International Conference on
Innovative Research in Education,
Law, Governance, Gender Studies,
Humanities and Various Management Practices

Corporate Governance: A Resource Dependence Perspective

Vandana Singhal

Faculty at VPJ Classes
(Laxmi Nagar, Delhi-92)
E-mail: vandanasinghal.ca@gmail.com

Abstract—*Corporate governance is the set of systems, processes, rules & regulations by which the management of corporation is directed and controlled. It includes the accountability and responsibility of the Board of Directors towards various stakeholders of the company i.e. shareholders, employees, suppliers, customers, regulators and society. The need for corporate governance has arisen because of the increasing concern about the non-compliance of financial reporting standards, lack of transparency and disclosures, falsification of accounts, high valuation of shares by companies by projecting wrong picture of the company's performance and profitability, which leads to heavy losses to the investors. Good corporate governance not only improves transparency and efficiency in a company but also increases the investors' trust in the company. Corporate Scandals like Enron and WorldCom has shaken up the stakeholders' confidence in corporate management, which has forced the US Government to enact the Sarbanes-Oxley Act in 2002. To promote the good corporate governance In India, SEBI constituted various committees time to time. SEBI by circular in February 2000 directed stock exchange to amend the listing agreement between them and the corporates whose securities are listed with stock exchange and include a new clause 49 in such listing agreement. Further amendments were made in Clauses 35B and Clause 49 of the Equity Listing Agreement, to align it with the provisions of the Companies Act, 2013. In September 2015, SEBI issued the Listing Obligations and Disclosure Requirements Regulations, 2015 ("LODR Regulations"), with the objective of streamlining and consolidating the provisions of various listing agreements in operation for different segments of the capital markets to make sure investors' interest is protected.*