

13th ICSI National Awards for Excellence in Corporate Governance

Speech of Chief Guest Mr. Arun Jaitley, Hon'ble Union Minister for Finance, Defense and Corporate Affairs

The President of The Institute of the Company Secretaries, other officials of the Institute on the dais. Those who are being honored for excellence today, other Members of the Institute, Ladies and Gentlemen. Let me express my gratitude to the Institute of Company Secretaries for having invited me to associate with this function where you are honoring Corporate excellence today. In a society where mediocrity becomes a norm, one has to search for excellence and people have to strive to reach that position of excellence and those who have reached that position of the excellence, then become role models where others have to follow them. This is almost true in every area of Life. You combine the excellence with Governance; Governance is one area where we have to learn a lot from the International best practices. It could be political Governance, At times I used to wonder that if we could grow well with very moderate levels of Governance. With a high level of Governance perhaps this Country could have reached much greater heights. In the corporate sector competitiveness is intense and therefore to have sustained success, the highest level of excellence has to be maintained. Be it innovation, be it administration of Companies be it maintenance of records,

transparency fairness, accuracy of maintenance of accounts, accuracy in maintenance of records which actually gives you a glimpse of the administration of that company, is very necessary. Companies are instruments which deal with money of the investors and therefore investors have a right to know with regard to each affair of the company. We also now have a strong regulatory mechanism for listed companies. You have the mechanism of the SEBI, for all companies you have the mechanism under the Companies Act, We now have the new Companies Act. Its only when its unfolding then we are all realizing where the shoe pinches and therefore I have started receiving innumerable number of the requests to look into some of those provisions of the Companies Act. We need to associate the best minds; the best talents and obviously we can't have a legislation which dissuades them from association. I do remember some 12 or 14 years ago in my first round as a Minister in Mr. Vajpayee's Government, the responsibility of the department of the Company Affairs was even given to me at that time and one of the responsibilities in that department always has been the affairs of the Institute of Chartered Accountants, The Cost and Works Accountants and the Company Secretaries. It's a curious co-incidence that in 2001 I was looking after the same department. A preceding generation of your Institute had then come to me and said we have decided to Institute Awards for Excellence in the administration of

Companies and then they told me that Justice, the Chief Justice Venkatachaliah, one of the most respectful and respectable names in Indian Judicial system was going to head the jury to select the winners and I think at the initial stages Justice Venkatachaliah had himself come for one or two functions also. Its only when I saw his name associated, then I realized that these were indeed going to be Prestigious Awards but I had a lurking doubt that when Awards are instituted they can be a flash in the pan and for a few years you go on and then you forget about it. But I am glad that much later almost 13 years later when I have yet another opportunity of being associated with this department, I have found that the Awards have been given regularly and they have been increasingly professionalized You now not only have a Jury System but you have a very fair system of selecting who the persons to be honored are, and from the names I see I find some of the best Companies in India are being honored as a part of these Awards. As I mentioned in the beginning, the quality of Governance of any Companies adds to its credibility. People like to be associated with those companies, with those Brand names which carry a certain amount of credibility with them. The fly -by- night operators, may or may not meet some instant success but they are destined to go into the dustbin and those who maintain the highest standards of Corporate Governance not only succeed, they not only get

the best manpower, they not only get the best customers or the clients but they are the ones who eventually become the very best in the system itself and I am therefore glad to associate with these Awards once again this year where you have chosen the very best amongst the Indian Industry. I congratulate the Award winners. May they act as good role models for others and I am sure following their illustrious example there will be many others who will be on road to maintaining the same category of standards as these Companies and Individuals who are being honored today. Slowly Indian economy is coming off age, we've had a setback in last 2-3 years but I am sure these were transient stages. The opportunities for the corporate sectors are huge. There are opportunities of associations, Joint ventures, Investments and I think once we are on the take off stage of the economy once again, the opportunities for Indian corporate sectors are going to be immense. It's a Challenge for us that we take control of these opportunities and therefore by our own credibility and by adopting the internationally the best practice, we can run our corporate sector in a manner which we can all be proud of. It's the highest level of professionalism which sustain the market, if there are any black sheep let them be identified and let the law be very tough on them. I am sure the Institute of Company secretaries comprises of Members who have great amount of professional opportunities for

themselves. There are those who are associated with larger corporates, there are those who are freelance practitioners by themselves and therefore in an enlarging economy, with the kind of opportunities you have , I have not the least doubt that you will continue to maintain those best practices .

My Best wishes to all of you and once again I wish to congratulate all those who are being honored today for having attained standards of excellence in the administration of the companies.

Thank you very much