

TALK ON CORPORATE GOVERNANCE

Today, the “Corporate Governance” is a buzz word in the corporate sector. A talk on this topic was organised at Delhi Chapter of IIM on 23rd November 2013.

Shri K L Mehrotra, Vice Chairman of the Chapter & Former CMD, Manganese Ore India Ltd (MOIL) delivered an exhaustive talk on the subject.



He stated that Corporate Governance plays an important part in the functioning of a company. The role of Corporate Governance has acquired a central stage in the running of a company after the unfortunate developments which took place in the companies like Enron, Lehman Brothers, Satyam, etc.



He informed that a company (whether listed or not) in India is required to have 50% of their directors as independent directors. Nominee directors of a company wherein the majority shareholding is of Government are not counted in the category of independent directors. The independent directors have to see that the interests of stakeholders of a company are protected. They have also to see that there is no breach of ethics in running of a company. He talked about the role of the Audit Committees in the functioning of a company. The Audit Committee is headed by an independent director. As a matter of fact, there is a majority of independent directors in the Audit Committee. The role of Audit Committee is defined and Do's and Don'ts are also indicated in the role.



The Corporate Governance consists of different factors. The Corporate Governance is measured by evaluating factors which are indicated in the Memorandum of Understanding wherein marks are assigned against each factor of Governance and at the end of the year, the score card is prepared taking into account the achievement of an enterprise against each factor.



Corporate Governance gives a lot of importance to Research & Development activities. The Corporate Governance also talks about the institution of Risk Management System and Whistle Blowing System in an enterprise. Corporate Governance is considered more as a compliance measure focussed on accountability.



The Corporate Governance also envisages Grievance Redressal Committee which is headed by an Independent Director. The Corporate Governance talks about competency building, commitment building, culture building and systems building.



The Corporate Governance has to ensure that the affairs of a company are conducted in a transparent and ethical manner keeping the interests of the shareholders and long term interest of society in mind. This also speaks about the timely disclosure and financial information about a company to the shareholders who are the ultimate owners of companies.

The talk on the Corporate Governance evoked a lot of interest in the audience. There was a question & answer session after conclusion of the talk. The programme was attended by about 30 participants.

The talk ended with a lunch.