Corporate Governance - a view from India

Thank you
Sandeep Parekh
Principle v. Rule based

- Few principle based laws till now
- Alien concept of 'comply or explain'
- Kotak Comm – penalises for picadillos
  - From comfort to false comfort
Past decade

Big Changes

Arrived from unexpected sources

- Satyam, Tata and Infosys
- Proxy advisors
- Institutional shareholder awakening
- Companies Act – RPTs
Limited progress

- Auditor regulations
  - NFRA v. ICAI v. SEBI
- New regulations by SEBI
- Governmental exceptionalism
- Independent directors
- Accountability to AGMs
Unknown progress

- Auditor rotation
- Public float increases
- Divestment by government
Way forward

- Convert Kotak Comm into
  - Code of conduct
- Excessive focus on boards
- Stewardship code
  - Institutional silence
- Lessons from Tata and Infosys
Thank you

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Way forward
- Corporate Governance
- Code of conduct
- Executive Director
- Independent directors
- Shareholder value
- Board effectiveness
- Issues faced in the future

Principle vs. Rule
- Principle is broader
- Rule is narrow
- Principle of governance is wider
- Rule-based governance

Thank you
Sandeep Parekh