

**Speech of Hon'ble Minister of Law and Justice  
at the 14th ICSI National Awards for  
Excellence in Corporate Governance  
held on 19<sup>th</sup> December, 2014  
at Vigyan Bhawan, New Delhi**

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It is my pleasure to be here as the Chief Guest at the 14<sup>th</sup> ICSI's National Awards for Excellence in Corporate Governance. The Institute of Company Secretaries of India has been bestowing these Awards for the last 13 years. I am glad to learn that this Institute has on its rolls over 37,000 members and nearly 40,000 students. Its vision is *"to be a global leader in promoting Good Governance"* and its mission is *"to develop the high caliber professionals"* facilitating good Corporate Governance.

Corporate Governance is a set of systems, processes and principles which ensure that a company is governed in the best interests of all stakeholders. It is the system by which companies are directed and controlled. It is about promoting corporate fairness, transparency and accountability. In other words, *'good corporate governance'* is simply *'good business'*.

It ensures:

- Adequate disclosures and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholder interests;

- Commitment to values and ethical conduct of business.

In other words, corporate governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is all about commitment to values, ethical business conduct and making a distinction between personal and corporate funds in the management of a company.

The aim of "*Good Corporate Governance*" is to ensure commitment of the Board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social.

Company Secretaries have to play an important role in corporate governance. As provided in the Companies Act, 2013, every company belonging to such class or classes of companies as may be prescribed by the Central Government should have the whole-time key managerial personnel, including Company Secretary.

Company Secretary is a vital link between the company and its Board of Directors, shareholders, government and regulatory authorities and all other stakeholders. He has to ensure that that Board procedures are followed, regularly reviewed and provide guidance to Chairman and the Directors on their responsibilities under various laws. Again, the SEBI recognizes a registered Company Secretary as the authorized person who can issue the different certificates on behalf of a company.

New Companies Act, 2013 contains various provisions which facilitate effective corporate governance. The Act stipulates certain class of companies to spend a certain amount of money every year on activities/initiatives reflecting Corporate Social Responsibility (CSR).

Some of these features are:

- Increased Reporting Framework
- Higher Auditor Accountability
- Easier Restructuring
- Emphasis on Investor Protection
- Wider Director and Management Responsibility

I congratulate all those who are receiving these prestigious awards today. Conferring awards of this kind would certainly motivate others to work hard towards achieving the goal of good corporate governance. I thank the Management of the Institute of Company Secretaries of India for taking initiative in conferring these awards.