

*Abstract of Doctoral Dissertation*

## **An Empirical Study on Corporate Governance in Indian Banking Sector<sup>1</sup>**

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### **I. Introduction:**

CORPORATE GOVERNANCE IS a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy its shareholders, creditors, employees, customers and suppliers. It aims to comply with the legal and regulatory requirements, besides meeting the environmental and local community needs. It includes the policies and procedures adopted by a company to achieve its objectives in relation to the shareholders, employees, customers suppliers, regulatory authorities and the community at large. It prescribes a Code of Corporate Conduct in relation to all the stakeholders. Therefore a framework of effective accountability to the stakeholders is the essence of Corporate Governance (CG).

In India, the question of CG has come up mainly in the wake of economic liberalization and deregulation of industry and business as well as the demand for a new corporate ethos and stricter compliance with the legislation. In this context where the financial institutions hold substantial stakes in companies, the accountability of all the directors, including ex-officious/ independent and nominees, has come into sharp focus. Therefore a good governance demands that a company must have a responsibility to set exemplary standards of ethical behaviour, both within the organization as well as in their external relationships by virtue of which the company can achieve value addition in terms of stability and growth, confidence, reduction of perceived risks, reduction of cost of capital, stability and long term sustenance of stakeholders relationship, position of pride and

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