

## **Corporate Governance and the role and responsibility of Board of Directors in India with special focus on Independent Directors**

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### **Abstract**

With the fiasco of Satyam and Sahara in India and the Enron, Worldcom, Permalet, the multinational newspaper group Hollinger Inc. Newyork Stock Exchange and many more debacles in the world, there is a need to pay more attention on the quality of corporate governance. The role and responsibilities of Board of Directors has emerged as an important issue in examining the causes of collapses. This has created much debate on what actually is the role of directors in directing and managing their companies. Though Cadbury Committee on Corporate Governance submitted their report in December 1992 but nothing significant as far as concepts, regulations and their implementations are concerned has changed despite of globalization of businesses and increase in public participation in stock markets. This is the right time to review the role of board of directors and to overhaul the corporate governance in the country.

This paper makes a modest attempt to examine the role of boards of directors in light of institutional contingencies and recent best practice governance, guidelines and regulations such as the United Kingdom Higgs Review and the United States Sarbanes-Oxley Act 2002. Special attention has been paid to discuss the role and responsibility of independent directors and implications for corporate governance innovation. It concludes by posing questions about recent corporate governance transformations and providing suggestions on appropriate roles and responsibilities that should be enshrined to independent directors. In addition to this, a mechanism of how independent directors should be selected has been suggested.

**Keywords:** Corporate Governance, Independent Directors, Regulations, Fiasco, Collapses, Transformation, Corporate Governance Innovation.

## **Introduction**

With the Satyam and Sahara fiasco in India and the Enron, Worldcom and many more debacles in the world, it has become an important issue and much more focus is being given on the quality of corporate governance and specifically towards the role of independent directors in the entire management and governance practices of a company. The high-profile corporate governance failures scams like the one Harshad Mehta stock market scam, Ketan Parekh scam, UTI scam and of late the mammoth Satyam Computers scam have received severe criticism from several stake-holders. The role and responsibilities of the board of directors are being probed in examining the causes of these collapses. This has created much debate on what actually should be the role of the board of directors, especially “Independent Directors” in directing and managing a company. This has also called for the need to establish an improved and more transparent corporate governance system as it affects the financial and economic growth and developments of the country.

Corporate Governance is the act or manner of governing a company. The issue has been a long standing one ever since a company marked by separation of ownership with management was conceived. The directors of such companies, however, being the managers of other people’s money than of their own, it cannot well be expected that they should watch over it with the same anxious vigilance with which the partners in a private company frequently watch over their own. But the literature of management discerns corporate governance as the most efficient way in which a firm can be run focusing on the internal organization of a company. It is the relationship among various participants in determining the direction and performance of companies. Lanoo (1999) views corporate governance as the relationship between the owners (shareholders) and the managers in the control of a corporation.

## **Objectives of the Study**

This study on Corporate Governance has the following objectives:

- To study and analyze the system of Corporate Governance and role of directors in India.
- To compare the system of Corporate Policies and Corporate Governance of U.K, U.S. and India.
- To find out the steps being undertaken by Ministry of Corporate Affairs, India to improve the system of Corporate Governance in India.
- To offer some valuable suggestions for improvement of the Indian Corporate Governance System.

## **Research Methodology**

### **(a). Data Collection Methods:**

#### **(i). Secondary Data:**

The secondary data has been collected from the published data in various books on the subject, research papers, websites, magazines, journals and news papers.

#### **(ii). Primary Data:**

It has been collected through questionnaire and personal interview with the owners and Chief Executive Officers selected from different Companies/organizations in the area of National Capital Region of Delhi.

### **(b). Sampling:**

Convenience sampling method has been used to select the respondents. We have selected 86 respondents having some knowledge of corporate governance from various regions in the National Capital Region of Delhi.

**(c). Statistical Tools:**

- (i) Percentage Analysis.
- (ii) Cross Tabulation.
- (iii) Pie Charts

**SECONDARY DATA**

**Comparative study of Corporate Policies and Governance Norms of India , U.K and U.S**

A comparative analysis has been done between the US, UK and India to gain insights into the Corporate Governance system in these countries

**1. Corporate Policies on Corporate Governance in India**

Indian companies are characterized by concentrated ownership of shares, pyramiding and tunneling of funds among group companies. Even the independent directors on the board of listed companies have frequently been silent spectators unable or unwilling to carry out their monitoring functions. The main provisions dealing with corporate governance in the Indian Companies Act 1956 are given here-in-below:

**Exhibit I: Provisions in the Indian Companies Act dealing with Corporate Governance**

<b>Sec. 292 A</b>	Requires every public having paid up capital of Rs. 5 Crore or more to constitute a committee of the board called the Audit Committee.
<b>Sec. 299</b>	Requires every director of a company to make disclosure at the board meeting of the nature of his contract or agreement (present or proposed) entered by or on behalf of the company.
<b>Sec. 309 (I)</b>	Requires that the remuneration payable both to the executive as well as non-executive directors is required to be determined by the board in accordance with and subject to the provisions of Sec. 198 either by the articles of the company or

	by resolution or if the articles so require, by a special resolution, passed by the company in a general meeting.
<b>Schedule VI</b>	Requires disclosure of director's remuneration and computation of net profits for that purpose.

However, some serious efforts have been made since liberalization to overhaul the system. The Security and Exchange Board of India has introduced Clause 49 of the Listing Agreement dealing with Corporate Governance. The Ministry of Corporate Affairs has also taken active initiatives to improve the Corporate Governance standards in the country.

**The clause 49 of the listing agreement defines the expression 'Independent Director' which shall mean a non-executive director of the company who :**

- Apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, directors, senior management, holding company, subsidiaries and associates which may affect independence of the director.
- He is not related to promoters or persons occupying management positions at the board level or at one level below the board.
- He has not been an executive of the company in the immediately preceding three financial years.
- He is not a partner or an executive or was not partner or an executive during the preceding three years of any of the following :
  - (i). The statutory audit firm or the internal audit firm that is associated with the company, and
  - (ii). The legal firm (s) and consulting firm (s) that have a material association with the company.

- He is not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect independence of the director.
- He is not a substantial shareholder of the company i.e. owning two % or more of the block of voting shares.
- He is not less than 21 years of age.

However, in reality, the concept of independent directors has just become a myth. As per the estimates, there are almost 75% of all the independent directors are “home members” in India. These are natural allies of the promoters and are not independent in any sense. The problems associated with the so called independent directors have been aptly brought out in this article, an extract of which is presented below:

**(A). Role of Ministry of Corporate Affairs, Govt. of India**

The ministry of Corporate Affairs is the main authority in India for regulating and promoting corporate governance. It is working constantly for improvement in the legislative framework and administrative set up ensuring compliance of regulations with transparency and accountability in the field of governance. It has issued voluntary guidelines on Corporate Governance in December 2009. These guidelines are based on the recommendations of the Task Force Committee set-up by Confederation of Indian Industry under the chairmanship of Sh. Naresh Chandra in Feb. 2009. The guidelines are expected to encourage the use of better practices through voluntary adoption, which not only serve as a benchmark for the corporate sector but also help them in achieving the highest standard of corporate governance. The relevant extracts of the guidelines are placed below:

**(a). Board of Directors**

**(i) Appointment:**

Companies should issue formal letters of appointment to Non-Executive Directors and independent Directors – as is done by them while appointing employees and Executive Directors. The letter should specify :

- The term of Appointment.
- The expectation of the Board from the appointed Director.

- The Board level Committee(s) in which the director is expected to serve and the tasks thereof.
- The fiduciary duties that come with such an appointment alongwith accompanying liabilities.
- Provision for Directors and Officers insurance, if any.
- The Code of Business Ethics that the company expects its directors and employees to follow.
- The list of actions that a director should not do while functioning as such in the company, and
- The remuneration, including sitting fees and stock options etc., if any.

Such formal letter should form a part of the disclosure to shareholders at the time of the ratification of his/her appointment or re-appointment to the Board. This letter should also be placed by the company on its website of the stock exchange where the securities of the company are listed.

**(b). Separation of offices of Chairman and Chief Executive Officer**

To prevent unfettered decision making powers with a single individual, there should be a clear demarcation of the roles and responsibilities of the chairman of the Board and that of the Managing Director/Chief Executive Officer. The roles and offices of Chairman and CEO should be separated, as far as possible, to promote and ensure proper balance of power.

**(c). Nomination Committee:**

- The companies may have nomination committee comprising of majority of Independent Directors, including its chairman. This committee should consider :
- Proposals for searching, evaluating and recommending appropriate Independent Directors and Non-Executive Directors, based on an objective and transparent set of guidelines which should be disclosed and should inter-alia, include the criteria for determining qualifications, positive attributes, independence of a director and availability of time with him or her to devote to the job.

- Determining processes for evaluating the skill, knowledge, experience and effectiveness of individual directors as well as the Board as a whole.
- With a view to enable Board to take proper and reasoned decisions, Nomination Committee should ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.
- A separate section in the Annual Report should outline the guidelines being followed by the Nomination Committee and the role and work done by it during the year under consideration.

**(d). Number of Companies in which an individual may become a director :**

For reckoning the maximum limit of directorships, the following categories of companies should be included:

- Public Limited Companies.
- Private companies that are either holding or subsidiary companies of public companies.
- In case an individual is a Managing Director or whole-time director in a public company, the maximum number of companies in which such an individual can serve as a Non-Executive Director or Independent Director should be restricted to seven.

**(e). Attributes for Independent Directors:**

- The Board should put in place a policy for specifying positive attributes of Independent Directors such as integrity, experience and expertise, foresight, managerial qualities and ability to read and understand financial statements. Disclosure about such policy should be made by the Board in its report to the shareholders. Such a policy may be subject to approval from shareholders.
- All Independent Director should provide a detailed Certificate of Independence at the time of their appointment and thereafter annually. This certificate should be placed by the company on its website, if any, and in case the company is a listed company, also on the website of the stock exchange where the securities of the company are listed.



**(f). Tenure for Independent Director**

- An individual may not remain as an Independent Director in a company for more than six years.
- A period of three years should elapse before such an individual is included in the same company in any capacity.
- No individual may be allowed to have more than three tenures as Independent Director in the manner suggested as above.
- The maximum number of public companies in which an individual may serve as an Independent Director should be restricted to seven.

**(g). Independent Directors to have the option and freedom to meet company management periodically :**

- In order to enable Independent Directors to perform their functions effectively, they should have the option and freedom to interact with the company management periodically.

Independent Directors should be provided with adequate independent office space, resources and support by the companies including the power to have access to additional information to enable them to study and analyse various information and data provided by the company management.

**(h). Remuneration of Directors: Performance**

- The companies should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully. It should also be ensured that relationship of remuneration to performance is clear. Incentive schemes should be designed around appropriate performance benchmarks and provide rewards for materially improved company performance. Benchmarks for performance laid down by the company should be disclosed to the members annually.
- Remuneration Policy for the members of the Board and Key Executives should be clearly laid down and disclosed. Remuneration packages should involve a balance between fixed

and incentive pay, reflecting short and long term performance objectives appropriate to the company's circumstances and goal.

- The performance related elements of remuneration should form a significant proportion of the total remuneration package of Executive Directors and should be designed to align their interests with those of shareholders and to give these Directors keen incentives to perform at the highest levels.

**(i). Remuneration of Non-Executive Directors**

- The companies should have the option of giving a fixed contractual remuneration, not linked to profits, to NEDs. The companies should have the option to :
  - (i). Pay a fixed contractual remuneration to its NEDs, subject to an appropriate ceiling depending on the size of the company, or
  - (ii). Pay up to an appropriate percent of the net profits of the company.
- The choice should be uniform for all NEDs, i.e. some should not be paid a commission on profits while others are paid a fixed amount.
- If the option chosen is (i) above, then the NEDs should not be eligible for any commission on profits.
- If stock options are granted as a form of payment to NEDs, then these should be held by the concerned director until three years of his exit from the Board.

**(j). Structure of compensation to NEDs**

- The companies may use the following manner in structuring remuneration to NEDs :
  - (i). Fixed Component: This should be relatively low, so as to align NEDs to a greater share of variable pay. These should not be more than one-third of the total remuneration package.
  - (ii). Variable Component : Based on attendance of Board and Committee Meetings (at least 75% of all meetings should be an eligibility ore-condition).
  - (iii). Additional Variable Payment(s) for being :
    - The chairman of the board, especially if he/she is a non-executive chairman.
    - The chairman of the Audit Committee and/or other committees.
    - Members of Board Committees.

If such a structure (or any similar structure) of remuneration is adopted by the Board, it should be disclosed to the shareholders in the Annual Report of the company.

**(k). Remuneration of Independent Directors**

In order to attract, retain and motivate independent Directors of quality to contribute to the company, they should be paid adequate sitting fees which may depend upon the twin criteria of Net Worth and Turnover of companies.

The IDs may not be allowed to be paid stock options or profit based commissions, so that their independence is not compromised.

**(l). Remuneration Committee**

- Companies should have Remuneration Committee of the Board. This committee should comprise of at least three members, majority of whom should be non executive directors with at least one being an Independent Director.
- This Committee should have responsibility for determining the remuneration for all executive directors and the executive chairman, including any compensation payments, such as retirement benefits or stock options. It should be ensured that no director is involved in deciding his or her own remuneration.
- This Committee should also determine principles, criteria and the basis of remuneration policy of the company which should be disclosed to shareholders and their comments, if any, considered suitably. Whenever, there is any deviation from such policy, the justification/reasons should also be indicated/disclosed adequately.
- This Committee should also recommend and monitor the level and structure of pay for senior management i.e. one level below the Board.
- This Committee should make available its term of reference, its role, the authority delegated to it by the Board and what it has done for the year under review to the shareholders in the Annual Report.

## **(B). Responsibilities of the Board**

### **(a). Training of Directors**

- The companies should ensure that directors are inducted through a suitable familiarization process covering, inter-alia their roles, responsibilities and liabilities. Efforts should be made to ensure that every director has the ability to understand basic financial statements, information and related documents/papers. There should be a statement to this effect by the Board in the Annual Report.
- Besides this, the Board should also adopt suitable methods to enrich the skills of directors from time to time.

### **(b). Enabling Quality Decision Making**

- The Board, its Audit Committee and its executive management should collectively identify the risks impacting the company's business, document, their process of risk identification, risk minimization, risk optimization as a part of a risk management policy or strategy.
- The Board should also affirm and disclose in its report to members that it has put in place critical risk management framework across the company, which is overseen once every six months by the Board.

The disclosure should also include a statement of those elements of risk, that the Board feels, may threaten the existence of the company.

## **(C) Evaluation of Performance of Board of Directors, Committees thereof and of Individual Directors**

- The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.
- The Board should state in the Annual Report how performance evaluation of the Board, its committees and its individual directors has been conducted.

**(a). Board to place systems to ensure compliance with laws :**

- In order to safeguard shareholder's investment and the company's assets, the Board should, at least annually, conduct a review of the effectiveness of the company's system of internal controls and should report to shareholders that they have done so. The review should cover all material controls, including financial, operational and compliance controls and risk management systems.
- The Director's Responsibility Statement should also include a statement that proper systems are in place to ensure compliance of all laws applicable to the company. It should follow the "comply or explain" principle.
- For every agenda item at the Board meeting, there should be attached an "Impact Analysis on Minority Shareholders proactively stating if the agenda item has any impact on the rights of minority shareholders. The Independent Directors should discuss such Impact Analysis and offer their comments which should be suitably recorded.

**(D). Independent Directors and Vicarious Liability**

The Companies Act 1956 considers all the directors alike for all aspects. It does not exempt independent directors from any of the duties, liabilities and responsibilities of the Board. As of the current legal norms, independent directors face the same liabilities as the executive directors. Section 141 of this Act imposes a vicarious liability on the directors of a company who are prosecuted in respect of dishonor of cheque.

The law does not make a distinction between directors who are in charge of the day-to-day affairs of the company and non-executive members attending only the board meetings once in three months. It however does look unreasonable to make such non-executive directors liable for the actions and decisions of the company, they may not be aware of.

**(E). Director's Liabilities**

Violation of the clause 49 could result in the de-listing of the company. Also, violations of the listing agreement could generate both financial penalties imposed by government and criminal sanctions for directors under the Securities Contract (Regulation) Act 1956. Few of the other provisions, some targeted at directors and some general under which directors may be

prosecuted, and are incorporated under the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.

However, the Independent Directors can protect themselves against liability due to fraud, bribery and corruption by bringing objectivity in all the decisions made by the Board of Directors. They should play a very crucial, effective and supervisory role in all the important matters of the organizations. While they need not take part in the company's day-to-day affairs or decision making but they should ask the right questions at the right time regarding the board decisions. Raising the appropriate red flags at the right time would help them in avoiding the occurrence of unwanted situations and their consequences to a great extent.

#### **(F). Limitations: Need for stricter legal norms**

It is very clear that in practice, one is invited to join a board to act as a non-executive director only if he/she is well known to the Promoters or the Chairman or the Managing Director. All non-executive directors, whether or not independent, need support of Promoter Group for their re-selection. Consequently, the Boards of Directors have largely functioned as Rubber-Stamps of the management of the company.

### **2. Corporate Policies and Corporate Governance of U.K:**

#### **(a). Overview of UK Corporate Policies and Governance Norms :**

The UK Corporate Governance code 2010 is overseen by the Financial Reporting Council (FRC). The listing rules 2010 require that public listed companies disclose how they have complied with the code and explain where they have not applied the code – in what the code refers to as 'comply or explain'. However there is no requirement for disclose of compliance in private company accounts.

### **3. Corporate Policies and Corporate Governance of U.S:**

#### **(a). Overview of U.S. Corporate Policies and Governance Norms :**

Main principles of the U.S. Sarbones – Oxley Act are:

- Principle I: Ensuring the basis for an Effective Corporate Governance.

- Principle II: The rights of Shareholders and Key Ownership Function.
- Principle III: The Equitable Treatment of Shareholders.
- Principle IV: Disclosure and Transparency.
- Principle V: The responsibilities of the Board.

These practices have been greatly stimulated by stricter listing requirements on both the New York Stock Exchange (NYSE) and NASDAQ.

### **Comparative study of Corporate Governance Norms of US, UK and India**

A comparative analysis has been done between the US, UK and India to gain insights into the Corporate Governance system in these countries

#### **Exhibit 2: Snapshot of Corporate Governance Regime in UK, US and India.**

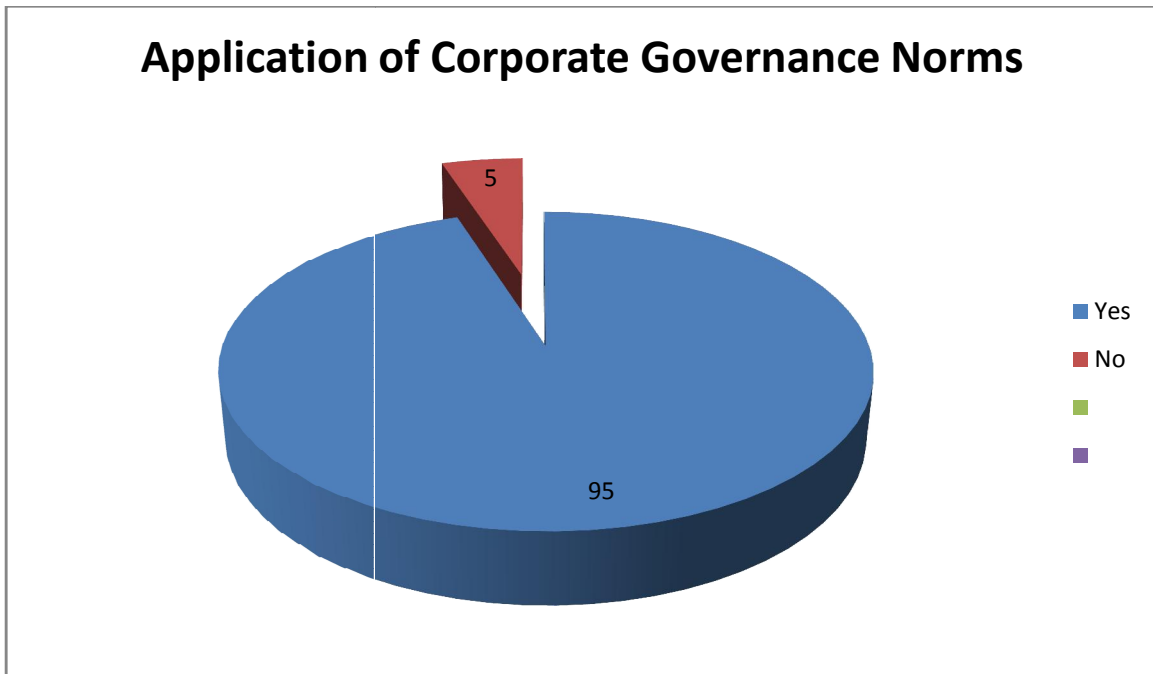
<b>Feature</b>	<b>UK</b>	<b>US</b>	<b>India</b>
<b>Corporate Governance Approach</b>	Principles based	Rules based	Rules based
<b>Substantial Shareholder</b>	Can be an Independent Director	Cannot be an Independent Director	Cannot be an Independent Director
<b>Audit Committee Composition</b>	Only Independent Directors	Minimum of 3 Independent Directors	2/3 <sup>rd</sup> independent Directors
<b>Remuneration Committee</b>	Discourages all forms of performance related remuneration even share options.	Allows stock options	Allows stock options
<b>Whistle blower</b>	Strong protection laws	Strong protection	No strong protection

<b>protection</b>	in place.	laws in place.	laws in place.
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**Primary Research**

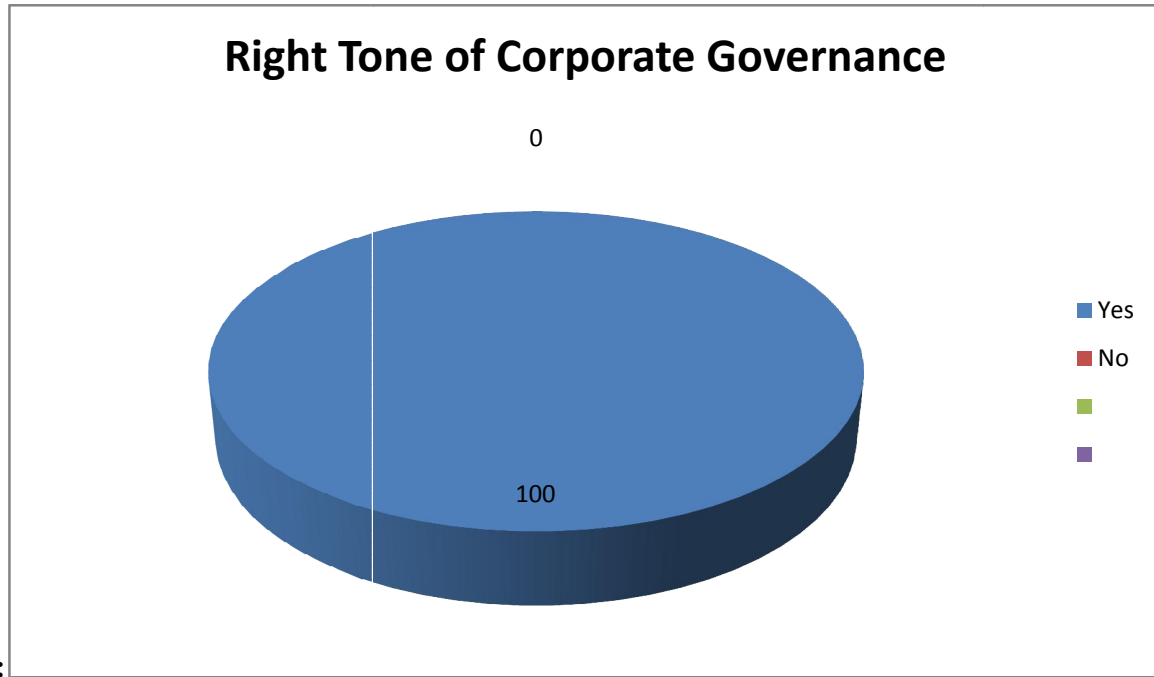
The primary data for this Research Paper has been collected through a well structured questionnaire and personal interview conducted with 86 (eighty six) owners and Chief Executive Officers selected from Companies/organizations situated in the area of National Capital Region of Delhi. The analysis of the same is appended below:

**Que.1. Is Corporate Governance applied properly in all respects i.e. appointment, remuneration, disclosure and other norms in your organization:**

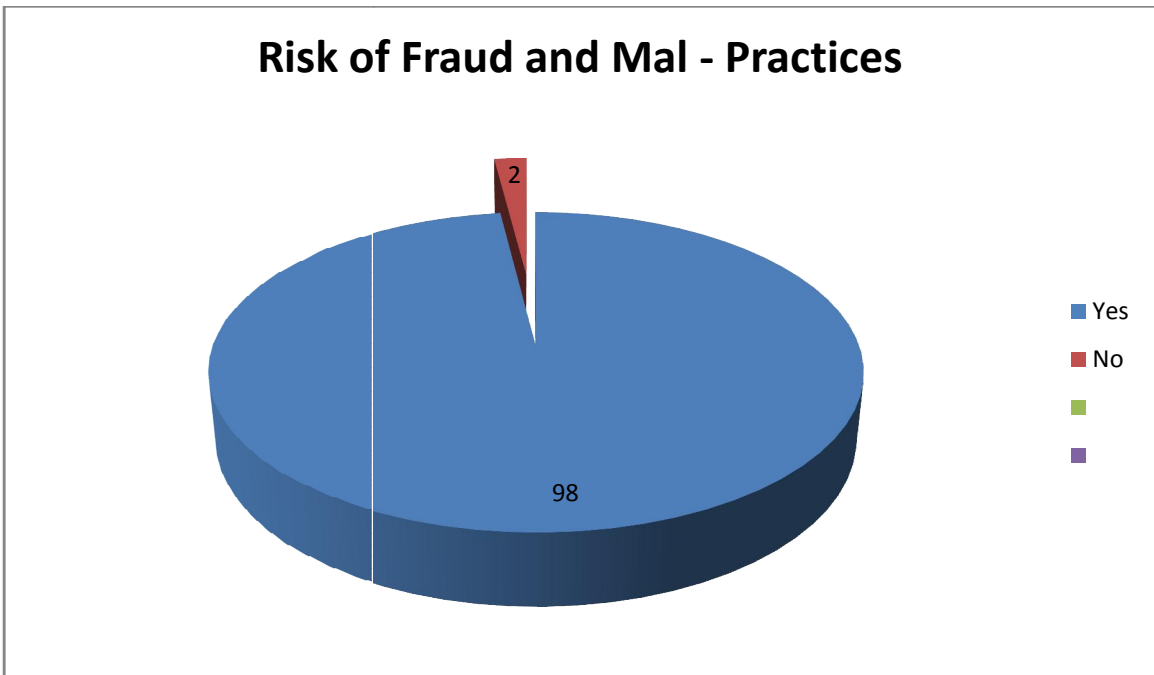




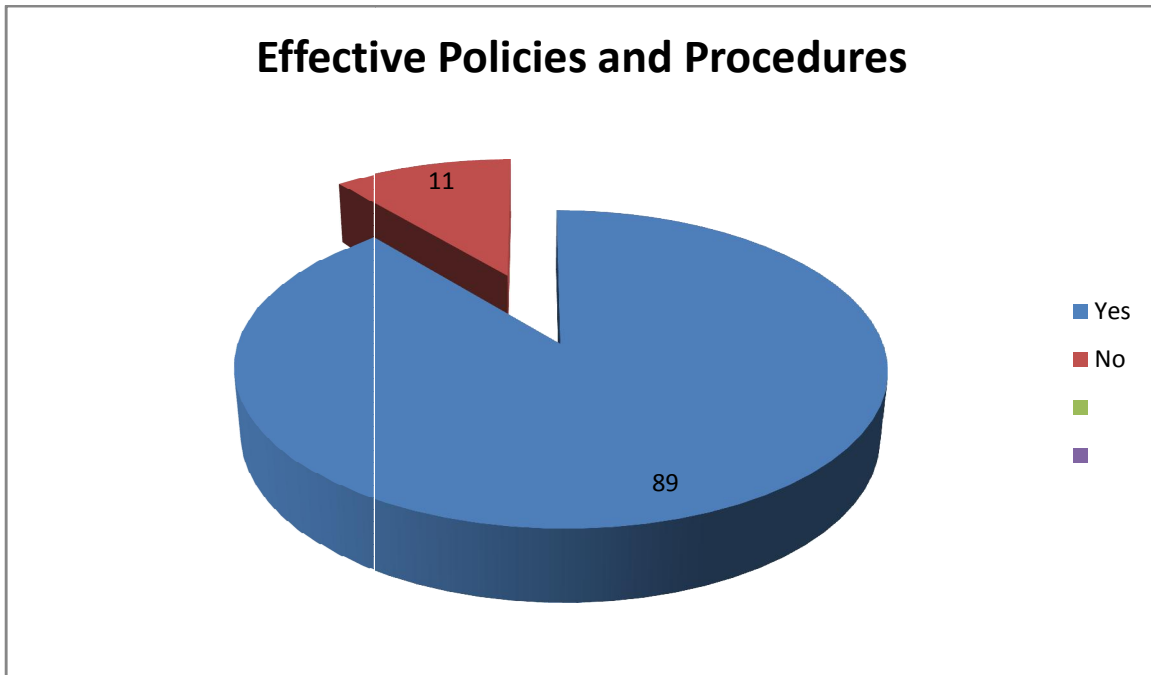
**Que.2.Has your Organization set and communicates the right tone for application of Corporate Governance at the top level management of your organization**



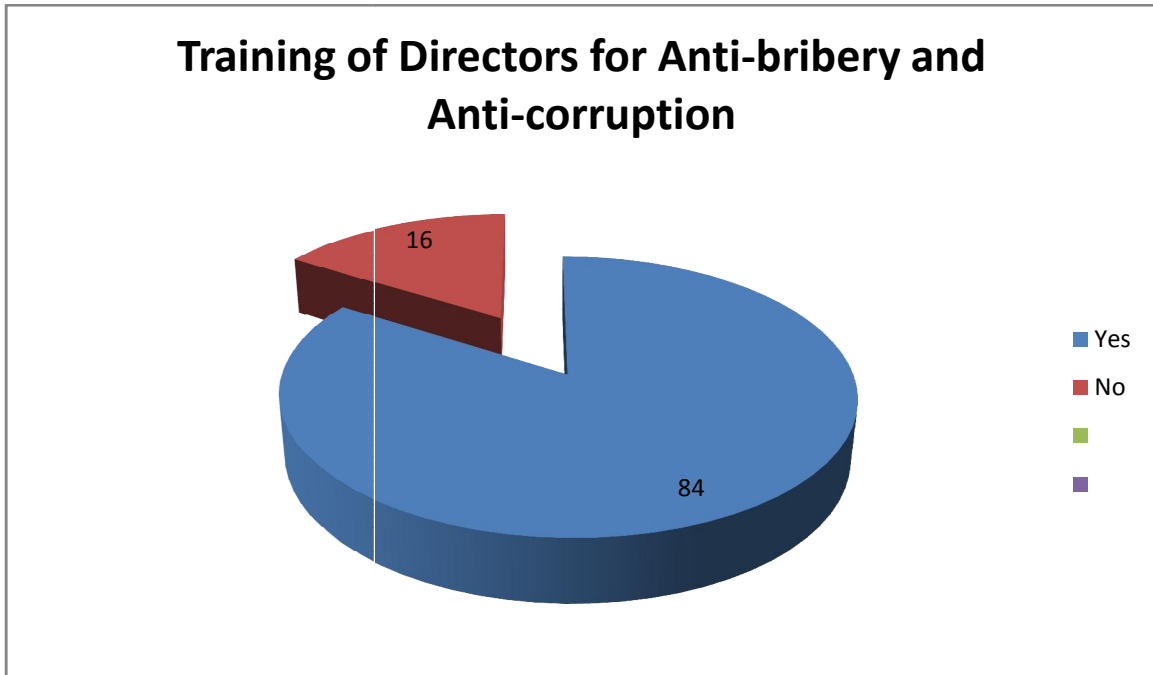
**Que.3. Do you agree that there is a risk of frauds and mal-practices if Corporate Governance is not applied fully in the organization:**



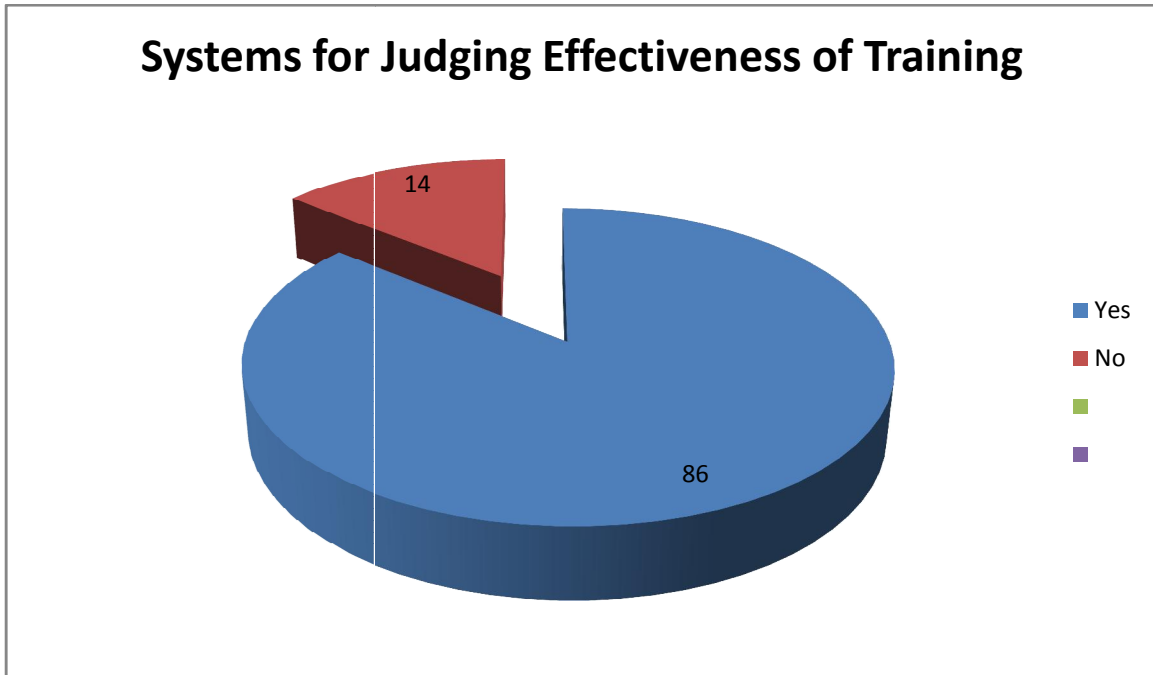
**Que.4. Do you have effective standards, policies and processes in place in your organization to address these risks:**



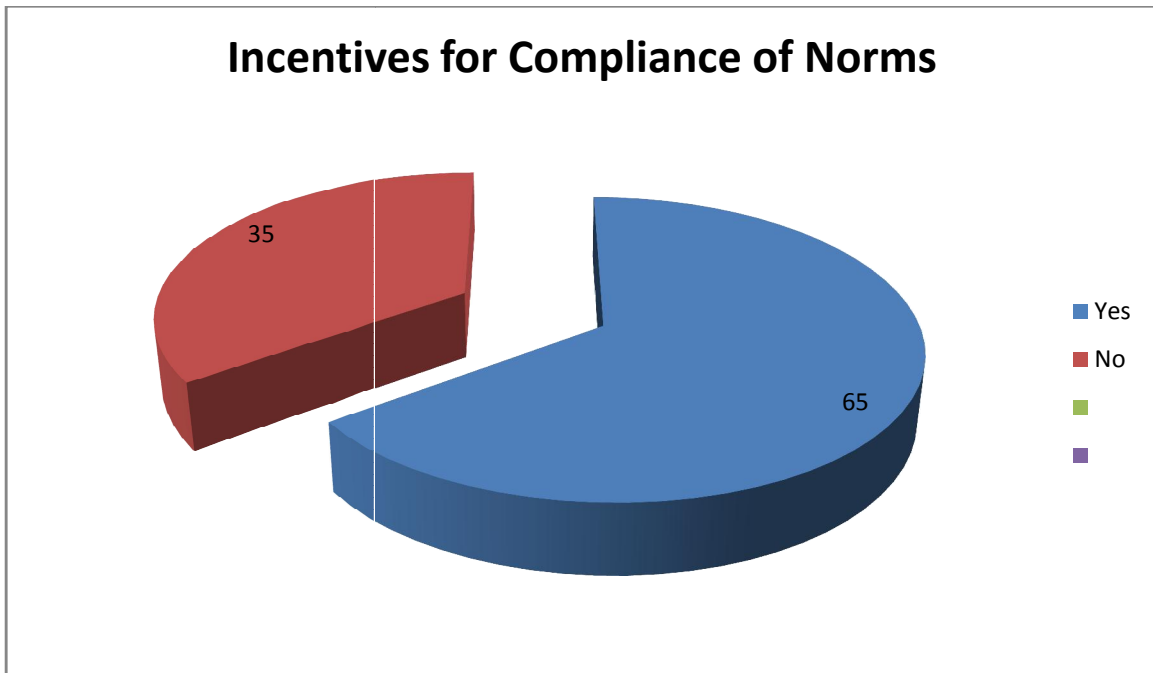
**Que.5. Does your organization adequately communicate and train directors on anti-bribery and corruption policies and processes :**



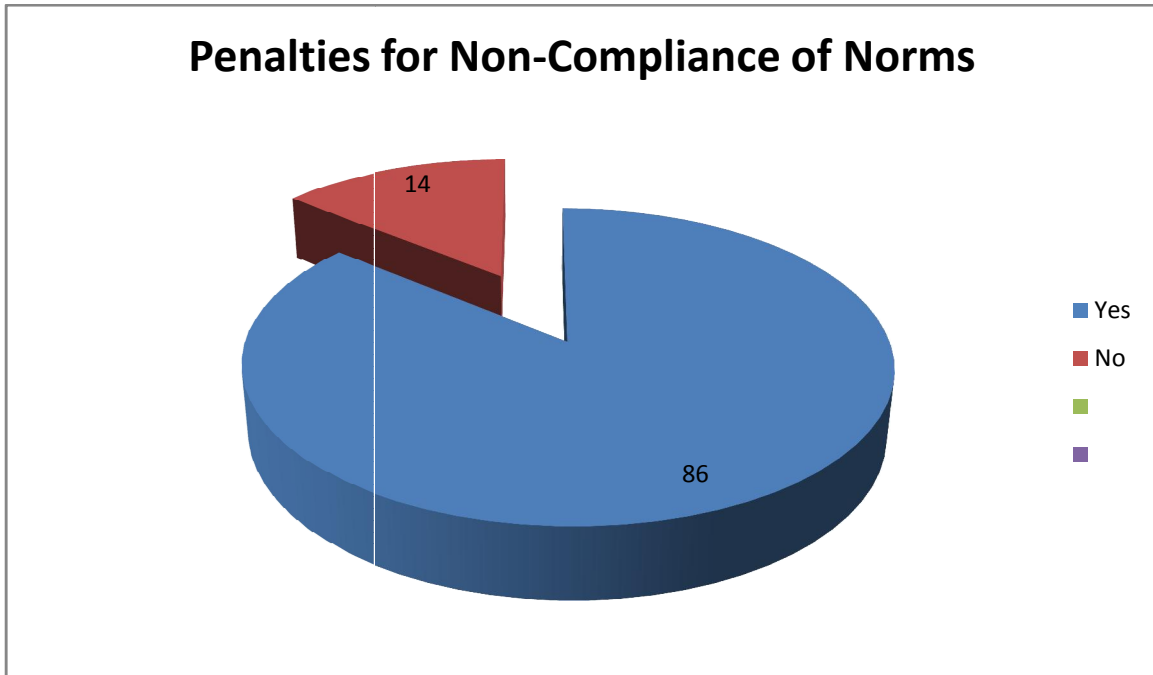
**Que.6. Do you have any method to know that your system of providing training to the directors of your organizations is effective:**



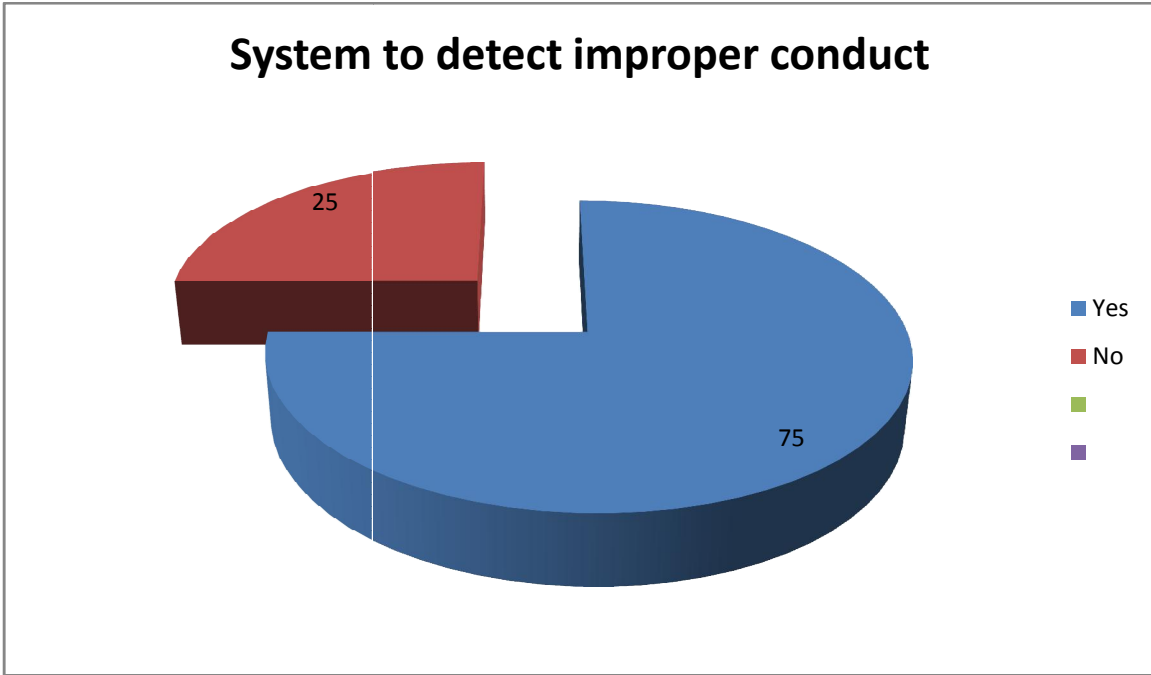
**Que.7.What incentives does your organization provide to directors for compliance of Corporate Governance Norms:**



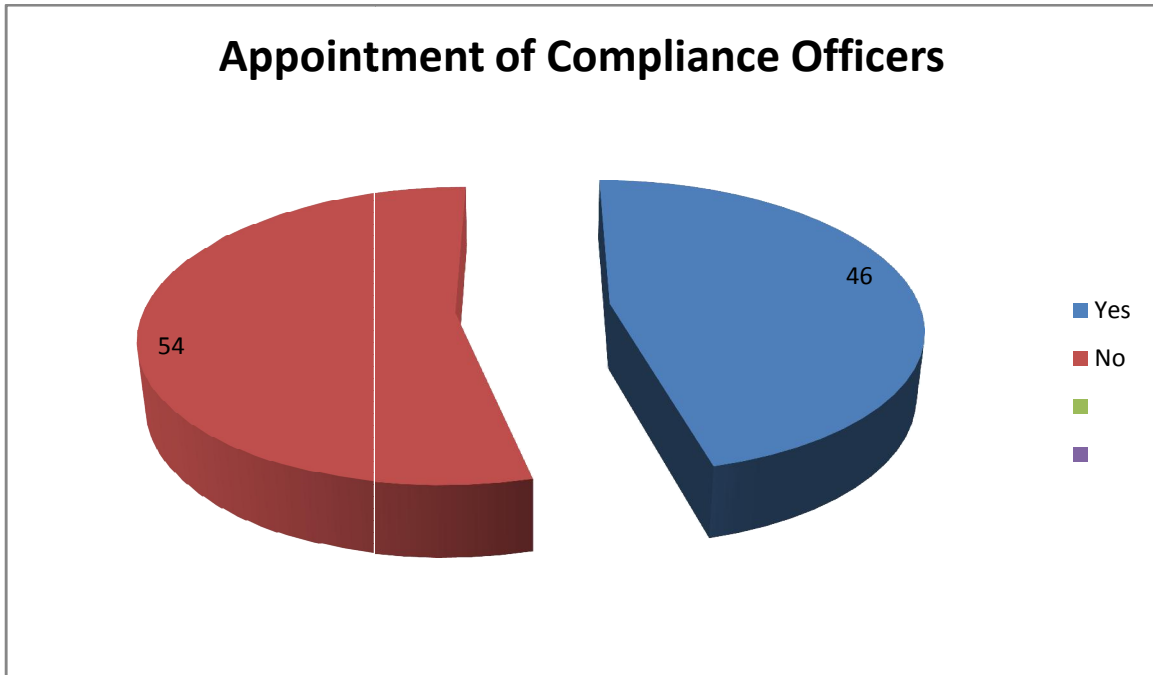
**Que.8.What penalties does your organization impose on your directors for non-compliance of Corporate Governance Norms:**



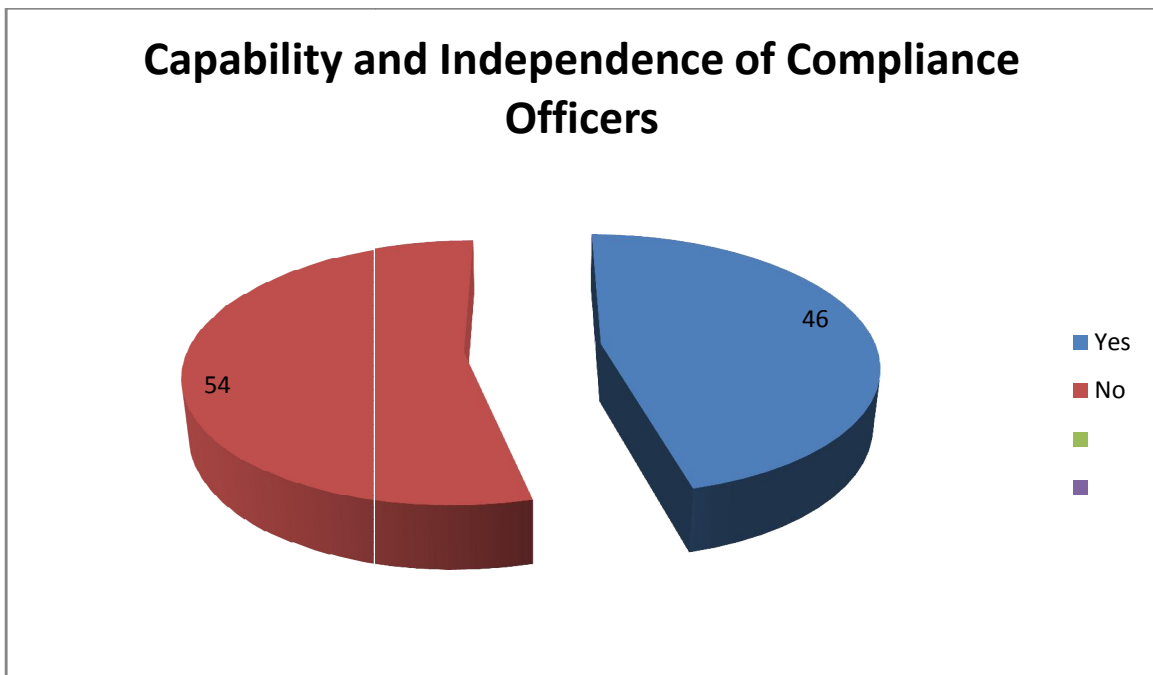
**Que.9. Do you the proper system in place to monitor and audit to detect the improper conduct by your directors:**



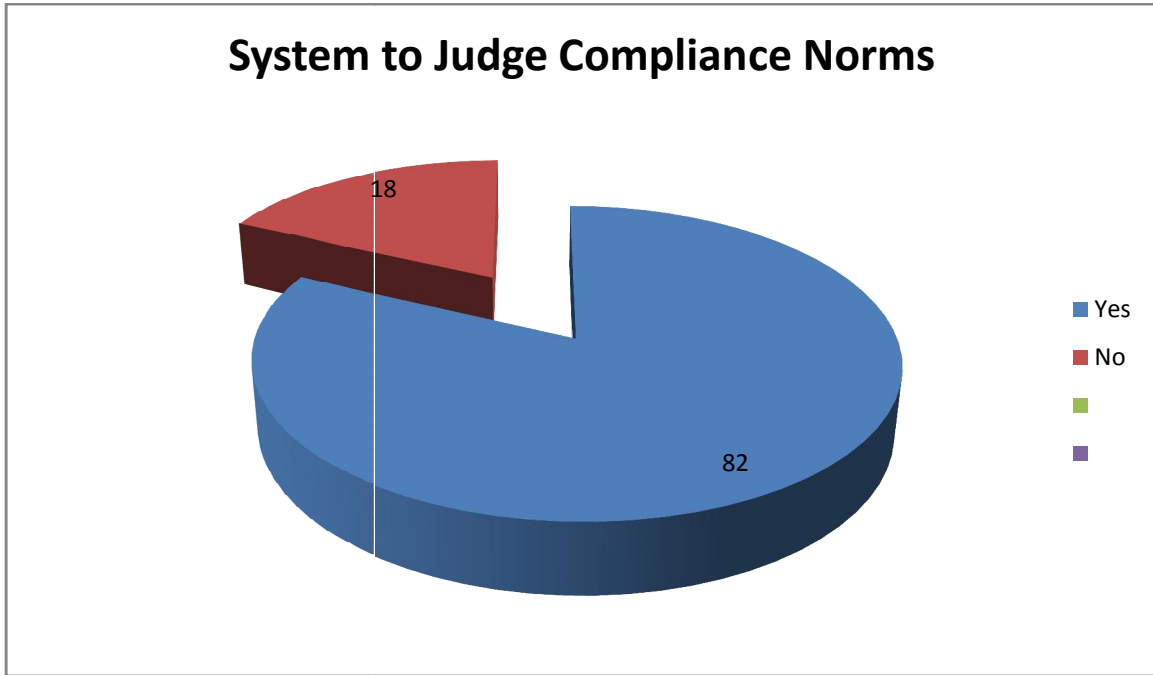
**Que.10.Does your organization appoints Compliance Officers to ensure proper implementation of norms of Corporate Governance:**



**Que.11. Do your Compliance Officers enjoy adequate clout, resources and Independence to ensure proper compliance of Norms:**

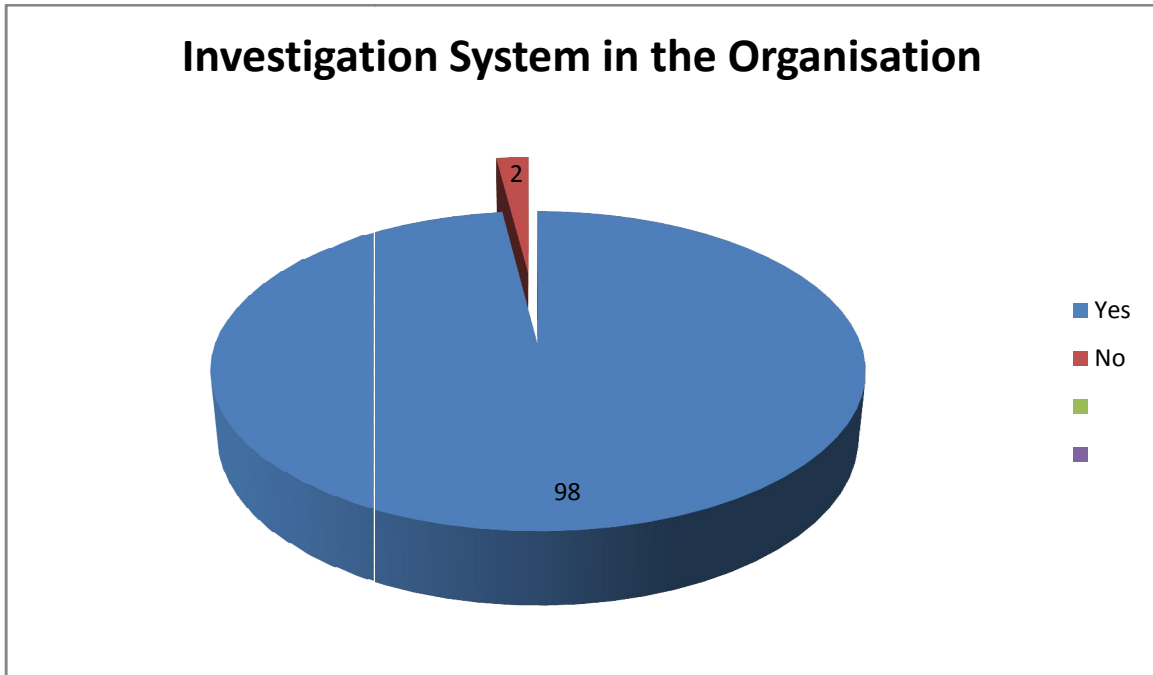


**Que.12. Does your organization has a system to review the effectiveness of your compliance programmes:**

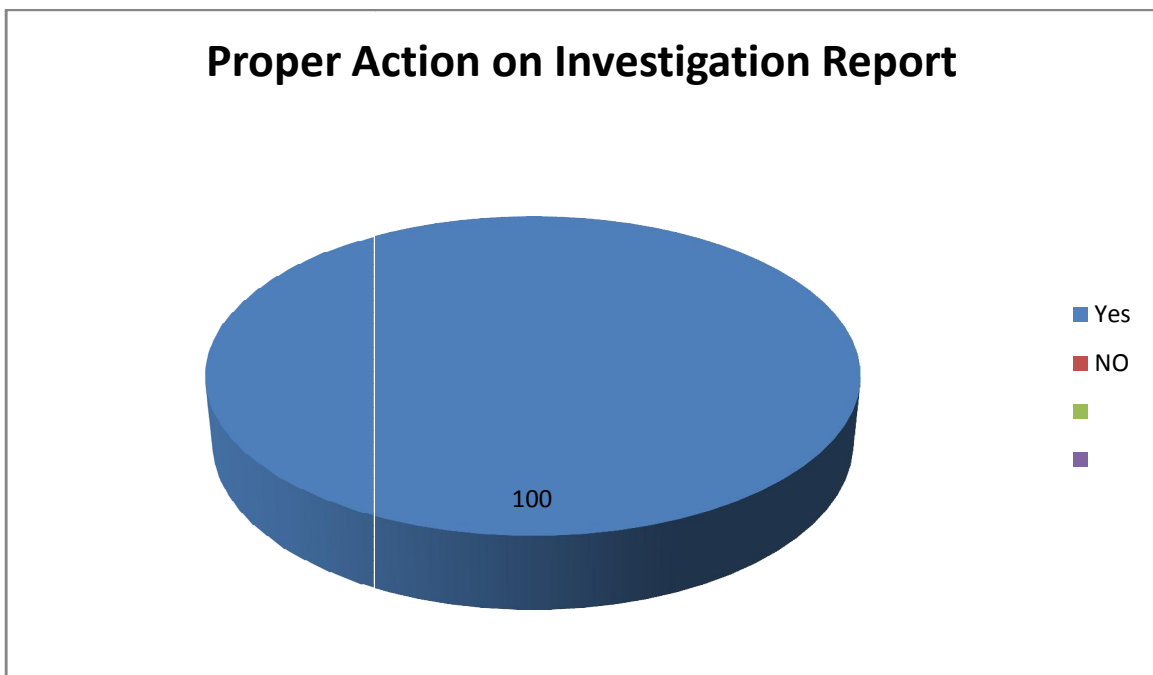




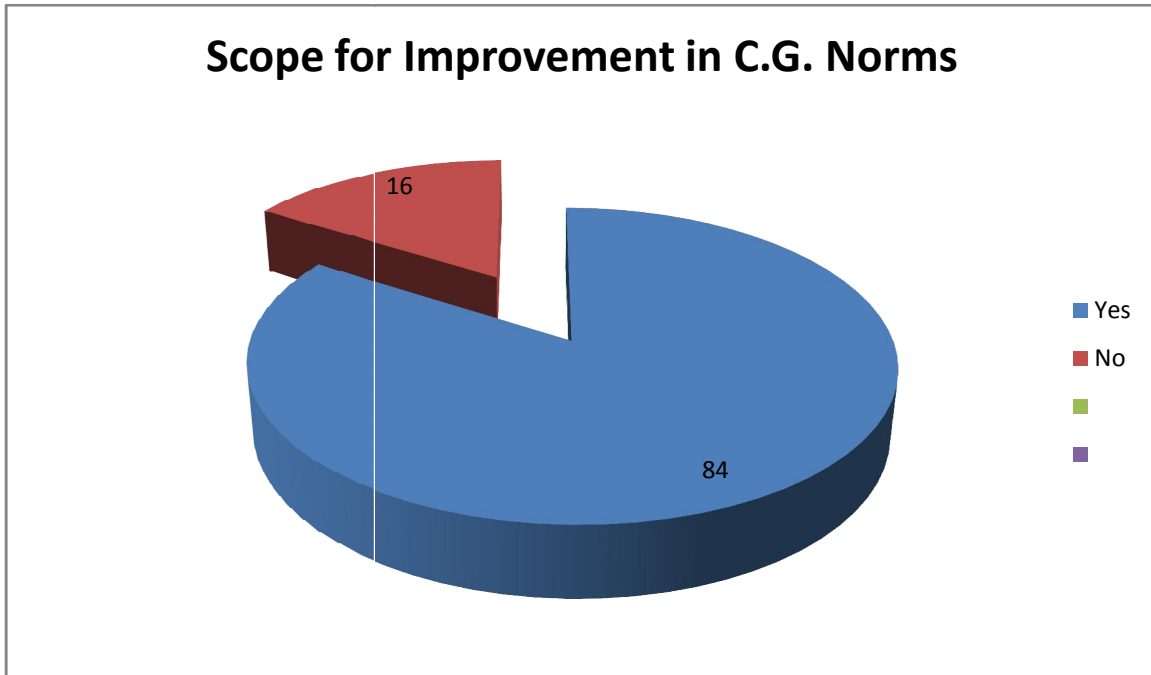
**Que.13. When some problem is detected, Do you ensure that an independent and thorough investigation is carried out:**



**Que.14. Do you ensure that proper action is taken on the investigation report:**



**Que.15. Do you think that there is a need to improve the Corporate Governance System in your Organization and Country as a whole:**



## **Recommendations**

On the basis of analysis of the Primary data collected from different organisations through questionnaire and an in-depth interview alongwith the study of secondary data collected from different published sources as mentioned above, we have offered the following suggestions for the successful implementation of the concept of Corporate Governance and to make the working of Independent Directors more meaningful in India.

### **1. Corporate Governance rules should be Well- defined:**

The chair of the Board of Directors should be an Independent Director with the roles segregated from that of the Chief Executive Officer of the company in clear-cut terms.

### **2. Improved transparency:**

Remuneration of Chief Executive Officers should be decided by a regulatory body like SEBI based on the size of the company or decided by institutional investors holding significant stake in the affairs of the company.

**3. Provision of training for new directors:** In order to have a better clarity on the issues facing the business and the upcoming challenges in the industry, many companies could do more in terms of a formal and tailored induction program for their new directors. This is also one of the recommendations of the Narayan Murthy Report.

#### **4. Guidelines for legal liability of independent directors**

As long as the independent directors show due diligence, the law should exempt them from all types of liabilities for the actions of the board or the managing director on account of non-reporting.

#### **5. Better effectiveness:**

There should be medium term lock-in options for the Chief Executive Officers to prevent the CEOs from acting in ways to gain short term gains by unethical governance. The Medium term stock options are convertible only after 4-5 years or simply through contracts for the number of years of stay.

#### **6. Remove One-size-fits-all approach:**

Clause 49, which lays down role of the audit committee and role of board disclosure risk management, mentions compliance norms to be independent of the size of the company. This may not necessary yield the desired levels of compliance in India. It needs flexibility and independent judgment.

#### **7. Effective Role of Independent Directors:**

The Independent Directors should play an effective and supervisory role by raising the appropriate red flags at the right time to ensure avoidance of occurrence of unwarranted situations and their consequences.

#### **8. Changing Regulatory Scenario:**

The need of the hour is for the legislature to draw a line between Independent Directors and Executive Directors by defining their roles and responsibilities, and demarcating their liabilities.

Direction lies with the enforcement authority to determine the extent of the liability that the IDs may incur.

## **Conclusion**

The issue of Corporate Governance is of tremendous importance not only to corporate India but to the nation as a whole and is very essential to ensure inclusive growth, wherein every section of society enjoys the fruits of the corporate growth. Sound and efficient governance practices are the basis for stimulating the performance of companies, maximizing their operational efficiency, achieving sustained productivity as well for ensuring protection of shareholder's interests, especially the minority shareholders.

The concept of corporate governance is not new and is linked to independent governance. Interestingly, one can draw discernible similarities between some of the provisions of Kautilya's Arthshastra and the main principles of corporate governance. For instance, according to the Cadbury Committee's Report (1992) on financial aspects of corporate governance, proper managerial accountability was the key to any system of corporate governance. The Arthshastra spoke of the King appointing spies to ensure a system of vigilance that would be able to monitor the activities of various departments. Though this may not be termed as an Audit but it would have served some of the purposes that an audit is supposed to fulfill. There has been extensive research on this subject in today's times. However, one of the central objectives of corporate governance is to ensure through certain managerial and legal provisions, accountability and transparency. This is also one of the main tenets of Kautilya's Arthshastra.

To safeguard the institution of corporate governance and ensure protection of minority shareholders, urgent steps are warranted, especially in the area of appointment of independent directors, to ensure the implementation of laws and guidelines in letter and spirit.

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