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Studying the Financial Performance and Corporate Governance of ISGEC Engineering Heavy Ltd. For Seeing their Effect on Firm Value for Last 10 years ending March 31st i.e. (2015-2024)

[1]Ms. Deepakshi , [2]Mr. Gourav Kamboj, [3]Ms. Tisha, [4]Ms. Khushi Nathani

[1,2,3,4]Postgraduate Researcher (Student)
[1]Tilak Raj Chadha Institute of Management and Technology
[2,3,4]Guru Nanak Khalsa College, Yamuna Nagar
[1,2,3,4]Kurukshetra University, Kurukshetra
[2]Corresponding author E-mail - kambojgourav690@gmail.com

ABSTRACT

The intended research on studying the the impact of Studying the Financial Performance and Corporate Governance of ISGEC Engineering Heavy Ltd. For seeing their effect on firm Value for last 10 years ending March 31st i.e. (2015-2024). With this objective this Report is undertaken by researcher taking corporate governance and financial performance as An independent variable for which researcher has taken ratios which is Current Ratio , Debt to Assets Ratio , Return on Capital Employed Ratio and board size , board diversity , board Composition and number of meetings.

The researcher has tested the relationship among Independent and dependent variable through various statistical and analytical tools. The research has been Descriptive in nature as it seeks to discover ideas and insight to bring out new relationship based on previous findings in other organizations. The type of investigation is Causal as it develops the relationship between

various factors. Study setting is Non-contrived because the study has been conducted with no Interference of researcher. It is a Cross-sectional study as data has been collected at one point of time.

The data has been collected by researcher through capital line database and company's websites in order to study the relationship between corporate governance , financial performance and firm value.

Various statistical tools have also been applied like Descriptive Test, t-test, Kolmogirov smirnov test, Correlation and Regression to analyse the data using Software for Statistical Package for Social Sciences (SPSS) 23.0 Researcher has used analytical tools such as Correlation and regression. Correlation is used in order to study the degree of relationship Between the dependent and independent variables. Regression is used in order to study the effect of independent variables on dependent variables.

Descriptive statistics, correlation and regression analysis are used to test the assumptions made by the researcher in analysing the effectiveness effect of Financial Performance and Corporate Governance on Firm Value of ISGEC Engineering Heavy Ltd.. Firstly the introduction of manufacturing industries and

Corporate Governance impact on Firm Value that is being undertaken for study. The second part presents an overview of Objective of the Study and Literature Review.
The third part consists of Research Methodology which includes Sampling, Data Collection, Statistical and Analytical tool and the Limitations of the study. And the last result and Findings ,recommendations, along with bibliography and Annexure is there.

INDUSTRIAL PROFILE

Industry Profile

What Is Manufacturing?

The term manufacturing refers to the processing of raw materials or parts into finished goods through the use of tools, human labor, machinery, and chemical processing.
Manufacturing allows businesses to sell finished products at a higher cost than the value of the raw materials used. Large-scale manufacturing allows for goods to be mass-produced using assembly line processes and advanced technologies as core assets. Efficient manufacturing techniques enable manufacturers to take advantage of economies of scale, producing more units at a lower cost.

Why are Manufactured Goods Important?

1) Manufactured goods are necessary for trade. According to the World Trade Organization, 80% of interregional trade is in goods, and only 20% is in services. For the U.S., the statistics are about the same. That means that we need goods to trade for foreign goods, or we rack up a large and growing trade deficit, which the United States has been doing for many decades now. This will eventually threaten the value of the dollar; if the dollar becomes very cheap, imports will become very expensive, and the U.S. won't have the capacity to replace imports. In addition, the global trade system has become very unbalanced, with many nations basing their own growth on growth of exports to the U.S., even though they keep taking dollars instead of goods. This state of affairs can not go on forever; even Ben Bernanke, the Chairman of the Federal Reserve, has said so.

2) Manufactured goods are crucial for the service industries. Even though about two-thirds of most economies are composed of service industries, these service industries are dependent on manufactured goods for their operation and for their own technological progress. For instance, the retail and warehousing industries, which comprise about 11 percent of American GNP (value-added), are in the business of selling manufactured goods. The airline industry, the telecommunications industry, and the software industry depend on airplanes, phones and broadcast equipment, and computers for both their existence and for their technological progress.

3) Each manufacturing job creates three other jobs. In the U.S., the Economic Policy Institute has found that each manufacturing job supports three other jobs in the wider economy, through something called "the multiplier effect." That is, the wages from manufacturing employees are re-spent in other parts of the economy, because manufacturing adds so much value to the economy.

4) Economic growth depends on manufacturing. Manufacturing productivity, that is, the goods that are output from a specific amount of input, increases by about 3 percent each year in the U.S., year in and year out, because technological advances are always being made for factory machinery. By contrast, service industries either have very slow productivity growth or depend, directly or indirectly, on technological progress in machinery. In addition, since machines can make other machines, what is called exponential growth, as in quickly reproducing animal populations, can take place.

5) National power depends to a great extent on manufacturing power. Over the last 100 years, the "Great Powers", or most powerful four or five countries, have controlled about 75 percent of global industrial machinery production.This is because industrial machinery is used both to generate national wealth and to produce military equipment. If all regions of the world had an independent capacity to produce manufactured goods, there would be little opportunity to intimidate and dominate countries. In fact, there would probably be fewer wars because global power would be balanced.

6) A world in which all regions had a strong manufacturing base would go far to eliminate poverty and war. Manufacturing creates middle class jobs that anchor a middle class economy. Unions thrive in manufacturing industries because it is easier for the employees to bargain. If all global regions have the power to create the wealth that comes with manufacturing, there will be less opportunity for wars to break out as a result of imbalances of power.

The manufacturing process is an arduous journey, especially all the **work leading up to it**, however, there are 4 types of manufacturing process which we want to highlight to assist your understanding of the overall manufacturing process.

COMPANY PROFILE

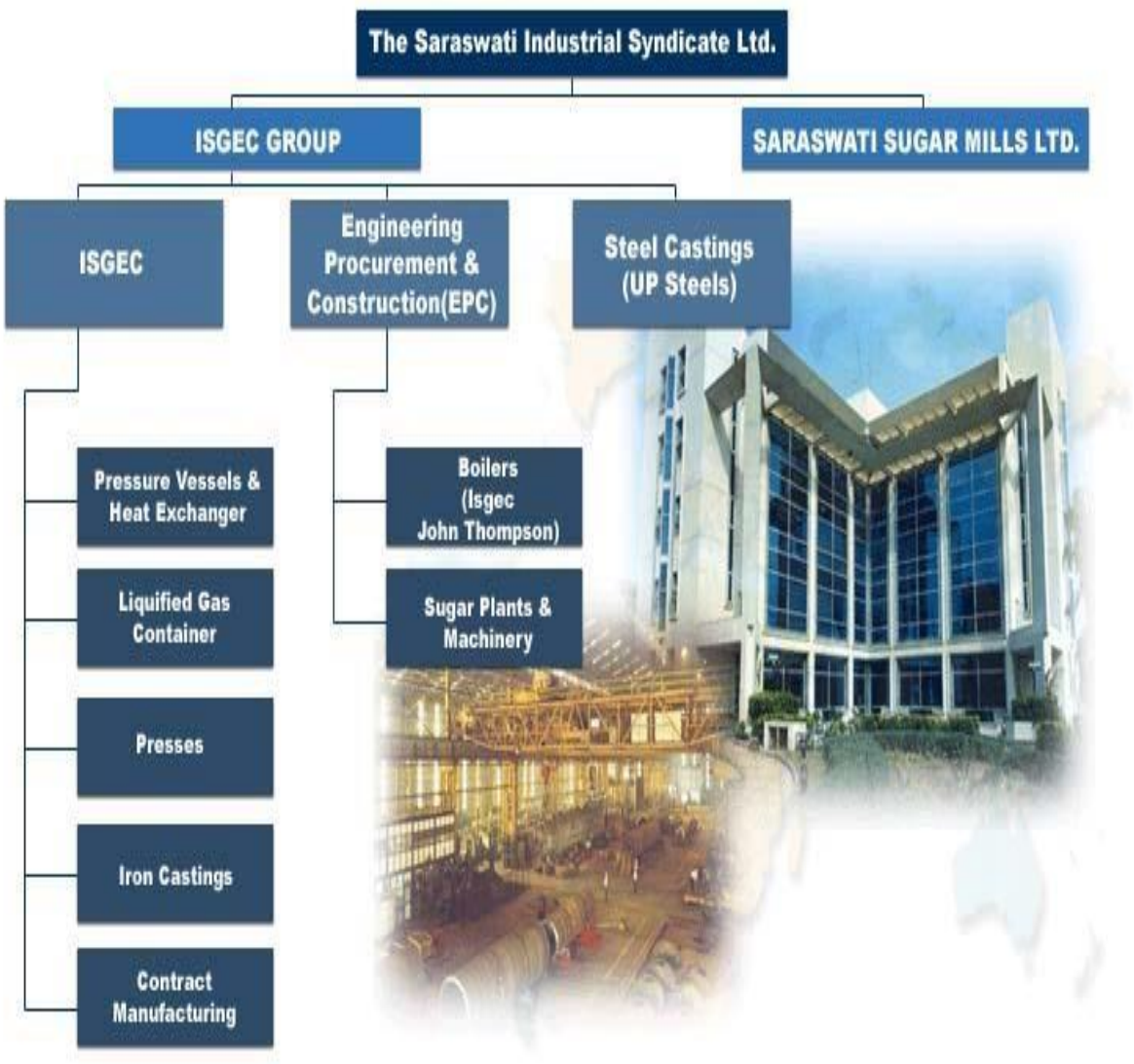
COMPANY PROFILE

Isgec Heavy Engineering Ltd (formerly known as Indian Sugar and General Engineering Corporation). It was started in 1933 with the establishment of Saraswati Sugar Mills. This incidentally now happens to be one of the biggest industries in the country with the cane crushing capacity of above 13000 tonnes PD.Over the years , more units namely the ISGEC JOHN THOMPSON (IJT) and UP STEELS (UPS) were added. In 1981,it acquired majority shares in Uttar Pradesh Steels.

Today the annual turnover of ISGEC for each year exceeds US $ 730 million in 2021 with exports to approximate across 91 countries. It was ranked 236 in the ET 2020 listing, and 220 in the Fortune India 500 listings. The group includes over 5000 people, which include engineers, technicians & skilled craftsmen. Many of the have undertaken advanced training in the UK, USA, ITALY, CANADA, AUSTRALIA, GERMANY & RUSSIA.

The engineering group was launched in 1946 with the establishment of the Indian sugar & genral engineering corporation (ISGEC). It manufactures a variety of heavy engineering goods for varied application.

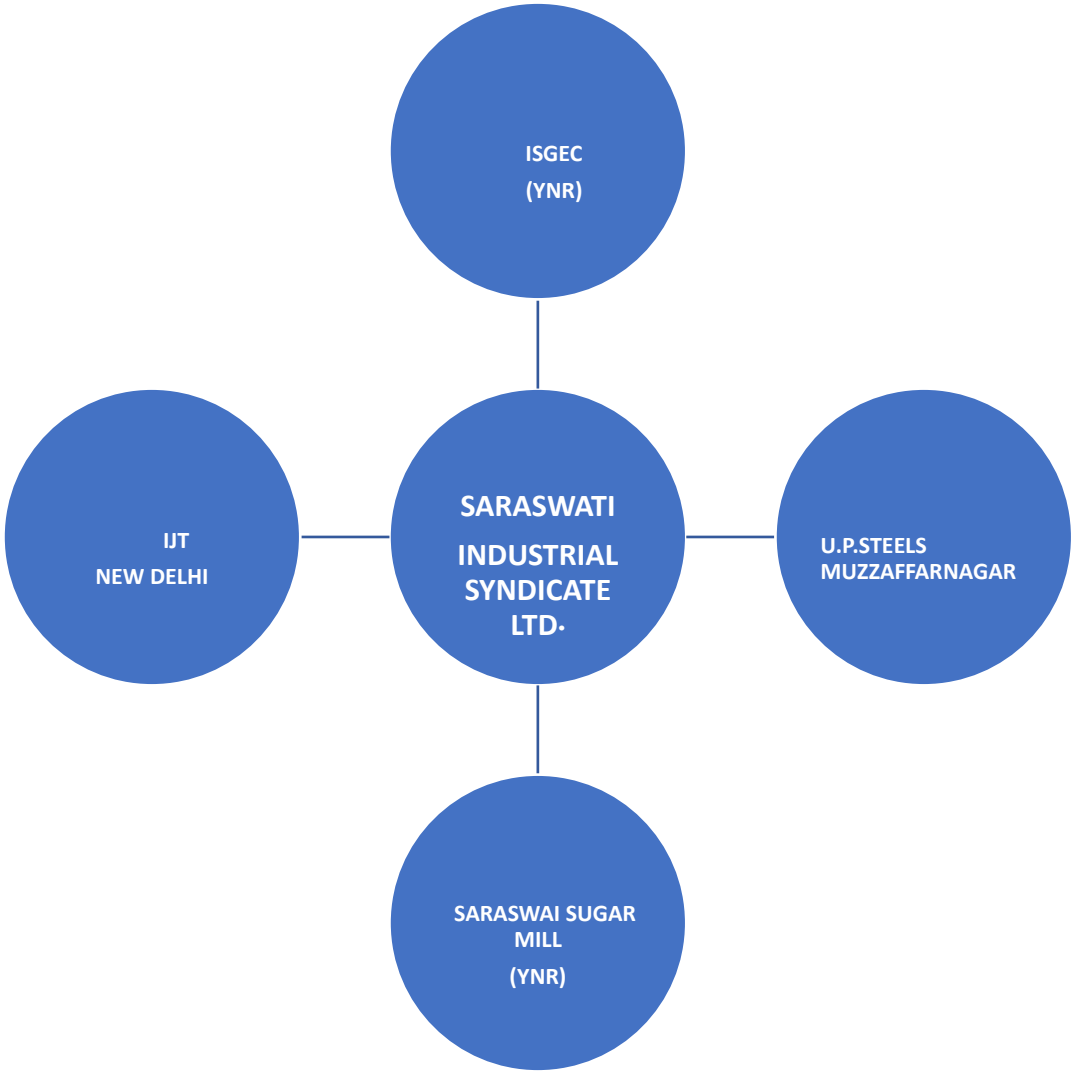
- ISGEC has employed over 2000 people which includes a 500 qualified & experienced engineers/supervisors apart from skilled works men.
- ISGEC has well equipped factory covering an area of about 25 hectares including covered production area of more than 50000 square meters spread over 11 production bays.
- There are overhead cranes in all the bays with maximum crane lifting capacity of 150 tons.
- Extensive facilities for hot & cold working, welding, heat treatment & testing help to ensure that compliance to quality standards.
- More than 150 sophisticated machines & machine tools are installed in various production bays.
- More than 150 welding machines are under operations.



KOTHARI SUGARS & CHEMICALS LTD., TAMIL NADU, INDIA

The chart of the organization structure of ISGEC showed the various hierarchial levels of the organization. Organization is divided into various departments managed by different general

manager of the concerned department.



SWOT ANALYSIS OF ISGEC

STRENGTHS

- Producing high quality products comparable with the international standards as awarded by ISO-9001.
- Efficient labour is available at cheaper rate.
- Services & cooperation of the staff & the workmen is really appreciating.
- Their products are in use in 41 countries around the world.
- Company is discharging their social obligations as well.
- Administration is very strong.

WEAKNESS

- Not linked with port or airport so freight is high.
- Not & industrial belt.
- Educated & skilled professional does not want to stay in this belt.

OUTLOOKS AND THREATS

The boom in the Indian economy should lead to a high demand for capital good. Moreover, company is making continuous effort to increase export. Therefore, an increase in the turnover in the coming year is expected. However we are facing increased competition from new suppliers. Indian as well as overseas (particularly Chinese), in all the segments mentioned above consequently margin are expected to be under pressure. Exports are becoming increasingly competitive and weakening of dollar may have an adverse effect on company's export. In certain areas for instance, presses and boiler, keeping abreast with oversea technology is a major concern. Raw material price continue to be very volatile and could lead to large fluctuation in the bottom line. Human resources continue to remain scarce and their costs are also rising significantly.

INTRODUCTION TO TOPIC

CORPORATE GOVERNANCE

There is no universal agreement on the optimum size of a board of directors. A large number of members represent a challenge in terms of using them effectively and/or having any kind of meaningful individual participation. According to the Corporate Library's study, the average board size is 9.2 members, and most boards range from 3 to 31 members. Some analysts think the ideal size is seven.

In addition, there are two critical board committees that must be made up of independent members:

- The compensation committee
- The audit committee

The minimum number for each committee is three. This means that a minimum of six board members is needed so that no one is on more than one committee. Having members doing double duty may compromise the important wall between audit and compensation, which helps avoid any conflicts of interest. Members serving on a number of other boards may not devote adequate time to their responsibilities.

The seventh member is the chairperson of the board. It's the responsibility of the chairperson to make sure the board is functioning properly and the CEO is fulfilling his or her duty and following the directives of the board. A conflict of interest is created if the CEO is also the chairperson of the board. **The Board of Directors**

A board of directors is a body of elected or appointed members who jointly oversee the activities of a company or organization. Other names include board of governors, board of managers, board of regents, board of trustees, and board of visitors. It may also be called "the executive board" and is often simply referred to as "the board".

In an organization with voting members, the board acts on behalf of, and is subordinate to, the organization's full group, which usually chooses the members of the board. In a stock corporation, the board is elected by the shareholders and is the highest authority in the management of the corporation. In a non-stock corporation with no general voting membership, the board is the supreme governing body of the institution; its members are sometimes chosen by the board itself.

Typical duties of boards of directors include:

- governing the organization by establishing broad policies and objectives;
- selecting, appointing, supporting and reviewing the performance of the chief executive;
- ensuring the availability of adequate financial resources;
- approving annual budgets;

- accounting to the stakeholders for the organization's performance;
- setting the salaries and compensation of company management;

The legal responsibilities of boards and board members vary with the nature of the organization, and with the jurisdiction within which it operates. For companies with publicly trading stock, these responsibilities are typically much more rigorous and complex than for those of other types.

NON EXECUTIVE DIRECTORS

A non-executive director or external director is a member of the board of directors of a company or organization who does not form part of the executive management team. They are not employees of the company or affiliated with it in any other way and are differentiated from inside directors, who are members of the board who also serve or previously served as executive managers of the company (most often as corporate officers). However they do have the same legal duties, responsibilities and potential liabilities as their executive counterparts.

Non-executive directors are directors who act in advisory capacity only. Typically, they attend monthly board meetings to offer the benefit of their advice and serve on committees concerned with sensitive issues such as the pay of the executive directors and other senior managers; they are usually paid a fee for their services but are not regarded as employees.

All directors should be capable of seeing company and business issues in a broad perspective. Nonetheless, non-executive directors are usually chosen because they have a breadth of experience, are of an appropriate caliber and have particular personal qualities.

Financial Performance?

Financial performance is a complete evaluation of a company's overall standing in categories such as assets, liabilities, equity, expenses, revenue, and overall profitability. It is measured through various business-related formulas that allow users to calculate exact details regarding a company's potential effectiveness.

For internal users, financial performance is examined to determine their respective companies' well-being and standing, among other benchmarks. For external users, financial performance is analyzed to dictate potential investment opportunities and to determine if a company is worth their while.

Before calculations can be made on certain financial indicators that establish overall performance, a financial statement analysis must occur.

Enterprise value

Enterprise value (**EV**), **total enterprise value** (**TEV**), or **firm value** (**FV**) is an economic measure reflecting the market value of a business (i.e. as distinct from market price). It is a sum of claims by all claimants: creditors (secured and unsecured) and shareholders (preferred and common). Enterprise value is one of the fundamental metrics used in business valuation, financial analysis, accounting, portfolio analysis, and risk analysis.Enterprise value is more comprehensive than market capitalization, which only reflects common equity. Importantly, EV reflects the opportunistic nature of business and may change substantially over time because of both external and internal conditions. Therefore, financial analysts often use a comfortable range of EV in their calculations.

Enterprise value common equity at market value (this line item is also known as "market cap") + debt at market value (here debt refers to interest-bearing liabilities, both long-term and short-term)

+ preferred equity at market value

+ unfunded pension liabilities and other debt-deemed provisions

– value of associate companies – cash and cash equivalents.

EV can be negative if the company, for example, holds abnormally high amounts of cash that are not reflected in the market value of the stock and total capitalization. All the components are relevant in liquidation analysis, since using absolute priority in bankruptcy all securities senior to the equity have par claims. Generally, also, debt is less liquid than equity.

THEORETICAL FRAMEWORK

Construct:

Studying the Financial Performance and Corporate Governance of ISGEC Engineering Heavy Ltd. for seeing their effect on Firm Value for last 10 years ending March 31st i.e. (2015-2024)

Dependent variable:

Firm Value

• Price to Book Value

Independent variable

1. Financial Performance

- Current Ratio
- Return to Capital Employed
- Debt to Assets Ratio

2. Corporate Governance

- Board Size
- Board Composition
- Board Diversity
- Number of Meetings

LITERATURE REVIEW

Literature Review is the way to express background of ideas that come to mind during the research formulation. Researcher asked various employees of the company about the new technological initiative taken by the company. Once the problem is formulated, the researcher undertakes an extensive literature review connected with the problem.

Conceptual literature:-

Conceptual literature is that which relates with concepts and theories. Help from different books should be taken for different concepts and theories.

Empirical literature:-

Empirical literature consists of study made by other in the same field. The published data in Newspapers, Books & Magazines available for discussion with people of organization.

BOOKS:-

Sekran Uma[1] (4th Edition 2014), "Research Methods for Business", *Hill -Tata McGraw New Delhi,90-218* (This book helps in getting the information about the study setting of the research.)

Nargundkar Rajendra[2] (8th Edition 2015),"Marketing Research", *Anmol Publications Pvt research, New Delhi, 50-61* (The book helped in understanding the different sampling techniques used here.)

Cooper R. Donald[3] (8th Edition 2016), "Business Research Methods", *John Wiley &Sons Ltd.,New Delhi, 117-130, 196-207, 263-298, 300-336.*
The various type of research design and the other concepts of research methodology are studied from this book.)
Coakes J Sheridan, Steed Lyndall & Dzidic Peta[4] (4th Edition 2014), *"SPSS Version 17.0 for Windows*", *Sultan Chand & Sons, NewDelhi, 1.1-11.18.*
Information regarding the important tool used in the study and defines where it is applied and why. It explains the relevance of different tools to be used.
Steven L. Shane Me[5], (4th Edition 2017),'Corporate governance and Firm performance". *Bob Ryan,Hyderabad, 211-225*
(This book is used for knowing the effect of corporate governance and firm's performance. It shows the relationship between corporate governance and firm's performance.)
Coakes j Sheridan, Steed lyndall, dzidic[6] (13thEdition 2018), *Hill -Tata McGraw New Delhi,90-218*
(The book helped the researcher about the use of spss means how we put the data and analyze the result and also tell us various tools such as reliability, multiple regression etc.)
othari C.R.[7] (2nd Edition 2018) **,**"Research Methodology Methods and Techniques", *John Wiley & Sons,U.K, 270-464*
(Gives information regarding the basics of research and research methodology, what are the different types of research designs, what is problem statement, what are the sources of data collection and what are the methods of data collection is given in this section.)
Bhole M. [8] (2nd Edition 2019) "Financial Institution and Markets*", Excel Books, New Delhi, 94-96.*
(This book is used for knowing the functions and listing procedure of different stock exchange.)
Goel D.K Goel Rajesh[9] (4th Edition 2018),"Management Accounting and Finance Management", *John Wiley & Sons,U.K, 270-464*
(The information about the different types of Ratios like liquidity ratio, profitability ratio etc.)
TulsianDr PC[10] (2nd Edition 2016) **,**"Financial Managemrnt", *Tata McGraw Hill Education Private Limited, New Delhi, 270-305.*
(This book used to study firm performance.)
Jain P.K. [11] (5th Edition 2017) "Financial Management", *John Wiley & Sons,U.K, 270-464*
(This gives information about the various roles of directors' performance.)
Goel D.K[12], (7th Edition 2017), "Management Accounting and Finance Management", *Tata McGraw Hill Education Private Limited, New Delhi, 200-205.*
(Researcher studied the information about concept of return on assets.)
Khan M.Y.[13] (5th Edition 2018) , "Financial Management", *Hill -Tata McGraw New Delhi,90-112*
(Researcher studied about return on assets.)
Jain T.R. and Aggarwal S.C. [14] (3rd Edition 2019) **,**"Statistics for MBA", *Excel Books, New Delhi,94-96.*
(This gives information about how to find the values of Correlation, Regression, Hypothesis and Trend analysis**.)**

BhallaV.K[15] (9th Edition 2018) ,"Working capital management", *Tata McGraw Hill Education Private Limited, New Delhi, 270-307*
(This book helps in knowing about profitability and liquidity.)
Sharan Vyuptakesh[16] (2nd Edition 2019) , "Fundamentals of Financial Management", *Tata McGraw Hill Education Private Limited, New Delhi, 218-254.*
(This book helps in knowing about comparative financial statements and factors affecting returns on assets.)
Gupta S.P.[17] (3rd Edition 2020), "Business Statistics", *Excel Books, New Delhi,90-96.* (Researcher studied the different sampling techniques used here.)
Beri G.C.[18] (4th Edition 2020), "Marketing Research", *John Wiley & Sons Ltd.,New Delhi, 117-130, 196-207, 263-298, 300-336.*
(This books helps in understanding the different study setting and statistical tools.)

JOURNALS:
Kathuria, Vinish, & ShridharDash[19]**(July-September, 1999),** "Board size and corporate financial performance: an investigation", *Vikalpa*: *24, 512-550* The researcher has studied the impact of size of board of directors on the firm performance.
Garg, Ajay Kumar[20] **(July-September 2007),** "Influence of board size and independence on firm performance: A study of Indian companies." *Vikalpa*: *22, 511528* The researcher has got the knowledge about the effect of board size and independence on firm's performance.
Eisenberg, Theodore, Stefan Sundgren, & Martin T. Wells[21] **(September-Janurary 2008),** "Larger board size and decreasing firm value in small firms." *Journal of financial economics*: *9(12),53-61* The journal has given the knowledge about the large board size and its negative effect on value of firm.
Jackling, Beverley, and Shireenjit Johl[22] **(July 2009),** "Board structure and firm performance: Evidence from India's top companies." *Corporate Governance: , 24, 512-550* Researcher has studied the relationship between internal governance structure and financial performance of Indian companies.
Shah, Syed Zulfiqar Ali, NousheenZafar, and Tahir Khan Durrani[23] **(2009)** "Board Composition and Earnings Management an Empirical Evidence Form Pakistani Listed Companies." *Middle Eastern Finance and Economics*: *14, 212-234* Researcher has study the relationship between Board Composition and Earnings Management.
Core, John E., Robert W. Holthausen, and David F. Larcker[24] **(1999)** "Corporate governance, chief executive officer compensation, and firm performance."*Journal of financial economics*: *52, 507-529, 1997.* Journal has given knowledge about the corporate governance and its impact on firm performance.
Sheikh, Jibran, et al.[25](2012)"Examination of Theoretical and Empirical Studies on Firm's Performance in Relation to its' Board Size: A Study of Small and Medium Size Public Firms." *Journal of Management Research*: *140,445-459, 2013* Researcher has studied the firm's performance related to its board size.

MAGAZINES:
Helen Kang[26]**: (February 2007)** "Corporate Governance and Board Composition: Diversity and Independence of Australian Boards". *Business World 89-97*

Sharon K. Lee[27]: (January 2006) "Board size and firm performance: The Case of small firms". Researcher has studied the how the directors should impact the firm performance. *Business World 117-230*

WEBSITES

Weblink[28]:http://www.scribd.com/doc/27596825/INTRODUCTION-the-FastMoving-Consumer-Goods-FMCG#scribd: The researcher has taken the information about the industry profile.
Weblink[29] :http://companiesinindia.net/fmcg/: The researcher has taken the information about the top 10 companies of FMCG in india.
Weblink[30] :http://britannia.co.in/about-us/overview: The researcher has taken the information about the company profile.
Weblink[31] :http://economictimes.indiatimes.com/krblltd/infocompanyhistory/companyid-7603.cms: The researcher has taken the information related to the industry profile.
Weblink[32] :https://en.wikipedia.org/wiki/Nestl%C3%A9: The researcher has taken the information about the nestle profile.
Weblink[33] :http://www.federalreserve.gov/pubs/feds/2002/200254/200254pap.pdf: The researcher has taken the information about the corporate and firm performance.
Weblink[34] :https://en.wikipedia.org/wiki/KRBL: The researcher has taken the information about the company profile.
Weblink[35] :http://companiesinindia.net/fmcg/: The researcher has taken the information about the FMCG companies.
Weblink[36] :http://www.ideacellular.com/aboutus/aboutidea:This website helps us in studying about the company Idea.
Weblink[37] :https://en.wikipedia.org/wiki/Board_of_directors: The researcher has taken the information about the Board of directors.
Weblink[38] :https://en.wikipedia.org/wiki/Non-executive_director: The researcher has taken the information about the Non-executive directors.
Weblink[39] :https://en.wikipedia.org/wiki/Independent_director: The researcher has taken the information about the Independent directors.
Weblink[40]:www.business**dictionary**.com/**definition**/total-**assets**-to-**sales-ratio**:The researcher has taken the information about the ratio of sales to assets.
Weblink[41]:www.investopedia.com/terms/s/**solvency**.asp: Theresearcher has taken the information about the solvency.
Weblink[42]: www.investopedia.com/terms/l/**leverage**.asp: Theresearcher has taken the information about the levearge.

RESEARCH OBJECTIVES

To Study the firm performance with regard to Price to Book Value ratio for ISGEC Engineering Heavy Ltd.
To study the firm value with regard to Corporate Governance for ISGEC Engineering Heavy Ltd.
To study the impact of firm value with regard to financial performance by liquidity ratio, solvency ratio and profitability ratio for ISGEC Engineering Heavy Ltd.

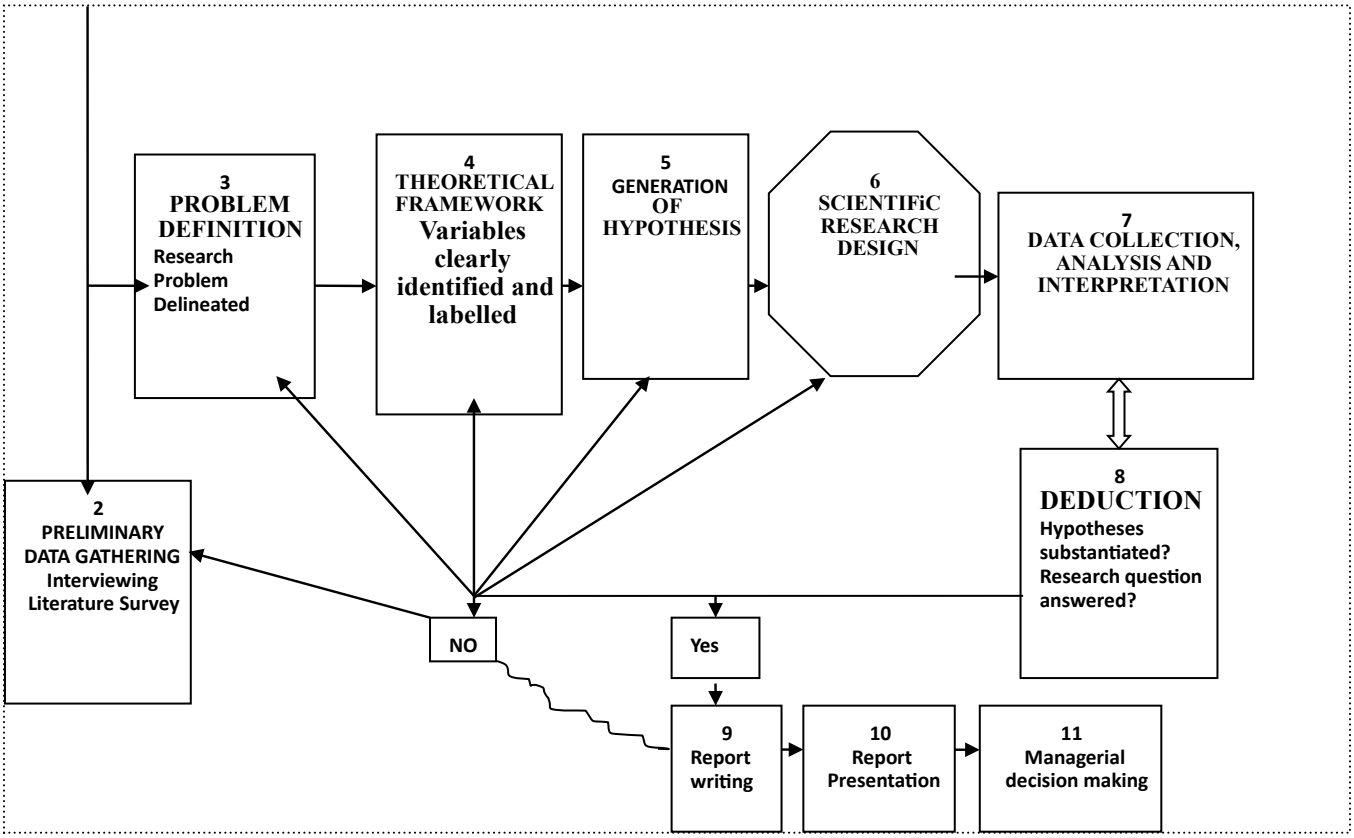
To study the relationship between firm value with respect to Board size, Board Diversity , Board composition and Number of Meetings .
To study the trend of firm value with regard to Corporate Governance and Financial Performance.

RESEARCH METHODOLOGY

Research is a systematic and continuous method of defining a problem, collecting the facts and analyzing them, reaching conclusion forming generalizations.

Research is defined as "a scientific & systematic search for pertinent information on a specific topic". Research is an art of scientific investigation. Research is a systemized effort to gain new knowledge. It is a careful inquiry especially through search for new facts in any branch of knowledge. The search for knowledge through objective and systematic method of finding solution to a problem is a research

THE RESEARCH PROCESS



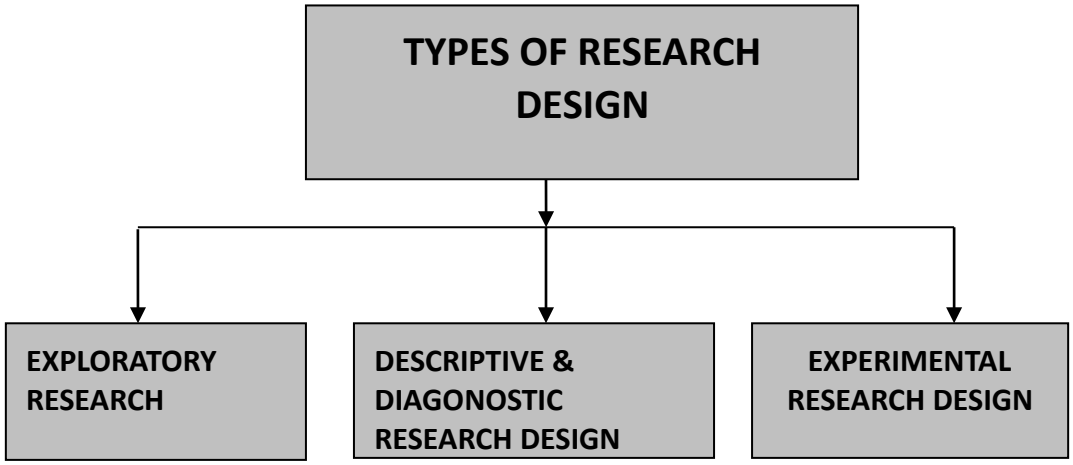
RESEARCH DESIGN

A research is the arrangement of the conditions for the collections and analysis of the data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research is design is the conceptual structure within which research is conducted; it constitutes the blue print of the collection, measurement and analysis of the data. As search the design includes an outline of what the researcher will do from writing the hypothesis and its operational implication to the final analysis of data. The design is such studies must be rigid and not flexible and most focus attention on the following;

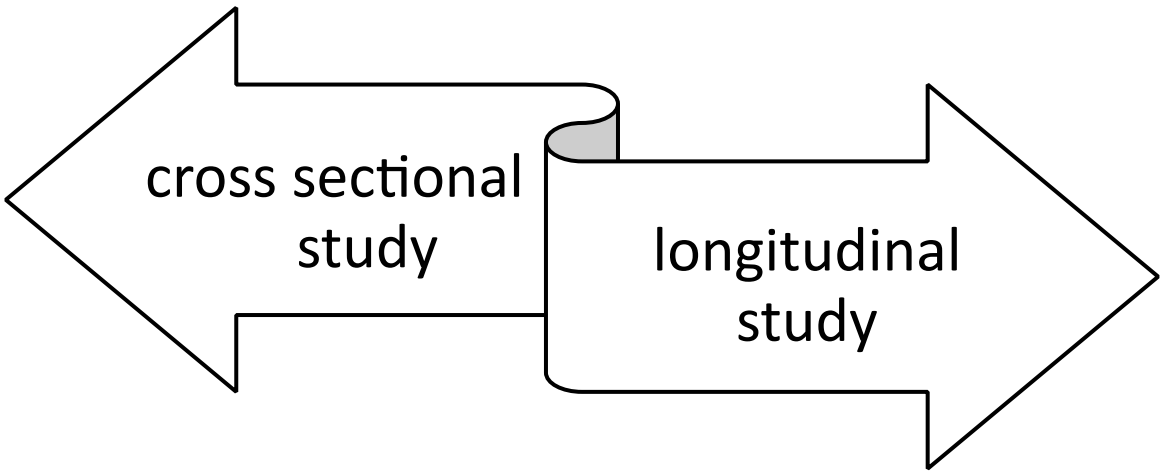
1. What is the study about?
2. Why is the study being made?

3. Where will the study be carried out?
4. What type of data is required?
5. Where can be required data be found?
6. What period of time will the study include?
7. What will be sample design?
8. What techniques of data collection will be used?
9. How will the data be analyzed?
10. In what style will the report be prepared?

RESEARCH DESIGN



The present study is descriptive in nature, as it seeks to discover ideas and insight to bring out new relationship. Research design is flexible enough to provide opportunity for considering different aspects of problem under study. It helps in bringing into focus some inherent weakness in enterprise regarding which in depth study can be conducted by managementtimt

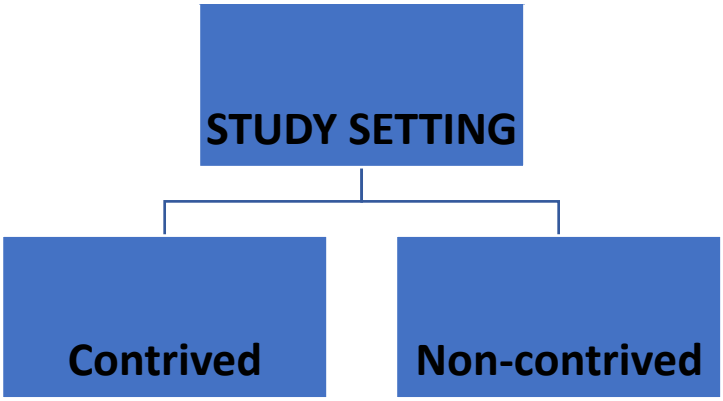


TIME HORIZON

Cross Sectional Study:-A study in which data is gathered just once, perhaps over a period of days or week or months.

Longitudinal Study: -In cases, where researcher wants to study the phenomenon at more than one point in time in order to answer the research question. Such study is called longitudinal study.

In this study, Time Horizon is **cross sectional**

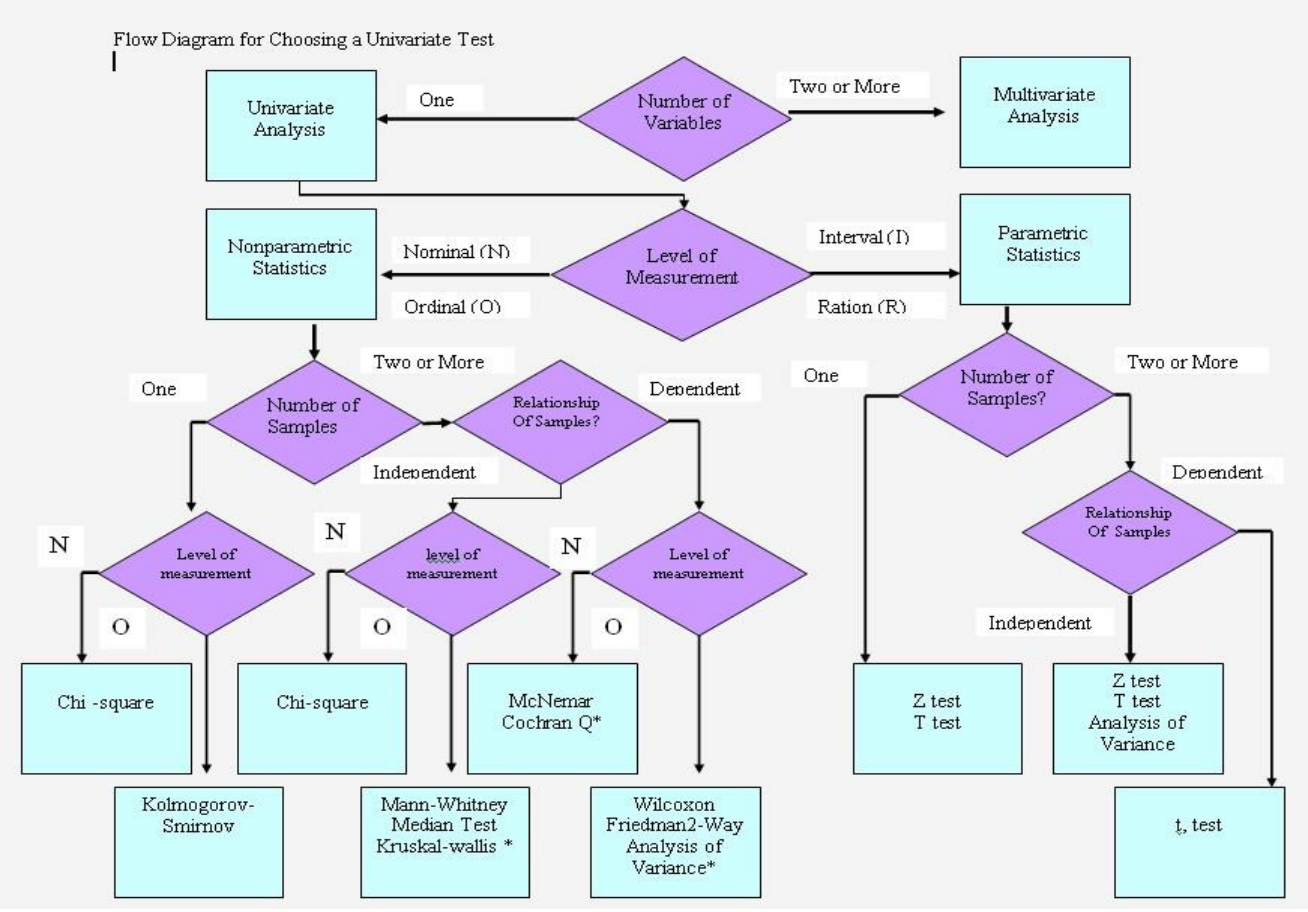


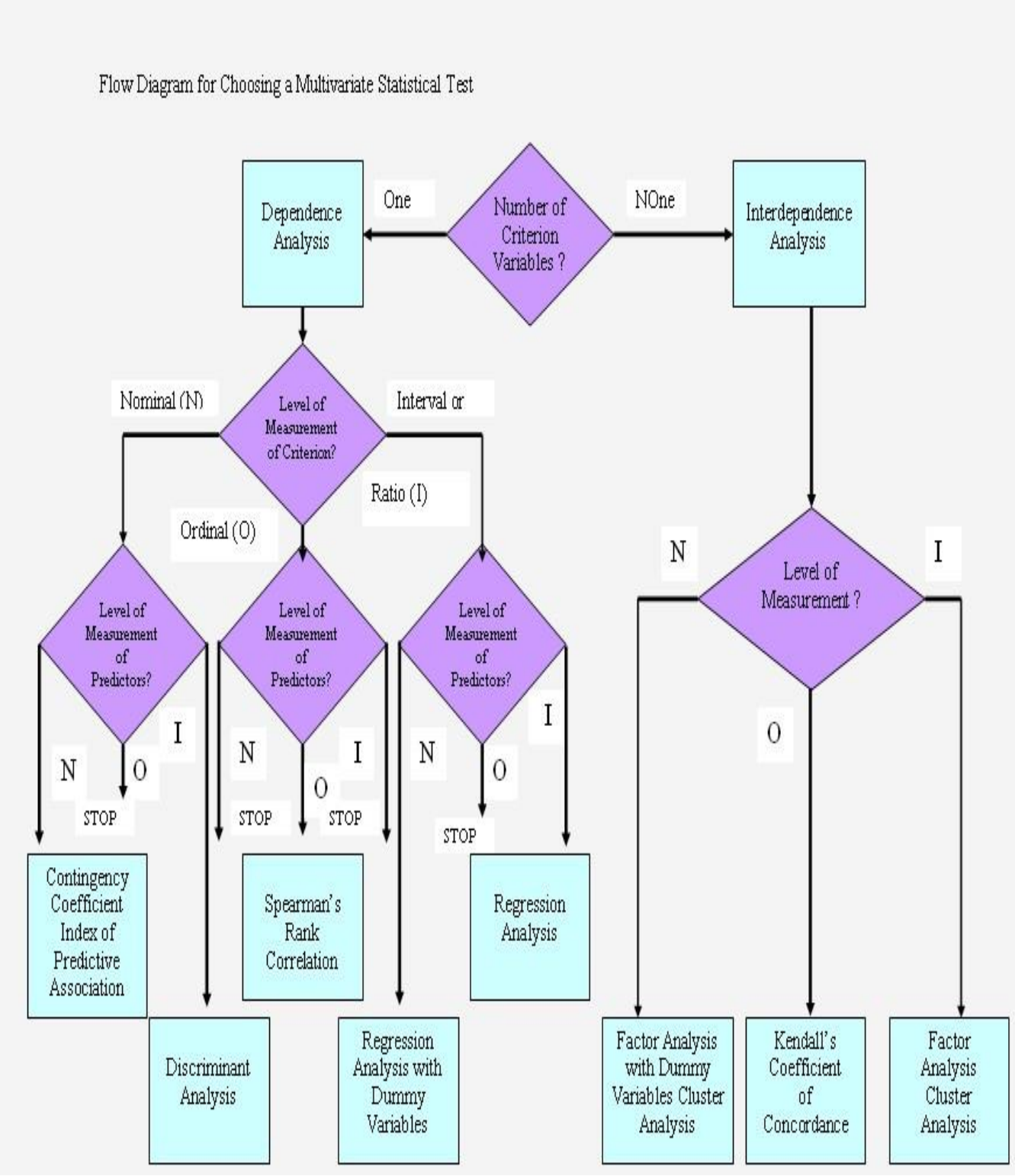
This study is a **Non- Contrived** Study Setting.

MEASUREMENT AND SCALING

1. Operational definition
2. Items (measures)
3. Scaling
4. Categorization
5. Coding

Flow Chart for Selection of Statistical Tools




Flow Diagram for Choosing a Multivariate Statistical Test
Dependence Analysis
One
Number of Criterion Variables ?
NOne
Interdependence Analysis
Nominal (N)
Level of Measurement of Criterion?
Interval or
Ratio (I)
Ordinal (O)
Level of Measurement of Predictors?
Level of Measurement of Predictors?
Level of Measurement of Predictors?
N
O
I
STOP
Level of Measurement ?
Contingency Coefficient Index of Predictive Association
Discriminant Analysis
Spearman's Rank Correlation
Regression Analysis with Dummy Variables
Regression Analysis
Factor Analysis with Dummy Variables Cluster Analysis
Kendall's Coefficient of Concordance
Factor Analysis Cluster Analysis

HYPOTHESIS
DEVELOPMENT AND TESTING
HYPOTHESIS DEVELOPMENT AND TESTING

Null Hypothesis (H0):- There is insignificant relationship between Firm value and Corporate Governance.

Alternate Hypothesis (H1):- There is significant relationship between Firm value and Corporate Governance.

Null Hypothesis (H0):- There is insignificant relationship between Firm Value and Financial Performance.

Alternate Hypothesis (H1):- There is significant relationship between Firm Value and Financial Performance.

t-Test

A t-test is an inferential statistic used to determine if there is a statistically significant difference between the means of two variables.

The t-test is a test used for hypothesis testing in statistics.

Calculating a t-test requires the difference between the mean values from each data set, the standard deviation of each group, and the number of data values.

T-tests can be dependent or independent.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Current Ratio	10	1.24200	.155906	.049302
Return on Capital Employed	10	14.67000	4.063496	1.284990
Debt to Assets	10	.07200	.021499	.006799
Board Size	10	9.30	1.767	.559
Board Composition	10	4.50	2.173	.687
Board Diversity	10	2.60	.843	.267
No. of Meetings	10	5.40	.699	.221

One-Sample Test

	Test Value = 5					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Current Ratio	-76.224	9	.000	-3.758000	-3.86953	-3.64647
Return on Capital Employed	7.525	9	.000	9.670000	6.76315	12.57685
Debt to Assets	-724.845	9	.000	-4.928000	-4.94338	-4.91262
Board Size	7.695	9	.000	4.300	3.04	5.56
Board Composition	-.728	9	.485	-.500	-2.05	1.05
Board Diversity	-9.000	9	.000	-2.400	-3.00	-1.80
No. of Meetings	1.809	9	.104	.400	-.10	.90

Interpretation:- From above data it is found that p-value of all variables are less than 0.05 except for Board composition and meetings. Thus it is interpreted that there is a significant impact on Firm Value.

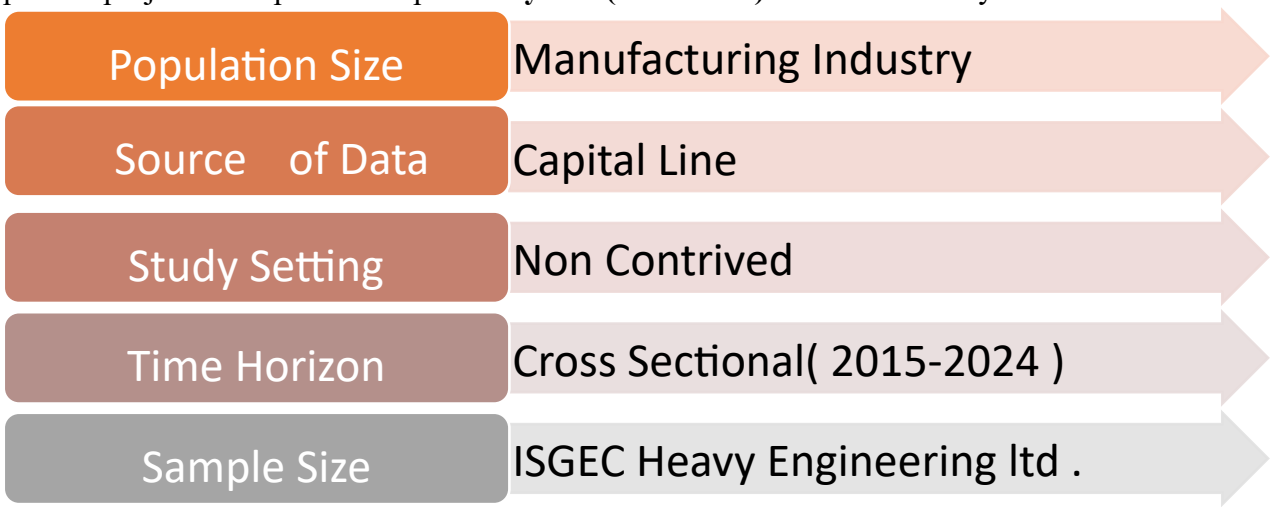
SAMPLE DESIGN

A sample design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure that is adopted in selecting the sampling units from which inferences about the population is drawn. Sampling design is determined before the collection of the data.
Several decisions have to be taken in context to the decision about the appropriate sample selection so that accurate data is obtained and efficient results are drawn.

Following questions have to be considered while sampling design

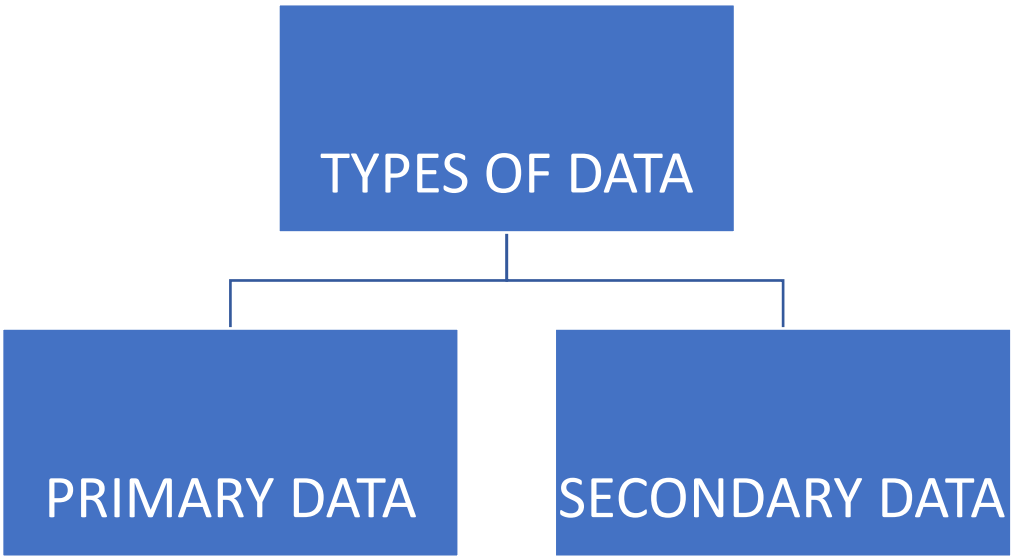
1. What is the relevant population?
2. What is the parameter of interest?
3. What is the sampling frame?
4. What is the type of sample?
5. What sample size is needed?
6. How much will it cost

In present project a sample size of past **ten years (2015-2024)** is taken for analysis.



DATA COLLECTION

After the research problem has been identified and selected, the next step is to gather the requisite data. While deciding about the method of data collection to be used for, the researcher should keep in mind Research Methodology is the most investigated approach. Research refers to the collection of the requisite information regarding the topic. The information for the study is collected from both Primary and Secondary sources for the achievement of objects. These sources of data collection are as follows:-



Primary Data: -

The primary data are those, which are collected afresh and for the first time, and thus happened to be original in character. We can obtain primary data either through observation or through direct communication with respondent in one form or another or through personal interview

Secondary Data: -

The data which already exists in the company in the form of balance sheets and other financial statements.

PRIMARY DATA	• **Personal Interview** • **Questionnaire** • **Observation**
SECONDARY DATA	• **Manuals** • **Internet** • **Books** • **Journals**

Method of Data Collection for this study:-

Method of data collection used for this study is **secondary data**.

The secondary data was collected from:

From Websites, Books, Capital Line ,Journals and Company's Annual Reports, etc.

RATIO ANALYSIS

Meaning of Ratio analysis

A Ratio: - A ratio is the mathematical relationship between two quantities in the form of a fraction or percentage.

Ratio analysis: - Ratio analysis is essentially concerned with the calculation of relationships which after proper identification and interpretation may provide information about the operations and state of affairs of a business enterprise.

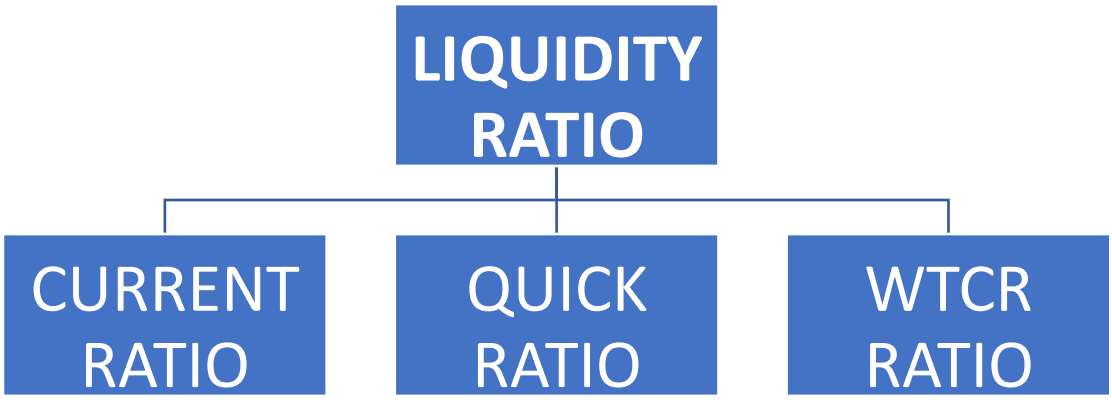
The analysis is used to provide indicators of past performance in terms of critical success factors of a business. This assistance in decision-making reduces loam on guesswork and intuition and establishes a basis for sound judgment. Note: A ratio on its own has little or no meaning at all.

Consider a current ratio of **2:1.** This means that for every 1 monetary values of current liabilities there are 2 of assets. However each business is different and each has different working capital requirements. From this ratio, we cannot make any comments about the liquidity of the business, whether it carries too much or too little working capital.

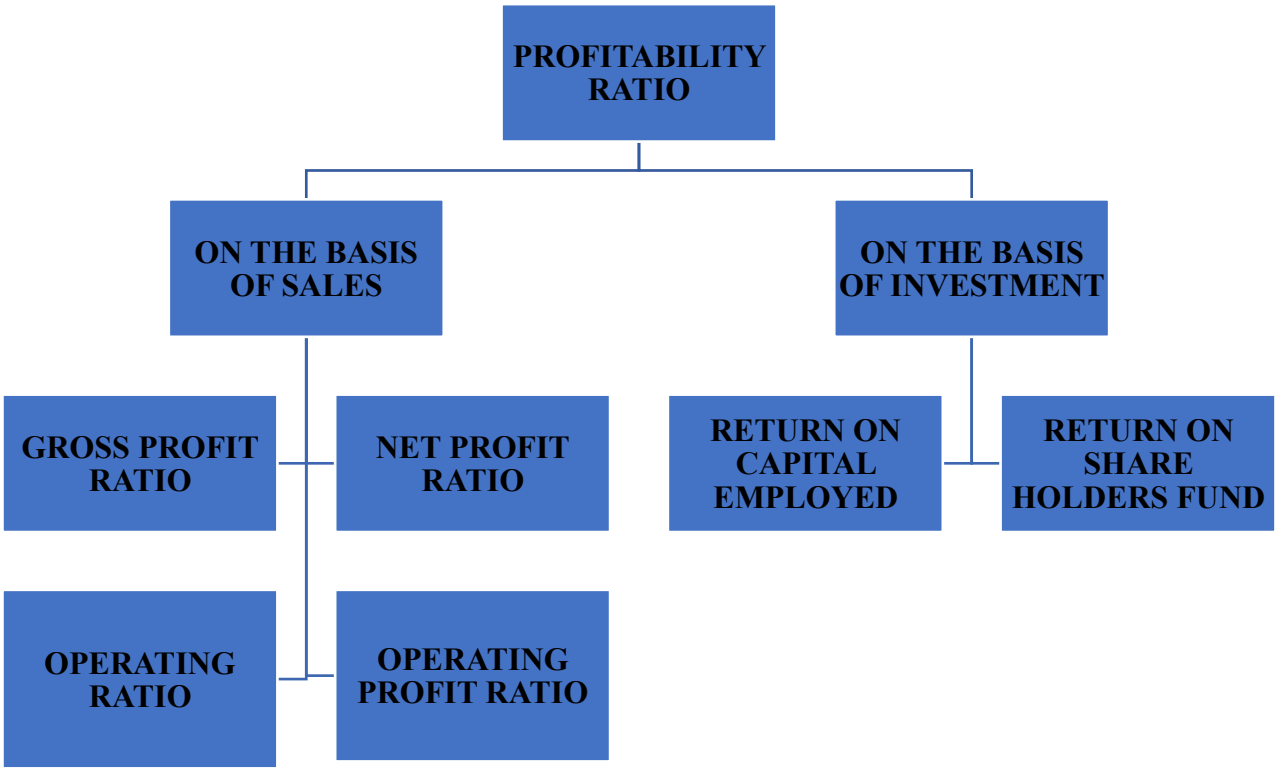
Classification of Ratios:

In view of the financial management or according to the tests satisfied, various ratios have been classified as below:

(a)Liquidity Ratios: These are the ratios which measure the short-term solvency or financial position of a firm. These ratios are calculated to comment upon the short-term paying capacity of a concern or the firm's ability to meet its current obligations.

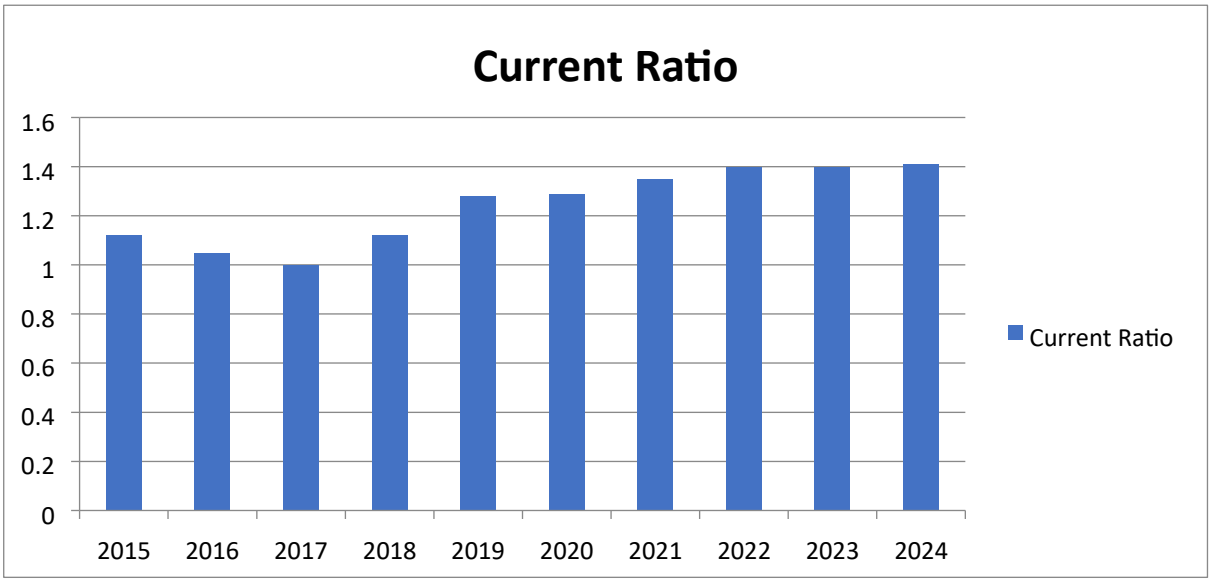


1(b)Profitability Ratios: These ratios measure the results of business operations or overall performance and effective of the firm. E.g. Gross profit ratio, operating ratio or capital employed. Generally, two types of profitability ratios are calculated (I) in relation to sales, and (ii) in relation to investment.



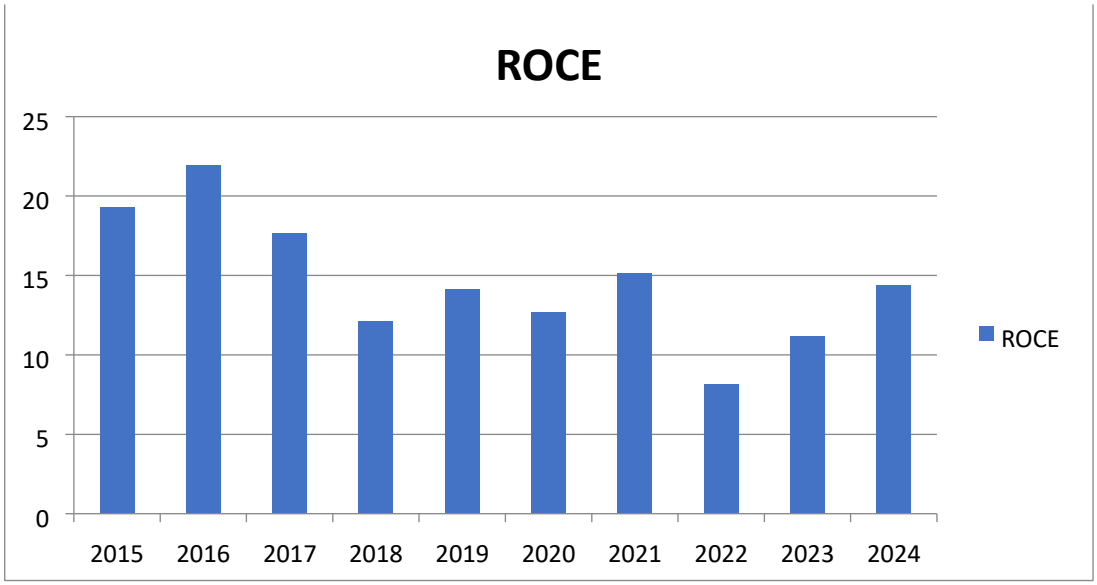
RATIOS USEFUL FOR THIS PROJECT

CURRENT RATIO



Interpretation: The current ratio of the company in year 2024 is is quite good but in the year 2017 is less again in 2021 and 2022 it got raised So, company should try to maintain adequate current assets in order to have ideal current ratio.

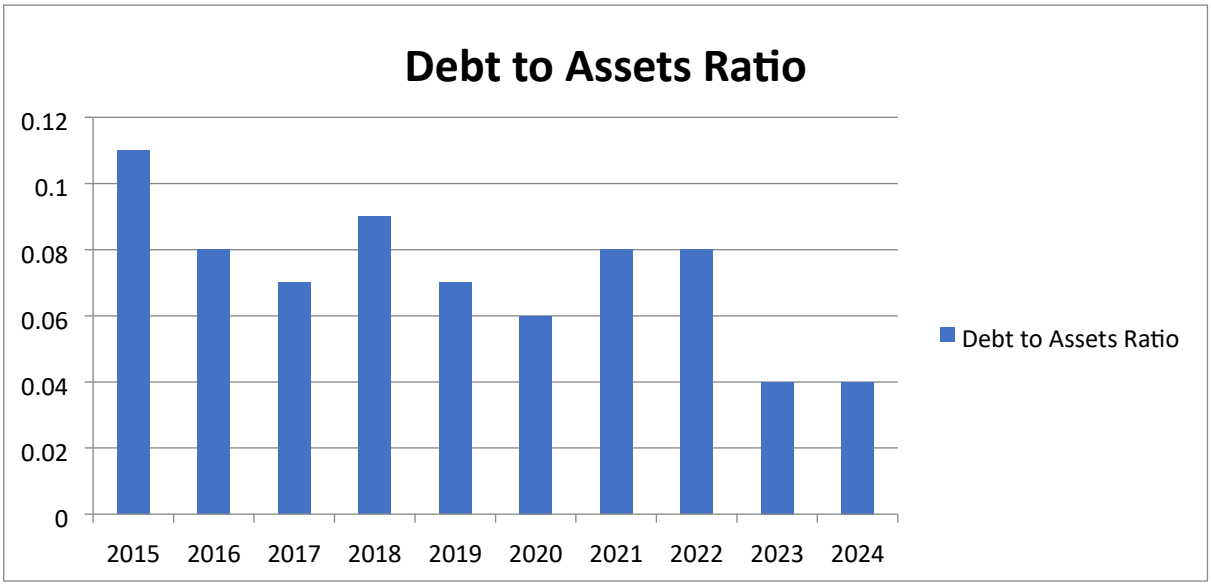
RETURN ON CAPITAL EMPLOYED



Interpretation:.

The fluctuations indicates varying level of efficiency in how the company utilized its capital over the years. In year 2021-22 it is 15(approx.) which is harmful.

DEBT TO ASSETS RATIO



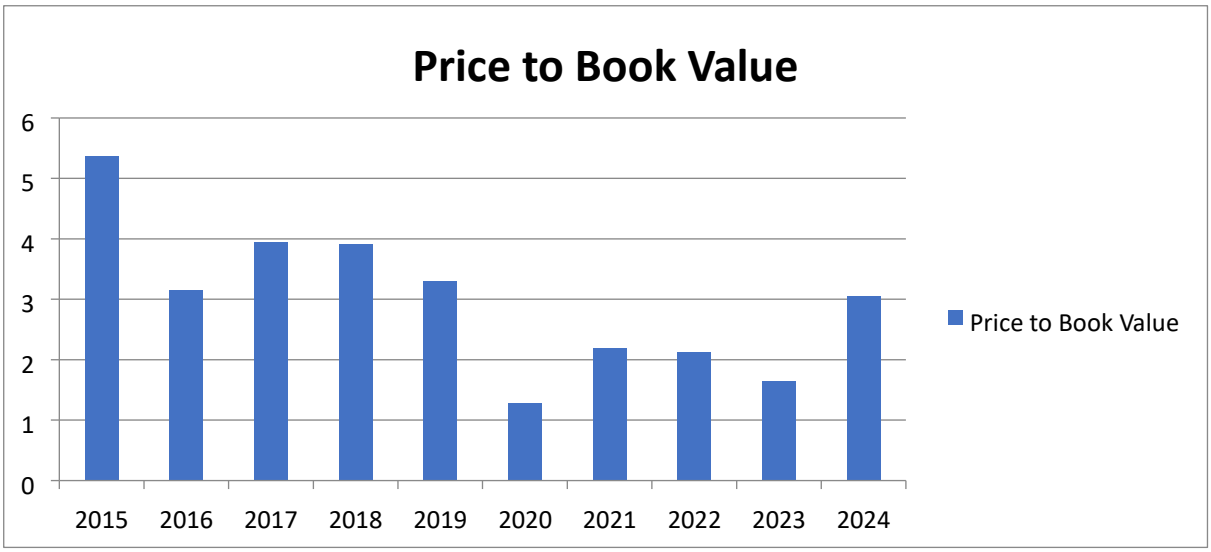
Interpretation:-

Higher the return on assets, better it is for the company.

The company ratio is decreasing and is very low in 2023 and 2024 which is not good.

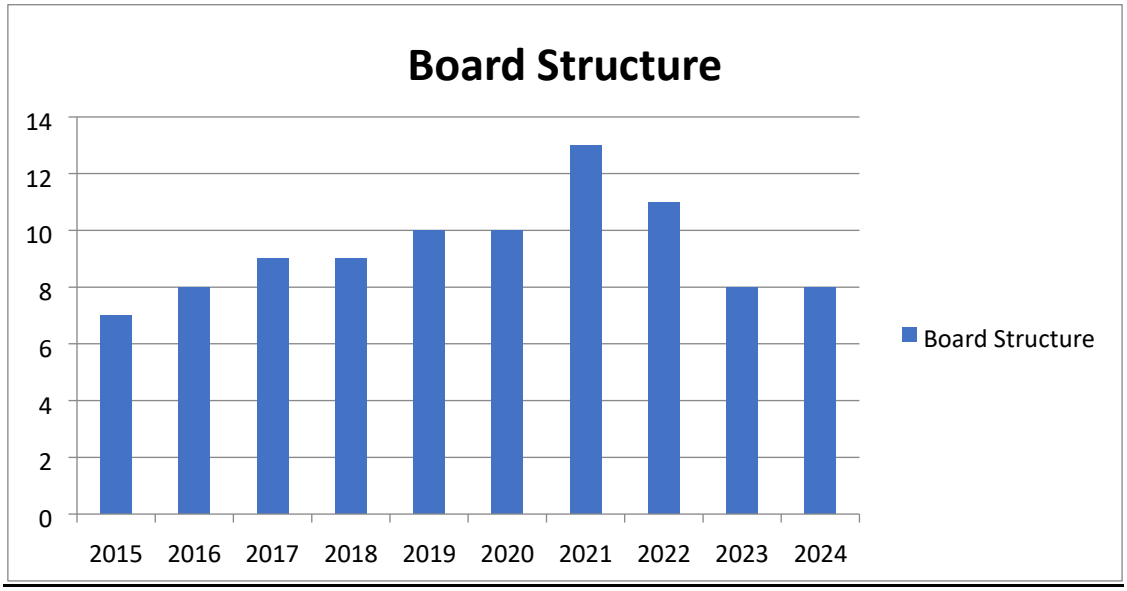
Hence,efforts should be made to improve this ratio.

PRICE TO BOOK VALUE RATIO



Interpretation-

This ratio has generally imcreased over the years but there is significant drop in 2020 which needs to be maintained for better market evaluation.



Interpretation-

The graph shows fluctuations in values from 2015 to 2024, with some years having higher values than others. This indicates changes in the board structure over time.

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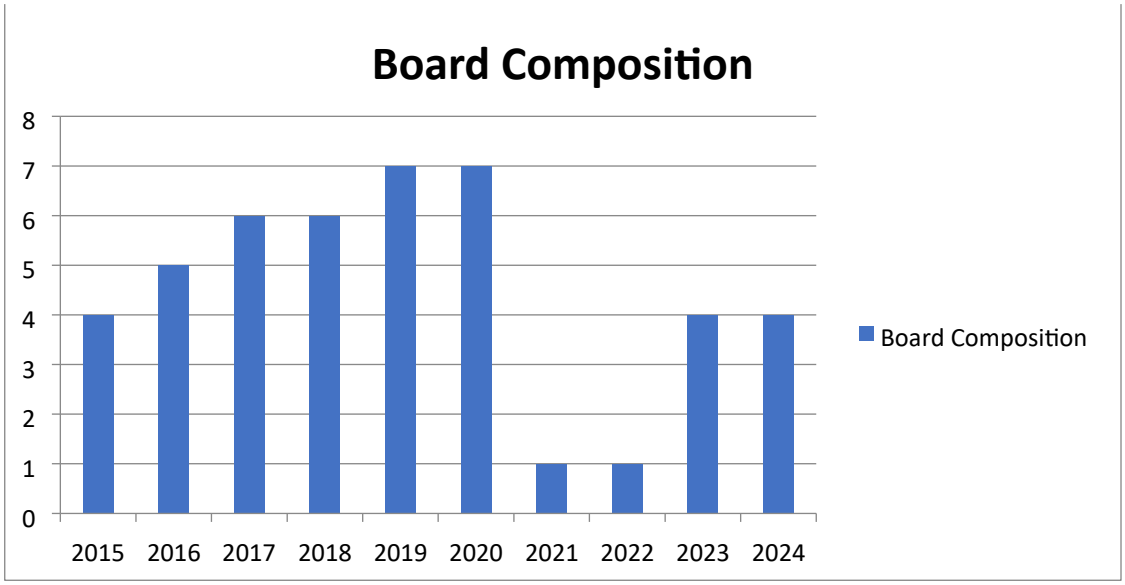
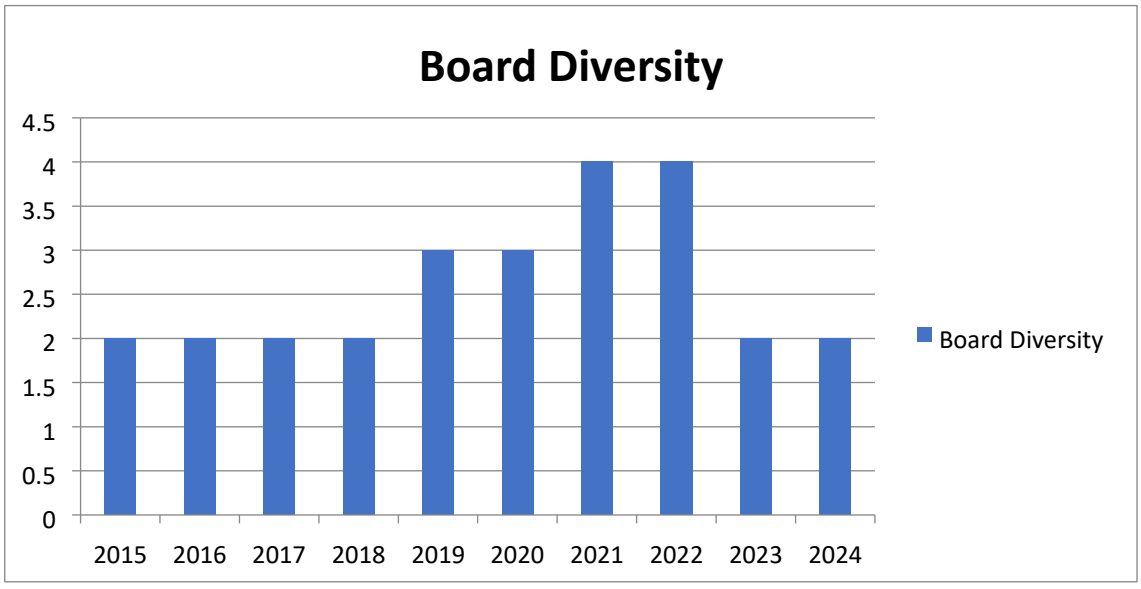


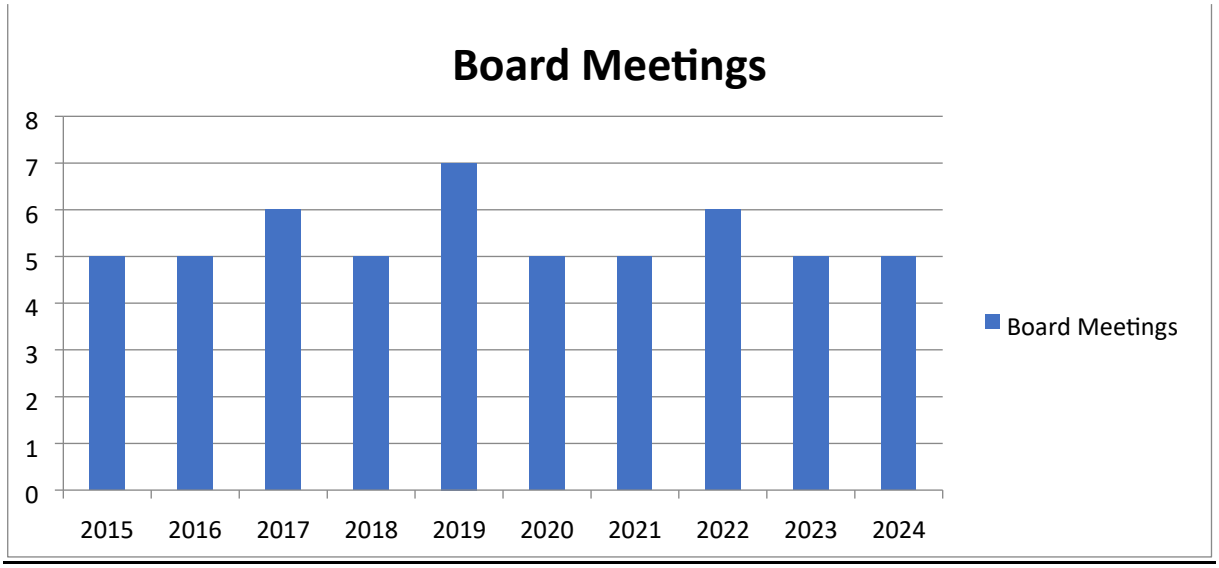
Interpretation-

The graph shows an increase in values from 2015, peaking in 2020, followed by a decrease up to 2024. This indicates changes in board composition over time..



Interpretation-

The graph titled “Board Diversity” shows an increasing trend in board diversity from 2015 to 2024.



Interpretation-

The number of meetings increased from 2015 to around 2019-2020.Downward Trend: After 2020, the number of meetings decreased.This suggests that the company's board was more active during the 2019-2020 period but has become less active in recent years.

STATISTICAL TOOLS

Introduction:-

An educated citizen needs an understanding of basic statistical tool to function in a world that is becoming increasingly dependent on quantitative information. Statistics means numerical description to most people. In fact the term statistics is generally used to mean numerical facts and figures such as agriculture production during a year, rate of inflation and so on. However as a subject of study, statistics refers to the body of principles and procedures developed for the collection, classification, summarization and interpretation of numerical data and for the use of such data.

Meaning:-

Broadly speaking, the term statistics has been generally used in two senses:-

Plural Sense

Singular Sense

Plural sense refers to the numerical data. Singular Sense refers to a Science in which we deals with the techniques of collecting, classifying, presenting, analyzing and interpreting the data, the concept in its singular sense, refers to Statistical Method.

Purpose:

A wide variety of statistical tools are available and any of them can be used by any businessman depending upon the nature of his trade.

Various statistical tools are:-

- Descriptive Statistics
- Non-Parametric test
- T-test
- Correlation
- Regression

Descriptive Statistics

A descriptive statistic is a summary statistic that quantitatively describes or summarizes features of a collection of an information. Descriptive statistics aims to summarize a sample, rather than use the data to learn about the population that the sample of data is thought to represent. Basically, the word Data refers to the information that has been collected from an experiment, a survey, a historical record etc. Some measures that are commonly used to describe a data set are measure of central tendency and measures of variability or dispersion. Measures of central tendency include the mean, mode and median while measures of variability include the standard deviation, the minimum and maximum values of the variables

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Firm Value as Dependent Variable	10	2.99700	1.232297	.464	.687	.041	1.334
Current Ratio	10	1.24200	.155906	-.397	.687	-1.599	1.334
Return on Capital Employed	10	14.67000	4.063496	.350	.687	-.064	1.334
Debt to Assets	10	.07200	.021499	-.070	.687	.074	1.334
Board Size	10	9.30	1.767	.943	.687	.873	1.334
Board Composition	10	4.50	2.173	-.650	.687	-.536	1.334
Board Diversity	10	2.60	.843	1.001	.687	-.665	1.334
No. of Meetings	10	5.40	.699	1.658	.687	2.045	1.334
Valid N (listwise)	10						

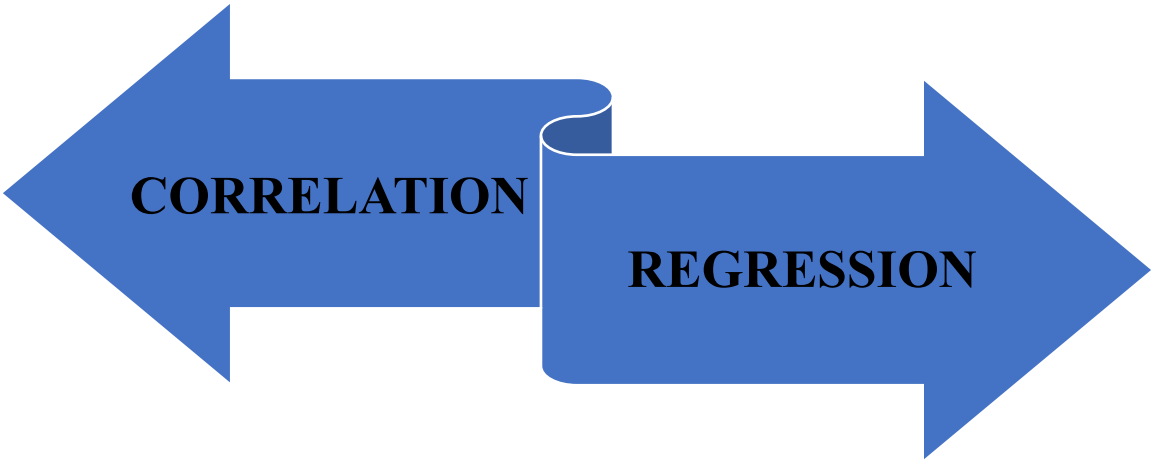
INTERPRETATION -

Mean- The value of variables are positive on an average.

Standard Deviation- Data is said to be considered as per the values of standard deviation.

Skewness- All variables approaches to positively skewed distribution as skeweness value is greater than 0.

Kurtosis- All variables approaches to Platykurtic distribution as kurtosis value is less than 3.



Correlation

Some important definitions of correlation are given below:

"Correlation analysis deals with the association between two or more variables"- Simpson and Kafka.

"If two or more quantities vary in sympathy, so that movement in one tend to be accompanied by corresponding movements in the other, then they are said to be correlated"- Conner.

"Correlation analysis attempts to determine the degree of relationship between variables."

Types of Correlation:-

Correlation is classified in several different ways. Three of the most important ways are:-

Positive and Negative Correlation:-

When two variable X and Y move in same direction is Positive Correlation and when both variables move in opposite direction that is Negative Correlation.

Simple, Partial and Multiple Correlations:-

When we study the relationship between two variables only that is Simple Correlation. When three or more variables are taken but relationship between any two of the variable is studied, assuming other variables as constant that is Partial Correlation and when we study the relationship among three or more variables that is Multiple Correlation.

Linear and Curvi-Linear Correlation:-

When the ratio of change of two variables X and Y remains constant throughout, then they are said to be Linear Correlated and when the ratio of change between the two variables is not constant but changing, then correlation is said to be Curvi-Linear.

DEGREE OF CORRELATION:-

Sr. No.	Degree of correlation	Positive	Negative
1	Perfect correlation	+1	-1
2	High Degree of correlation	Between +.75 to+1	Between -.75 to-1
3	Moderate Degree of Correlation	Between +.25 to+.75	Between -.25 to-.75
4	Low Degree of Correlation	Between 0 to+.25	Between 0 to-.25
5	Absence of Correlation	0	0

Karl Pearson's coefficient of correlation method:-

Karl Pearson's coefficient of correlation method is the main important method to calculate the correlation between two variables

Correlations

Correlations

		Firm Value as Dependent Variable	Current Ratio	Return on Capital Employed	Debt to Assets	Board Size	Board Composition	Board Diversity	No. of Meetings
Firm Value as Dependent Variable	Pearson Correlation	1	-.670*	.574	.646*	-.508	.193	-.509	.087
	Sig. (2-tailed)		.034	.083	.044	.134	.594	.133	.812
	N	10	10	10	10	10	10	10	10
Current Ratio	Pearson Correlation	-.670*	1	-.714*	-.558	.381	-.479	.522	-.008
	Sig. (2-tailed)	.034		.020	.094	.278	.161	.121	.982
	N	10	10	10	10	10	10	10	10
Return on Capital Employed	Pearson Correlation	.574	-.714*	1	.356	-.409	.235	-.474	-.181
	Sig. (2-tailed)	.083	.020		.313	.240	.514	.166	.617
	N	10	10	10	10	10	10	10	10
Debt to Assets	Pearson Correlation	.646*	-.558	.356	1	.041	-.119	.110	.015
	Sig. (2-tailed)	.044	.094	.313		.911	.744	.762	.968
	N	10	10	10	10	10	10	10	10
Board Size	Pearson Correlation	-.508	.381	-.409	.041	1	-.420	.910**	.252
	Sig. (2-tailed)	.134	.278	.240	.911		.227	.000	.483
	N	10	10	10	10	10	10	10	10
Board Composition	Pearson Correlation	.193	-.479	.235	-.119	-.420	1	-.546	.219
	Sig. (2-tailed)	.594	.161	.514	.744	.227		.103	.543
	N	10	10	10	10	10	10	10	10
Board Diversity	Pearson Correlation	-.509	.522	-.474	.110	.910**	-.546	1	.302
	Sig. (2-tailed)	.133	.121	.166	.762	.000	.103		.397
	N	10	10	10	10	10	10	10	10
No. of Meetings	Pearson Correlation	.087	-.008	-.181	.015	.252	.219	.302	1
	Sig. (2-tailed)	.812	.982	.617	.968	.483	.543	.397	
	N	10	10	10	10	10	10	10	10

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation

From the above data it is found that there is positive Moderate degree correlation among the variables except of Low degree for board meetings and composition. Further there is negative relationship for liquidity and board size.

REGRESSION ANALYSIS

Regression is the study of the nature of relationship between the variables so that one may be able to predict the unknown value of one variable for a known value of another value.

"It is the measure of average relationship between two or more variables".

Types of regression analysis:-

Simple and multiple regression:-In case of simple regression, we study only two variables i.e. One dependent and one independent. But in case of multiple regression we take more than two variables i.e. One dependent and other independent.

Linear and Non-linear regression:-When one variable changes with another variable in some fixed ratio, it is called as linear regression. But if this ratio is not constant, it is known as Non-linear regression.

Partial and Total regression:-If from more than two variables only two variables are taken into consideration. It is called as partial regression. But all variables are taken into consideration at a single slank. It is called as total regression.

REGRESSION BETWEEN CURRENT RATIO AND FIRM VALUE :

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.670[a]	.448	.379	.970751	2.022

a. Predictors: (Constant), Current Ratio

b. Dependent Variable: Firm Value as Dependent Variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.128	1	6.128	6.503	.034[b]
	Residual	7.539	8	.942		
	Total	13.667	9			

a. Dependent Variable: Firm Value as Dependent Variable

b. Predictors: (Constant), Current Ratio

INTERPRETATION

From the above data , it is interpreted that there is 44.8% significant impact of current ratio on firm value. This impact is significant as p-value is less than 0.05.

Durbin Watson- As value of Durbin Watson Lies beyond the range of -1.5 t0 1.5.it means data is stationary i.e there is no auto correlation in the data.

REGRESSION BETWEEN RETURN ON CAPITAL EMPLOYED AND FIRM VALUE :

Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.574[a]	.330	.246	1.070081	1.939

a. Predictors: (Constant), Return on Capital Employed

b. Dependent Variable: Firm Value as Dependent Variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.506	1	4.506	3.935	.008[b]
	Residual	9.161	8	1.145		
	Total	13.667	9			

a. Dependent Variable: Firm Value as Dependent Variable

b. Predictors: (Constant), Return on Capital Employed

INTERPRETATION

From the above data , it is interpreted that there is 33% significant impact of return to capital employed on firm value . This impact is significant as p-value is less than 0.05.

Durbin Watson- As value of Durbin Watson Lies beyond the range of -1.5 t0 1.5.it means data is stationary i.e there is no auto correlation in the data.

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REGRESSION BETWEEN DEBT TO ASSETS AND FIRM VALUE :

Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.646[a]	.417	.344	.998061	1.625

a. Predictors: (Constant), Debt to Assets

b. Dependent Variable: Firm Value as Dependent Variable

Anova[b]

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.698	1	5.698	5.720	.044[b]
	Residual	7.969	8	.996		
	Total	13.667	9			

a. Dependent Variable: Firm Value as Dependent Variable

b. Predictors: (Constant), Debt to Assets

INTERPRETATION

From the above data , it is interpreted that there is 41.7% significant impact of debt to assets on firm value . This impact is significant as p-value is less than 0.05.

Durbin Watson- As value of Durbin Watson Lies beyond the range of -1.5 t0 1.5.it means data is stationary i.e there is no auto correlation in the data.

REGRESSION BETWEEN BOARD SIZE AND FIRM VALUE :

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.508[a]	.258	.166	1.125611	1.765

a. Predictors: (Constant), Board Size

b. Dependent Variable: Firm Value as Dependent Variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.531	1	3.531	2.787	.001[b]
	Residual	10.136	8	1.267		
	Total	13.667	9			

a. Dependent Variable: Firm Value as Dependent Variable

b. Predictors: (Constant), Board Size

INTERPRETATION

From the above data , it is interpreted that there is 25.8% significant impact of board size on firm value. This impact is significant as p-value is less than 0.05.

Durbin Watson- As value of Durbin Watson Lies beyond the range of -1.5 t0 1.5.it means data is stationary i.e there is no auto correlation in the data.

REGRESSION BETWEEN BOARD COMPOSITION AND FIRM VALUE :

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.193[a]	.037	-.083	1.282543	1.189

a. Predictors: (Constant), Board Composition

b. Dependent Variable: Firm Value as Dependent Variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.508	1	.508	.309	.594[b]
	Residual	13.159	8	1.645		
	Total	13.667	9			

a. Dependent Variable: Firm Value as Dependent Variable

b. Predictors: (Constant), Board Composition

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.505	.974		2.573	.033
	Board Composition	.109	.197	.193	.556	.594

a. Dependent Variable: Firm Value as Dependent Variable

INTERPRETATION –

From the above data , it is interpreted that there is 3.7 % insignificant impact of board composition on firm value. This impact is insignificant as p-value is more than 0.05. Durbin Watson- As value of Durbin Watson Lies beyond the range of -1.5 t0 1.5.it means data is stationary i.e there is no auto correlation in the data.

REGRESSION BETWEEN BOARD DIVERSITY AND FIRM VALUE :

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.509[a]	.259	.167	1.124932	1.809

a. Predictors: (Constant), Board Diversity

b. Dependent Variable: Firm Value as Dependent Variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.543	1	3.543	2.800	.001[b]
	Residual	10.124	8	1.265		
	Total	13.667	9			

a. Dependent Variable: Firm Value as Dependent Variable

b. Predictors: (Constant), Board Diversity

INTERPRETATION

From the above data , it is interpreted that there is 25.9% significant impact of board diversity on firm value. This impact is significant as p-value is less than 0.05.

Durbin Watson- As value of Durbin Watson Lies beyond the range of -1.5 t0 1.5.it means data is stationary i.e there is no auto correlation in the data.

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REGRESSION BETWEEN NUMBER OF MEETINGS AND FIRM VALUE :

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.087[a]	.008	-.117	1.302132	.896

a. Predictors: (Constant), No. of Meetings

b. Dependent Variable: Firm Value as Dependent Variable

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.103	1	.103	.061	.812[b]
	Residual	13.564	8	1.696		
	Total	13.667	9			

a. Dependent Variable: Firm Value as Dependent Variable

b. Predictors: (Constant), No. of Meetings

INTERPRETATION

From the above data , it is interpreted that there is 0.08% insignificant impact of number of meetings on firm value . This impact is insignificant as p-value is more than 0.05.

Durbin Watson- As value of Durbin Watson Lies within the range of -1.5 t0 1.5.it means data is not stationary i.e there is auto correlation in data.

NON-PARAMETRIC ONE SAMPLE K-S TEST FOR NORMALITY

In statistics, nonparametric tests are methods of statistical analysis that do not require a distribution to meet the required assumptions to be analyzed (especially if the data is not normally distributed). Due to this reason, they are sometimes referred to as distribution-free tests.

Nonparametric tests serve as an alternative to parametric tests such as T-test or ANOVA that can be employed only if the underlying data satisfies certain criteria and assumptions.

H0: Data is Normally Distributed.

H1: Data is not Normally Distributed

One-Sample Kolmogorov-Smirnov Test

		Firm Value as Dependent Variable	Current Ratio	Return on Capital Employed	Debt to Assets	Board Size	Board Composition	Board Diversity	No. of Meetings
N		10	10	10	10	10	10	10	10
Normal Parameters[a,b]	Mean	2.99700	1.24200	14.67000	.07200	9.30	4.50	2.60	5.40
	Std. Deviation	1.232297	.155906	4.063496	.021499	1.767	2.173	.843	.699
Most Extreme Differences	Absolute	.141	.196	.154	.163	.169	.209	.362	.416
	Positive	.141	.183	.154	.155	.169	.146	.362	.416
	Negative	-.120	-.196	-.097	-.163	-.131	-.209	-.238	-.284
Kolmogorov-Smirnov Z		.446	.621	.487	.515	.535	.661	1.144	1.317
Asymp. Sig. (2-tailed)		.989	.836	.972	.953	.937	.775	.146	.062

a. Test distribution is Normal.

b. Calculated from data.

Interpretation:
From above data ,it is found that p-value of all the variables are greater than 0.05. It means that data is Normally Distributed.

LIMITATIONS OF THE STUDY

Inspite of best efforts of the investigator the study was subjected to following limitations:-
Time Constraint :-Two months is very less period for training because in that period we can involve only some activities and get limited information from the company.
Difficult to collect secondary data:-It was very difficult to collect from company because company was denying that we don't disclose our financial information.
Secrecy of internal data:- There were various issues regarding working capital which were not revealed by the company due to their privacy policy.
Culture:-It was difficult to understand the culture of the company because every employee was free and could come any time but work should be completed.
Period Of Analysis:- The period of five financial years is taken for the analysis and this duration is not sufficient to conclude about any of the aspect.
Wide area to study :- There was the wide scope of the study but could not be covered completely due to lack of time and resources.

RESULTS AND FINDINGS

Ratio Analysis: Researcher found that the liquidity, solvency and profitability have many fluctuations. Thus it is interpreted that it is not good.
Descriptive: The value of variables are positive on an average. Data is said to be consistent with values of standard deviation. All variables approaches to positively skewed distribution except of negatively skewed for liquidity, Leverage and Board Composition. All variables approaches to Platykurtic distribution as kurtosis value is less than 3.
Kolmogorov- Smirnov test: Researcher found that p-value of all the variables are greater than 0.05. It means that data is Normally Distributed.
t-test: Researcher found that p-value of all variables are less than 0.05 except for Board Compostion and meetings. Thus it is interpreted that there is a significant impact on Firm Value.
Coorelation: Researcher found that there is positive Moderate degree correlation among the variables except of Low degree for board meetings and composition. Further there is negative relationship for liquidity and board size.
Regression: There is significant Moderate degree impact of Financial Performance on Firm Value except of low degree impact for Corporate Governance and insignificant impact for Board Size and Meetings.
Durbin Watson: Researcher found that data is Stationary as Durbin Watson values lies beyond the range of -1.5 to 1.5 except of instationarity for Board Meetings.

POLICY IMPLICATIONS

The researcher suggested various policies to organization which he thinks that if they implemented in the right manner can increase the earnings of the firm which in turn increase the goodwill of the firm.

Implementation of policy on the related issues depends upon the result of discussion among the top executives of an organization for the flowing policies:-

The various policies that will be applied in an organization on the basis of the study of Capital structure of organization are as follows:-

- If the company have a higher proportion of independent directors on the board that will lead to have better performance for the company.
- If company have large board size to perform effectively then it will lead to have better performance for the company .
- By having regular check on liquidity, profitability and solvency, a company can increase their firm performance.
- Company can make more involvement of directors in the company important decision.
- If the board structure will be large enough to people expertise and knowledge to efficiently run the company.

RECOMMENDATIONS

- Company should make more involvement of directors in the company important decision.
- The board structure should be large enough to people expertise and knowledge to efficiently run the company.
- The company should focus on liquidity which can prevent cash flow disruptions and contribute to financial stability.
- The company should focus on profitability and solvency to improve their financial health and make informed decisions.
- It should focus on increasing the number of independent directors as they add value and improve the performance of the firm.

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