Corporate Governance
Value beyond compliance

7th CII International Corporate Governance Summit
Table of contents

Key regulatory developments in corporate governance 01

Challenges for corporate governance in India 05

Demonstrating the value proposition for good corporate governance 07

Institutionalizing good practices 11

Conclusion 15
Preface

In the aftermath of the financial crisis, it is increasingly becoming apparent that Boards and management of many major institutions operated with inadequate and distorted information about the leverage and risks associated with their company’s assets. Perverse incentives, insufficient governance, and weak regulation clearly contributed to the crisis, which has been around for over three years and the world still seems to be recovering from it. Governments world over are struggling with unhealthy fiscal situations, and recovery has been slow and fragile.

New challenges have emerged – the sovereign debt crisis in Europe, rating downgrade in the US and unsustainably high debt in many other parts of the world. The spotlight on corporate governance is not just limited to the financial sector. The recent closure of British newspaper ‘News of the World’ too showed the damage insufficient corporate governance can do to a company. At home we are waking up to the need for enhanced governance in public administration. The recent anti-graft Lokpal movement gathered massive public support. Lokpal is aimed at instilling transparency, accountability and efficiency in public service.

Invariably, these events do have a silver lining – companies, regulators, and governments across the globe learnt several important lessons from the recession. Firstly, companies realized that their boards need to play far bigger roles in challenging management on strategy and the core assumptions underlying the choices made. Secondly, organizations are paying greater attention to their delivery model which entails taking a closer look at execution and resource deployment encompassing People, Technology and Finance. Thirdly, it is also about constantly keeping one eye on what is changing in the external environments (geo-political, competition etc) and making strategic re-alignments. As Indian companies go global, it is important to appreciate and factor in these lessons within the corporate governance ethos of an organization.

Globalization has made businesses more complex. As the proportion of global players entering emerging markets increases, established Indian players in several sectors will be exposed to more intense competition. Cost, quality, innovation, and pricing will hold the key to future success. Further, large conglomerates in the energy hungry and technologically inferior country are looking for strategic partners overseas to fuel their future growth. Today’s CEO more than ever before needs support to succeed in an increasingly complex and globalized economy and it is here that corporate governance can become a true differentiator. The challenge lies in using corporate governance as a tool to build sustainable holistic changes to strategies and capabilities that go well beyond financial success.

The process of value creation is a complex one involving many facets. Corporate governance is a two sided coin and it depends on the ability of the board and management to work together on a common mission and strategy. Corporate governance is a starting point in the discussion about the responsibility of the board and management to the company’s shareholders, employees, customers and the society at large. Good corporate governance is not a goal in itself but a means to achieving the goal.
Key regulatory developments in corporate governance
The global financial crisis highlighted the inadequacies and poor quality of corporate governance in the financial sector. The Indian financial sector was relatively well regulated and hence it survived comparatively unscathed. As the western world was still grappling with the meltdown, an accounting scandal at Satyam Computers became public. The unprecedented magnitude and duration of the scandal forced the Indian government, regulators and the corporate sector to be more vigilant about corporate governance. Several regulatory developments have taken place since then to enhance transparency and reliability in the way companies function. Below, we briefly review key developments in corporate governance during the past 24 months:

**India**

- SEBI tightened the grip on entities like mutual funds by mandating half yearly disclosures. Such disclosures must be in the prescribed format containing details on the AMC’s finances. They must be either sent to all unit holders or published in one national English newspaper and published on the AMC’s website.

- Another important development was SEBI’s Takeover Code. The Code is aimed at creating a level playing field for all acquirers by fixing the open offer size at 26 percent instead of the proposed 100 percent, enabling easier access to growth capital by raising the open offer trigger to 25 percent from 15 percent, and removing non compete fees to prevent discrimination against minority shareholders.

- Ministry of Corporate Affairs (MCA) drafted the currently impending Companies Bill 2009 to enable greater shareholder democracy, and stricter norms for corporate governance and corporate social responsibility initiatives. It emphasizes on self regulation, greater disclosures, stricter measures for investor protection, and stringent penalties for repeated or serious offences. It also advocates class action suits, prohibits insider trading by key personnel, and tightens laws for raising money from the public.

- MCA further introduced the Voluntary Guidelines on Corporate Governance, a set of best practices in key areas of corporate governance. These guidelines based on governance best practices encourage organizations to adopt a principles based approach that is best suited to its needs and regulations.

**UK**

- In July 2010, the UK published Stewardship Code to enhance the quality of engagement between institutional investors and companies. The Code aims at improving long term returns to shareholders and efficient exercise of governance responsibilities.

- A committee under Sir David Walker reviewed corporate governance in UK banking industry and made recommendations in several areas including effectiveness of risk management at Board level, the balance of skills, effectiveness of Board practices, and the role of institutional investors.

- Close on the heels of the Walker Report, the Financial Reporting Council (FRC) also revamped the UK Corporate Governance code applicable to listed companies. The revised code includes several key changes encompassing annual re-election of the Chairman, additional responsibilities for the Board chair to provide effective Board leadership, emphasis on the balance of skill sets and processes adopted for selection of the Board members, requirement that Board evaluation should be undertaken by external agencies at least once in three years and greater transparency, disclosures and communications related to Executive compensation and the basis thereof.

**US**

- The US passed Dodd–Frank Wall Street Reform and Consumer Protection Act in 2010 to promote the financial stability of the US, to end “too big to fail”, to protect American taxpayers by ending bailouts, and to protect consumers from abusive financial services practices. More importantly, this legislation has set new benchmarks in aspects such as Board compensation, accountability, risk oversight and linking executive pay to performance.

**South Africa**

- South Africa released King III Report in 2009. The report calls for integrated sustainability reporting, combined assurance from management, internal, and external auditors, annual review of internal financial controls, and risk based internal audit.
The question that needs to be asked is whether the introduction of the aforementioned regulatory changes will lead to improved corporate governance and sustainable value creation. It is worth noting that following the Enron and Worldcom debacles at the turn of this century, similar regulatory changes came about (e.g. the Sarbanes Oxley Act referred to as SOX). However, recent events have proved that the presence of these regulations has not been entirely effective in promoting good corporate governance. Too much of regulations and making them more prescriptive gives rise to the risk that companies approach corporate governance as an exercise in regulatory compliance. World over and within our country, there are many instances wherein companies have pro-actively embraced good governance practices that exceed the statutory requirements and this has helped the early starters to create a positive impact with stakeholders and has also helped attract the best talent. While regulations can at best be a good starting point, it is equally important to have national level institutions that research and disseminate good governance practices across the corporate landscape. Thereafter it is up to every company to imbibe these governance principles and practices into their eco-system that will best meet its challenges. It is also worthwhile to recognize that due to differences in ownership structures and cultures, corporate governance practices in one part of the world may not always be successful in other cultures.

For instance, the US is now seeing a trend wherein an increasing number of companies are segregating the CEO and Board chair roles. While this may make sense in the US which is characterized by large institutional shareholdings and segregation of ownership and management, this may not be appropriate from an Indian standpoint to emulate. India is dominated by family owned and managed listed companies and therefore the subject of Board leadership and segregation requires greater thought and insights which regulation may not be in a position to address.
Challenges for corporate governance in India
Corporate governance practices in India are still evolving. It is a process of engaging shareholders and the management effectively to enhance the organization’s value. It involves participation of various stakeholders and management, communication, exchanging and validating ideas, and lots of debate and discussion. Hence, corporate governance is essentially a function of the mindset and culture prevalent in the organization’s operating environment. Corporate governance cannot be looked at in isolation; it is heavily influenced by the overall governance eco-system. Recent scandals in corporate India have raised questions not only about the practices adopted by companies to solicit business but also about the standards of accountability in public administration including within the government machinery and institutions. These larger governance issues will need to be addressed along side governance issues within corporates.

Corporate governance in India faces its own set of challenges which are set out below:

1. There is a gap between corporate governance standards in the public sector and the private sector. PSUs are subjected to varying levels of government interference in their routine functioning, undermining their autonomy. Further, restrictive and outdated labor laws in India make laying off employees and closing businesses difficult. Many PSUs which ceased operations decades ago still own and maintain obsolete properties and machinery and pay their staff while the government debates their future. In FY11, about a third of India’s 249 state owned companies collectively lost $3.4 bn.

2. Although India has numerous regulations, their enforcement is quite weak. Numerous government departments, multiple layers of bureaucracy and complex power sharing equations among them stifle stringent enforcement of regulations. Private enforcement i.e. enforcement by shareholders and market intermediaries is weak too.

3. There needs to be an objective debate in corporate India about what is required to be done to make Independent directors more effective. In the past, there has been a tendency to blame independent directors for governance issues. It is important to address the challenges such as true independence, developing the institution and pool of personnel with diverse skill sets who can provide exemplary board service and improve corporate functioning and taking concrete measures to improve their functioning through a combination of orientation, training, clear roles and adequate remuneration.

4. There is substantial room for improvement in enhancing accountability. Within many board rooms in India, the topic of CEO succession is not often discussed. CEO succession planning calls for wider debate and rigorous processes than the ones currently followed, especially in owner-managed businesses. Also, boards need to be held more accountable for their decisions and actions.

5. The post financial crisis era has witnessed a marked rise in investor activism. This is particularly true of institutional investors who have longer term interest in a company and have a greater say in its functioning. However, investor activism in India is relatively muted. As experience has shown, greater investor scrutiny could bring about substantial improvement in corporate governance. This is an important area where India needs to catch up with the developed world fast.

6. The regulation and scrutiny of the audit profession in India could benefit from some objective introspection.
Demonstrating the value proposition for good corporate governance
A unique feature of the Indian business landscape is the large presence of promoter-led companies. Promoters manage the company’s operations and take important decisions though in many cases their holding tends to be lower than that of other shareholders. According to some estimates, 95% of the listed companies and almost 100 percent of the 42 mn unlisted companies in India are family-owned businesses. These companies collectively account for over 70 percent of the market capitalization, 75 percent of the GDP and 57 percent of the employment in the country.

In highly developed markets like the US too, family owned businesses account for over one-third of the S&P 500 and Fortune 500 companies and employ over half of the American workforce.

A study of 24 family-owned businesses by Harvard Business School showed that out of the sample of 24 companies, 12 family-owned businesses frequently outperformed their non-family owned peers. The key reasons attributable to the success of family-owned businesses are: command (i.e. granting senior management decision-making independence); continuity (i.e. adhering to a farsighted mission); community (i.e. embedding a culture with deep concern for employees); and connection (establishing strong relationships with clients and suppliers).

Since the demarcation of ownership and management in owner-managed companies is not specifically drawn, corporate governance assumes greater significance in the context of sustainable value creation. As Indian businesses globalization, it is important to approach governance challenges holistically. Achieving desired competencies requires focus on structures, processes and people.
To overcome these challenges, there needs to be clear separation of ownership, control, and management functions. Successful owner-managed companies are those that balance the entrepreneurial approach with the right blend of professionalism and empower professional managers to act decisively.

An important aspect of demarking ownership and management is by ensuring transparent processes to appoint company leaders and develop the leadership gene pool. This is even more important in family managed businesses which have also raised money from the capital markets. Very often the debate centres around how members of the family get evaluated on performance as compared to their professional counterparts and whether the companies are actually led by the best leader. Companies need to map potential candidates’ skills with the company’s culture, operating model, strategy, and business environment and select a candidate who fits well into it. Many times, companies might also be forced to select new CEOs in quick succession. To deal with such uncertainties, it is essential to look at succession planning as an ongoing exercise instead of as an ad-hoc exercise. It is important to expose the top management team to the Board, media and investor community to gear them up for the top job.

Moreover, if a company wants to avoid choosing a candidate who is very similar to the incumbent CEO, boards should take ownership for succession planning. Companies should also continually monitor their top management with outstanding candidates from other companies and compare them on an ongoing basis. This benchmarking process enables them to select the best candidate possible – from within the company or from outside the company.

An interesting case to review here is that of a global fast food retail chain. This company was faced with uncommon events – its incumbent CEO died from a heart attack. It quickly appointed a new CEO. Within seven months of assuming the office, the new CEO too stepped down due to a critical illness. The company appointed its third CEO in quick succession. Frequent changes to top leadership can endanger the momentum and derail growth. However, this company followed the above mentioned best practices in succession planning and hence was able to survive the unexpected shocks successfully.

A CEO’s role in company’s performance cannot be undermined. However, along with the CEO, the skill sets and composition of the board is equally critical. In selecting its Board, it is important to map the strategic priorities with skills required on the Board and cast the net wide to include candidates with diverse skill sets. For instance, a company which was establishing its footprint in China appointed an independent director who in his previous role had a successful track record of integrating newly acquired businesses in China. Some companies are making a conscious effort to have international representation on the Board so that they are able to relate to diverse issues and cultural challenges that they face in the market place. Rather than have accountants, lawyers and consultants, it is also important to have on the Board sitting CEOs and CFOs who can bring a lot of value on core business issues and execution. It is also important to address the interests of wider stakeholders including financial institutions, minority stakeholders, employees, customers, vendors, regulators and the society at large. To ensure that wider stakeholder’ interests are met, organizations should maintain transparency in communication and disclosures, maintain consistency and reliability in financial reporting, monitor related party transactions, and adhere to business ethics and transparency.

Holistically looking, good governance therefore entails:

- Succession planning in the family
- Effective board to add value
- Clearly defined roles for board and management
- Constructive board meetings
- Robust strategic planning
- Focus on risk management
- Robust monitoring of business performance
- Management assurance – management controls, internal audit and external audit.
Institutionalizing good practices
A company’s stakeholders are its shareholders (who are the real owners of the company), regulators, employees, clients, suppliers and the society at large. These stakeholders are the indispensible building blocks of a company. Since their association with a company is imperative, they have certain expectations from it too. Apart from the more obvious expectation of good returns, stakeholders also expect a company’s board to demonstrate actions that are credible and in the best interests of the customer, communities and society at large. Hence good corporate governance is inexplicably linked to Sustainability.

Risk management has always been an important aspect of governance and due to the changing global scenario and business environment, organizations worldwide have now started recognizing emerging risks like tackling climate change, license to operate, human rights issues, resource stewardship and extended producer responsibility for business sustenance. Governance of corporate responsibility issues has gained significant importance especially in the light of greater expectations from stakeholders on responsibilities, ethical scams and emerging national and international legislations on these issues. There is an increasing trend of organizations seeking to be proactive in identifying these emerging risks to be sustainable over the long run.

Governance regimes have undergone a significant evolution over the last decade in response to different sustainability challenges and have set common goals, priorities and actions to show commitment towards addressing stakeholder concerns. Companies with a strong governance structure in place are better prepared to identify these risks and create a framework to address the same. A robust governance structure helps in analyzing information on the risk of exceeding thresholds and how crossing thresholds would have impacts on development paths. During the global melt down in 2008, companies that performed well on the Dow Jones Sustainability Index in fact bounced back quickly and were least affected by the after effects thus proving that there is an established business case for sustainability governance.

In the context of the larger stakeholder agenda, the role of the Board becomes extremely critical. Boards need to challenge and probe the decisions made to ensure that they are not detrimental to the company’s long term health. However, for the Board to be effective in its role, it needs to demonstrate a good grasp of the business realities and work pro-actively with the management to identify the priorities. Achieving this requires that accountability needs to flow both ways - while the CEO is responsible for implementing the strategy and delivering results, the Board has a key role to play in the areas of strategy, talent management, sustainability and succession.

---

**Cornerstones of effective governance**

- A diverse and independent board that is able to challenge management on its strategic choices
- Openness and transparency in dealings with stakeholders
- A constant effort to improve accountability and drive better performance by focusing on the most substantive issues
- The ability of the board and management to work together in defining the optimum business model for success (e.g. succeeding in emerging markets)
- The ability to identify, assess and manage emerging risks

*Source: KPMG-CII Corporate Governance - Value beyond compliance, September 2011*
Showcasing good corporate governance in practice

**A pro–active and transparent approach to dealing with bad news and putting the investors at the center of value-creation realm**

In 2001, a financial scam hit a non-banking financial company, which is a part of one of India’s biggest conglomerates. There were several irregularities in the NBFC’s accounts. Firstly, it had a huge inter-corporate deposit exposure to its subsidiary which breached limits set by the regulator. Secondly, its capital adequacy was allegedly beefed up by dubious means. Thirdly, all details regarding the NBFC’s financial status were not correctly disclosed in its rights issue document. And finally, the NBFC invested money in the stock market through its subsidiary on which it incurred huge losses.

When the Group management discovered the irregularities, they chose to acknowledge the fraud in the public domain. They immediately filed an FIR against the NBFC’s then MD and top executives. They also filed mercy petition with the banking regulator and promised to make good the capital shortfall resulting from the fraud. Immediately following the fraud, the NBFC stopped taking deposits from the public and redeemed maturing deposits with interest. They cleaned the NBFC’s balance sheet by provisioning for its loans and investments in its subsidiary and by posting a huge loss in that financial year.

This open and transparent approach adopted by the Group management restored investor confidence in the NBFC and enabled its smooth functioning in the following years.

**A balanced scorecard approach to effective risk oversight**

A fast moving consumer goods company has successfully used the Balanced Scorecard method as a way to identify the right risks and monitor performance in the context of the changing risk profile of the organization. The company’s board identified its value drivers based on its financials, customers, internal capabilities, innovation and learning and stakeholders.

Further, the organization devised a **Balanced Scorecard** with active inputs from the Board to align performance measures to company strategies. It did so by identifying critical success factors for each strategy and the business initiatives required to exploit those success factors, formulating Key Performance Indicators (KPIs) for each success factor to gauge the business initiatives’ success, and ensuring that all business perspectives are included in those KPIs. It continuously monitored risks by developing a holistic view of risks, monitoring the quality of risk mitigating actions, and re-aligning strategy to risk profiles.
Conclusion
Good corporate governance is the board and management’s belief that shareholders are real owners of the company and it is their responsibility to protect shareholders’ interest. Hence, good corporate governance essentially flows from the top and trickles down to the lowest levels in an organization, thereby deeply integrating with its routine functioning.

According to research by Credit Lyonnais Securities Asia, a brokerage and investment group, there is strong positive correlation between corporate governance and stock performance. For every 10-point difference in the corporate governance score, there was a corresponding improvement of 7.3% in stock performance. The finding had a t stat of 7.1, indicating that the result’s statistical significance was very high. Also, stock performance was not just associated with change in corporate governance score, but also its level, indicating a consistently positive impact of corporate governance on stock performance.

Research has been inconclusive on the linkage between corporate governance and a company’s financial results. However, it is true that good corporate governance improves the reputation and image of an organization which in turn can contribute to sustainable inclusive growth. Companies which have demonstrated a culture of openness, transparency and accountability in good and bad times have been able to attract growth capital and have had the benefit of winning the trust of their customers, vendors, trading partners and employees and therein lies the true value of corporate governance beyond compliance.

“It is clear that good corporate governance makes good sense. The name of the game for a company in the 21st Century will be conform while it performs.”

Mervyn King, Chairman – King Report

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations, and society.”

Sir Adrian Cadbury in ‘Global Corporate, Governance Forum’

“Corporate governance is about owners and the managers operating as the trustees on behalf of every shareholder – large or small.”

N. R. Narayana Murthy, Chairman Emeritus, Infosys Technologies Ltd.
The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes.

CII is a non-government, not-for-profit, industry led and industry managed organisation, playing a proactive role in India’s development process. Founded over 116 years ago, it is India’s premier business association, with a direct membership of over 8100 organisations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 400 national and regional sectoral associations.

CII catalyses change by working closely with government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialised services and global linkages. It also provides a platform for sectoral consensus building and networking. Major emphasis is laid on projecting a positive image of business, assisting industry to identify and execute corporate citizenship programmes. Partnerships with over 120 NGOs across the country carry forward our initiatives in integrated and inclusive development, which include health, education, livelihood, diversity management, skill development and water, to name a few.

CII has taken up the agenda of “Business for Livelihood” for the year 2011-12. This converges the fundamental themes of spreading growth to disadvantaged sections of society, building skills for meeting emerging economic compulsions, and fostering a climate of good governance. In line with this, CII is placing increased focus on Affirmative Action, Skills Development and Governance during the year.

With 64 offices and 7 Centres of Excellence in India, and 7 overseas offices in Australia, China, France, Singapore, South Africa, UK, and USA, as well as institutional partnerships with 223 counterpart organisations in 90 countries, CII serves as a reference point for Indian industry and the international business community.
CII offices

**Headquarters**
The Mantosh Sondhi Centre
23, Institutional Area, Lodi Road
New Delhi - 110 003
T: +91 11 2462 9994-7
F: +91 11 2462 6149
E: ciico@cii.in
W: www.cii.in

**Corporate Offices**

**New Delhi**
India Habitat Centre
Core 4A, 4th Floor, Lodi Road
New Delhi - 110 003
T: +91 11 2468 2230-35
  +91 11 4150 4514-19
F: +91 11 2468 2229
E: ciico@cii.in

**Gurgaon**
249-F, Udyog Vihar,
Phase IV, Sector 18
Gurgaon - 122 015 (Haryana)
T: +91 124 401 4060-67
F: +91 124 401 4080
E: ciico@cii.in

**Regional Offices**

**Eastern Region**
6, Netaji Subhas Road
Kolkata-700 001
T: +91 33 2230 7727/ 28/ 1434/ 2230 3354
F: 033-22301721/ 2231 2700
E: ciier@cii.in

**Northern Region**
Block No. 3, Dakshin Marg
Sector 31-A
Chandigarh 160 030
T: +91 172 5022 522/ 260 7228 / 2602365
F: +91 172 260 6259/ 261 4974
E: ciinr@cii.in

**Southern Region**
Prof C K Prahlad Centre
98/1, Velachery Main Road
Guindy, Chennai - 600 032
T: +91 44 4244 4501/ 555
F: +91 44 4244 4510
E: cii.south@cii.in

**Western Region**
105, Kakad Chambers, 1st Floor
132 Dr Annie Besant Road
Worli, Mumbai-400 018
T: +91 22 2493 1790/ 2496 4792
F: +91 22 2494 5831/ 2493 9463
E: ciiwr@cii.in
About KPMG in India

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We operate in 150 countries and have 138,000 people working in member firms around the world. The independent member firms of the KPMG network are affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. Each KPMG firm is a legally distinct and separate entity and describes itself as such. Our Audit practice endeavors to provide robust and risk based audit services that address our clients’ strategic priorities and business processes.

KPMG’s Tax services are designed to reflect the unique needs and objectives of each client, whether we are dealing with the tax aspects of a cross-border acquisition or developing and helping to implement a global transfer pricing strategy. In practical terms, that means KPMG firms work with their clients to assist them in achieving effective tax compliance and managing tax risks, while helping to control costs.

KPMG Advisory professionals provide advice and assistance to enable companies, intermediaries and public sector bodies to mitigate risk, improve performance, and create value. KPMG firms provide a wide range of Risk and Management Consulting that can help clients respond to immediate needs as well as put in place the strategies for the longer term.

KPMG in India, a professional services firm, is the Indian member firm of KPMG International Cooperative (“KPMG International”) was established in September 1993. As members of a cohesive business unit they respond to a client service environment by leveraging the resources of a global network of firms, providing detailed knowledge of local laws, regulations, markets and competition. We provide services to over 5,000 international and national clients, in India. KPMG has offices in India in Mumbai, Delhi, Bangalore, Chennai, Hyderabad, Kolkata, Pune, Kochi, Chandigarh and Ahmedabad. The firms in India have access to more than 5,000 Indian and expatriate professionals, many of whom are internationally trained. We strive to provide rapid, performance-based, industry-focused and technology-enabled services, which reflect a shared knowledge of global and local industries and our experience of the Indian business environment.
KPMG in India offices

Ahmedabad
Safal Profitaire, B4 3rd Floor, Corporate Road, Opp. Auda Garden, Prahlad Nagar
Ahmedabad – 380 015
Tel: +91 79 4040 2200
Fax: +91 79 4040 2244

Bangalore
Maruthi Info-Tech Centre
11-12/1, Inner Ring Road
Koramangala, Bangalore 560 071
Tel: +91 80 3980 6000
Fax: +91 80 3980 6999

Chandigarh
SCO 22-23 (1st Floor)
Sector 8C, Madhya Marg
Chandigarh 160 009
Tel: +91 172 393 5777/781
Fax: +91 172 393 5780

Chennai
No.10, Mahatma Gandhi Road
Nungambakkam
Chennai 600 034
Tel: +91 44 3914 5000
Fax: +91 44 3914 5999

Delhi
Building No.10, 8th Floor
DLF Cyber City, Phase II
Gurgaon, Haryana 122 002
Tel: +91 124 307 4000
Fax: +91 124 254 9101

Hyderabad
8-2-618/2
Reliance Humsafar, 4th Floor
Road No.11, Banjara Hills
Hyderabad 500 034
Tel: +91 40 3046 5000
Fax: +91 40 3046 5299

Kochi
4/f, Palal Towers
M. G. Road, Ravipuram,
Kochi 682 016
Tel: +91 484 302 7000
Fax: +91 484 302 7001

Kolkata
Infinity Benchmark, Plot No. G-1
10th Floor, Block – EP & GP, Sector V
Salt Lake City, Kolkata 700 091
Tel: +91 33 44034000
Fax: +91 33 44034199

Mumbai
Lodha Excelus, Apollo Mills
N. M. Joshi Marg
Mahalaxmi, Mumbai 400 011
Tel: +91 22 3989 6000
Fax: +91 22 3983 6000

Pune
703, Godrej Castlemaine
Bund Garden
Pune 411 001
Tel: +91 20 3058 5764/65
Fax: +91 20 3058 5775

www.kpmg.com/in
The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2011 KPMG, an Indian Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

The KPMG name, logo and “cutting through complexity” are registered trademarks of KPMG International Cooperative (“KPMG International”), a Swiss entity.

Printed in India.