

Brief Report

Confederation of Indian Industry (CII) organized detailed deliberations on its Report titled 'Corporate Governance: Recommendations for Voluntary Adoption' at New Delhi with an objective to create a platform for necessary discourse and debate - essential for such voluntary measures to be adopted by stakeholders. Mr. R Bandyopadhyay, Secretary, Ministry of Corporate Affairs, announced that the Ministry would release the 'draft voluntary guidelines' for corporate governance at the close of the India Corporate Week. He also invited comments and views of the Industry on the report of CII's Task Force on Corporate Governance, which have been put up by the Ministry on its website. Reiterating the motto of Ministry of Corporate Affairs, 'Growth of the Corporate Sector incorporating Inclusive Growth', Mr Bandyopadhyay assured a lot of flexibility and stressed that the theme would revolve around 'comply or explain'. Mr. Bandyopadhyay also indicated harmonization of the Companies Act and Clause 49 of the Listing Agreement. He also assured to enlarge the paradigm to incorporate issues of good corporate practices in India and sought 'positive support of all stake holders' in its successful implementation. Mr. Amal Ganguli, Independent Director advocated that corporate governance compliance in our country should be made voluntary instead of mandating it by law and supported that companies should be given the choice of 'comply or explain'. He also stressed on training of Directors and stringent risk management. 'No empirical evidence have been found that following a code for Corporate Governance results in business success, hence we can only persuade people to follow good governance practices and not force them,' added Mr Amal Ganguli.

Speaking about the role of directors to make boards more effective, Mr. Bharat Wakhlu, Resident Director, Tata Services Ltd, strongly advocated at setting up a nomination committee for formulating the board, a formal letter of appointment for Independent Directors, fixed remuneration for Independent Directors. This would help to achieve more accountability and commitment. The Summit was also addressed by Mr. David Medland, Senior Partner, Grant Thornton and Mr. B Sai Chandravadhan, Vice President, Chess Management Services.