

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION No. 938
ANSWERED ON TUESDAY, THE 5th MAY, 2015**

NATIONAL FOUNDATION FOR CORPORATE GOVERNANCE

QUESTION

938. SHRI AJAY SANCHETI:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) the objective behind setting up of the National Foundation for Corporate Governance;
- (b) how far it has performed so far; and
- (c) how it has propagated the need for following good Corporate Governance?

ANSWER

THE MINISTER OF CORPORATE AFFAIRS

(SHRI ARUN JAITLEY)

(a): The objectives of National Foundation for Corporate Governance (NFCG) set up in 2003, as per the Trust Deed, are given in the Annexure.

(b) & (c): With the objective of fostering a culture of good corporate governance, NFCG has accredited forty-four premier Indian Institutions/Organizations such as IITs, IIMs, National Law Universities etc. as National Centres for Corporate Governance. These Centres conduct seminars, conferences, workshops, directors' orientation programmes etc. for promoting good corporate governance and also carry out research works in this field. NFCG is also working closely with international institutions like the Organisation for Economic Co-operation and Development and Asian Corporate Governance Association to promote good corporate governance practices through joint initiatives such as workshops, seminars, discussion forums etc. Till the end of 2014-15, 248 events have been organized and 27 research works completed under the aegis of NFCG, besides publication of a compendium on corporate sector and inclusive growth. The research reports of the Foundation, which include subjects such as the role of independent directors, CSR, corporate governance in energy sector, reforms in banking sector etc. have also been hosted on its website for the benefit of the stakeholders.

Annexure referred to in part (a) of the reply to Rajya Sabha Unstarred Question No. 938 for 05.05.2015

- (a) To provide a platform to deliberate issues relating to good corporate governance as the key to sustainable wealth creation;
- (b) To sensitize corporate leaders on the importance of good corporate governance, self-regulation and directorial responsibilities-statutory, social and environmental;
- (c) To stimulate and to facilitate exchange of experiences and ideas between corporate leaders, policy makers, regulators, law enforcing agencies, non government organizations and voluntary agencies with a view to developing a framework for corporate governance reforms in the context of liberalization and globalization;
- (d) To provide research, training, practice, capacity building, standard setting, advocacy, rating, monitoring, recognition and related support in the field of corporate governance;
- (e) To provide financial or any other assistance directly or indirectly for activities which seek to promote corporate governance including research and training;
- (f) To develop strategies that enhance value for all stakeholders and ensure long term benefits to the shareholders and the society at large;
- (g) To establish and deepen links with organizations in various parts of the world which promote corporate governance for exchange of ideas and for collaborative actions, projects and programmes;
- (h) To institute national awards and recognitions for excellence in corporate governance and develop a system of corporate governance rating;
- (i) To collaborate and to support, directly or indirectly, the initiative of any individual, group, organization or institution in promoting corporate governance;
- (j) To develop a code of best practices for corporate governance taking into consideration the international examples and to promote its voluntary adoption by the corporate bodies;
- (k) To prepare, print and publish any papers, periodicals or newspapers, books or leaflets either on its own or in collaboration with other persons/entities through print or other media and to contribute to any papers or periodicals to disseminate information and knowledge in the area of corporate governance;
- (l) To facilitate, promote, commend and collaborate on the proposals from individuals, associations and organizations for funding by national, international and multi-lateral organizations as also industry-associations, regulators and governments;
- (m) To provide advice, consultancy and technical and managerial support to the beneficiaries of the Trust's programmes through a network of advisors drawn from the industry and institutions of excellence; and
- (n) Other related objects.