

**Gatekeepers of Governance – Corporate Governance Summit
28th – 29th November, 2014
Hotel Trident, Bandra Kurla Complex, Mumbai**

Summit Introduction:

M Damodaran

Chairperson, Excellence Enablers Private Limited and Former Chairman, SEBI

Special Address:

Tajinder Singh

Deputy Secretary General, International Organization of Securities Commissions (IOSCO)

Inauguration and Keynote address:

U K Sinha

Chairman, Securities and Exchange Board of India (SEBI)

Corporate Governance – Rules and Principles

The decades old debate on whether regulations have to be rules-based or principles-based has not been finally resolved. It is acknowledged that an excessively prescriptive regulatory regime often evokes a box-ticking response. The counterview is that a philosophy that focuses on desirable conduct, without getting into operational detail, results in too many grey areas as well as in conduct that seeks escape clauses and leads to interpretative compliance. Are principles **and** rules a possible answer?

Panellists

Ashish Chauhan – Moderator

Managing Director and Chief Executive Officer, Bombay Stock Exchange

M Damodaran

Chairperson, Excellence Enablers and Former Chairman, SEBI, UTI and IDBI

Prashant Saran

Whole Time Member, Securities and Exchange Board of India

Sunil Munjal

Joint Managing Director, Hero MotoCorp

Tajinder Singh

Deputy Secretary General, International Organization of Securities Commissions (IOSCO)

Boards and Managements – Peaceful Coexistence or Constructive Tension?

Corporate India has several examples of Board-Management relationships that lead to suboptimal performance of the companies concerned. This arises partly from lack of role clarity resulting in Boards being either disengaged or resorting to micromanagement. This is compounded by some managements that see Boards as an unavoidable nuisance, and some others that treat Boards as crutches. The result is either peaceful coexistence or intrusion into the others' turf leading to conflict. Is constructive tension the balance that we must seek?

Panellists

M Damodaran – Moderator

Chairperson, Excellence Enablers and Former Chairman, SEBI, UTI and IDBI

Bharat Doshi

Former Group Chief Financial Officer, Mahindra and Mahindra and Non-Executive Director, Mahindra & Mahindra

S Sandilya

Chairman, Eicher Group

Y M Deosthalee

Chairman and Managing Director, L&T Finance Holdings

Independent Directors – Empowered or Endangered

The Companies Act, 2013 has an elaborate definition of the term “Independent Director”, focussing on the absence of material relationship between the Director concerned and the entity or its promoter. Even more elaborate is the list of “dos” and “don’ts” in Schedule IV of the Act. The onerous responsibilities of Independent Directors, together with the liabilities which the Act prescribes, have created some amount of insecurity in the minds of Independent Directors. Their empowerment is a significant instrumentality through which the interests of various stakeholders are sought to be addressed. Does the Act or the environment enable them to discharge their duties effectively, without stepping on the toes of management? Is anything more required to be done to enable Independent Directors to meaningfully discharge their responsibilities? Are they, as some fear, an endangered species?

Panellists

Rama Bijapurkar – Moderator

Management Consultant

M M Chitale

Managing Partner, Mukund M Chitale & Co. and Chairman, National Advisory Committee on Accounting Standards (NACAS)

Sanjeev Aga

Former Managing Director, Idea Cellular

Shardul Shroff

Managing Partner, Amarchand & Mangaldas & Suresh A Shroff & Co.

Corporate Governance – The lender’s perspective

There are a number of reasons why borrowing entities are either unable or unwilling to settle their debt obligations. Unless the underlying causes are addressed at the right time, the lending institutions face the problem of non-performing assets and resultant procedural and substantive issues. One significant reason in many cases of corporate failure is the absence of appropriate governance practices which provide for in-house checks and balances before an organisation comes to grief. As vital stakeholders, can lenders address this problem of poor governance practices in borrowing entities? If so, what should be the nature of intervention? Should loan covenants prescribe for lenders’ oversight of governance practices in borrowing entities? Is Lender-Audit Committee interaction on a regular basis, a possible way out, when there is no Board representation for lenders?

Panellists

K C Chakrabarty – Moderator
Former Deputy Governor, Reserve Bank of India

Uday Kotak
Executive Vice Chairman and Managing Director, Kotak Mahindra Bank

Zia Mody
Managing Partner, AZB & Partners

Media and Corporate Governance

In a disclosure-based regime, it is necessary for listed entities to disclose, correctly completely and contemporaneously, all information that ought to be in the public domain. This seeks to reduce the asymmetry of information. At the same time, disinformation in the form of media reports that range from speculative to baseless and agenda-driven, adversely affect companies and in the process destroys stakeholder value. External regulation is perceived as striking at the root of freedom of the press. Self regulation has been patchy. What is the way forward?

Panellists

Niranjan Rajadhyaksha – Moderator
Executive Editor, Mint

M Damodaran
Chairperson, Excellence Enablers and Former Chairman, SEBI, UTI and IDBI

Raghav Bahl
Founder, Quintillion Media

S Raman
Whole Time Member, Securities and Exchange Board of India

Culture and Corporate Governance – Independent or Interdependent

Different jurisdictions the world over have put in place Corporate Governance regimes that take into account their specific ground realities. Often the country-specific variables derive from culture and tradition. To what extent can there be uniformity of practices across jurisdictions factoring in, but not being unduly influenced by, cultural aspects? Is such uniformity desirable? Should governance, which is premised on value systems, be rooted entirely in the cultural context of each jurisdiction?

Panellists

P M Kumar – Moderator
Business Chairman – Institution Building & Governance, GMR Group

Anil Singhvi
Founder Director, Institutional Investor Advisory Services and Chairman Ican Investments Advisors

Mohandas Pai
Chairman, Manipal Global Education

M V Subbiah
Former Chairman, Murugappa Group

Audit Committees – Defenders of the faith

The increasing responsibility of the Audit Committee, together with its composition, comprising mostly non-executive Independent Directors with limited time, and in some cases, limited financial expertise, pose a major challenge. The Audit Committee being, at least in the perception of investors and regulators, the repository of their faith, has to be seen as measuring up to the expectation that it helps to keep the company on the straight and narrow path. The Audit Committee has to extract considerable value from the auditors, both statutory and internal, which given the limited time available for the audit function, is a huge task especially in a multi-product, multi-location company. Based on experience and in the light of the Companies Act, 2013, how do Audit Committees respond?

Panellists

Shailesh Haribhakti – Moderator

Chairman, DH Consultants and Managing Partner, Haribhakti & Co.

S Santhanakrishnan

Head, Corporate Laws & Corporate Governance Committee, Institute of Chartered Accountants of India and Chairman, Catholic Syrian Bank

T N Manoharan

Founding Partner, Manohar Chowdhry & Associates and Former President, Institute of Chartered Accountants of India

Y H Malegam

Chairman, National Advisory Committee on Accounting Standards and Member of Board, Reserve Bank of India

PSUs – The ownership-management conflict

It has long been established at a theoretical level, that efficiency, being a function of management, is ownership-neutral. This is evidenced by good and bad performances of entities both in the private and public sector. Nevertheless, there is increasing evidence that ownership in the public sector has often been an impediment to managements realising their full potential. Sometimes this takes the form of lack of empowerment adversely impacting decision-making. Public sector ownership also translates into additional controls which create the absence of a level playing field in the same sector for publicly owned and privately owned entities. Based on experience, what steps are required to be taken to realise the full potential of public sector undertakings and to ensure that the ownership function does not degenerate into micro-management?

Panellists

T T Ram Mohan – Moderator

Professor, Indian Institute of Management, Ahmedabad (IIM-A)

Ajay Shankar

Member Secretary, National Manufacturing Competitiveness Council and Former Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India

B Ashok

Chairman, Indian Oil Corporation

S K Roongta

Vice Chairman, Balco, Managing Director, Sesa Sterlite and Former Chairman, Steel Authority of India

Institutional Investors and Better Board Practices

Institutional investors come in different shapes and sizes, and at different stages in the life of a corporate entity. Notwithstanding the nature and the extent of their commitments, or the stage of their entity into the corporate, some of their concerns are common. In their attempt to realise better value for themselves and their investors, they are expected to drive better governance practices in investee companies. How is this accomplished? What has been the experience in India? How can shortcomings noticed in this regard be addressed?

Panellists

Amit Chandra – Moderator
Managing Director, Bain Capital Advisors

Bala Deshpande
Senior Managing Director, New Enterprise Associates India

Leo Puri
Managing Director, UTI Asset Management Company

Vinita Bali
Former Managing Director, Britannia Industries Limited