

# Companies told to be transparent

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By Our Special Correspondent

**BANGALORE, FEB. 19.** The president of the World Council for Corporate Governance, Madhav Mehra, said on Tuesday that transparency should be the hallmark of corporate governance in an economy driven by new models.

"Companies which are not transparent will have to pay a heavy price. The one certainty in today's uncertain world is that if one tries to hide behind stealth and translucence, he is certain to be found out," Dr. Mehra said.

He was speaking at a workshop on "Making corporate governance work: Maximising effectiveness of company boards", organised by the Centre for Corporate Governance and Institute of Directors.

"One lesson to be learnt from the high profile failures of Enron and WorldCom is that we must move away from the Western model of a box-ticking approach to corporate governance," he said.

"It is rather unfortunate that our Joint Parliamentary Committee missed a great opportunity for cleansing the political system, the way the U.S. President did after the Enron scandal. It was a mistake not to capitalise on the post-Enron reaction and indict those responsible for the UTI scam which affected the common man and shattered public confidence in stock markets," Dr. Mehra said.

The former Chief Justice of India, M.N. Venkatachalaiah, called for a debate by corporate regulators on the role of "independent" directors on the boards of corporates. Quality, competitiveness, and constant innovativeness always helped in effective corporate governance, he said.

There was a new urge among various countries, including those with military regimes, to opt for the democratic process that would have an impact on economic sectors, he said.

The KSRTC Managing Director, J. Jairaj, and the Regional Manager of *The Hindu*, Capt. V.V.K. Mani, spoke.