



NFCG
**National Foundation for
Corporate Governance**

ICC Conclave on
Management Reforms from the control of
Promoters to Professionals to justify Corporate Governance:
January 28, 2022, Webinar
Press Release
Moving from Promoter to Person In Control

Speakers

- **Mr.S.K.Mohanty, Whole Time Member, SEBI, Chief Guest of the Program**
- **CS Anil Kumar Dubey, Chairman, ICSI (ER), Guest of Honor of the Program**
- **FCS Rupanjana De, Practicing Company Secretary and Independent Director in many organizations**
- **CS Sudhakar Saraswatula, Vice President, Corporate & Secretarial, Reliance Industries Limited**
- **CS Rajesh Mittal, Company Secretary and CFO, Apex Auto Limited**
- **Mr Alok Kumar Chattopadhyay, Dy.Director & Advisor (F&A), ICC**

SEBI has evolved from the concept of Promoter to Person in Control and in sync with other Regulators would gradually make the change in other regulations like Companies Act, Banking Regulation Act etc. The due diligence is now focused on the performance of the organization and the people at the helm of affairs. However things are still in a nascent stage. Why does the handover take place from Promoter to Professional?

- Increased complexity of operations in today's Business Environment, which is a mix of boom and recession in different sectors of the Economy.
- To have diverse perspectives within management to fight today's tooth and nail business competition.
- As promoters step down, the stakeholders want talent to help the company succeed in the long term.

When a board is not performing, shareholders have a choice to replace the same, but that is not possible in family business. This makes the argument for professional managed business much more strong. Many of the family managed business do not survive beyond 3 generations. But some of the world's greatest businesses from Japan, USA and India are family owned and family run.

Though Professional Management is the need of the day, it cannot be achieved by a mere Framework or legal provisions only, it has to be accompanied by a mind set to implement the

same. To the question 'Compliance or Business?' the answer is 'Both' in same way as the players in any game cannot neglect the rules for the same. And this comes from the culture and the values inculcated in the organization.

Dr. Rajeev Singh
Director General