

**No.17/46/2012-CL.V
Government of India
Ministry of Corporate Affairs'**

**Shastri Bhavan, New Delhi
Dated 07th March, 2012**

OFFICE MEMORANDUM

Subject:-Constitution of a Committee to formulate a Policy Document on Corporate Governance.

The undersigned is directed to state as under:-

1. While the issue of how corporates decide to carry on their affairs is largely a matter of their choice subject to conformity with the law, the increasing importance of businesses to the economies and complexities of operating in an inter-dependent world have brought home the need for business chambers, professions, regulators and even the governments to take interest in this aspect.
2. Concerns relating to the quality of corporate governance system and the need to maintain its integrity and public accountability have resulted in a number of public interventions all over the world including the well known Cadbury Code (1992) and the Sarbanes-Oxley Act (2002) of the UK and US respectively. In India, too, a few elements of good corporate governance find mention in legal frameworks like the listing agreement of SEBI and a few of the provisions of the Companies Bill 2011. More detailed guidelines are also available, including the Voluntary Code on Corporate Governance of the CII (1998) and the National Voluntary Guidelines on Corporate Governance of this Ministry (2009) which are currently under revision by a Committee under the Chairmanship of Shri Kiran Karnik.



3. A need has, however, been felt to also have a formal policy document that synthesizes the disparate elements in diverse guidelines, draws on innovative best practices adopted by specific companies, incorporates the current international trends, and anticipates emerging demands on corporate governance in enterprises in various classes and scales of operation. While the policy is expected to be applicable across the corporate sector, it is not intended to dilute or whittle down the liberty to self-govern that is the hallmark of functioning of this sector – it is only intended to ensure that board and management practices and other processes conform to more standardized norms.

4. The Institute of Company Secretaries of India (ICSI) has prepared a concept paper on the subject entitled “Concept Paper on National Corporate Governance Policy, 2012 prepared by the Institute of Company Secretaries of India” which is available for public information at the websites www.icsi.edu. The concept paper is meant to facilitate public discussion and in ascertaining views of all stakeholders and suggesting a policy document by the Committee constituted vide paragraph 5 of this Resolution. The paper is also meant to serve as the basis for the deliberations and the outcome of the work of the Committee.

5. To prepare a draft policy document for the Concept Paper as stated above, a Committee is hereby constituted with the following composition.

1. Shri Adi Godrej - Chairman

2. Members:

- i) Dr. Kiran Mazumdar Shaw, CMD, Biocon Ltd.
- ii) Shri Sidharth Birla, FICCI
- iii) A Nominee of CII

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- iv) Nominee of ASSOCHAM
- v) DG, IICA
- vi) Shri M.K. Chauhan, Vice Chairman, Asian Centre for Corporate Governance & Sustainability
- vii) Sri R.S. Sharma, former MD, ONGC
- viii) A representative of Ministry of Corporate Affairs
- ix) Shri G. Ramaswamy, former President, ICAI
- x) Shri Deosthali, L&T
- xi) Shri S. Balasubramanian, former Chairman, Company Law Board
- xii) Shri S.K. Rungta, ex-CMD, SAIL
- xiii) Shri K.K. Mistry, CFO, L&T
- xiv) Ms. Ziya Modi, Lawyer
- xv) Nominee of The Institute of Cost Accountants of India
- xvi) President, ICSI – Member Secretary/**Convener**

The ICSI will render secretarial assistance and logistic support to the Committee which shall submit its report to the Ministry of Corporate Affairs not later than six months from the date of holding of its first meeting.

6. In carrying out its task the Committee may,
- (a) Elicit opinions about the necessity of having a formal policy document on corporate governance;
 - (b) Hold wide consultations with all the stakeholders in the corporate sector, academics and members of public;
 - (c) Hold seminars, workshops and meetings as may be considered necessary for clarification of issues and obtaining clarity;



- (d) Issue questionnaires and invite written comments through public advertisements; and
- (e) Take such other steps as may be considered necessary to suggest a comprehensive policy framework to enable corporate governance of highest quality in all classes of companies without impinging on their internal autonomy to order their affairs in their best judgment.
- (f) To suggest ways and means of engendering and enhancing the synergies between the public governance system and corporate governance.
- (g) To examine the case for making sustainability reporting an integral part of the corporate governance policy framework.
- (h) Take into consideration the recommendations of Kiran Karnik Committee on revised national voluntary guidelines.



(Sanjay Shorey)
Joint Director
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Copy forwarded for information and necessary action to:

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15. Ms. Ziya Modi, Lawyer
16. President, The Institute of Cost Accountants of India
17. President, ICSI – Member Secretary/Convener
18. PS to Hon'ble Minister of Corporate Affairs
19. PS to Hon'ble Minister of State for Corporate Affairs.
20. Sr. PPS to Secretary/ Additional Secretary, Ministry of Corporate Affairs.
21. DG & CEO, IICA.
22. PPS to Addl. Secretary & Financial Adviser, MCA.
23. PS to Joint Secretary(A), Joint Secretary (R), PS to Joint Secretary (M).
24. All Regional Directors of MCA.
25. All Registrar of Companies.