CHAPTER I: INTRODUCTION

“धर्म एव हतो हन्ति धर्मो रक्षति रक्षितः । तस्माद्धर्मो न हन्तव्यो मा नो धर्मो हतोऽवधीत्” - मनुस्मृति

Dharma protects those who protect it, ruining the organic, elemental existence of *Dharma* annihilates those who are instrumental. Safeguarding and defending of *Dharma* instils and sustains life as is also reiterated in Hindu theology. The concept of *dharma-sankata* is also vehemently asserted as considered in one of the episodes of Mahabharata where Yudhishtra when asked about the death of Drona’s son Ashwatthama misrepresented the fact of the elephant Ashwatthama’s death as the death of Drona’s son and thus surfaced the idea of *“Narova Kunjarova”* (human or elephant?) Resorting to falsehoods, fabrications and tall tales or straying from the righteous and arduous path of *Dharma* for the sake of short-term benefits, ultimately lead to a long-term failure and insolvency. It can be implied that for a long term benefit and sustainability an enterprise needs to adopt healthy and transparent business practices, without yielding to deceitful and duplicitous ways. Correspondingly, the fundamental principles and precepts of corporate governance assert that “public good” should always be placed ahead of “private good” and that corporate resources are not to be used for ‘personal’ and individual benefit.

1.1. Introduction

Indian economy, since the ancient times, has been rooted in varied cultural and traditional natural resources, leading to emergence of related trades, industries and diverse firms which further, in due course of time transformed from the making, manufacturing and offering of conventional livelihood products till the modern industrial and institutional products and services of the international standards to be made available for the rest of the world in the global market. The business activities have been carried out in different forms and varied structure of its incorporation starting from a sole proprietorship firms to partnership firms and companies. Before the inception of East India Company in 1600 AD, most of the Indian business firms were in the pattern of either sole proprietorship or partnership. Industrial revolution in India along with the development of corporate culture started mostly after the independence in 1947. Conversely, with the distinctiveness of the country’s governance enduring to be feudalistic and its political system deteriorating to be pseudo-democratic, the governance of most of the country's industrial and business firms flourished on unethical practices at the market place while showing scarce regard for the timeless human and organizational values in dealing with their employees, shareholders and customers.

The Indian Companies have been conventionally viewed as shareholder-focused entity the main objectives of maximizing the profit as well as returns on its shareholders investments. The managers and directors of these firms are principally meant to discharge their duties in these interests only. Until 1993, the Indian Corporate culture denied the participation of employees and others in the routine corporate affairs of these firms But, the initiation of Liberalization, Privatization and Globalization by the then Indian Government opened the doors of a new found corporate culture with the tremendous growth in Indian Companies. This reinforced the idea of a company being beyond profit maximization and leading towards being a form of organization to reap the benefits of large scale business for many stakeholders. Thus, an alternative concept of a company emerged where the shareholders have begun to be regarded as investors and not the proprietors of the firm and with this evolutionary change companies became significant part of the society. Along with the obligation of fair returns on the shareholders' investment, the companies owe certain obligations to their other stakeholders too.

Despite having a long corporate history, evolving from the enactment of the first Companies Act in 1850, the Indian corporate world embedded the fundamentals of corporate governance only after 1993, paradoxically enough with the surfacing of series of corporate scandals marked significantly with the most ill famous- the "Harshad Mehta Scam" involving a league of bull players in the stock market. The new regime of greater disclosure and transparency was wet in April,1992 with the emergence of Securities and Exchange Board of India (SEBI) as an independent market regulator. The gradual empowerment of SEBI since then has played a crucial role in the establishment of basic rules of corporate governance in India. (Dadhania, 2015)

The Indian ethos of corporate governance as articulated by Mahatma Gandhi in his writing stated that management is a trustee of shareholders' capital and business is a trustee of all resources, including the environment. In India, the initiative on corporate governance was not a result of any major corporate scandal, like Enron, World Com, etc. The need for Corporate Governance has been highlighted by the scams that have taken place after liberalization of the economy in 1991 with Harshad Metha, Ketan Parekh scam, UTI scam, the Vanishing Company Scam, the Bhansali Scam to name a few. The first step towards the corporate governance was the confederation of Indian Industry (CII) code for Desirable Corporate Governance, developed by a committee chaired by Rahul Bajaj. Later the Securities and Exchange Board of India (SEBI) constituted two committees to look into the issue. These two committees have been Instrumental in bringing about far reaching changes in Corporate Governance in India through the formulation of clause 49 of listing Agreements. The Scams like Satyam has given rise to amended clause 49 and incorporation of Corporate Governance provisions in newly enacted Companies Act, 2013. The clause 49 of the listing agreement has been replaced by the SEBI (Listing obligation discourse regulations), 2015. Now, in India this corporate governance practices are regulated through the Companies Act, 2013 and SEBI (Listing obligation discourse regulations), 2015.

Creating Wealth is the main objective of any business. The company, which is attaining the successful value creation never meets capital shortage, because, the company can make enough capital internally and attract more capital from the markets. The company needs an executive with leadership skills for consistent value creation. In most of the companies today, the search for value is being challenged by a seriously out of date financial management system. Often, the incorrect financial focus, cash strategies, operating goals, and valuation processes are emphasized. Balance sheets often provide the results of accounting rules rather than the focus of value creation. These problems need different approaches for analyzing the financial performance of the company. The financial decision should be helpful to maximize shareholder's value and it becomes crucial to the achievement of the overall goal, that is, shareholder value maximization. Shareholder's wealth is measured by the returns they receive on their investment. Value creation helps profitable and sustainable growth of the company. (Dadhania, 2015)

Financial economists have long been concerned with ways to address the problem of separation of ownership and management, which arises from the incongruence of interests of the equity owners and that of the managers and have conducted significant research towards resolving it. The literature emanating from such efforts have grown and much of the econometric evidence has been built on the theoretical works of Stephen A. Ross, 1973, H.Meckling, 1976 and Fama, 1980. At the initial level of the development of the theory of agency, especially as it relates to the firm, concern seemed to focus more on the relationship between the management and shareholders than between them and other stakeholders. The Stakeholder theory has of late captured the attention of researchers and a survey of literature on this aspect of corporate finance can be found in the works of WSenbetb, 1998. According to this theory, the firm can be considered as a nexus of contracts between management of the one hand and employees, shareholders, creditors, bankers, government and all other stakeholders on the other hand. Thus, from the point of view of the stakeholder theory, concern should go beyond the traditional management – shareholder relationship to include all other stakeholders such as mentioned above. The stakeholders' theory has undergone some refinement in the work of Andrew B. Bernard, 2007, who presents what he terms as, "Enlightened Stakeholder Theory". For him, the traditional stakeholder theory encourages managers to be servants of many masters with no clear guidance whenever tradeoffs (or induces or conflicts) occur, as they often do.

"A survey of corporate governance", briefly examines how firms can raise money without giving suppliers of capital any real power by considering reputation-building in the capital market and excessive investor optimism and conclude that these are unlikely to be the only reasons why investors entrust capital to firms. They argue that financing to the firms without governance is unlikely to be the whole story. They also diverge that legal protection of investor rights is one essential element of corporate governance. Concentrated ownership through large shareholdings, takeovers, and bank finance is also a nearly universal method of control that helps investors to get their money back. Although large investors can be very effective in solving the agency problem, they may also inefficiently redistribute wealth from other investors to themselves. (Vishny, 2012)

While exploring some of the Asian Countries, the alliance between corporate governance and financial performance is found to be driven auxiliary by board structure sub index in Korea, where it is positively associated with higher profitability of the firms. Whereas, in a study conducted for Taiwanese firms, it was concluded that shareholders in family firms with higher insider ownership and control (say 50 percent or more) have greater stimulus to monitor the firm's operations and ensure longevity of the firm. The junction of the promoters' interests would lead to more efficient management and better firm performance. A recent study conducted for India (2008) has also considered all the major indices of Corporate Governance and combined them into a composite index, Indian Corporate Governance Index (ICGI) to assess its influence on firm performance. The study has found evidence of a positive and statistically significant relationship between overall Corporate Governance Index and Tobin's Q which is an indicator of the market value of listed firms. However, this is more true of a larger sized firms included in the BSE-200 index. It is not significant for smaller sized firms. (Otman, 2014)

Literature review confirms the relationship between different Corporate Governance components and firm performance by examining the relationship through Cross Sectional Correlation, Regression, and Simultaneous Equations Approach between few components of the corporate governance and value of Firm. Whereas the present study contributes to the literature on association between Corporate Governance and Value creation of the Companies by using the market base approaches like Market Value Added (MVA), Economic value added (EVA) by using panel data analysis. All Indian studies determining the impact of Corporate Governance on firm valuation have taken the components of the corporate governance as described in clause 49 of the listing agreement whereas the present study has considered all the Components of the corporate governance as per amended clause 49 of the listing agreement, SEBI (Listing Obligation Disclosure Regulations), 2015 and components of corporate governance as described in Companies Act, 2013.

1.2. Rationale´ of the Study

Corporate governance is an important managerial tool for extremely large or publicly held companies. Corporate Governance protects the financial interests of individuals in a company, whether they are owners, managers, employees or outside stakeholders. In India SEBI regulates the listed companies to comply with Corporate Governance guidelines for investors' protection. This study is important and useful for understanding the level of Corporate Governance compliance by Indian listed companies and how this compliance can impact the financial performance of the company and make or break the investors' confidence in the company. This study is to measure the impact of corporate governance compliance on value creation of Companies.

This study will substantiate the availability of composite literature in corporate governance practices in India. The studies available till now are based on impact of corporate governance and firm valuation whereas the present study focuses on impact of corporate governance on value creation of corporates. Indeed, this investigation will not only contribute to knowledge creation on corporate governance in the India, but also to other developing countries following similar corporate governance practices by suggesting measure to strengthen corporate governance practices, fit within the corporate cultures of the developing countries. Furthermore, this study is one of the first attempts to unfold the obstacles in the present scenario and enablers that affect the implementation of corporate governance and provide useful insights for future research.

The underlying rationale is to identify the relationships between corporate governance and value creation on the basis of a comprehensive investigation using empirical model in exploring the role of corporate governance mechanisms in influencing value creation in listed companies in India. The research makes a significant contribution in generating a corporate governance score index which still in its infancy in India. The index that was developed in this study provides a useful model that can be employed to facilitate the discussion, deliberation and implementation of corporate governance in the India that can be extended to understanding of similar facts and practices in other developing countries. Further, the results provide a clear understanding of the issues with, and the current state of, corporate governance practices in India for stakeholders, including policymakers, regulators and academics.

1.3. Objectives of the Study

The main objective of this research endeavour to gauge the relationship of corporate governance practices with value of the firm by measuring the impact of corporate governance practices on corporate value creation with the following other objectives :

Specifically, the study seeks to:

1. Explore the development of corporate governance practices in India.
2. Analyse the corporate governance mechanisms of the listed companies and their extent of compliance with the laws relating to corporate governance among listed companies in the India.
3. Identify various indicators of value creation of the companies, and to measure the financial performance for the sample companies under the study, to indicate their value creation.
4. Measure the impact of corporate governance practices on value creation of the companies.
5. Ascertain the perception of Company secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay stock exchange, Executives of National stock exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies and Directors of the Companies, with regard to prevailing corporate governance practices in India.
6. Identify possible barriers to, and enablers of, the implementation of good corporate governance in the India.
7. To identify new components of the corporate governance through which value of the Companies from shareholder angle can be maximized.

Considering the above identified objectives, the research design followed has been essentially descriptive and explorative.

1.4. Research Methodology

This part of the study discusses the research methodology followed and details road map to achieve research objective. This section explains research design, methods of research, research instruments, population, sample size, sampling method, sample unit, data source and data analysis tools. This part of study will reveal all the realities and provide absolute idea for understanding corporate governance practices in India and its' impact on value creation of the companies.

1.4.1. Research Design

A research design is a pillar for carrying out any research which constitutes the structure for the collection, measurement and analysis of the data collected. For the present research work descriptive research design is used to study the cause and effects through possible relationships among variables under study. Primary data has been collected through structured questionnaires, interviews and secondary data has also been collected from annual reports of the companies.

1.4.2. Methods of Research

The present research intends to fill the gap between concept of corporate governance and actual practices of corporate governance in India. The main objective of this research endeavour is to carry out a systematic study of impact of corporate governance practices on value creation of the companies. Further to identify possible obstacles for batter corporate governance and the enablers through which the corporate governance practices can be improved. Moreover, to suggest the components and ideas through which the corporate governance practices can be strengthened, by integrating both, qualitative as well as quantitative measures and understanding the same.

1.4.2.1. Empirical study

The main purpose of this research is to explore corporate governance and its' impact on the value creation of listed companies in the India. The quantitative method is used to gather data; it involves collecting secondary data from the annual reports of listed companies on the BSE and NSE to measure corporate governance mechanisms and value creation variables.

The third chapter of empirical analysis is carried out to study level of corporate governance practices followed by the Indian companies with intention to rank the sample companies, based on level of corporate governance practices followed. The study has also measured and computed the indicators of the value creation of the companies based on the financial performance of that selected 80 companies for the period of 5 years. Further, the chapter three of the study relating to case study measures the impact of calculated corporate governance scores with the financial indicators of the sample companies. The purpose of this chapter is to supplement the objective of this research endeavor specifically to:

- Explore the nature and extent of the development of corporate governance practices in Indian context.
- Analyse the corporate governance mechanisms of the listed companies and their extent of compliance with the laws relating to corporate governance among listed companies in the India.
- Identify various indicators of value creation of the companies, and to measure the financial performance for the sample companies under the study, to indicate their value creation.
- Measure the impact of corporate governance practices on value creation of the companies.

Therefore, to access the objectivity of the corporate governance practices and its impact on value creation of the companies, this chapter undertakes empirical analysis.

1.4.2.2. Survey Study

An attempt in this research study has been made to put forward findings and results of the research study aimed at studying the views of Company, Chartered Accountants, Cost Accountants, Executives of Bombay stock exchange, Executives of National stock exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies, Directors of the Companies on practices, awareness and practicability of objective and effectiveness of corporate governance practices. Hence, this study focuses on collecting and analysing opinion from the randomly selected respondents through a survey method i.e. quantitative method.

1.4.3. Research Instruments

Primary data has been collected using Structured Questionnaire as a research instrument to collect opinion of Company Secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay Stock Exchange, Executives of National Stock Exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies, as well as Directors of the Companies. This study uses a Likert scale with equal intervals between response categories, to collect opinion on close ended questions.

1.4.4. Population

For the Case Study Method all the companies registered and listed in India are sampling elements for the work. For the Survey Method Company secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay Stock Exchange, Executives of National Stock Exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies, as well as Directors of the Companies from all over India are sampling elements for this research.

This research studies the prevalent corporate governance practices in selected companies in India in order to achieve aforesaid objectives. This research work is divided in three parts:

1.4.5. Research Design for Case Study

1.4.5.1. Sampling Design for Case Study

For case study analysis, 80 companies listed on BSE/NSE are selected. The non-probability sampling approach is put to use and based on purposive sampling method for drawing of sampling units.

The total number of companies in India is divided into two categories: one the listed companies and the other, non-listed companies on leading exchanges like BSE/NSE. Among the total number of companies, it is found that there are 5,463 listed companies and remaining all companies are not listed on BSE/NSE. The Bombay Stock Exchange (BSE) which is one of the leading stock exchanges of India from February 2008, has classified Equity scripts into various categories such as A, B, T, & Z to provide assistance to the investors. The classification is based on a number of factors such as market capitalization, trading volumes and numbers, track records, profits, dividends, shareholding patterns, and some qualitative aspects. In the present study 80 companies are selected representing A, B, T, & Z group from 15 sectors. So that impact of the corporate governance practices in India and its impact of value creation can be measured for the companies representing different market capitalization, trading volumes and numbers, track records, profits, dividends, shareholding patterns and sectors. Based on the contribution to the total market capitalization 15 most contributing sectors are identified and from each sector 5 companies belonging to A, B, T, & Z group have been selected. In course of the sample selection, banking and insurance entities which are body corporate e.g. banks (including both Private and public sector), insurance companies, financial institutions etc. have not been considered for the present study since the statutes of these body corporates are different from other listed companies.

1.4.5.2. Methodology followed for case study

The methodology adopted to collect the required information is based on an analytic-descriptive study, through review and observation of disclosures made in annual reports and financial statements.

The aim of the study is to investigate corporate governance practices in listed companies in the India, as well as their impact on value creation of the companies and the extent of the adoption of corporate governance practices in the listed companies for the period 2012-13 to 2016-17. The sample size of the study consists of the 80 companies from diversified sectors, listed on the BSE and the NSE.

For evaluating the quality of governance practices adopted by the sample companies the, the companies were evaluated on 50 parameters, identified based four major categories of corporate governance principles viz.: (1) Fairness (2) Accountability (3) Transparency (4) Responsibility and the corporate governance score of each company was developed. The total score was given out of 100. High corporate governance scores denote high standard of corporate governance practice adoption. The corporate governance score for all the selected 80 companies for the period 2012-13 to 2016-17, was calculated and the level of governance practice was determined. The calculated corporate governance was identified as ‘independent variable’ representing the corporate governance practices.

Economic Value Added (EVA) and Market Value Added (MVA) are identified as indicators of the value creation of the companies and to gauge the level of value of value creation of the company’s EVA and MVA is calculated for the period of 2012-13 to 2016-17 for the selected 80 companies. The calculated EVA and MVA were identified as ‘dependent variable’ representing the value creation.

For the empirical examination of the issues concerned with the effect of corporate governance on the value creation of the Companies proxied by the EVA and MVA, the panel data econometric techniques have been applied. Essentially, the panal data analysis involves the study of movement over the period of time of cross-sectional units and in-depth analysis is carried out with the help of following models of panel regression analysis:

I. Estimation of Pooled Regression Model
II. Estimation of Fixed Effect Model
III. Estimation of Random Effect Model

The estimation of and analysis of panel data models have been carried out using EViews-9.

1.4.6. Research Design for qualitative study

1.4.6.1. Sampling Decisions for Quantitative Study

Representative sampling unit is defined as Practicing accountants, owners, trustees, managers, research scholar executives, professionals, academicians, students of master degree with the related discipline accounting and cost accounting as well as members of professional bodies. The non-probability sampling approach is put to use based on purposive sampling method supported with Personal interviews for drawing of sampling units. Directory of professionals like CA, CMA, CS etc., and as well representative from various industries and academicians of different city of India are included in the research.

1.4.6.2. Tools used for Survey Method

For understanding of the perceptions of various interested groups about the corporate governance practices in India, to identify various obstacles to the good corporate governance practices and the enablers of batter corporate governance practices a Structured Instrument is developed. The questionnaire is canvassed to 250 people willingly consented to participate in the research fetching responses out of which 157 have constructively responded. The survey analyzed the behavior of all the important variables of corporate governance practices and indicators of value creation of companies.

Multi-item measures are used in the questionnaire to provide stronger construct validity as single item measure may not address all of the aspects of the multidimensional constructs. It is believed that more questions under the same construct would enable examination of the construct from different angles (Foster & Swenson, 1997). This study uses a Likert scale with equal intervals between response categories, like opinionnaire in humanities comprising close ended questions. Respondents are requested to indicate their degree of agreement and disagreement with a series of questions and they are asked to give rank or preferences in the nature of:

Table: 1.1

Likert Scale used

1	2	3	4	5
Strongly disagree	Disagree	Indifferent	Agree	Strongly agree

The questionnaire in this study contained 09 questions with sub questions make total 90 questions. All these questions are classified under 7 parts. Part – I elicits the perception of the respondents the concept corporate governance. Part –II of the questionnaires deals with the obstacles that obstruct effective corporate governance practices in India, whereas the Part-III explore the various enablers which makes the practices of the corporate governance effective and efficient. Part- IV of the questionnaire deals with the relationship between corporate governance practices in India and its impact on value creation of the value creation of the companies. Part- V of the questionnaire collects the views of respondents about the suggested norms to be implemented for strengthening the current state of corporate governance practices in India and Part –VI deals with the statements evaluating overall questionnaire to check the its validity and reliability. Finally, the Part –VII elicits the Personal Profile (demographic details) of the respondents as well as their level of knowledge and understanding about the corporate governance practices in India.

The respondents are approached in person to circulate questionnaires while questionnaires are sent to the respondents by post and also by E-mail. In response, a hundred and sixty questionnaires were received back from the respondents, out of which hundred and fifty-seven were considered for further analysis. The answers given by the respondents for each question as well as sub question are quantified in categories and then computed in tabular form to illustrate the responses.

1.4.6.3. Reliability of the Structured Questionnaire

The reliability tests Cronbach alpha coefficient is run to determine how strongly the attributes/ opinion were related to each other and to the composite score. All dimensions of the questionnaire related with measuring opinion are tested. The reliability of a scale as measured by coefficient alpha reflects the degree of cohesiveness among the scale items (Naresh K. Malhotra, 2007 and Jum C. Nunnally, 1981). Testing the scale for reliability revealed that for all the above statements Cronbach alpha coefficient is of 0.942. Therefore, this scale is considered reliable and it is capable enough for further data processing. (Vala K.D.(2017))

1.4.6.4. Validity of the Structured Questionnaire

Convergent Validity has been measured by comparing mean scores of scale with other measures of the same construct. It becomes clear from analysis that the means of same construct were measured, and less variation was observed in the given question categories and average score was found to be as similar. Majority of the Respondent's were found as placed between 'Strongly Disagree' to 'Strongly Agree Category'.

1.4.7. Data source

In order to fulfill the objectives of the study, the research study used both secondary and primary data.

Secondary Data: The required data and other relevant information collected from published reports, Business Newspapers; Magazines; Research Journals; Research Reports; Financial Statements of the selected service organisation; Government Publications and also e-data was a part of procuring secondary data.

Primary Data: The Primary data has been collected by conducting administering of Structured Instrument (157 in number).

1.4.8. Data Analysis

Complete questionnaires in all respects were considered for the analysis. The raw data collected was further converted into numerical data and coded in MS Excel for further statistical analysis. Consultation with the expert and available statistical package for social sciences (SPSS version 19) software was primarily used for data analyses.

The statistical analysis of the variables in the study has been performed using Descriptive Statistics, Rank order, Cronbach alpha, one-way ANOVA and The Kruskal–Wallis test.

1.5. Limitations of the Study

All efforts have been made to ensure that the research is designed and conducted to optimize the achievement of research objective. The research work has limitations of data and authentic documents related to costing system practices as it tries to Impact of corporate governance and its impact on value creation of companies. However, there are some constrains that do not validate the research but need to be acknowledged. This research was conducted with the following limitations:

- First, the respondent’s companies selected for this study do not represent the broad population of companies in the India because the regulation relating to corporate governance issued by SEBI is only to the listed companies in the BSE and NSE. As a result, this study did not investigate corporate governance in non-listed companies in the India.
- This study only focused on EVA and MVA as an indicator of the value creation of the company and the value of the company is measured from the view point of shareholders only. However, one can consider the value of the company from the view point of other stakeholders like government, employees, customers etc. to investigate in to relationship between corporate governance and value creation
- This research investigates the relationship between corporate governance and value creation of companies for a limited period of five years, with 2012-13 to 2016-17, however one can consider the longer period.
- The small sample of respondents was a significant limitation.

1.6. Research Outline

The study spans over FIVE chapters as under:

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

Chapter Two explains the rationale and theoretical foundation of corporate governance and value creation of Companies. To signify this, the chapter is divided into two parts. *Part one* discusses the conceptual paradigm of Corporate Governance and *Part two* narrates the different models developed for the measurement of Value creation of Companies, whereas the *Part three* summarizes the historical development of the concept of corporate governance and its impact as identified in the literature.

Chapter Three presents the theoretical and conceptual frameworks of corporate governance and value creation in the literature, as well as models for the study and the development of the hypotheses and of the results of the descriptive analyses and the testing of the hypotheses regarding the relationship between the corporate governance and value creation of listed companies in the India. Panel regression models are used to analysis the relationship between corporate governance practices by and value creation of companies.

Chapter Four seeks to gain insight from the Company secretaries, Chartered Accountants, Cost Accountants, Executives of Bombay stock exchange, Executives of National stock exchange, Retail Investors, Executives of Institutional Investors, Officers of Registrar of Companies, as well as Directors of the Companies to present corporate governance practices. The purpose of this study is not only to generate statistics but also to contribute towards the best corporate governance practices. This part of the study focuses on collecting and analyzing opinion received from the respondents through a survey method.

Chapter Five provides a brief summary of the overall study. In particular, it provides an overview of the conclusions drawn regarding the relationship between corporate governance practice and value creation. Finally, it discusses the findings, implications and limitations of the study, as well as suggested directions for future research.

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