

# Voice of the majority missing due to poor shareholder participation

N Suryanarayanan's vast collection of books includes many courtroom dramas and counter terrorism reads. A self-confessed bibliophile, L&T Finance Holdings' Company Secretary and Head-Group Compliance says, even among fiction, he prefers detective and informative novels that apprise him about subjects far removed from his field.

'Suri' as he is popularly known, has a thirst for knowledge that extends much beyond his choice of books. After all, it was his yearning for knowledge that saw him taking up the Company Secretarial (CS) course despite being employed with ACC Limited (formerly The Associated Cement Companies Limited) as a Chartered Accountant (CA). He had also completed his Cost Accountancy at The Institute of Cost and Works Accountants of India (ICWAI). He further completed the two year Bachelor of General Laws (BGL) course.

However, all this learning came handy when, in 1990, Suri joined a subsidiary of Larsen & Toubro Limited at Chennai. "It was a composite set up where the finance person also looked after the Secretarial duties," says he. Suri held both the posts concurrently until 2011.

In 2007, Suri joined the Mumbai office of L&T Finance Holdings and has since remained in the financial services sector. His association with the L&T Group alone has spanned more than 25 years and yet, he has never really missed working with different organisations, says Suri. "The company's policy of rotating its employees within the organisation saw me taking up varied functions, including one in which I was

**N Suryanarayanan, Company Secretary and Head-Group Compliance, L&T Finance Holdings rues the fact that even as shareholder awareness has grown in the last decade, shareholder involvement is still lagging. Speaking to Dipta Joshi, he discusses the various measures that will boost shareholder contribution and help good governance**

## COMPANY CUSTODIANS

head of a manufacturing unit for two years. These provided ample opportunities for diverse experiences, be it getting approvals for land acquisitions or facilitating meetings of the Boards etc."

Suri specifically remembers the time when he was involved in an Indo-German joint venture and had to deal with a diverse set of teams, hold teleconferences that spanned different countries and get multiple approvals from different authorities while adhering to strict deadlines. Another hectic but satisfying period was when L&T Finance Holdings Limited came out with their maiden public issue in August 2011. "There is a lot of interaction when multiple stakeholders like the auditors, merchant bankers and legal counsels are involved. The

Company Secretary has to get into the arbitration mode, bringing them to a common understanding. Though companies usually have special teams for handling such events, it is the CS who is front-ending it," says Suri.

Thus, a CS' role is no different than that of a diplomat or a negotiator. More so, when he is involved in external facing assignments like handling multiple regulators, independent directors and shareholders. According to Suri, while the awareness among shareholders has definitely gone up in the last 10-15 years, there is a lag in shareholder participation today. This despite the ease of electronic voting. "While shareholders raise valid issues like governance, executive pay etc. the voice of the majority is still missing. For in-



stance, out of three lakh retail shareholders, we only receive 8000 electronic votes. We would want at least 50 percent of them to participate," says Suri.

Improving shareholder participation has been one of the objectives of the Companies Act, 2013. Besides electronic voting, the Act has now ensured better say for shareholders under the 'Class Action Suits', points out Suri. Earlier, if a particular percentage of shareholders believed that the company was involved in wrongful action, they could file a suit against the company to stop it. Now, the Companies Act, 2013 allows them to claim damages too.

The other benefits of the 2013 Act include, ushering in a culture of better governance through measures like 'Independent Directors', 'Rotation of Auditors' and making processes more technology friendly. However, technology has been no substitute for certain procedural difficulties being faced by companies in the wake of the Act. "While the concepts are good, there is a need to distinguish between companies using large amounts of public money and those who have no public interest at stake. On processes, for example, the need to get shareholder approval for every issue of preference shares should change," states Suri. So while Suri bats for stricter norms for accountability, he wants the procedural difficulties to be taken care. "Penal provisions for even inadvertent measures can get a bit daunting for eminent names who would rather

not get involved," says he. However, like the rest of the industry, Suri too is hoping for more positive changes in the Act since the government has recently constituted an eight member panel to address the issues related to the 2013 Act.

The Act has also thrust greater responsibilities upon Companies Secretaries and in an environment where even established Company Secretaries are facing challenges, youngsters definitely have a lot to learn. According to Suri, only a knowledgeable CS can succeed in the new environment. But his knowledge cannot be limited to textbooks only. He needs to extend it to the company's activities as well as the economic environment that impacts the industry. He will also need to be persuasive and communicate well.

Suri further adds, "One should also remember that not all communication takes place in the board room. As a CS, you may have to convey the messages that the directors want to pass on to the others. But you are called upon to play this role only when the Board trusts you, your knowledge and your fairness."

Then again, it takes time to build trust. Those who want to add value to their assignments must be willing to stay with the organisation, reminds Suri. "Those who are like rolling stones, staying for less than three years in a company, can neither add value to any assignment nor get assignments that add value," he states. So, if and when one decides to move on, the reasons should always be career opportunities and not just better money, says Suri.

## Solving the retail jigsaw



B.S. Nagesh, Founder TRRAIN and Pioneer Retailer, Damodar Mall, CEO-Reliance Retail (Supermarkets) and Karan Mehrotra, Founder of Localbanya.com debate the future of retail "2020: Supermarket Wala or SuperApp Wala" at Kemps Corner in Mumbai on Thursday.

## IAA Future Leaders Awards announced

Mumbai  
The India Chapter of the International Advertising Association (IAA) has announced its new Future Leaders initiative. The IAA Future Leaders Awards, Three future leaders below the age of 30 will be identified and honored. They will represent the finest talent in advertising, marketing and media, the three broad areas that the IAA is focused on. Srinivasan K Swamy President IAA and Chairman R K SWAMY BDDO said "this is a young industry and we owe it to ourselves to recognize our future leaders, nurture them, encourage them and celebrate them. I am particularly glad that we are launching this meaningful initiative in our Silver Jubilee year. It reinforces our commitment to all that is good in this industry". Carefully designed



Monica Tata, Chairperson of Future Leaders Committee

nomination forms will be going out shortly to key stakeholders in the marketing and communication space. The winners will be honored before such a distinguished audience, the three winners would be sent on an all-expenses-paid trip to the AdAsia 2015 being held in Taipei this November.



Srinivasan K Swamy, President of IAA

Chairperson of the Future Leaders Committee adds "apart from the obvious prestige of being recognized and honored before such a distinguished audience, the three winners would be sent on an all-expenses-paid trip to the AdAsia 2015 being held in Taipei this November."

## CORPORATE CONNECT

### FM rings closing bell at NYSE



Finance Minister Arun Jaitley closing the bell at the New York Stock Exchange. FICCI President and delegation leader Dr. Jyotsna Suri, Rajan Bharti Mittal, Vice Chairman & MD, Bharti Enterprises, Onkar Singh Kanwar, CMD, Apollo Tyres, Harshvardhan Neotia, CMD, Ambuja Neotia Group, Y K Modi, CMD, Eastern Energy Corporation are seen along with others.

### MSME will materialize the dream of Make in India: Kalraj Mishra



Speaking at Central office KVIC Shri Kalraj Mishra, Hon'ble Union Minister, Ministry of Micro, Small & Medium Enterprises, and Govt. of India said that Micro and Small Industry will materialize the dream of make in India in true sense. He was here to review the Schemes and Programmes of KVIC for better implementation in Maharashtra. Earlier, the Minister had interaction with Bankers, officials of Maharashtra KVIB and State Industries Department, Govt. of Maharashtra including PMSG Beneficiaries. Arun Kumar Jha, Chief Executive Officer/Commissioner, Mohit Jain, CVO, and Kishore Rao, Dy. CEO and other senior officials of KVIC were also present.

### NSIC releases report



Ravindra Nath, CMD, NSIC, H.E. Ms. Vijay Thakur Singh, High Commissioner of India at Singapore along with other dignitaries released Report on "Indian MSME Industry Overview and Opportunities" prepared by Frost & Sullivan.

## CORPORATE CONNECT

### CBI organises Yashaskaram shield competition



Central Bank of India is organising Elucution Competition for the schools of Mumbai and Thane called Central Bank of India Yashaskaram Shield. The first level of such competition was inaugurated at Christ Church, Byculla in the presence of Rajkiran Rai G., Field General Manager and Dr. Carl Laurie, Principal of the School, Rajkiran Rai G., Field General Manager gave shield to 1st prize winner, M M PANDA, Assistant General Manager and Dr. Carl Laurie Principal of Christ Church, Byculla were also present on the occasion.

### REC inaugurates renovation works in Bulandshahar



Within CSR initiatives of REC, renovation and development work in Veergheda Inter College was inaugurated by Honorable Minister of State (Independent Charge) for Culture, Tourism and MoS for Ministry of Civil Aviation (India), Dr. Mahesh Sharma in Bulandshahar. REC CMD Rajeev Sharma, senior officials, dignitaries from Veergheda district, residents and students of Veergheda were present in large numbers. REC, under its CSR initiatives has allocated a sum of Rs 40 million for the project, including provisions for a new library, classrooms, playground and boundaries, toilets for boys and girls, laboratory, cycle stand, furniture for classrooms, etc. This is a step in the direction of modernization of Veergheda Inter College.

### CR GM releases 'Srujan'



Taking a step ahead and combining Rajbhasha Hindi with Digital Technologies, General Manager, Central Railway, S.K. Sood released 6th issue (January-June, 2015) "Srujan" a paperless Digital Flip-page Hindi E-Magazine on the occasion of 149th Zonal Official Language Implementation Committee Meeting recently. An interactive Digital CD alongwith this e-publication was also released. With innovative features and specially focused on Scientific and Technical writing in Hindi, the e-Magazine 'Srujan' has been regularly brought out by the Construction Organisation, Central Railway under the effective guidance of M.K.Gupta, Chief Administrative Officer (Construction) Central Railway, V.K.Gupta, Member Engineering Railway Board, S.K.Sood, General Manager, R.D.Tripthi, AGM, M.K.Gupta, CAO (C), K.S.Krishankumar, Mukhya Rajbhasha Adhikari & CSTE contributed with their valued messages to this e-Magazine for further progression.

### AAI Fire Training Centre gets IMS certification



IMS certification 9001/14001/18001 for aircraft fire & rescue training programmes conferred upon AAI Fire Training Centre was presented by the Chairman, AAI, to the Fire Training Centre during Fire Service Week function recently. With this accreditation, AAI's Fire Training Centre has become the only Fire Training Institute in India to receive such a standards certification in Aircraft Rescue & Fire Fighting Training. R K Srivastava, IAS, Chairman, Airports Authority of India is seen presenting the IMS certification during the Fire Training Centre during Fire Service Week function.

### PDIL assigned with PMC job



Projects & Development India Limited (PDIL) has been assigned the job of PMC for the cluster development programme of Dept. of Pharmaceuticals, Minister of Chemicals & Fertilizers Shri Ananth Kumar, Hon'ble Minister of Chemicals & Fertilizers & Shri Harjanz Gangaram Ahir, Hon'ble Minister of State of Chemicals & Fertilizers launched the Scheme 'CLUSTER DEVELOPMENT PROGRAMME FOR PHARMA SECTOR' in presence of Dr. V.K.Subburaj (Secretary), Shri Sudhansh Pant (Joint Secretary), Sh. Rajiv Yadav (SS&FA) from the Dept. of Pharmaceuticals and Shri S.Venkateswar, Chairman & Managing Director of PDIL at speaker hall, Constitution Club of India, Rafi Marg, New Delhi. The representatives from Pharma Industry are also present on the occasion.

### SCOPE advocates digital way to promote Brand PSU



SCOPE organized two-day Seminar on "Corporate Communication in Digital Age: Challenges and Opportunities". Dr. U.D. Choubey, Director General, SCOPE inaugurated the Seminar and also released Special Issue of Kaleidoscope house journal on "Public Sector Reforms in India". R.K. Bahuguna, CMD, RailTel Corp. of India, Dr. Jaishri Jethwani, Professor, IIMC, Dr. Ajit Pathak, GM (CC&SR), IOCL and R.K. Singhal, Chief of Corporate Affairs, SAIL also spoke in the inaugural session. Dr. U.D. Choubey, DG, SCOPE said digital communication is the most important and essential ingredient today for promoting the brand image of an enterprise. He observed that Corporate Communication Department requires very high level of intellectual capability to convey the brand image of an organization.

### Sun Pharma asks some Ranbaxy employees to leave, post merger

New Delhi  
Sun Pharmaceutical Industries has started easing out excess employees from Ranbaxy, including senior executives, following completion of its USD 4 billion acquisition of the Gurgaon-based firm. When asked to confirm a report of 18 top executives of Ranbaxy being asked to leave, a Sun Pharma spokesperson said: "If there are few employees who could not be positioned appropriately, the organisation will make all attempts to handle the same in a fair, transparent and sensitive manner."