

# **Corporate Governance Research Studies by SPJIMR.**

- 1. Progress Report, 2007-08.**
- 2. Proposed Work Plan, 2008-09.**

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***A Presentation to NFCG***

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# **Corporate Governance Research Studies by SPJIMR Progress Report, 2007-08.**

**For the year 2007-08, SPJIMR submitted proposals for the following two research studies to NFCG:**

**I. Pilot Research Study on Corporate Governance in Medium sized Family Managed Public Ltd. / Listed Cos,**

**II. Showcasing Best Practices in Corporate Governance by Medium Sized Family Managed Public Ltd. Cos (Two/Three Case Studies)**

- ***The proposal for the second study was accepted by NFCG . A grant of Rs. 3.0 lakh was sanctioned. We are thankful to NFCG***
- **The Progress Report for this study is given below:**

# Objectives

- To assess and evaluate Best Practices in Corporate Governance adopted by selected companies through published data and structured interviews.
- To prepare two/three Cases Studies to showcase Best Practices in Corporate Governance.
- To discuss the Case Studies in the National/ International Convention / Round Table.

# Definition of companies

- Family Managed Cos. : Those with promoters share holding of 25% & above.
- Medium Sized Cos. : Those with total assets in 2005-06 btm Rs. 200 cr to Rs. 2000 cr.

# Selection of Companies

- 1166 companies listed on both BSE and NSE in '05-06.(Prowess / CMIE)
- Out of the above, 531 companies in Western region have been short-listed
- From these 531 companies, 173 compatible with the above definitions have been selected.

# Selection of Companies

- Companies promoted by leading business houses, Tatas, Birlas and Ambanis were excluded.
- The final number of selected companies in the Western region was 150 companies
- These were Subdivided into 3 asset classes

## Total Assets-

Rs. 200 to Rs. 500 cr.

Rs. 500 to Rs. 1000 cr.

Rs. 1000 to Rs. 2000 cr.

# Field Survey

- Structured Questionnaire (with over 30 parameters each having a number of sub-parameters) prepared and mailed to over 100 companies based in Mumbai.
- Interviews conducted with Chairman/ MD/ Company Secretaries of 30 companies (response 28%), eliciting information on Corporate Government practices adopted by them.

# Secondary Survey

- Information/ Data relating to Corporate Governance practices of all 150 companies compiled from Annual Reports, Company Websites and Capitaline Database

# Analysis of Data

- Data /information obtained from field survey and secondary survey tabulated and analysed

# **Short listing of 10 companies out of 30 Surveyed**

- Based on carefully selected criteria, 10 companies out of the 30 surveyed were shortlisted.

# Selection of 5 companies out of 10

- Four sets of criteria were involved
  - i) Compliance with all provisions of SEBI clause 49 of the listing agreement.
  - ii) Corporate governance practices going beyond the regulatory provisions of compliance.....
  - iii) Value creation for all stakeholders

# Case Studies

- Draft Case Studies for two companies have been completed and sent to the concerned companies for further value addition.
- A third company has been approached for preparation of its case study. Interview with the Chairman/ED is being arranged.

# Pre-Finalization Work

- Preparation of the Report for Study I is in progress.
- During the next two months, 2/3 Case Studies showcasing best practices ...will also be finalized.

# Intended Outcomes

- Report on Two/Three Case Studies
- Convention/ Round Table
- Publication of these Case Studies for wider dissemination of the findings.
- Awareness on CG practices

- **Corporate Governance Studies by SPJIMR for NFCG**
- **Proposed Work Plan, 2008-09**

Finalization of two reports on Corporate Governance Studies initiated in 2007-08

*(The case study has been partly funded by NFCG)*

(-April-June 08)

# Round Table

- Organization of a Round Table on Corporate Governance practices in Family Managed Medium-Sized Listed Companies.
  - Half of a day session, with one exclusive session on Case Studies of 2/3 selected companies.
  - About 35 participants to be invited including owners/ proprietors / Chairmen / CMDs / MDs/ Sr. executives, invitees from NFCG & SPJIMR, experts on CG/IDs, et al
  - To be held sometime in September/October
    - Details to be worked out in consultation with NFCG

*NFCG to be approached for funding*

# Publication

- Publication of a Book based on the two studies, including the deliberations of the Round Table.

# On going Corporate Governance research activities at SPJIMR:

- **Country Practices** on Corporate Governance (*viz.* Case based studies on selected countries like USA, UK, Germany, etc., to bring out their relevance to the Indian context)
- **Literature Survey** of Corporate Governance studies conducted by eminent B-schools like HBS, etc., other eminent research organizations and dissemination of these studies through publications/ seminars etc.
- **Studies on Inter-country Legal Frameworks** particularly relating to Corporate Governance related issues.

- **Training Programs for IDs**

- 2/3 Training Programs for Independent Directors.
  - Networking with Bombay Chartered Accountants Society, Bombay Chamber of Commerce & Industry, Indian Merchants Chamber, and Bombay Management Association
  - Positioned at a higher level  
(First one scheduled in the 1st week of June-08)

- **Inter-B School Competition**
- Organising an Inter-B School Competition on preparation / presentation of papers on Corporate Governance.
  - Objective is to increase awareness on this subject

*NFCG to be approached for funding for the Awards*