Polity & Governance · GS - II

Corporate governance requires a balance between shareholder rights, board autonomy, regulatory compliance and managerial accountability. Discuss in the context of recent developments involving Tata Trusts and Tata Sons.

EXAM YEAR	PAPER	SUBJECT
Daily Practice 28/10/2026	GS - II	Polity & Governance

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Corporate governance safeguards accountability, transparency and investor confidence. Disputes require clear bylaws, lawful board procedures, independent scrutiny and timely resolution, without assuming allegations establish wrongdoing.

Model Answer

Corporate governance refers to the systems through which companies are directed, controlled and held accountable. The dispute between Tata Trusts and Tata Sons over N. Chandrasekaran's proposed reappointment highlights the importance of transparent board procedures.

Tata Trusts has questioned the validity of the September 2026 resolution, alleging procedural irregularities and disputing the interpretation of Tata Sons' Articles of Association. Tata Sons' position rests on a different interpretation of its internal rules. These competing claims require examination under applicable law; allegations alone do not establish wrongdoing.

Effective corporate governance requires clearly defined powers, proper notice and documentation of board meetings, compliance with the Companies Act, 2013, and transparent handling of conflicts of interest. Independent directors, shareholder oversight and appropriate regulatory or judicial remedies can strengthen accountability.

For India, credible corporate governance is essential to investor confidence, capital formation, employment and economic growth. Disputes should be resolved through established institutional mechanisms rather than political pressure or public speculation, ensuring fairness, legal certainty and business autonomy.

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