

EXPOSURE OF CORPORATE GOVERNANCE PRACTICES BY IT INDUSTRY COMPANIES IN INDIA

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ABSTRACT

Purpose: Government is trying to make Indian firms follow right corporate governance policies as practice for long term sustainable growth of businesses. The purpose of this paper is to study the CG practice: in the form of various CG initiatives and parameters; in IT industry in India as this industry is one of the fastest emerging industries in India and is a dominant industry in global markets.

Design/Methodology/Approach: A descriptive research is done with the help of tables and chart to briefly introduce Corporate Governance in Indian and global scenario along with regulatory requirement of CG practice by corporate. Corporate Governance are studied on various parameters: Independent Directors, No. of meetings, shareholding pattern, Grievance committee meetings, compensation policy, risk management committee and its meetings and transparency in CG report; for IT companies in India by giving an overall scenario of IT industry in India.

Findings: The companies in IT industry appreciate and practice corporate governance and comply with various clauses of corporate governance in different proportion and keep transparency in their governance whereas all the mandatory norms are followed and non- mandatory norms are practiced to some extent.

Research Limitations and Implications: Since the information available on CG practices are collected from annual reports of companies only and the time frame taken is FY 2013-14, SO window dressing could not be removed from it. The descriptive analysis based on secondary data would have its own limitation.

Practical Implications: These days Corporate talk about responsibility of business community towards every stakeholders and that they are following right governance practice but it is very important to study what is the actual scenario. This study raise a very important issue of negligence of CG non mandatory norms practice by corporate through studying current CG practices in companies in IT industry in India.

Originality and Value: This study has made an original attempt to trace out the CG practices in Information Technology IT industry in India in financial year 2013-14. Not all of them are meeting the regulatory requirement of CG practices as per The Company's Act, 2013.

KEYWORDS: Corporate Governance (CG), Firm Performance, IT Industry