

Corporate governance reforms to promote sustainability: Sebi

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Accountancy, independence, transparency and honesty are the prime drivers of the corporate governance regime in the country, said V S Sundaresan, chief general manager of Sebi. (Reuters)

The core idea behind corporate governance reforms in India is the promotion of long term sustainability of business enterprises, a top Sebi official said today.

Accountancy, independence, transparency and honesty are the prime drivers of the corporate governance regime in the country, said V S Sundaresan, chief general manager of Sebi.

He was speaking at a conference titled 'Corporate Governance: New dimensions of Board Practices and Responsibilities', organised jointly by Indian Chamber of Commerce and NFCG here.

He reaffirmed that application is more important than principles for the successful implementation of the corporate governance rules.

Sundaresan insisted on the disclosure of sensitive information by corporates on issues like security for loans and applicable interest rates for financing as they have a direct effect on product pricing.

R C Meena, Regional Director, Ministry of Corporate Affairs, said the main objective of the corporate governance reforms in India has always been minimum government and maximum governance.

He also spoke on the measures being undertaken by the government to bring down cases of corporate litigation.

“Sec 435 will facilitate disposal of corporate litigation cases on a fast track basis by special courts, thus promoting the ease of doing business in the country,” Meena said, adding that this would in turn boost investor confidence and attract foreign capital.

A K Rastogi, Executive Director and Company Secretary, NTPC Ltd, observed that leading public sector enterprises in the country have always abided by corporate governance norms and now with the initiation of reforms in the area, India can truly boast of an investor friendly economy.

Asish Bhattacharyya, Member, Core Group of Experts, National Foundation for Corporate Governance (NFCG), said the objective of the regulatory machinery in the country is to design institutions to compel company management to be sensitive about shareholders’ interests.

Anirban Datta, Chairman, EIRC, The Institute of Chartered Accountants of India, felt the prime objective of the Companies Act 2013 is safeguarding of “mass interest” which has become an imperative from the social perspective.

EIRC Chairman Sandip Kejriwal felt good corporate governance would promote transparency in the boardroom and improve compliance among stakeholders.

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