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How best can this be used.

'More corporate governance practices must be adopted'

Mohan Padmanabhan
Kolkata, April 5

THE enormous challenge of corporate governance in a highly disparate business environment, where corporate frauds thrive, can be best met through a "triple bottom line approach", according to Dr Madhav Mehra, President of the London-based World Council for Corporate Governance (WCFCG).

Speaking to Business Line during the run-up to the fifth two-day international conference on corporate governance with the theme of "Governance of corporations in a disparate world" in London next month, organised by WCFCG, Dr Mehra said that the three priorities for any corporate house are "people, planet (meaning the Earth) and profits", in that order.

He also favoured mandatory independent corporate governance ratings, which completely open up the company to all its stakeholders, including shareholders.

On the prevailing situation in India, he said that there is too much talk and too little by way of implementation.

"The governance ratings now in vogue are grossly inadequate, as they reflect only what a corporate house wants its different stakeholders to know."

The issue is not merely one of disclosures, but that of the "heart", as total transparency is what is needed, he added.

Making a strong pitch for a larger crop of independent directors, especially in large Indian companies, as recommended by the Nareish Chandra Committee, he said that the Government should implement the panel suggestions without any further delay.

Drawing a parallel with corporate governance practices in the developed world post-Enron, he said that the similar Derek Higgs report in the UK was implemented speedily despite certain hurdles.

Prior to the Enron debacle, there was

a tendency among corporates worldwide to whitewash the truth, but all this has changed now as the "culture of concealment has been exposed".

In this context, he visualised a much bigger role for Government, especially for institutions like the Securities and Exchange Board of India, as greater Government-industry interaction was required.

Government-related issues have to be debated upfront, as this would be the major driver of all Indian corporates hoping for a Nasdaq or an LSE listing in the foreseeable future.

On the London world conference by WCFCG, he said that the key objective is to promote awareness among stakeholders of the changing role of business in a world of sharp disparities, and develop a framework of governance practices that create and enhance economic, social and environmental value.

The principal beneficiaries would be company Chairmen, Directors, Presidents, CEOs, CFOs, bankers, fund man-

agers, company management analysts, financial consultants and academicians.

A major gain will be the insight on how corporate social and environmental responsibility can help in improving the image and market capitalisation of companies, and also help create sustainable wealth.

Among the key speakers from India at the conference are Mr M. Damodaran, Chairman, UTI & IDBI, Mr Justice M.N. Venkatchaliah, former Chief Justice, Supreme Court, Mr Justice A.M. Ahmadi, former Chief Justice, Supreme Court, Prof (Dr) Rajat K. Baisya of IIT, Delhi, Mr K. Jairaj, Principal Secretary, Government of Karnataka, Prof P.K. Banerjee, ICFAI Business School, and Mr F.C. Kohli, former Deputy Chairman, TCS.

Mr Ratan Tata, Chairman, Tata Industries, is expected to address the inaugural session. According to Dr Mehra, Infosys is expected to make a presentation.

Rasheeda Bhagat
Patna, April 5

has announced his candidature from Chapra, the place where he grew up and worked for a

Bihar set for an interesting tussle

formidable combination at the ground level." But with the BJP and JD (U)

has Paswan's Lokshakti Party, the Congress-I and the CPI-M. Though the Congress-I's plight