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FROM CADBURY TO KOTAK: A COMPARITIVE STUDY OF THE EVOLUTION OF CORPORATE GOVERNANCE NORMS IN THE UK AND INDIA

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ABSTRACT

Corporate governance is the foundation of ethical corporate conduct, making sure that businesses are run with integrity, transparency, and accountability. In this research, there is a comparative study of the development of corporate governance norms in India and the United Kingdom from the Cadbury Report (1992) to the Kotak Committee Report (2017). The study examines how these two jurisdictions, based on a common historical law tradition, have evolved different governance architectures influenced by economic conditions, maturity of the market, and institutional capabilities.

In the United Kingdom, governance reform evolved through a series of self-regulatory codes, culminating in the UK Corporate Governance Code (2018), which institutionalized the "comply or explain" approach and emphasized board independence, shareholder engagement, and ethical leadership. In contrast, India's governance framework driven by statutory reforms such as the Companies Act, 2013 and SEBI's LODR Regulations, 2015 reflects a compliance-oriented, rule-based system, responding to domestic corporate failures like Satyam and IL & FS.

The research emphasizes major differences between the UK's principle-based, market-oriented mechanisms and India's state-regulated, enforcement-led model. It also points to growing convergence driven by international influences including OECD principles and ESG standards. The paper concludes that India has made considerable strides in becoming aligned with international best practices but consistent enforcement, board independence, and ethical culture are crucial challenges. Enhancing transparency, fostering stewardship, and evolving hybrid

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governance frameworks that combine flexibility with accountability are critical to attaining sustainable corporate governance in both contexts.

Keywords: Corporate Governance, Cadbury Report, Kotak Committee, SEBI, Accountability, Transparency, Board Independence

1. INTRODUCTION

Corporate governance is the building block of contemporary corporate law and financial regulation, being the structure within which business entities are steered and governed. It is the processes, traditions, policies, laws, and institutions that influence how a corporation is managed. In its very nature, corporate governance ensures that businesses work transparently, accountably, and ethically with the proper balance of interests of the shareholders, managers, customers, creditors, employees, and the wider society[4]. The aim is to develop a system of checks and balances so as to reduce agency issues, suppress managerial opportunism, and foster sustainable business.

Over the last decades, corporate governance has gained in prominence worldwide following a cascade of corporate scandals and financial crises that revealed profound structural vulnerabilities in corporate supervision. The collapses of Enron, WorldCom, and Lehman Brothers in America, and comparable collapses such as Polly Peck, Maxwell Communications, and BCCI in Britain, highlighted the need for proper governance mechanisms to bring accountability and investor protection. In India, the Satyam (2009)[2] and IL&FS (2018) scandals unearthed systemic weaknesses in board monitoring, auditor independence, and regulatory action. These incidents taken together reframed the notion of governancenot just a compliance necessity but a moral and strategic imperative for corporate resilience.

[4]Tricker, Bob, *Corporate Governance: Principles, Policies, and Practices* (5th edn, Oxford University Press 2021) [2] SEBI, *Report on the Committee on Corporate Governance (Kumar Mangalam Birla Committee)* (1999); see also Satyam Computer Services Ltd. v. Union of India (2009) 1 SCC 350.

1.1. The Global Evolution of Corporate Governance

The new corporate governance movement accelerated in the United Kingdom with the release of the Cadbury Report (1992)[5], produced in the wake of large financial scandals and governance abuses in the late 1980s and early 1990s. The Cadbury Committee explained corporate governance as "the system by which companies are directed and controlled," stressing three key principles openness, integrity, and accountability. It set the stage for future reforms, such as the Greenbury Report (1995)[4] on executive compensation, the Hampel Report (1998)[6] on consolidation, and the Higgs Review (2003)[7] on board performance. Collectively, these initiatives led to the UK Corporate Governance Code[8], which enshrined a "comply or explain" approacha unique characteristic of the UK model that encourages self-regulation in an environment of market discipline.

This strategy converted the UK's corporate governance environment from a control system to a culture of corporate responsibility based on proactivity. It promoted transparency, enhanced board-shareholder communications, and induced ethical decision-making based on responsibility and not forced compliance.

1.2. The Indian Context and Its Transformation

In India, the narrative of corporate governance developed alongside but was shaped by unique socioeconomic conditions. Prior to the early 1990s, India's corporate landscape was dominantly family owned and state-dominated, under the Companies Act, 1956[9], which made very limited provisions for board independence or disclosure. The opening of the Indian economy in 1991 constituted a turning point, as foreign investment flows and globalization of the capital markets generated a critical need for more robust governance systems to facilitate investor confidence and market integrity.

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[5] *Report of the Committee on the Financial Aspects of Corporate Governance* (Cadbury Report, 1992).
[4] *Directors' Remuneration: Report of a Study Group chaired by Sir Richard Greenbury* (1995).
[6] *Committee on Corporate Governance: Final Report* (Hampel Report, 1998).
[7] *Review of the Role and Effectiveness of Non-Executive Directors* (Higgs Review, 2003).
[8] Financial Reporting Council (FRC), *UK Corporate Governance Code* (latest revision, 2024).
[9] Companies Act 1956 (India), Ministry of Law and Justice, Government of India.

The Confederation of Indian Industry (CII) launched India's first voluntary code of corporate governance in 1998, and this was later followed by the Kumar Mangalam Birla Committee Report (1999)[10], resulting in the implementation of Clause 49 in the Listing Agreement. Clause 49 was India's first formal, binding framework on corporate governance for listed companies, establishing benchmarks for board constitution, audit committees, and disclosure standards.

In the wake of the Satyam Computer Services scandal (2009) popularly referred to as "India's Enron" there was a shift from voluntary compliance to statutory regulation. The Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formalized corporate governance in Indian law. These changes incorporated mandatory requirements for independent directors, whistleblower policies, rotation of auditors, and Corporate Social Responsibility (CSR) requirements. Subsequently, the Kotak Committee Report (2017)[11] further advanced governance reforms by emphasizing board diversity, enhanced disclosure, and risk management practices aligned with global standards.

1.3. The Need for a Comparative Study

In spite of the common law origin and similar conceptual foundations, UK and Indian corporate governance systems differ in regulatory philosophy and means of enforcement. The UK system is principle-based and depends on market discipline, shareholder activism, and the ease of voluntary compliance. India's system is rule-based and based on statutory mandates and regulatory oversight, because there have been differences in market maturity, ownership structures, and institutional development.

A comparative study of the evolution from Cadbury to Kotak thus provides valuable insights into how governance reforms travel across jurisdictions and adapt to local contexts. It highlights the interplay between global standards and domestic imperatives, and how lessons from mature economies can be contextualized for emerging markets. By comparing these two paths, the study attempts to comprehend if the Indian model has progressed from simple compliance towards the

[10]Confederation of Indian Industry (CII), *Desirable Corporate Governance: A Code* (1998); SEBI, *Kumar Mangalam Birla Committee Report* (1999).
[11]SEBI, *Report of the Committee on Corporate Governance (Chair: Uday Kotak)* (2017).

development of a culture of ethical governance and if principles-based solutions, like those in the UK, can provide sustainable avenues for reform in India.

1.4. Significance of the Study

In a time of growing globalization, cross-border investments, and ESG-driven corporate responsibility, the applicability of corporate governance knows no geography. Comparative governance analysis enables the identification of the underlying principles that facilitate sustainable business conduct regardless of jurisdiction. This study adds to that debate by charting the evolutionary continuity and contextual divergence between the UK and Indian governance frameworks. It highlights the necessity of India embracing a hybrid modelbalancing the flexibility of the UK's self-regulatory system and the enforcement power of its statutory system to develop a strong and ethical corporate sector that can live up to international standards.

2. CONCEPTUAL FRAMEWORK AND HISTORICAL EVOLUTION

2.1 Concept and Meaning of Corporate Governance

Corporate governance is the group of mechanisms, processes, and relationships through which corporations are directed and controlled. It is fundamentally interested in making sure that business organizations are run for the benefit of their stakeholders harmonizing the goals of profitability, durability, and responsibility. The term entered prominence as contemporary corporations expanded, ownership became dispersed, and managerial control divorced from shareholder ownership a malady typified by Berle and Means in their classic The Modern Corporation and Private Property (1932)[12].

Fundamentally, corporate governance is designed to address agency conflicts the misalignment of interests between owners (principals) and managers (agents). It intends to ensure that managerial actions are aligned with long-term shareholder interests, as well as maintain the rights of other stakeholders like employees, creditors, customers, regulators, and the community. In so doing, it creates an institutional environment that facilitates ethical behavior, fair disclosure, and accountability.

[12] Berle, Adolf A., and Gardiner C. Means, *The Modern Corporation and Private Property* (Macmillan 1932)

Based on the OECD Principles of Corporate Governance (2015), good governance is built on six core pillars:

1. putting in place the foundation for effective governance.
2. safeguarding and promoting shareholders' rights
3. fair treatment of shareholders
4. the stakeholder role.
5. disclosure and transparency.
6. board responsibilities.

These guidelines have been extensively embraced as universal best practices and continue to influence country reforms across jurisdictions, such as the United Kingdom and India.

Corporate governance, then, goes beyond conformity; it is the culture of corporate responsibility and integrity. While in developed economies it is a market mechanism that has developed to safeguard investors, in developing economies such as India it is a regulatory tool to bring in foreign investment, enhance competitiveness, and avoid corporate malfeasance.

2.2 Historical Evolution in the United Kingdom

The contemporary discussion of corporate governance within the United Kingdom follows back to the late 1980s and early 1990s' financial scandals specifically the collapses of Polly Peck International, Bank of Credit and Commerce International (BCCI), and Maxwell Communications Corporation. These events disclosed pervasive accounting dishonesty, insider dominance, and poor board regulation, eroding investor confidence and revealing structural flaws in corporate accountability.

As a reaction, the Cadbury Committee on the Financial Aspects of Corporate Governance was formed in May 1991 by the Financial Reporting Council, the London Stock Exchange, and the accountancy profession. The Cadbury Report (1992)[13] was a seminal document that redefined philosophy of governance across the world. It underscored the fact that "corporate governance is

[13] Financial Reporting Council, *Report of the Committee on the Financial Aspects of Corporate Governance* (Cadbury Report, 1992).

the system by which companies are directed and controlled," and listed openness, integrity, and accountability as its three key principles.

The Cadbury Report proposed a number of reforms:

- Unambiguous distinction between the offices of Chairman and Chief Executive Officer (CEO) to avoid power concentration.
- Enhancement of the role of non-executive directors (NEDs) to guarantee board independence.
- Formation of audit committees of independent directors.
- Improved financial reporting and more responsibility for directors to provide unbiased and accurate disclosures.

Though not statutory, the report prescribed the "comply or explain" methodologymandating listed companies to comply with the provisions of the code or give a reason for non-compliance in their annual reports. This voluntary, principle-based framework became a hallmark of the UK's governance and a model for global reforms.

The Cadbury report was quickly followed by a series of thematic reviews:

- The Greenbury Report (1995) emphasized executive pay and transparency of pay arrangements.
- The Hampel Report (1998) brought together earlier codes in the form of a single framework, referred to as the Combined Code on Corporate Governance.
- The Turnbull Report (1999) dealt with internal control and risk management, whereas the Higgs Review (2003) reinforced further the independence and accountability of NEDs.

These culminated in the UK Corporate Governance Code (2010), which is revised every few years by the Financial Reporting Council (FRC)the most recent being the 2018 Code. The 2018 update placed greater emphasis on long-term sustainability, corporate culture, and stakeholder engagement, shifting away from compliance-only governance towards purpose-led governance.

So, the UK model of governance graduated from a post-scandal reactive to a proactive, trust-based regime that focuses on market discipline, activist shareholders, and ethical leadership. Its strength is the optimal balance between flexibility and accountabilitya regime in which market pressures and shareholder monitoring serve as efficient enforcement mechanisms without excessive reliance on statutory control.

2.3 Historical Evolution in India

The Indian experience of corporate governance change occurred against the context of economic liberalization and structural adjustment. The Indian corporate governance had, until 1991, been mainly regulated by the Companies Act, 1956, which did not have robust mechanisms of board accountability or minority protection. Business family control dominated corporate ownership, and transparency and independent monitoring culture was almost non-existent.

The 1990s: Early Reform and Voluntary Codes

India's first serious move towards official corporate governance reform was through the Confederation of Indian Industry (CII) Code of Desirable Corporate Governance (1998)a voluntary effort to enhance investor confidence and foreign capital inflows. The Kumar Mangalam Birla Committee (1999)[14] was formed by the Securities and Exchange Board of India (SEBI) to come up with mandatory guidelines on governance for listed companies based on this. Its proposals were made part of Clause 49 of the Listing Agreement (2000), which ensured India emerged as one of the first emerging economies to have legally binding corporate governance standards.

Clause 49 brought in important changes like:

- Minimum number of independent directors on boards.
- Independent directors' audit committees made mandatory.
- Improved disclosure and reporting standards.
- Board and management roles being separated.

[14]SEBI, *Report of the Kumar Mangalam Birla Committee on Corporate Governance* (1999). [14] PricewaterhouseCoopers, *Satyam Scandal Case Study* (2010).

These measures brought Indian corporate governance practices into line more closely with OECD and international practice.

Post-Satyam Era: Institutionalization of Legislation

The Satyam Computer Services scandal (2009)[14] was a turning point in Indian corporate history, revealing serious lapses in board vigilance and auditor integrity. The episode highlighted the limitations of voluntary compliance and emphasized the necessity of statutory action. As a result, the Companies Act, 2013 was passed, which is the most extensive reform of corporate law since the country gained independence.

The 2013 Act brought in:

- Independent directors as a statutory mandate (Section 149).
- Whistleblower and vigil mechanism (Section 177), obligatory.
- Corporate Social Responsibility (CSR) obligations (Section 135).
- Rotation of auditors for independence (Section 139).
- Redefined board duties in risk management, ethics, and disclosure.

Concurrently, SEBI substituted Clause 49 with the Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015, unifying corporate governance standards for listed entities.

Recent Developments: The Kotak Committee Report (2017)

Accepting the necessity to harmonize with changing international norms, SEBI formed the Kotak

Committee on Corporate Governance in 2017 chaired by Uday Kotak. The committee report ushered ina new generation of reforms targeting board diversity, transparency, and board performance assessment.

Its suggestions were:

- Rise in the proportion of independent directors.

- Mandatory separation of Chairperson and MD/CEO positions for listed companies.
- Enhanced disclosure standards, particularly relating to related-party transactions.
- Greater responsibility of credit rating agencies and auditors.
- Appointment of women directors to ensure gender balance.

Implementation has been gradual, but Kotak reforms herald a change from traditional formality to performance-oriented governance.

2.4 Comparative Historical Trajectory

The path of corporate governance development in the UK and India mirrors contrasting socio-economic and institutional environments. The model in the UK unfolded naturally through self-regulation, based on confidence in the market and activist investors. The model in India is legislative and enforcement oriented, influenced by economic liberalization and an urgency to address structural vulnerabilities in corporate accountability.

Convergence, however, exists. Both jurisdictions now stress board independence, disclosure, stakeholder inclusion, and ethical behavior. The spread of global standardsthrough organizations like the OECD, World Bank, and Commonwealth Corporate Governance Principles[15]has hastened this convergence.

The UK is further developing its principles-based "comply or explain" regime with an emphasis on flexibility and corporate culture. India, having a rules-based model of compliance, is increasingly embracing principles of stewardship and self-governance, such as in the Kotak reforms and the SEBI Stewardship Code (2020).

Therefore, the historical transformation from Cadbury to Kotak represents the worldwide passage from reactive regulation to active responsibilitya shift from governance as a rule to governance as a culture.

[15]OECD, *Principles of Corporate Governance* (2004, revised 2015); Commonwealth Association for Corporate Governance (CACG), *Guidelines on Corporate Governance in the Commonwealth* (1999).

3.DETAILED DISCUSSION AND ANALYSIS

3.1 What role did the Cadbury Report of 1992 play in directing the development of corporate governance in the United Kingdom?

The Cadbury Report (1992) has generally been seen as the foundation stone of United Kingdom corporate governance in its contemporary form. It was published after a succession of corporate failures in the late 1980s and early 1990sincluding the collapses of Polly Peck, Maxwell Communications, and Bank of Credit and Commerce International (BCCI)had revealed fundamental flaws in board responsibility, auditing, and financial disclosure.

The report had defined corporate governance as "the system by which companies are directed and controlled" and brought in three basic principlesopenness, integrity, and accountabilitywhich have since been the ethical underpinning of governance systems across the globe. Among its most groundbreaking contributions was the use of the "comply or explain" principle, which provided room for maneuver by making listed companies either comply with governance codes or give public reasons for non-compliance. This model weighed regulation against market discipline, promoting transparency without loading up on companies with stifling legislation.

The Cadbury Report also highlighted board structure and independence, suggesting the dividing of the duties of the Chairperson and Chief Executive Officer (CEO), use of independent non-executive directors (NEDs), and creation of audit committees to monitor financial reporting. Later reports Greenbury (1995), Hampel (1998), Turnbull (1999), and Higgs (2003)developed these principles, ultimately leading to the UK Corporate Governance Code (2018).

Essentially, the Cadbury Report changed corporate governance from a compliance-driven reactive activity into a values-based, principles-centered culture. It established the basis for self-regulation and shareholder stewardship within the UK, with its governance systems stretching across the Commonwealth and internationally, including India.

3.2 What were the key milestones in India's governance reform from the CII Code (1998) to the Kotak Committee Report (2017)?

India's corporate governance framework evolved significantly over two decades, beginning with voluntary initiatives and culminating in comprehensive statutory regulation. The journey from the CII Code (1998)[16] to the Kotak Committee Report (2017) represents India's shift from informal best practices to structured legal governance.

The Confederation of Indian Industry (CII) launched the initial voluntary Code of Desirable Corporate Governance in 1998, advocating openness and board responsibility following increasing globalization and investor pressure. The Kumar Mangalam Birla Committee (1999)[17], formed by SEBI, created guidelines that were enshrined in Clause 49 of the Listing Agreement (2000)India's initial mandatory corporate governance code for listed firms. Clause 49 introduced independent directors, audit committees, and disclosure obligations, aligning India's system with global standards.

The Narayana Murthy Committee (2003)[18] went a step further in enhancing corporate disclosures and adding whistleblower provisions. The Satyam scandal (2009), however, revealed entrenched governance flaws, calling for a shift from voluntary compliance to legal compliance. This resulted in the implementation of the Companies Act, 2013, which transformed Indian corporate law by adding provisions for board independence, corporate social responsibility (CSR), rotational audit, and vigil mechanisms.

The SEBI (LODR) Regulations, 2015[19] amalgamated corporate governance norms for listed entities, with greater disclosure and accountability. Ultimately, the Kotak Committee Report (2017) recommended forward-looking changes regarding board diversity, separation of chair-CEO, greater transparency, and performance assessment, bringing India closer to global best practices.

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[16] Confederation of Indian Industry (CII), *Desirable Corporate Governance: A Code* (1998).
[17] Securities and Exchange Board of India (SEBI), *Report of the Kumar Mangalam Birla Committee on Corporate Governance* (2000).
[18] SEBI, *Report of the Narayana Murthy Committee on Corporate Governance* (2003).
[19] SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. [20]
Financial Reporting Council (FRC), *UK Corporate Governance Code* (2018).

Collectively, these milestones restructured India's model of governance from reactive regulation to proactive reform, integrating governance into the legal architecture of corporations and a mirror of the country's increasing linkage with international capital markets.

3.3 How are the UK and Indian regulatory styles different in terms of balancing flexibility and enforcement?

The regulatory styles of India and the United Kingdom vary in their institutional design, enforcement mechanisms, and philosophy but share converging goals.

The UK approach is principles-based, emphasizing self-regulation and market discipline. Subsequent to the Cadbury Report (1992), UK governance evolved within the "comply or explain" approach, giving companies freedom to modify governance practice according to circumstances, as long as they disclose and explain deviations. The Financial Reporting Council (FRC)[20] regulates the UK Corporate Governance Code (2018), encouraging board accountability, shareholder involvement, and ethical corporate culture. Enforcement is based on transparency and shareholder activism instead of legal penalties. The system encourages trust and flexibility, making governance an evolving and values driven process.

In contrast, the Indian model is rules-based and enforcement-oriented, reflecting its emerging economy's regulatory challenges and concentrated ownership structures. India's system is built on statutory mandates under the Companies Act, 2013, and SEBI's LODR Regulations, 2015, which impose mandatory norms for independent directors, board committees, and disclosures. The emphasis lies on compliance through regulation rather than voluntary adherence, as institutional enforcement mechanisms are still evolving.

While the UK is based on disclosure-based accountability and shareholder activism, India is based on regulatory oversight of SEBI and the Ministry of Corporate Affairs (MCA). The UK system places a premium on flexibility and trust, while India places more emphasis on certainty and deterrence.

Accordingly, the UK attains governance through market-led self-regulation, whereas India through law led supervision. Both are meant to improve corporate integrity but at varying levels of institutional maturity and investor activism.

3.4 What are the lessons each jurisdiction can learn from the other to enhance board independence, transparency, and accountability?

The United Kingdom and India have evolved successful but context-relevant governance models. Yet, each can learn important lessons from the other to improve board independence, transparency, and accountability.

For India, the UK model provides important lessons on the advantages of principles-based governance. The "comply or explain" procedure promotes ethical responsibility rather than mere compliance, fostering a culture of self-regulation and accountability. India can learn from it to shift beyond the checklist mindset and enable boards to exercise context-based governance decisions. Implementing shareholder stewardship and institutional investor activism, as in the UK, could also reinforce market-based enforcement. India needs to also strengthen training, assessment, and compensation mechanisms for independent directors to enforce real independence and not just formal compliance.

In the case of the United Kingdom, India's experience underscores the value of statutory support and regulatory alignment. While self-regulation encourages flexibility, it occasionally compromises on superficial compliance. The inclusion of some mandatory disclosures like CSR, gender diversity, and ESG commitments would improve transparency and bring corporate conduct in line with societal expectations.

Both nations need to continue to develop systems for board diversity, whistleblower protection, and periodic board evaluations. Both also face the challenge of embedding ethical governance and sustainability into corporate purpose.

In short, whereas the UK might be enriched by India's structured compliance mechanisms, India might be benefited by the UK's culture of ethical stewardship[20]. The hybrid governance model

[20] Financial Reporting Council (FRC), *UK Stewardship Code* (2020).

that would balance the UK's flexibility with India's enforcement power would allow both systems to drive real accountability, safeguard stakeholder interests, and provide long-term corporate integrity.

4. CONCLUSION

The trajectory of corporate governance, from the Cadbury Report of 1992 in the United Kingdom to the Kotak Committee Report of 2017 in India, indicates a worldwide transformation away from reactive regulation and towards proactive accountability. Both countries, although both inheritors of a common law tradition, evolved their unique governance structures influenced by their socio-economic and institutional contexts. The UK's model, founded on the principles of openness, integrity, and accountability, evolved through self-regulation and the "comply or explain" approach. It emphasizes market discipline, board independence, and ethical leadership. In contrast, India's model emerged from liberalization-era reforms, culminating in statutory measures such as the Companies Act, 2013 and SEBI's LODR Regulations, 2015, which rely on rule-based enforcement to ensure compliance.

While the UK framework is principle-driven and based on shareholder stewardship, India's structure is law-driven, making up for less effective enforcement and pyramidal ownership structures. However, both frameworks now meet on shared goals transparency, accountability, and protection of stakeholders. The globalization of standards via OECD principles and ESG standards has prompted convergence, although gaps continue in India's enforcement and board independence.

The Cadbury to Kotak journey illustrates that good governance entails more than compliance with the law it entails ethical awareness and sound corporate culture. For India, the future phase has to be about strengthening enforcement capability, reinforcing diversity on boards, and instilling ethics into corporate practice. For the UK, ensuring the integrity of self-regulation in a globalizing market is key.

Finally, proper corporate governance is more than regulation; it is an undertaking of commitment to equity, trust, and sustainability. Both jurisdictions' history attests that governance at its finest is not a legal requirement but an ethical code driving corporations toward long-term value creation and social responsibility.

5. RECOMMENDATIONS

1. Strengthened Principles-Based but Enforceable Governance Framework

- Preserve the **"comply or explain"** flexibility (UK model) but introduce **minimum mandatory governance baselines** for listed and large unlisted public companies in India.
- Harmonies overlap between the **Companies Act, 2013** and **SEBI (LODR) Regulations, 2015** to avoid duplication and gaps.

2. Board Composition and Independence

- Mandate separation of Chairperson and CEO roles, or appointment of a Lead Independent **Director** in promoter-led firms.
- Periodically disclose **board skill matrices**, diversity statistics, and performance evaluations.
- Strengthen criteria for **independent directors** cooling-off period, remuneration transparency, and term limits.

3. Audit and Risk Oversight

- Enhance the **autonomy and accountability of Audit Committees**, ensuring full independence from management.
- Implement periodic **external quality reviews** of audit firms and require public disclosure of non-audit services.
- Align internal-control declarations with **Turnbull Guidance (UK)** standards.

4. Related-Party Transactions and Promoter Governance

- Require prior approval of **material RPTs** by a majority of independent directors.
- Ensure **transparent disclosure of promoter and group transactions**, with independent valuation for significant deals.
- Introduce **promoter stewardship codes** modelled on UK institutional stewardship norms.

5. Enhanced Disclosure, ESG, and Investor Stewardship

- Extend mandatory **Business Responsibility and Sustainability Reporting (BRSR)** to all large listed entities.
- Mandate **stewardship reporting** by institutional investors akin to the **UK Stewardship Code (2020)**.
- Encourage continuous ESG engagement and long-term strategy disclosures.