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Conference on Ethics and Corporate Governance organised by The Institute of Company Secretaries of India (ICSI) in collaboration with National Institute of Securities Markets (NISM) at Mumbai



Shri U.K.Sinha Chairman SEBI addressing the august gathering at the Conference on Ethics and Corporate Governance organised by ICSI in collaboration with NISM

Corporate Governance assumes significance in today's corporate world as we see collapse of institutions, systems and procedures due to poor governance. To create awareness and understand the importance of Ethics in Governance, the Institute of Company Secretaries of India (ICSI) in collaboration with National Institute of Securities Markets (NISM), in its series of conferences on the subject, organized a Conference on the theme 'Ethics and Governance' at Mumbai on Thursday, September 26, 2013.

Shri U K Sinha, Chairman, SEBI was the Chief Guest for the occasion. **Ms Rama Bijapurkar, Eminent Management Consultant** was the Key Note speaker and **Ms Chitra Ramakrishna, MD & CEO, NSE** gave the Valedictory Address.

Shri S N Ananthasubramanian, President, ICSI, in his Welcome Address, threw light on the initiatives of ICSI in the area of corporate governance viz. Centre for Corporate Governance, Research & Training (CCGRT), Corporate Governance Award, Corporate Governance Assessment Model, PMQ in Corporate Governance etc. and highlighted the transition of Company Secretaries to Corporate Governance Professionals. Speaking on Ethics and Governance, he pointed out the need to go beyond the letter of law. Quoting the words of Shri Nani Palkhivala, he stated that the feeling of obedience to the unenforceable is the very opposite of the attitude that whatever is technically possible is allowed.

Shri Sandip Ghose, Director, NISM who gave a Special Address on the occasion, stated that if one can excel within the framework of rules then he/she is a part of modernity. He reiterated the fact that ethics is not easy. It is about commandments which either can or cannot be followed; there being no mid-way.

Ms Rama Bijapurkar, at the outset, congratulated ICSI and NISM for organising such conference given the fact that ethics and governance is a matter of serious inspection and introspection. She stated that ethics is a framework within which one needs to think; thus psychological component of individuals becomes critical to improve ethical quotient of corporates. Ethics is about right or wrong and not possible or impossible; thus it needs theory, practice as well as experience sharing. More than all, it needs courage or conviction i.e. the obligation to dissent. In this direction, some amount of formalisation helps everyone to remain straight. Ms. Bijapurkar emphasized the need to put religion into rituals. Referring to an article titled '*Why good people do unexpected things?*' in Harvard Business Review, she reiterated that ethical issues cannot be approached as a business decision. She stressed on the key role of company secretaries in guiding independent directors in particular.

Shri U K Sinha expressed his delight over the contents of the conference which encompasses the academicians', practitioners' and regulators' perspective on ethics and governance. He felt that mostly, corporate governance is looked into as a letter of law rather than the spirit behind it. In larger society, enhanced demands for social causes are arising from unexpected people and similar demands can be expected from corporate side. What is therefore required is comprehensive and continuous evaluation. Consequently, higher sense of responsibility and lack of tolerance have come into existence recently; more deterrents are now in public domain and penalties are levied on

individuals rather than corporates. Discussing about SEBI's initiatives in the area of corporate governance, Shri Sinha made it clear that whatever the regulator does, there is a need for active participation of shareholders, directors & other stakeholders as well in this direction. In conclusion, he assured that recommendations arising out of such conferences would be seriously considered by SEBI and also informed that Clause 49 of Listing Agreement is soon being brought out as Regulations by SEBI.

Ms Chitra Ramakrishna, while delivering the Valedictory Address, congratulated ICSI and NISM for organising a conference on an evergreen subject, which would be relevant in any era or decade. She pointed out that in last decade, corporate governance has been progressively imbibed by the industry but some more needs to be done. Speaking about the recommendations of the Adi Godrej Committee, she stated that the lacuna in Corporate Governance is not in letter of law but what is missing is its internalisation and implementation. For pushing the envelope of Corporate Governance, certain discussion or debates needs to be conducted in the professional circles and active participation of institutional investors is desirable. In conclusion, she stressed on the need for the enforcement and implementation of corporate governance by professionals like company secretaries since they are the ones who drive the industry towards better standards.

The conference witnessed a galaxy of eminent speakers during 3 technical sessions viz. 1) Academic Perspective which was chaired by Shri M S Sahoo, Secretary – ICSI with Dr. Subrata Sarkar, Professor, IGIDR and Dr. Abhijit Phadnis, Management Consultant as other speakers 2) Practitioners' Perspective which was chaired by Dr. Anil K Khandelwal, Former Chairman & Managing Director, Bank of Baroda with Shri M M Chitale, Managing Partner of Mukund M. Chitale & Co. and Shri Sandip Ghose, Director, NISM as other speakers 3) Regulatory Perspective which was chaired by Shri R K Nair, Member, IRDA, Shri V S Sundaresan, Chief General Manager, SEBI and Ms. Grace Elizabeth Koshi, Ex PCGM, RBI as other speakers.

The conference was a confluence of thoughts between practitioners, academicians and regulators, which identified critical governance and ethical issues in the Indian corporate sector.

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