

PREFACE TO THE REVISED EDITION

“In a gentle way, you can shake the world.”

- *Mahatma Gandhi*

Human civilizations, founded in whatever part of the globe have been remembered for the governance structures and their effectiveness. When businesses expanded to be formed in the manner of corporations, the need, deliberations, and imperativeness of well-crafted governance structures, policies and procedures soon followed.

If we are to reflect upon in the modern day context, good governance and especially good corporate governance have gained ground immensely. Corporations are not answerable to stakeholders in the home ground alone anymore. The expanded base of stakeholders has made it inevitable for the corporations to be extremely mindful of their conduct. The fact that they represent national values on foreign soils makes the significance of good corporate governance gain further prominence.

When we set out to inspire through recognition, the idea was not to create a legacy or create a brand name but simply appreciate those who were doing good and in the process motivating the others to follow the suit. The ICSI National Awards for Excellence in Corporate Governance, with their presence of more than 2 decades have carved a niche for themselves - not just for the fact that they honour best governance practices and have been around for quite a while but because they act as the perfect guide for the India Inc., which knows all too well the need to do good, but awaits for that one push - to be enthused, to be stimulated and to be stirred to action.

Taking this further, in the year 2022, we set out to create a Manual, a Handbook, by collating the best practices which could be attempted and followed by companies aspiring to reach the top, with the thought of strengthening the corporations and rendering them much more capable than before into carving

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legacies for themselves. As we roll out the second edition of the publication **Corporate Governance: From Compliance to Governance** gathering best practices which were portrayed by the winning and shortlisted companies of the ICSI National Awards for Excellence in Corporate Governance, 2022; the idea is to find our own selves swell with pride to witness many more companies adopting these best practices in the 23rd edition of Awards.

I thoroughly appreciate the efforts of CS Priyansha Hajela, Consultant, CS Richa Gupta, Executive (Academics), CS (Dr.) Pooja Rahi, Assistant Director and CS Anamika Chaudhary, Joint Director under the overall guidance of CS Banu Dandona, Director, Directorate of Perspective and Futuristic Planning under the stewardship of CS Asish Mohan, Secretary, ICSI and CS Dhananjay Shukla, Chairman, Corporate Laws and Governance Committee, ICSI. My expression of gratitude would be incomplete without commending the efforts placed by CS Ranjeet Pandey, Past President and Former Chairman, CLGC, ICSI in laying the foundation of this project.

I feel extremely grateful towards CS Sudhakar Saraswatula, Chief Consultant, Mehta & Mehta and CS Priyadarshini Mahapatra, Company Secretary, Syngene International Limited for their valuable inputs which have shaped the publication into its present form. My heartfelt congratulations are in order to all the corporates who have with their best conduct and continued efforts provided to us this opportunity of strengthening the world in a much better manner. For as they say, *“Life isn’t always about grand gestures, but when living by your values, you can make a difference.”*

With a wish and hope that this publication shall serve to be the perfect guide for the corporations and professionals alike,

Happy reading !!!

With warm regards,

(CS Manish Gupta)

President

The Institute of Company Secretaries of India

PREFACE

Corporate Governance is the evolution of a system by which the values, principles, management, policies and procedures of a company are inculcated and manifested. The modern corporate model is based on a system of trust and confidence of stakeholders on the Board and management of the company who strives towards long term sustainability and enhanced stakeholder value.

The Institute of Company Secretaries of India with its vision “to be a global leader in promoting good corporate governance” resonates this thought quite well. The ICSI in its endeavour to promote good governance has introduced and undertaken numerous initiatives. With an objective to identify, foster and reward the best practices of corporate governance among Indian companies, “**The ICSI National Awards for Excellence in Corporate Governance**” (Award) was instituted in the year 2001. This award being a phenomenal initiative of ICSI has a legacy of more than two decades and is recognised as a perfect motivation to keep the spirits high and the fire to move ahead to invigorate corporate governance.

Swami Chinmayananda said and I quote, “When a group of people live together for a long period of time in a particular geographical area, following certain values, the special individuality or the fragrance that emanates from that group is said to be their culture.” Strengthening of the governance framework, coupled with the success of these Awards is the resultant of the combined effort and dedication of not just the Institute and its members alone, but of all the corporates who have continually strived to move beyond the boundaries of diligent compliance and bring to us the best of best ways to pursue goals and ambitions.

It is these practices that have separated the leaders from the rest reinstating our faith in the self-motivation of the corporates to not only abide by the clauses of the law, but carve and create an environment wherein instead of

Regulatory Authority intervention, corporates themselves present to their peers the best of the best practices.

Over the years, the ICSI has been closely observing the trend in corporate governance and in its endeavour to share these practices with the entire India Inc. has rolled out this publication titled '**Corporate Governance - From Compliance to Excellence (Handbook on Best Practices)**'. This handbook is based on the analysis of the governance practices adopted by the companies which participated in the Award, 2021. It highlights the governance practices adopted by Indian corporates in respect of various aspects including Board composition/processes, transparency and disclosure, creativity/innovation, risk management and sustainability. The best practices adopted by top shortlisted companies placed before the eminent Jury for the Award, 2021 are also cited in the handbook.

Believing the philosophy of continuous improvement, the Institute will roll out revised version of this publication annually, updated on the basis of evolving best governance practices observed during evaluation of Awards each year.

I thoroughly commend the efforts of CS Rita Singhal, Consultant, CS Richa Gupta, Executive (Academics), Mr. Neeraj Kumar, Executive (Academics), CS (Dr.) Pooja Rahi, Assistant Director, CS Anamika Chaudhary, Deputy Director under the overall guidance of CS Banu Dandona, Director, Directorate of Perspective and Futuristic Planning under the stewardship of CS Asish Mohan, Secretary, ICSI and CS Ranjeet Pandey, Past President and Chairman, Corporate Laws and Governance Committee, ICSI.

In the same breath I would also like to extend my heartfelt gratitude to the members of the Expert Group constituted for reviewing the publication: CS Ashok Kumar Jain, Vice President (Finance) & Company Secretary, Dabur India Limited, CS Kalidas Ramaswami, Practising Company Secretary, Mr. Shriram Subramanian, Founder & Managing Director, InGovern Research Services Pvt. Ltd., CS Sudhakar Saraswatula, Vice President (Corporate Secretarial), Reliance Industries Ltd., for sharing in their comments, suggestions and inputs adding further depth and strength to our purpose. And last but not the least, a heartfelt congratulations to all the corporates who have with their right intents, right actions and right results accorded us this golden opportunity to guide the world better and converging towards our vision.

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With the hope that the corporates shall find this publication as a ready reckoner and the professionals as their go-to handbook, we feel extremely pleased to bring to you this publication '**Corporate Governance - From Compliance to Excellence (Handbook on Best Practices)**'.

Happy reading !!!

(CS Devendra V. Deshpande)

President

The Institute of Company Secretaries of India