



# GUJARAT TECHNOLOGICAL UNIVERSITY

## POST GRADUATE RESEARCH CENTRE FOR GOVERNANCE SYSTEMS

A Report on

2nd International Conference on Corporate Governance:

Contemporary Issues & Challenges in Indian Economic Environment

(ICGS-2014)

### PROLOGUE

“Only 15% of the market value of an enterprise resides in tangible assets, while 85% rests in intangible assets - the largest part of those intangibles being information” - The Brooking Institute 1992 & Lev Analysis of S&P500 companies (1998)

So the value of right information and right governance is higher in today's business world.



At GTU CGS, we believe that effective and efficient corporate governance can make a difference in the firm's market value and hence we organised a 2<sup>nd</sup> International Conference on Corporate Governance: Contemporary Issues & Challenges in Indian Economic Environment (ICGS-2014).

The seven main themes of the conference were:

Theme-1: Corporate Governance and Top Management, Theme-2:

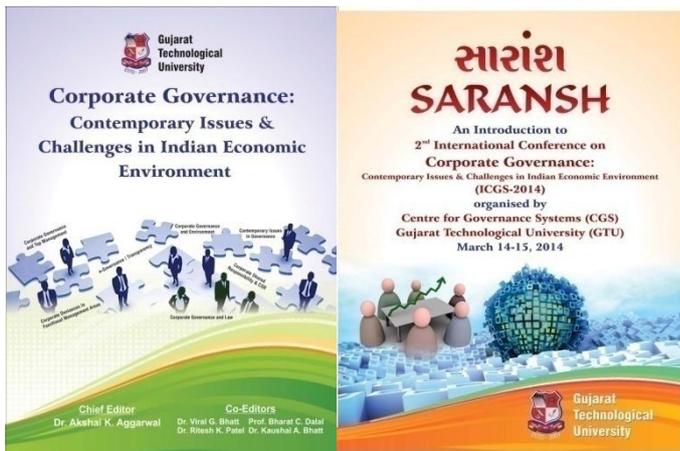
Corporate Deviances in Functional Management Areas, Theme-3: Corporate Governance and Environment, Theme-4: e-Governance / Transparency, Theme-5: Corporate Shared

Responsibility & CSR, Theme-6: Corporate Governance and Law, and Theme-7: Contemporary Issues in Governance.

The detailed brochure is available online on:

[http://www.gtu.ac.in/Feb2014/Conference/GTU\\_ICGS2014\\_Brochure.pdf](http://www.gtu.ac.in/Feb2014/Conference/GTU_ICGS2014_Brochure.pdf)

GTU-CGS was highly motivated to receive such a tremendous response to ICGS-2014.



ICGS-2014 has received 284 abstracts and 230 full papers. After a peer review, 68 papers were sent for publication in the book titled “Corporate Governance: Contemporary Issues & Challenges in Indian Economic Environment” (ISBN: 978-93-5122-000-8) (680-pages). We have also published a book titled “SARANSH” (an introduction to GTU-CGS, 2nd International

Conference on Corporate Governance: Contemporary Issues & Challenges in Indian Economic Environment) (160-pages).



More than 370 researchers have registered for the conference. Many eminent speakers from Blind People Association, Security and Exchange Board of India (SEBI), and MOTIF India have delivered their key note speech during the plenary sessions.

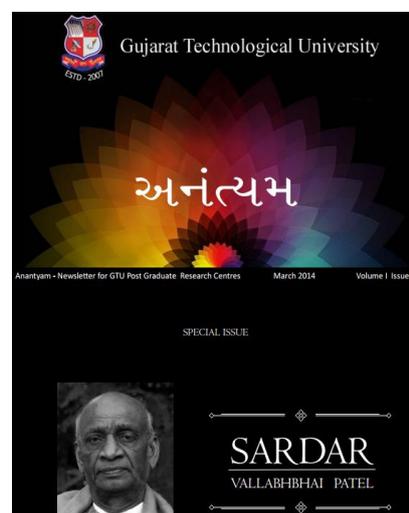
## Day-I, March 14, 2014



More than 140 Researchers turned up for the inaugural function on day 1, where the conference started by welcoming of Guest by Flower followed by Lightning of Lamp. **Prof. Bharat Dalal**, Honorary Director, Centre for Governance Systems - GTU & Management Consultant, welcomed the guests and delivered an introduction speech to ICGS-2014. He shared his vision on the conference and expressed his willingness to carry out this type of conferences in the area of Corporate Governance, every year under the flagship of Centre for Governance Systems - GTU. He also discussed on his academic experiences with Vikram Sarabhai at IIM-A, and expressed his vision how GTU can also become one of the best academic institution.

The GTU Post-graduate Research Centres are designed to work as examples of good and relevant research. The Centres establish active linkages with the industry and research institutions in India and abroad which publish excellent research as well. The Centres have become independent think-tanks through the newsletter “Ananyam”. Dignitaries present on the dais, inaugurated the conference book titled “Corporate Governance: Contemporary Issues & Challenges in Indian Economic Environment” (ISBN: 978-93-5122-000-8) (680-pages) and a GTU PG Research Centre News Letter “Ananytam”, Vol. I, Issue: II. Kindly see:

[http://www.gtu.ac.in/Newsletter/ANANTYAM\\_VOLUME\\_I\\_ISSUE\\_II.pdf](http://www.gtu.ac.in/Newsletter/ANANTYAM_VOLUME_I_ISSUE_II.pdf)



Corporate Governance is most important area in any economy around the world. He also discussed that our Indian and Asian researchers are not much behind their counterparts of

**Dr. Aggarwal** discussed on his vision about GTU to be one of the successful academic names in India and abroad. He also discussed on the need for research in the area of Corporate Governance. He shared that for long time in developed nations like Italy, and Japan, there were no stable government but the economy of these countries kept growing on the strong basis of corporate governance. So it is possible to grow the economy without a stable government but

western developed nations but they sometimes lack the platform to deliver their skill. At GTU-CGS, we are always ready to provide the platform to these researchers.

**Dr. Aggarwal** also expressed his views on Governance in our Indian Universities; He firmly believes that our Indian researcher can deliver a world class research provided that our Indian Universities deliver a better governance system. He also said that, we have all facilities which are available to any developed country but still the Governance is the area where we are really lacking behind. Indian universities have not taken up the job, which they are supposed to take up. The problem of Governance is lot to do with, that we are not studding this area at the university level. The students at University of Pennsylvania are currently studding the upcoming Indian Elections; our researchers will not study it, even though we claim to be one of the largest democracies of the world. We are 120 Crore in a world population of 700 Crore, and still we are not credit with one new idea or one new product, which is distinct for rest of the world.



**Shri Piyoosh Gupta**, Head, Security and Exchange Board of India (SEBI), Western Region, started his speech on the need of Corporate Governance in India and has shared his own experiences on Corporate Governance at SEBI with the participants. He said that this area of Corporate Governance (CG) impacts the organizations, economy, country and society as a whole. CG refers to the structure and processes by which the organizations are governed, directed and controlled. In the last two decades several steps

have been taken to inculcate the spirit of good governance through Kumar Mangalam Birla Committee and Narayan Murthy Committee. SEBI mandates CG through Clause 49 of the listing agreement and also incorporated in the Companies Act. Today good CG is viewed as an imperative and perspective for long-term success and stability for Corporates. It is now mandated that the companies will have to set up a nomination remuneration committee, which shall formulate the criteria for determining qualification, positive attitude and independence of a director and recommend to the board a policy related to the directors, key managerial personals, and other employees. It is also mandated that the companies shall disclose their policy in their annual report. With a view that Independent Directors are able to give reasonable time to all the companies they serve, it is been decided that the maximum no. of boards that, they can serve is restricted to 7 and 3 if a personal is a whole time director in a public listed company.

**Mr. S. Rajaram**, CEO, Erhardt Leimer India Private Ltd., shared his views on Corporate Governance in Indian Economic Environment. He feels Corporate Governance (CG) is important for non-listed companies also, as many of the Indian family owned business are still not listed. Therefore CG is as important in non-listed as it is in listed companies. He believes that CG is always a Good Management and nothing else. But unfortunately Good Management became just maximizing profits for share holders. He feels somewhere down the line the main reason to establish CG is a lack of trust, because regulators don't trust companies, companies don't trust their employees, and employees don't trust their customers. Even the Naryan Murthy Committee did not use the word "stake holder" instead of that they used the word "share holders". Who appoints the independent director is a big question in CG? Can we really appoint an independent director without the concern of Promoters? The best way could be a panel of independent directors or some external competent and independent agency to decide on who should be an independent director of a company.



**Dr. G. P. Vadodaria**, I/C Registrar, GTU, delivered a vote of thanks speech and expressed his gratitude to all the guest of honour for joining the GTU on this conference and sharing their experiences with researchers in this area. He also extended his gratitude to all the researchers who have contributed to the success of ICGS-2014.

**Mr. Kaushal Mehta**, Founder & CEO - Motif India., shared his views on his corporate philosophy at MOTIF India. He shared his practical policies of governance at MOTIF India, and he also discussed that 22.5% of the share holding of the company is owned by its employees, one of the highest ownership of employees in any and company across any sector in India. Starting from a Front Desk Receptionist, a security guard to a manager has stock options of MOTIF. He also discussed



his views on ethical practices followed at Motif, while billing their clients, they are very transparent and always charge actual bills based on real time of services rendered to their clients. They also discussed companies CSR practices; they always support the NGOs and Activities where none of the MOTIF employee or his/her relative is directly or indirectly a member of that NGO or Activity. Motif Ahmedabad Charity Walk has become a very flagship brand to raise fund for charity in Ahmedabad.

Motif encourages a strong sense of social awareness through a range of philanthropic activities organized by its employees. The Annual Motif Charity Walk is one such activity, the objective of which is to create health awareness and raise funds through public participation. Motif has been conducting the Charity Walk for the past 11 years, and it has now become a highly anticipated annual event on the city's social calendar. The event is supported by individual contributions and corporate sponsorships in the form of cheques written directly in the name of beneficiary NGOs. Motif matches Rs. 150/- for every registered participant (up to Rs. 10 lacs). Over 45,000 people have participated in the Charity Walks so far, helping Motif raise funds in around Rs. 3 crore for 31 NGOs.

At motif the founder of the company spends at least two hours talking with the new joiners of MOTIF. The founder and promoters don't discuss on the process and job related issues they discuss on the corporate value system of MOTIF and vision on which the company was found. He believes self governance is the most important trait we can have in our employees, which we try to achieve in every employee of MOTIF. The performance appraisal of each employee is available online and any employee can challenge it. So he called it an online dispute resolution mechanism. Vision at MOTIF is very clear, continuous value creation for four Stack Holders, 1. Customers, 2. Employees, 3. Investors and 4. Society.

**Dr. Shashank Rathod**, Leading Ophthalmologist, Ahmedabad, specialized in cataract microsurgery and is pioneer in Phaco-Emulsification technique of Cataract removal in India. He has trained many eye surgeons all over the world & is invited to demonstrate live surgery at various National and International conferences. He is involved in many research & clinical work. Dr. Rathod shared his views on Corporate Governance in Hospitals and Medical Care Industries. He said there are two words in English "Principle" and "Principal", where the first means "ethics" and second means "leadership". So ethics comes from a



leadership. He said that an individual's concern for good can change the whole system. He also said that language of our heart is more important than our brain. CSR is nothing but it's just our responsibility to our Society.



**Dr. Samo Bobek**, Professor of Business Information Systems, Faculty of Economics and Business, University Of Maribor, Slovenia, expressed his views on CG in Europe. European Union (EU) member states have common rule on CG, but some of the member states do have their distinct regulations on CG for their companies. He also discussed on the difficulties faced by European Union in CG based on size and type of the companies. CSR is the next area of importance at EU. EU wants to be greener and cleaner economies of the world.

**Guruji G. Narayana**, Board Member, Centre for Business Ethics & CSR at Gujarat Technological University and Chairman of Yash Papers Ltd. and Punjab Chemicals & Crop Protection Ltd. Guruji Narayana serves as the Chairman Emeritus of Excel Industries Ltd. He has been Director of Punjab Chemicals & Crop Protection Ltd. since 1997. Delivered his session on the corporate governance based on his own experiences at Excel Industries Ltd.



**Prof. Bharat C. Dalal**, Honorary Director, Centre for Governance Systems, GTU, summarized the key learning of the plenary session. And thanked all the participants of the conference for their interest in the area of Governance. He also said that Governances is the support pillar of any organization, whether it is Hospitals, NGOs, Governments or Corporate.

During the technical sessions on 14<sup>th</sup> and 15<sup>th</sup> May, 2014 more than 280 researchers presented their research work. The list of technical session chairs is as below:

Chair Person for Technical Sessions		
Theme	March 14, 2014	March 15, 2014
Technical Session In-Charge: Dr. Sarika Srivastava		
Mr. Rajesh Ramani – Theme Convener		
Theme-1: Corporate Governance and Top Management	Mr. A. Khandual [General Manager – IDBI Bank]	Dr. Jagdish Joshipura [Director, Som Lalit Institute Of Management, Ahmedabad]
Dr. Mamta Singh – Theme Convener		
Theme-2: Corporate Deviances in Functional Management Areas	Dr. P.G.K. Murthy [Director, Parul Institute of Management and Research, Vadodara]	Dr. Chinnam Reddy [Director, Marwadi Group of Education, Rajkot]

Mr. Keyur Darji – Theme Convener		
Theme-3: Corporate Governance and Environment	Dr K N Sheth [Director, Venus International College of Technology, Gandhinagar]	Dr. D. P. Negi [Director, Hasmukh Goswami College of Engineering & Strategic advisor and Planning committee of CEPT]
Ms. Krutika Rawal - Theme Convener		
Theme-4: e-Governance / Transparency	Mr. Bharat Shah [Pharma Consultant, Ahmedabad]	Dr. Vipul Patel [Professor V. M. Patel Institute of Management]
Ms. Krishnaba Parmar - Theme Convener		
Theme-5: Corporate Shared Responsibility & CSR	Dr. Rajesh Khajuria [Director, SMJV's C K Shah Vijapurwala Institute Management, Vadodara]	Mr. Sunil Modi [Board of Advisor, GCSR, Gujarat Technological University ]
Mr. Hitesh Gujarati - Theme Convener		
Theme-6: Corporate Governance and Law	Dr. Ashish Joshi [Dean – INDUS University]	Dr. Akash Patel [Professor in Finance – PDPU]
Mr. Vikrant Vala - Theme Convener		
Theme-7: Contemporary Issues in Governance	Dr. S O Junare [Dean, Faculty of Management & Director, Shri Jairambhai Patel Institute of Business Management and Computer Application, Gandhinagar]	Dr. Viral Bhatt [Principal, SAL Institute of Management, Ahmedabad]

## DAY -2: MARCH 15-2014

**Prof. Bharat C. Dalal**, Hon. Director, Centre for Governance Systems welcomed all the delegates for Day-2 and discussed the highlights of Day-1.

GTU has started working on a Monitor for Good Governance, which helps us to determine how well the governance system is working. It has initiated studies in the field of Governance System in Businesses, Industries, Universities, Hospitals, NGOs and Government organization. The study helps organizations to improve their working through new policies or modifying existing policies and protocols. It can also help in creating or modifying management structure.



**Dr. Bhusan Punani**, Executive Director, Blind People's Association, started the day with his views on corporate governance. He said that *“Governance is nothing else but a consistent management, cohesive policies and right decision”*. He also says that *the concept of Governance is not new it is as old as Human Civilization*. He also expressed that biggest problem faced by

today's NGOs is the trust deficit. The same is also happening to the corporate world. The Survival and Existence of NGOs is also the biggest concern these days. If I am managing an organization than it's not my money at all, everything I manager belongs to the people belongs to the state. I am just the custodian. As Mahatma Gandhi rightly said the concept of trusteeship. It was Mahatma Gandhi who first said that we are the trusty of the property. It nothing belongs to us, what we do is to hold property in trust. Managers are duty bound to hold the property in trust and it's the law of god which applied to human society and institution. We are here to manage the trust, companies, governments, etc. which holds the public money and property. In no way we are the owners, instead of that we are just captains of those institutions. We only has to manage in a best possible way. He also said that Direct Tax Code restricts trustees from taking financial benefits. All benefits are taxable to the trust. There is also provision of recovering losses of trust from personal properties of trustees. He also shared that most of the institutes are societies. IIM-A, ATIRA, PRL, NID, they are the societies as per the law. In terms of Governance, Transparency and Accountability they have to follow the same norms as followed leading Indian Corporates. Under section 25 of Indian Companies Act all NGOs / Not-for-Profit Organizations have to maintain Transparency of activates, programmes, appointments, payments, compensations, financial transactions, purchases, sales, receipts, & payments.

**Dr. Shailesh Thaker**, Hon. Director, Centre for Business Ethics and CSR, GTU. He is business coach and young power-house of motivation and leadership, holds Ph. D. in Cognitive Thinking and Creative Writing (INDIA). He is also one of the third named fellows of JCI University for the International Training Fellowship from SAARC countries. He shared his view on “Leadership in side – Out side”. He said the leadership is vital element of governance. He also said that India is full of leaders but leadership is at crisis. He asked could we have an excellent leadership in a nation, state or organization. In past we use to believe that, it takes at least 3 generations to set a business but now it is a proven fact that business can lead to success in as short span as 5 years also. There was days when VCR (Video Cassette) Player use to be the most lucrative business in India but it is now where in the market, so the business world of India is changing very fast. The most recent invention of 21st Century is Brain Mapping, now marketers can take advantage of it. We have to identify ourselves as team players of organization first and rise above our affiliations with department and small groups. He summarized that great leading is nothing more than a great mentoring. He also questioned participates of the conference on why they



are in Education is it by chance or by choice. He also pointed out that always try to be the first version of yourself. He said that It was always fun and joy, never business, Sergey Brin, founder of Google.



**Mr. Nayan Parikh**, Managing Director of Nayan Parikh & Consultants. He is also a Management Consultant and president of IIM –Ahmedabad Alumni Association. He is a Post Graduate in Management from the Indian Institute of Management Ahmedabad (IIM-A). Nayan Parikh is a Commerce & Law Graduate. He has over 25 Years of Professional experience. He said that as an independent director you have to know your responsibilities related to corporate governance without any excuses.

Corporate Governance is now evolving in India at a rapid growth. It is now of prime importance for all of us to understand what are the recent issues and challenges related to corporate governance. These days' Corporates are implementing governance and also the governance is now corporatizing. He also said that Chnadrababu Naidu says that he is CEO of Andhra Pradesh, and Shri. Narendra Modi also says that he is of Gujarat. So political governance is now corporatized these days. He said that 'Corporate Governance' is a very neutral world, because all corporate are doing governance only instead of this we shall use the words like Good Governance and Bad Governance to report them. He also said that the good governance has a lot to do with an inner self of individual; an individual himself is responsible for it. He says that ethics and corporate governance is not related to 'what is your right to do' but it is 'what is right for you to do'.



**Mr. Vinayak Chhatre** Founder Managing Director of Forbaco Systems and Computer Services P. Ltd., He simply discussed the level of responsibility as:

*Figure 1 Level of Responsibility (by Mr. Vinayak Chhatre)*



**Dr. Alok Chakrawal**, Professor, Department of Commerce and Business Administration, Saurashtra University and Former General Manager of Saurashtra Kach Stock Exchange, Rajkot and Former Director of Inter Connected Stock Exchange, Mumbai. He said that we as individuals have to decide what type of Governance we are looking for in our society and we have to become active advocates of implementing the holistic governance model in our societies.



During the valedictory session **Dr. Jayrajsinh Jadeja** (Dean – Faculty of Management, M S University, Baroda, delivered a speech on the role of university and governance as one of its important function.

**Dr. Akshai K. Aggarwal**, Vice Chancellor, GTU, thanked all the researchers for their contribution in ICGS-2014. He also expressed special thanks to the young researchers who have contributed heavily in ICGS-2014 and praised these young researchers for their excellent job in the area of Governance. He also motivated the best paper award winner by saying that every award should motivate us to do something better than this next time. He also motivated the academic researchers to work hard in the area of research because a university is always known by its eminent teachers and its buildings and libraries. The teachers are the main property of any university.



## BEST PAPER AWARDS @ ICGS-2014

The Best Paper from each theme was awarded a cash prize of Rs. 5000, Trophy and a Certificate.

The seven main themes of the conference were:

Theme-1: Corporate Governance and Top Management, Theme-2: Corporate Deviances in Functional Management Areas, Theme-3: Corporate Governance and Environment, Theme-4: e-Governance / Transparency, Theme-5: Corporate Shared Responsibility & CSR, Theme-6: Corporate Governance and Law, and Theme-7: Contemporary Issues in Governance.

The award winner of Best Papers for each theme are as below:

Sr.No.	Author(s)	Affiliation	Research Paper Title
[1]	Dr. Mita Mehta Prof. Arti Chandani Dr. B. Neeraja	Symbiosis Institute of Management Studies (SIMS), Pune Symbiosis Institute of Management Studies (SIMS) , Pune Department of Management Studies, Dr. MGR University, Chennai.	Study on Independence of Independent Directors, w.r.t. top Indian Pharma and Healthcare companies
[2]	Prof. Iram Ada Khan Prof. Vidhita Sinha	Parul Institute of Engineering & Technology (MBA), Vadodara.	Whistle Blower - A Barometer Of Work Culture
[3]	Prof. Harish Morwani	Shri Chimanbhai Patel Post Graduate Institute of Computer Applications, Ahmedabad	Sustainability At Wipro: A Case Study
[4]	Hardik V. Bavishi	Sal Institute of Management, Ahmedabad.	Full digitization of money – Can it be a reality? A study of awareness and opinions of customers for the use of digital money

[5]	Mrs. Kinjal Bhatt	SVET Commerce and Management College, Jamnagar	Analyzing Perception and Status of Corporate Social Responsibility (CSR) activities in Small and Medium Enterprises (SMEs) of Gujarat: A case study of Jamnagar Brass Industry
	Dr. Kaushal Bhatt	Centre for Global Business Studies, Gujarat Technological University, Ahmedabad.	
	Ms. Juhi Kataria	Shri J. V. Institute of Management Studies, Jamnagar.	
[6]	Hitesh Gujarati	Centre for Financial Services, Gujarat Technological University, Ahmedabad.	Governance issues and challenges in implementation of National Food Security Act 2013
	Vikrant Vala		
	Keyur Darji	Centre for Global Business Studies, Gujarat Technological University, Ahmedabad.	
[7]	Dipak S Gaywala	Parul Institute of Management & Research (PIMR), Vadodara.	Impact of Companies' Act 2013 and Rules framed there under on Corporate Governance of Micro, Small and Medium size enterprises
	Shirufi Purohit		

### CONFERENCE CO-ORDINATORS:

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## MEMORABLE MOVEMENTS OF ICGS-2014





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