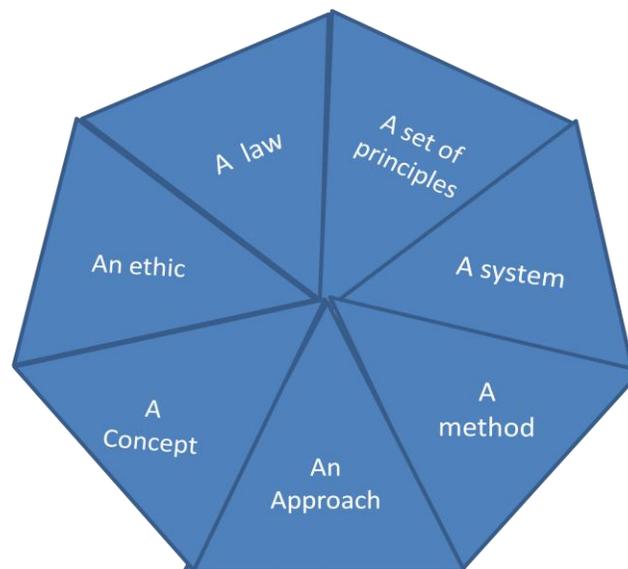


Corporate Governance as differentiator

In highly competitive business environment and with product, financing or marketing innovations, good corporate governance may be practiced as a differentiator. The current business scenario seems to be very complex in terms of its operation and governance. Due to advanced technology and legal requirements, operations are comparatively transparent. Competitors and public at large can do whatever innovations you have done in product (unless it is patented), financing or marketing. Good corporate governance practice can be imbibed as a tool to maximize wealth of stakeholders. Though theoretically it could also be copied by your competitors, practically it is difficult to change mind set and implement similar practices in the organization. Corporate governance has been seen as ethics, law, system, approach, strategy, set of principles and a concept. But in sum, it is more than that. Corporate Governance can be a differentiator, if you extend the meaning of governance to act professionally, ethically and legally but possible best business practices.

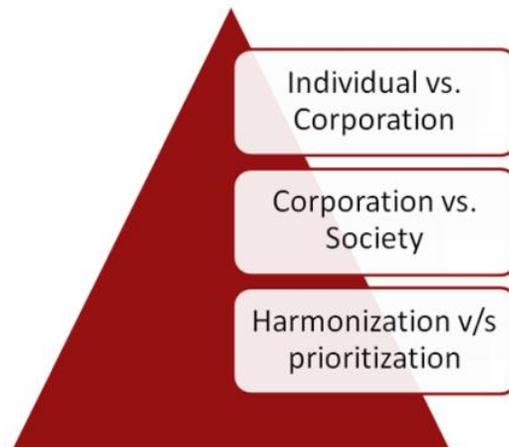


Corporate governance needs to understand basically as blend of balancing interest among conflicting interest of various stakeholders. The prime objective of business is to provide goods & services to customers and to generate profit or surplus for shareholders. Your customer is God, and you should employ your creativity not only to gauge his needs but to expand his thinking for consumption of goods and services that enhance his wealth, improve his life without compromising societal & environmental issues on hand. These goods and services must be provided not only at reasonable prices, but constantly endeavoring to reduce prices. It means governance should provide

conducive environment that brings continuous innovation on one hand and reduces cost on other. It is process of balancing risk but essentially encouraging taking entrepreneurial risk.



Corporate governance is process of harmonization of conflicting interest. Human being normally is rational and prudent when he consume resources for himself from his own pocket. He takes utmost care when he expends a single penny of his own. But as he expends for himself from others' pocket, he may or may not be so prudent. Good governance practice demands a manager should take same prudence norms when he expends resources of company; one should give sacrifice for company his own interest.



Again, human being normally is rationale and prudent when he consume resources for company owned by company. He takes utmost care when he expends a single penny of company if it is not benefiting him. But as he expends resources of the society for the company, he may or may not be so prudent. Good governance practice demands a manager should take same prudence norms when he expends resources of society for company. One should sacrifice company's interest against societal interest. Corporate governance principles should be practiced, percolated & perused till grass root. One should sacrifice own interest for the company and company's interest for society.