

International Conference on Corporate Governance (Second Edition)

9th Feb 2016, Hyatt Regency, New Delhi

The School of Corporate Governance and Public Policy organised the second edition of the International Conference on Corporate Governance on 9th February 2016 at Hyatt Regency, New Delhi in collaboration with industry body, FICCI.

Minister of State for Finance Hon'ble Shri Jayant Sinha presided over the conference as Chief Guest. In his inaugural remarks, he highlighted that more changes might be required in the Companies Act and SEBI regulations for listed companies.



From L-R: Dr Bhaskar Chatterjee, DG&CEO IICA, Prof Asish K Bhattacharyya, Head School of Corporate Governance & Public Policy, Mr Harshavardhan Neotia, President FICCI & Chairman Ambuja Neotia Group, Mr Prashant Saran, Wholetime Member SEBI, Hon'ble Minister of State for Finance, Shri Jayant Sinha, Mr Jun Zhang, Country Manager, International Finance Corporation

Outlining this he said, "We are seeing major changes on corporate governance, (and) major changes in the nature of capitalism. This is well established within the framework we are following being a pro-poor as

well as pro-market government. There are more changes that might be required in Companies Act, there are more changes that may be required how Sebi deals with listed entities...to strengthen corporate governance."



From L-R: Padamshree Dr Bindeshwar Pathak, Founder, Sulabh Foundation, Dr Bhaskar Chatterjee, DG&CEO IICA, and Hon'ble Minister of State for Finance, Shri Jayant Sinha

He said the introduction of the bankruptcy code in Parliament would have big impact on governance practices and "our effort is to balance the interests of the majority and minority shareholders as well as strengthening the rights of creditors."

Mr. Prashant Saran, Wholetime Member, SEBI, in his keynote address, pointed out that corporate governance should be seen as a way of survival, of doing business, not merely as a means for earning larger returns. In this context, Mr. Saran said that a good measure to assess whether a company was doing well or not and the benefits to shareholders was to follow the principles of integrated reporting which took into account the returns from financial, manufactured, human, intellectual, social and natural capital.

Dr. Bhaskar Chatterjee, DG & CEO, IICA, said the international conference, the second in the series on corporate governance, was aimed at providing a unique opportunity to corporations to understand expectations of policy makers and discuss with them the impediments in implementing laws on the ground.

He emphasised that the way business is conducted in India by following good governance practices should become a benchmark for the rest of the world.

Mr. Harshavardhan Neotia, President, FICCI and Chairman, Ambuja Neotia Group, pointed out that though the knowledge test criteria for independent directors has been built in the Companies Act, it is important to ensure they are not hauled up as a routine measure, for no fault of theirs and especially for non-compliance of provisions beyond the Companies Act. This could otherwise have a serious impact on directors where the intention is not of breach of trust or default and actions were honest. Such a situation can be remedied via a non-obstante clause insulating them from liability for acts committed where they were not explicitly involved. This is a great need for corporate India.

He said that the scope of non-compliances attracting imprisonment has been significantly increased compared to the Companies Act, 1956, mainly with a view to secure compliance. The current provisions provide for imprisonment of the officer in default even for technical non-compliances where there is no 'willful' default and also for areas involving interpretations. Penalties prescribed may need to be rationalized, so as not to deter persons from accepting non-executive directorship in companies.

Mr. Jun Zhang, Country Manager, India, IFC, said that the best run corporations are those that balance the business and societal interests in the communities in which they operate, adding that best governance practices were important for all companies, big or small. As a matter of fact he shared that IFC engages only with those companies which have strong corporate governance practices. He informed that IFC had joined with the Bombay Stock Exchange (BSE) to announce a Corporate Governance Scorecard with the objective of raising investor confidence, attracting capital and increasing the growth rate of the economy.

Professor Ashish Bhattacharya, Head, School of Corporate Governance & Public Policy, IICA, delivered a vote of thanks to the speakers and the participants at the conference.

The day-long conference covered four technical sessions focussed on Navigating During Crisis; Global Best Practices on Corporate Governance; Corporate India: Diversity and Inclusivity and Managing Risks for Good Governance.

The speakers of the technical sessions comprised renowned experts from SEBI, BSE, Deloitte, CIMA, Thomson Reuters, PNB Metlife, PTC Financial Services, Protiviti, Lakshmikumaran Sridharan among others. The conference saw participation of over 100 senior level professionals from regulatory, industry and academia.