

# National Foundation for Corporate Governance

## National Conclave on Corporate Governance in India : *Disclosure Practices – Accounting and Audit*

10 October 2007 : Bangalore

### Inaugural Session

**Concluding remarks:**      **Mr. J N Amrolia**  
Chairman, CII Corporate Governance Sub-Committee &  
Executive Director – HR, Ashok Leyland Limited

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As mentioned by the earlier speakers I think we are in exciting times, transformation of industry, business environment and to an extent the government approach is taking place today. Industry of course, is reaching new levels of maturity, size, geographical spread as well as growth of new industries which may be five years back would not have been really thought of as a potential large industries today. It is exciting times not only for industry but I think for all of us who are associated with industry. That is on the one hand. On the other hand partly because of this there is a growing awareness of the need for good corporate governance to an extent influenced by what has happened abroad particularly in the USA and to an extent in the U. K. partly by the realization of both industry as well as all our stakeholders for some consensus on basic corporate governance behavior.

As Indian industry moves more and more in to, as we may call it, uncharted waters and possibly choppy seas, we do not know we are not in the comfortable regulated environment now I think they need for effective corporate governance code which will protect the interest of all the stakeholders is I think becoming apparent. The move towards greater disclosures and governance requirements to be seen in that context. What, however, is important, I am happy that the ministry of corporate affairs is fully seized of this matter is that this framework bring clarity and simplicity.

More is not necessarily better as far as regulations are concerned it should be clear and easily understood and do not need to one of interpretations to be able to be understood. Follow a practical, pragmatic common sense approach, are enforceable and are actually enforced in a few cases of errand companies and finally a regulation are not straight jacket normal business initiative – these are the three of four pillars of a good regulatory framework. Finally, we must also realize that regulation, governance is not something set in stone which is immutable over a period of time. We therefore need to keep on relooking at it /and in that process an engagement between the various stakeholders including the government is necessary. In this transformation process it is the Ministry of Corporate Affairs, which as a key stakeholder has key role to play. In fact the ministry has been extremely proactive and has not dealt with corporate governance in the very heavy handed regulatory approach but more through a consensus building, more through a facilitative process, very refreshingly different approach what we are seeing over the last few years.

Both Mr Shenoy and Mr Maira have outlined some of the initiatives of the ministry and these have been further amplified by Mr Khosla.

I would like to end by thanking you again Mr Khosla for sparing time, sharing your perspectives with us and being with us for the next session also. Mr Shenoy for highlighting initiatives which are happening in this field and tracing the history of corporate governance thinking in the Indian industry and for Mr Maira for sharing a vision and steering today's morning discussion.

Before I conclude there are two vary important document in a folder , one is the particular document of MCA which has recently released by the Minister. Other is the Compendium on NFCG both are in your documents and make interesting worth wile.

Thank you

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