

CORPORATE GOVERNANCE: NEED OF THE HOUR (COMPANIES ACT 2013)

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ABSTRACT

Entities accumulate their capital from large number of stakeholders based in domestic and international markets. These investors primarily expect two things i.e. protection of capital and return on capital which is higher than the cost of capital. Investors reflect faith in management's ability to perform and to comply with their expectations. Hence, it is the responsibility of the entity's governing body to ensure that they act in their best interests at all times and adopt good governance practices to run the entity.

Keywords: Corporate Governance. Whistle Blowing, Gender Diversity

Introduction:

The last few years have seen corporate collapse across the globe as a result of inadequate focus on corporate governance. These events have resulted in greater regulations coming into force. Evidence suggests that companies lacking robust governance practices have a significant risk premium attached to them when competing for scarce capital in the public markets. The most common school of thought would have us to believe that if management is about running businesses, governance is about ensuring that it is run properly. The aim of "Good Corporate Governance" is to enhance the long-term value of the company for its stakeholders and all other partners. Corporate governance integrates all the participants involved in a process, be it economic or social.

Objective of the Study:

1. To study the conceptual understanding of corporate governance.
2. To study the application of corporate governance through companies act 2013.
3. To study the importance of corporate governance.

Research Methodology:

This is a "Exploratory research" in which information's are collected from the different sources to find out the detail information about corporate governance and its applicability in India. This research is based on secondary sources of data.

Corporate Governance:

Corporate Governance refers to the way a corporation is governed. It is the technique by which companies are directed and managed. It means carrying the business as per the stakeholders' desires. It is actually conducted by the board of Directors and the concerned committees for the company's stakeholder's benefit. It is all about balancing individual and societal goals, as well as, economic and social goals.