operate in India have not been included in the scope of the study. The researcher has studied the corporate governance practices of the foreign banks with respect to the Indian banking scenario to study the disparities, if any.

4. The corporate governance process in the banks has been studied from the point of view of the banks only. It has not been possible for the researcher to study the actual effect that the corporate governance process has had on both the internal and external stakeholders. This area could provide scope for further research on this subject.

1.11 CHAPTER SCHEME

Chapter 1- Introduction
This chapter discusses Rationale for selecting the Subject, Significance of the Study, Statement of the Problem, Objectives of the Study, Research Methodology, Hypotheses, Scope of the Study, Limitations of the Study and Chapter Scheme

Chapter 2- Theoretical Background
This chapter discusses the history and meaning of Corporate Governance and its various definitions. It also talks about the hypothetical basis of Corporate Governance and the need for Corporate Governance.

Chapter 3- Corporate Governance-The International Perspective
This chapter mainly focuses on Corporate Governance in the global scenario

Chapter 4- Literature Review
This chapter discusses the Literature Review of Corporate Governance in general as well as the banking sector. It also mentions the Knowledge Gap
Chapter 5- Corporate Governance in the Banking Sector.
This chapter elucidates the evolution of corporate governance in the banking sector in India and its application.

Chapter 6- Secondary Data Analysis
This chapter includes Secondary data analysis and the methodology of the secondary data survey.

Chapter 7- Primary Data Analysis
This chapter includes primary data analysis and the methodology of the primary data survey.

Chapter 8- Testing of Hypotheses
This chapter includes Testing of Hypotheses.

Chapter 9- Conclusions
This chapter includes Conclusions of the research study.

Chapter 10- Suggestions
This chapter includes Suggestions and Scope for further research.