BANASTHALI VIDYAPITH

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University for women: University with a difference

A Study Report on

Training Women for Leadership and Corporate Governance

Synthesis of Eastern and Western Practices

December 2020

National Center for Corporate Governance

Banasthali Vidyapith

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Training Women for Leadership and Corporate Governance

Synthesis of Eastern and Western Practices

Published in December 2020

Disclaimer: *To ensure a good quality of output, due care has been taken in the publication of the report. NFCG, Banasthali Vidyapith, and all authors bring out this document with the sole purpose of bringing positive change in the society through the improvement of governance practices. The sources of knowledge and other resources are duly acknowledged. In the rare case of any issue regarding any content, the readers are welcome to share their feedback on prime@banasthali.in*

Published by
National Center for Corporate Governance
BANASTHALI VIDYAPITH

Preface

The world always needs innovative and creative ideas to take the next step of advancement in the civilizational journey. At every moment we feel that we are on cross roads to change the trajectory of our journey. The decision taken today will have implications for generations to come. At the same time, one thing is sure that decision cannot be avoided. Therefore, the relevant and important question is - how to take the right decision? The time-tested approach of synthesis of best ideas is something that brings desired outcomes. Banasthali Vidyapith has followed this approach to nurture women leaders by designing an educational model based on synthesis of best practices of the East and the West.

Taking inspiration from this successful experiment, National Center for Corporate Governance (NCCG) - Banasthali Vidyapith supported by National Foundation for Corporate Governance (NFCG), conducted a study on women leaders and corporate governance through synthesis of eastern and western practices. This study report covers inputs from academicians and practitioners on unique themes of governance from our scriptures like Ramayan, Puran, Arthshastra and Panchtantra etc as well as emerging ideas related to corporate governance. The recent developments in India wherein the economic environment is witnessing the increased role of corporate in society, the corporate governance becomes further more important. I believe the output of this study will be beneficial in taking the right decisions towards enhancing the role of women leaders and improving corporate governance in India.

Our university would like to express gratitude to the National Foundation for Corporate Governance (NFCG) for entrusting NCCG, Banasthali Vidyapith to carry out the unique project. The support of OMRISE Research Group in completion of this project is indispensable. Thanks are also due to everyone who contributed to ensure the successful completion of the project.

Prof. Harsh Purohit
Dean, Faculty of Management
Dean, Faculty of Law
Banasthali Vidyapith

National Foundation for Corporate Governance (NFCG) was set up in the year 2003 by the Ministry of Corporate Affairs (MCA), in partnership with Confederation of Indian Industry (CII), Institute of Company Secretaries of India (ICSI) and Institute of Chartered Accountants of India (ICAI) to promote good Corporate Governance practices both at the level of individual corporates and Industry as a whole. In the year 2010, Institute of Cost Accountants of India (ICoAI) and National Stock Exchange (NSE) and in 2013 Indian Institute of Corporate Affairs (IICA) were included in NFCG as Trustees.

Vision

Be the Key Facilitator and Reference Point for highest standards of Corporate Governance in India.

Mission

- To foster a culture of good corporate governance;
- To create a framework of best practices, structure, processes and ethics;
- To reduce the existing gap between Corporate Governance framework & actual compliance by corporates;
- To facilitate effective participation of different stakeholders;
- To catalyse capacity building in emerging areas of corporate governance

To achieve its objectives, NFCG has been working closely with Partner Institutions (i.e. CII, ICSI, ICAI & ICoAI) and Accredited Institutions / National Centre for Corporate Governance (i.e. IIMs, ACSI, SPJIMR, IITK, IPE and many others) in building capacity of Directors / Faculty, conducting research work and organising programmes aimed at promoting voluntary adoption of Corporate Governance as the key to sustainable wealth creation. Over the years, more than more than 300 programmes and 40 research work in the area of Corporate Governance have been conducted under the aegis of NFCG.

(For more details, please log on to www.nfcg.in)

Acknowledgement

This is to acknowledge here that the research study on Training Women for Leadership and Corporate Governance: Synthesis of Eastern and Western Practices has been conducted by National Center for Corporate Governance, Banasthali Vidyapith, as part of a grant by the **National Foundation of Corporate Governance (NFCG)** under the policy for Financial Grant for Research Work under Aegis of NFCG (2019-20) dated 12th December 2019.

We are thankful to NFCG for extending the research grant for the study. This research study was conducted by the Research team led by Prof. Harsh Purohit (P.I) and supported by Dr. Ankur Joshi (Co-P.I).

Banasthali Vidyapith expresses gratitude towards Prof. Sharda S. Nandram, Vrije University, The Netherlands for contributing a unique article on Integrating Simplification and Governance. Her novel and innovative ideas based on the ethos and culture of Bharat are guiding principles for organizations of the future.

Special thanks are due to CS Amitava Banerjee for contributing to this project as a member of the technical review team and also contributing articles. His support and guidance in bringing out the report his commendable.

We also extend sincere thanks to all the authors, members of the research coordination team, and other contributors including Prof. Rattan Sharma, Prof. Charu Vyas, Adv. Anukriti Pareek, Ms. Anjana Sharda, Dr. Suman Lahiri, Dr. Tanya Soin Gaurav, Dr. Priti Hingorani, Dr. Urvashi Bhamboo, Dr. Nishtha Pareek, Dr. Richa Chauhan, Dr. Neelni Giri Goswami, Ms. Pallavi Joshi, Ms. Tanya Chauhan, and Ms. Arjita Singh.

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PROFILE OF CO-P.I.

Introduction and Literature Review

Compiled by Research Coordination Team

Background

In India, Corporate Governance is gaining prominence at a rapid pace with the changes being witnessed in the post-Covid world. The reforms initiated by the Central Government as well as State Governments call for high levels of responsibility and good governance practices from all the stake-holders. In this backdrop, corporate governance becomes an important domain of deliberation given the sheer force of scale achieved by the corporate in the last 3 decades.

Another change visible is the role being played by women. They are into a crucial role in all sectors like government, corporate, social, etc. However, the challenges that erupt in this dynamic environment don't differentiate between genders. The global socio-economic scenario is faced with lots of challenges as well as opportunities. Thus, it becomes pertinent that women who take up the tasks in corporate are also prepared for leadership and corporate governance. To maintain uniqueness and creativity, a synthesis of Eastern and Western practices must be used for designing training programs for women.

The research report has a unique component of insights from Eastern or Indian wisdom. The need and importance of the same are documented in detail in the next section.

Need for eastern perspective

It has been observed and researched by many researchers that currently the frameworks of corporate governance have been researched and developed in the western context and inherently are based on western culture. This affects the Indian companies and corporate persons adversely, as instead of contextualizing the business to needs of Indian society, the businesses are forced to comply with norms developed in and for western societies. The impact of culture on business practices is unavoidable given the fact that world over family owned and controlled businesses are dominant organizational forms (Villalonga & Amit 2006; Melin, Nordqvist, & Sharma, 2014). The social phenomenon needs to be better understood and explained through indigenous theories and concepts (Panda & Gupta, 2007). To be able to generate indigenous theories and frameworks, we need to focus on indigenous knowledge approaches (Smith, 1999; Wilson, 2001; Steinhauer, 2002).

Since family-owned and controlled businesses are the dominant form of organization, their approach is significantly shaped by the culture. For an illustration, a survey by PWC revealed that nearly 78% of the family businesses in India go out of their way to help and retain employees in adverse conditions. The study also reported that 78% of the companies support community initiatives.

This is a crucial point for consideration as this study was conducted in 2012 when CSR was not even mandatory and still, businesses were involved in community activities.

Another dimension is that the political, legal, and in general social scenarios vary from one nation to another. Therefore, companies operating in their own country or outside have to adopt different strategies to suit the culture and context (Peng, Wang, & Jiang, 2008). In a study, Arora & Sharma (2016) conclude that the relationship between corporate governance and performance is not very strong in India. So, if well-researched models are developed, it will increase the effectiveness of the businesses and corporate governance, resulting in the ultimate objective of social development.

Therefore, it's the duty of Indian academia to develop or at least adapt the frameworks, models and theories for governing our businesses to achieve maximum benefit to the nation that captures the context as well as culture. This will include the development of businesses and society both as, since ages, Indian approach has been of integrating the development models. The concept of *Dharm-Arth-Kaam-Moksh*, ensures holistic development. This philosophy percolates down to the practical aspects, which means businesses are for social and moral development as put aptly in the shlok - *Vitten Rakshyate Dharmo* (as business activity will generate wealth through which all other responsibilities can be fulfilled). From time to time, applied works have been developed by Indian scholars and thinkers, one such is Kautilya's Arthshastra. In the case of women to be able to take leadership, roles, and understand corporate governance to the core, a holistic perspective is needed that synthesizes eastern and western practices.

Why the synthesis is required?

This study aims to constructively add to the existing practices, frameworks, and theories of corporate governance. Various legal bindings, compliance, and regulations are going in the right direction. However, ancient wisdom has key ideas and philosophical perspectives to share, which can help us in proposing suitable changes. The basic frameworks like the number of board members, compliance, etc which are culture agnostic can be adopted as it is, but the factors like ethics, morals, etc require cultural adaptation as the definitions of morals and ethics vary from culture to culture. Thus, the ideas shared in the report will help academicians and practitioners to prepare leaders for better corporate governance based on a holistic approach that synthesizes good practices of the east and the west.

Role of women in a leadership position

Business organizations must have employees that are increasingly diverse in terms of their age, ethnic background, and gender (Jackson and Alvarez, 1992). The number of women pursuing a managerial career also significantly increases (Omar and Davidson, 2001). Nevertheless, the representation of women holding seats on the board of directors is generally low, including in developed economies.

The Indian corporate scenario has undergone a radical change process over the century, with gradual progress and development of women. In the past few years, companies have become more inclusive of women, dismantling the traditional barriers to women's advancement. Although the progress was gradual it is significant and is reflected in the number of women on Indian boards. India's publicly listed companies, which have been mandated to appoint women directors to their boards before 1st April 2015, many companies only swung into action at the last minute. A total of 76 appointments were made on the last day of the deadline. The Companies Act, 2013 stated that every listed company shall appoint at least one-woman director within one year from the commencement of the second proviso to Section 149(1) of the Act.

Gender diversity on the board of directors and top management team has attracted the interest of researchers in the past two decades. Compared to the diversity of other demographic attributes, gender diversity appears to be the most widely addressed in the literature (Erhardt et al., 2003).

In numerous studies in the management, organization science, and psychology literature, scholars examine the relationship between gender diversity and various aspects, such as managerial advancement (Tharenou et al., 1994), management style (Eagly et al., 2003; Rigg and Sparrow, 1994), occupational merit (Lobel and Clair, 1992), occupational pressures (Granleese, 2004), personal networks (Ibarra, 1993), and board effectiveness (Nielsen and Huse, 2010). In the accounting literature, previous studies have addressed the association between gender diversity and accounting earnings quality (Krishnan and Parsons, 2008; Ye et al., 2010), social responsibility (Coffey and Wang, 1998; Siciliano, 1996), and intellectual capital performance (Van Der Zahn, 2008). However, given this scenario, it was also found that many women avoid director positions because they do not want to become ornamental directors (Rowley, Lee, & Lan 2015). There are positive changes with the inclusion of women in leadership positions (Handley, Ross-Smith & Wright 2018). Also, it has been observed that women play a role to improve the socially responsible activities of corporate (Glass, Cook, & Ingersoll 2016).

Research Gap

The above literature helps us to conclude that there is a need for developing frameworks of corporate governance based on the synthesis of eastern and western best practices. This has the potential to develop leaders including women leaders for ensuring good governance practices, especially in the corporate world.

Research Methodology

Compiled by Research Coordination Team

The main thrust of the study was focused on the synthesis of ideas from Eastern and Western perspectives to draw lessons for leadership and corporate governance. The research guidance was also taken from OMRISE Research Group which has been formed at Banasthali Vidyapith in collaboration with Buurtzorg and Praan Group from The Netherlands. The following section presents the process adopted for drawing insights from each perspective and the mechanism adopted for the synthesis.

Ideas from Eastern Perspectives:

The core concepts related to good governance, leadership, and the role of women were collected from the following sources:

- Documents and scriptures – Majorly drawn from Ramayan, Bhagwad Gita, and Arthshatra. Apart from this, few ideas were also studied from Mahabharat and Panch-tantra stories.
- Inputs from experts of indigenous knowledge – The scholars of indigenous knowledge traditions were identified and inputs were taken from them.

Analysis – Content analysis was done to zero down the key findings and developed them in form of articles.

Ideas from Western Perspectives:

The core concepts and applied dimensions of corporate governance, leadership, and role of women were collected from the following sources:

- Documents and authentic online sources: Annual Reports of the Companies, statements of the leaders and heads of the organizations, and handbooks of corporate governance and leadership.
- Inputs from experts of corporate governance were requested in form of the articles.

Reliability and Validity of the ideas compiled

The findings from both the approaches were compiled and reviewed by the experts and revisions if needed were done by the authors based on the inputs given by the reviewers in consultation with the P.I and Co-P.I.

Process of synthesis of both perspectives

The integrated approach was taken for synthesizing the findings from eastern and western perspectives. For this, almost all articles have included the eastern dimension to extend the ideas to a newer horizon. This helped in developing holistic training material for nurturing women for leadership and corporate governance based on the cultural and contextual underpinnings of the existing frameworks and models of corporate governance. The figure below graphically represents the whole process.

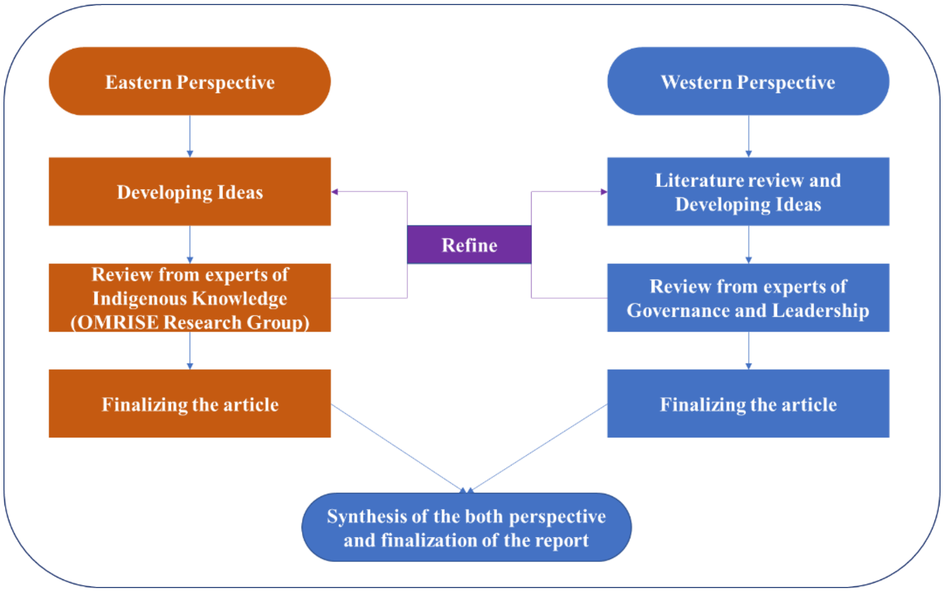

Figure 1: Research Methodology

Integrating Simplification and Governance

Prof. Dr. Sharda S. Nandram

Integrating Simplification is a framework which has been derived from the practice of the Dutch Homecare Organization Buurtzorg Nederland. It is a strategic organization framework for transforming an organization into a self-managed entrepreneurial and innovative organization with an integrative worldview, especially in a VUCA context. In collaboration with Banasthali University, the Research Group OM RISE has been established. Here Integrating Simplification has been further developed by applying insights from Indian Ethos. This has resulted in themes such as Integrative Intelligence and Integrative Self-Management. The underlying principle of the new approach is that if the context facilitates an atmosphere of trust, then people naturally use their intelligence and wisdom in organizing their work in a self-reliant way which will benefit themselves and the organizations sustainably. They are then using principles as what is really needed, how can I rethink regular procedures to customize them to get the best solution locally and how much can I rely on a combination of my professional know-how, experiences, and wisdom. The underlying assumption is that the higher the organizational trust the lower the need for controlled focused governance.

The Integrating Simplification framework has been expanded with the following Indian concepts.

- **Swadharma** [1] (Self-Righteousness)

  It addresses questions like what is right for the organization in its given context? What's right for the organization at a particular period in its development and growth?

[1]It has further three divisions - a) *Samanya Dharm*, denoting the generic righteousness in the self-managing organization context, b) *Vishesh Dharm*, Part of righteousness as it it applied to individual's unique context, and c) *Ekaantik Dharm*, Righteousness as applied to transcendental realm of the individual and organization.

❖ **Swa-artha** (Self-Interest)[2]

It addresses the questions of what are the resources that I need to realize the goals of the organization in relation to my personal goals without disintegrating the natural flow of organizational actions?

❖ **Swavalamban** (Self-Reliance)

This tenet addresses - what are the actions for becoming and maintaining a situation of independence from what competitors do? For example, what public health care policy regulates and prescribes as given context while remaining close to its own identity and organizational culture?

❖ **Swaaraj** (Self-Freedom)

To follow a higher purpose while being in harmony with the external demands.

Inspired by the teachings of (an ancient teacher) Kautilya's Arthashastra, we see ruling, governing or controlling is required only for people who do not exhibit self-righteousness. And further, for governing, an organization has to commit significant resources to manage and ensure righteousness. As per Kautilya, the policies, regulations, external rewards and punishments are required only for those who are not self-righteous. These things take away precious resources and time that otherwise would have been spent in the strategic growth and nourishment of the organization. Most importantly, the focus gradually shifts from pursuing governance to managing the government (or the bureaucratic structure). The need for governing reduces with an increasing degree of self-management.

[2] Swa-artha is based on higher consciousness, therefore the concept is used in a positive way.

	Swadharma		Swaartha		Swavalamban		Swaaraj	
	Low	**high**	**low**	**high**	**low**	**high**	**low**	**high**
Government	High	low	high	Low	high	low	high	low
Governance	High	low	high	Low	high	low	high	low

How to read this table: If swadharma is low then we need a high level of government and a high level of governance while if swadharma is high (so people intrinsically behave righteously) then we need a low level of government and low level of governance.

The Integrating Simplification framework includes all of the above mentioned four characteristics and thereby moves towards achieving the dynamic state of "minimum government and maximum governance". As the degree of Self-Management has an impact on the cost of government and governance in any institution. Our research shows that the overall cost to sustain a self-managed organization will also be lower if these four pillars of Self-Management get executed. Sustainability of outcomes is built into the process of this framework. As it is reflected in the inculcation of a natural tendency for Self-Management among stakeholders, who are involved in the process of organizing.

PROF. DR. SHARDA S. NANDRAM

Professor, Vrije University, The Netherlands

Sharda Nandram, born in Suriname, has been a Dutch resident since 1985. Her family originally hailed from Rajasthan, India. Sharda is a full professor of Hindu spirituality and society at the Faculty of Religion and Theology of the Vrije University of Amsterdam. She is also associate professor at Nyenrode Business University within the center for Entrepreneurship, Governance and stewardship. Sharda holds a position as adjunct professor at the Banasthali University, world's women's biggest residential university. She is also a non-executive director of Buurtzorg Edugreen Neighborhood Care India. Sharda is a member of the steering committee of the European SPES (Spirituality Economics Society) Institute and co-founder of Praan Group.

She has studied at the University of Amsterdam, where she received her bachelor's and master's degrees in both Psychology and Economics. She received her PhD in Social Sciences from the Vrije University of Amsterdam. Sharda has published more than 70 articles in academic and professional journals, and she has written about 30 book chapters, 21 books, about 40 reviewed papers, and 40 research reports. She is mentioned in more than 70 newspaper articles and magazines.

Sharda has more than three decades of research, consulting and entrepreneurial experience in the healthcare, banking and insurance, government, education, and sports sectors. She is the founder of the concept of "Integrating Simplification" and the co-founder of the concept of "Integrative Intelligence". She is well travelled with diverse cross-cultural experience gained through education, consulting, research and teaching engagements across Europe, South America, North America, Asia, South Africa, and Australia. In addition to her professional commitments, she enjoys taking care of her family—her Dutch husband and her two children.

Legislative Regime of Corporate Governance in India

Adv. Anukriti Pareek

The essence of corporate governance is 'accountability'. To understand the concept of corporate governance, it is best to go back to the definition visioned by Sir Adrian Cadbury, UK in the Commission Report: Corporate Governance 1992:

"Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The 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."

Whilst a prevalently accepted view is to define corporate governance as a practice, by way of which a company may be controlled or structured or governed through a system of checks and balances, implemented at the Government's level, ultimately to create value enhancement for shareholders and stakeholders; it is pertinent not to limit the definition to a myopic perspective. Thus, structuralizing of management – micro and macro, to enable a complimentary, self-sustaining, supplementary, and distinct role, jointly and severally for individuals, company as a unit and country at large is broadly Corporate Governance.

India, with its growing domestic market and international credibility, is most certainly, though gradually, creating an environment to brace the transition, at all levels – Government, Management, and Individual. The biggest challenge being faced in meeting with the transition is the institutionalization of family-based/run companies, wherein promoter holding is concentrated within members of the family, into a professional, organized and developed system. The natural apprehension being the fear of relinquishing control and the age-old tradition of securing economic and professional interests, amongst others, of the next generations of the family.

Given the present times of pandemic, the promotion of indigenous industry has become the Nation's motto. The role and perspective of management of the Company are pivotal to attain higher quality standards to enable 'Vocal for Local' and ensure risk mitigation. The pandemic also witnessed phasing out of companies with muddled management and survival of those with stable structured presence.

The Indian laws [specifically, the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015] have evolved over time on account of inevitable demand and market precipitators and have acted as a major facilitator over the years, carving a formal structure for corporate governance by enhancing disclosures; reporting and transparency through enhanced as well as new compliance norms; and laying out mediums of access to speedy and financially/economically viable justice. The beauty of the legislations has been the Government's timely, yet gradual and phased implementation of governance-oriented measures, to allow absorption of change amongst the populace.

Some welcoming changes have been drawing a clear line between board chairmanship and the rest of directors/management; separating the roles of Chairman and Managing Director of the Company; appointment of independent Directors, all being critical for the representation and upholding of the actual interest of the Company goal, employees, investors, shareholders, stakeholders etc. by generating liability and answerability of the Management. A shift towards safeguarding the interest of every stakeholder through governance is seen here. Furthermore, the inclusion of at least one woman as a Director in the Company, thereby, setting the tone for gender promotion. Few other inclusions such as striking out of dormant companies and increase in statutory fees, although heavily criticized, is sieving hoax corporates, which were merely paper registrations.

Needless to say, no transition is overnight and compliance of the legislation has met with large-scale resistance and generated complex litigations, few making headlines everyday. It may not be out of place to say that, although, on a rise, adherence has been namesake and superficial. Having said that, regulatory authorities have played a promising role in India, by repeatedly introducing minimum thresholds in the form of regulations, obligations and requirements, in tandem with interests and deliverability/s of all; and conducting in-depth and unbiased investigations in the event of failure. If one were to observe the past few years alone in India, it is evident that enforcement measures have been on the rise, nailing liability upon numerous companies and Directors thereof for siphoning off funds; wrongful trading practices; breach of fiduciary duties to creditors; and other frauds of IPOs etc. A sense of deterrence is shrouding the practice of evasion and escape of liability, a trend prevalent in the past.

A mention of provisions of the Companies Act to prevent oppression and mismanagement of a company is necessary here, the envisioning and incorporation of which is for providing an equitable jurisdiction to protect the interests of minority members from the obverse. In this regard, the inclusion of the enabling section for the institution of class actions by minority holders against oppression and mismanagement needs to be deliberated. Class action suits under the Companies Act are in the nature of representative suits. However, despite being rooted in our procedural laws and used through some substantive laws, it has ended up being a paper legislation in India. Presumably, since although enacted, the enablers allowing for massive litigation of such nature i.e. existence of organized third party funding bodies; contingency fee structure for lawyers; lack of awareness and trust generating unanimity of consent; credible enforcement mechanisms; and other logistic and formalistic inabilities, have made the law rather premature. Further, shielding of Banking companies needlessly from the law, reduces the faith the law may actually repose. The classic lead this provision provides was witnessed firsthand in the Satyam debacle, where shareholders/investors in India helplessly watched shareholders/investors in the US claim crores worth damages from Satyam for the same cause of action through class action in the US. Thus, it is only a matter of time, when the law is put to use. Given the promising deterrence it would create, class action suits would raise the levels of transparency, boost shareholders'/ investors'/ stakeholders' confidence and bolster the country's credibility, thereby, enforcing and streamlining the dream of achieving corporate governance.

Another legislation that has stood guard to corporate governance in India is the Insolvency and Bankruptcy Code, 2016. Needless to say, an efficient redressal and remedial prosecuting mechanism speaks volumes about country's credibility, both in the domestic and global market. It is imperative to study the intent of the legislation, being reducing the burden of stressed assets, as opposed to the effect of its actual functioning, being piling of defaulters. Even though, the Code is nascent and has required and positively met with constant interpretations and improvisations; companies in a short span of its 4 years have disciplined themselves and re-organized structures, and exhibited vigilance and caution to avoid default prosecution under the Code.

Furthermore, an intriguing development will be the enactment of the Personal Data Protection Bill, 2019 in India, promising to ensure digital governance and data protection. It will be worth a watch to see how conglomerates react and redress individual shareholders'/ investors'/ stakeholders' concerns over the confidentiality of personal data of consumers and clients.

Thus, India as a Nation has leaped high towards corporate governance, especially in the past decade. Having said that, the process is continuous and demands regular steering. A perfect balance needs to be maintained between excessive stringency and flexibility, all the while maintaining the objective of economic growth. Perhaps, codifying a single legislation/rule book, envisaging mandates and sanctions to ensure and promote the company's social responsibility, thereby, synchronizing interests of shareholders/ investors/ stakeholders with that of the company as well as that of the company with the society may be explored.

ANUKRITI PAREEK

Advocate-on-Record, Supreme Court

Anukriti is a lawyer with 10 years of litigation experience and an Advocate-on-Record with the Supreme Court of India. She has carved a niche practice in Constitutional; Intellectual Property & Information Technology; and Family Laws. She has represented leading giants from Journalism; FMCG; F&B and Real Estate Industry before numerous Courts and fora pan India. Apart from this, Anukriti is engaged in advising and guiding on brand protection, IP prosecution, GDPR compliant policy/ies, title registration/s as well as other compliance and contractual issues. Anukriti has contributed to the formulation of path-breaking precedents and has various publications and academic initiatives to her credit. She can be reached at anukritipareek01@gmail.com.

Conceptual Framework of Corporate Governance and its Implementation: Inspiration from the Sruti and the Smrti

Dr. Suman Lahiri

Introduction

Corporate governance became the key concern for the companies, the regulators and the law makers because of the economic crises across the world and the corporate scandals like Enron, Satyam, etc. These led to the reform of the corporate governance mechanism as it was perceived to be important for the financial health of the companies as well as the economy of the countries. The main two channels of corporate governance implementation are a) limiting the expropriation of controlling shareholders and managers and b) better monitoring of management (p62, Bhaduri and Selarka, 2016, Veeramani et al, 2019). In India, initiative of good corporate governance came from the Confederation of the Indian Industry (CII) which drafted the voluntary codes for corporate governance in 1998. In 2000, the SEBI formulated India's first code of the best practices in corporate governance.,. The new Companies Act 2013 has a very detailed framework for corporate governance (Varottil, 2017). Subsequent amendments were made to the Act and some more reforms are on the cards as the Companies (Amendment) Bill, 2020.[3]

Corporate governance has evolved from addressing the shareholders to the multiple stakeholders that include greater society (Till and Yount, 2019). Till and Yount (2019) mentioned the justice stewardship theory, where managers are credited for profitability of the firm, well-being of the employees and the other stakeholders of the firm. The OECD has mentioned about 6 principal areas of corporate governance –ensuring the basis for an effective corporate governance framework, the rights of the shareholders, the equitable treatment of the stakeholders, the role of the stakeholders in corporate governance, disclosure and

[3] http://www.mca.gov.in/MinistryV2/companiesact2013.html, accessed on 28 April 2020

transparency and the responsibilities of the board (OECD, 2004). Joshi (2018) has pointed out the areas of sustainable development and gender diversity as a major concern of the corporate.

India has big family businesses like TATA and Birla that have been historically involved in corporate philanthropy much ahead of the CSR activities of the modern times (Bhaduri and Selarka, 2016). Ethics and values have been practiced by the Indian society since ancient times and have been the main part of different ancient Indian scriptures (Sharma and Prasadini, 2018). The Vedas have very well captured the purpose of human life or Purusarthas. There are four types of Purusarthas – Dharma, Kama, Artha, and Moksha. Dharma means the morality and ethics, Kama means satisfaction, artha signifies wealth and Moksha is self-realization. This is very significant to the business firms. As a part of its operation, the modern firms tend to destroy resources and not bothering about the society as a whole (Swami Ranganathananda, 2012). Arora (2020) questions how are understanding and implementation of corporate governance affected by local insights? Guided by the question, the paper discusses and develops corporate governance framework illumined by the Indian ethos and implementation of the corporate governance framework. The rest of the paper is divided into the following sections – literature review on corporate governance framework, Indian ethos, corporate governance and Indian Ethos, case study, conceptual framework of the corporate governance, Implementation of the framework and finally, concludes.

Literature Review

Historically, agency theory has been governing corporate governance models. Recently, the stakeholder approach is becoming increasingly important for governing the business firms. The agency theory mentions the dynamics between two entities of the principal and the agent. The corporate executives or the agent has to maximize the stockholders or the principal's value by maximizing profit of the company (Bhaduri and Selarka, 2016). Stakeholder theory points to the company's responsibility not only to the shareholders but also to the other stakeholders that include employees, customers, suppliers, etc (Bhaduri and Selarka, 2016, Martin et al, 2016).

"Corporate governance is the set of processes, policies, and practices that affect the way a company is directed, administered, and controlled. Corporate governance also includes relationships among many stakeholders, and the goals, for which the company is governed (Grant and Confederation, 2019)". Corporate governance enablers have been identified as - accounting and financial controls, internal audit and assurance, regulatory compliances and reporting, risk management and IT security and right organization approach and structure (Grant and Confederation, 2019). The corporate governance mechanisms are broadly categorized into the internal and the external mechanisms. The internal mechanisms are mainly - ownership structure, board of directors, capital structure, and compensation policies. Market for corporate control and legal/ regulatory system at country level are the major external mechanisms (Bhaduri and Selerka, 2016). The corporate governance codes vary in scope and detail across the world, but most of the codes tackle four fundamental issues: (i) fairness to all shareholders, the "owners," whose rights must be upheld; (ii) clear accountability by the board of directors and management; (iii) transparency, or accurate financial and nonfinancial reporting; and (iv) responsibility for the interests of minority shareholders and other stakeholders and for abiding by the letter and spirit of the law. The current trends witness a balancing of the three critical anchors of the corporate balance of powers—shareholders, boards of directors, and management which is leading to a general evolution of a democratic model of corporate governance boosted by the advance in communications (Serrat,2017).

"Good governance is about doing the right thing. The long-term viability and success of the enterprise are significantly attributed to being fair to the key stakeholders – customers, employees, investors, suppliers, communities and wider society" (Grant and CII, 2019). The corporate governance framework should address the rights of the stakeholders and motivate the cooperation between the corporations and the stakeholders in creating wealth, jobs and the sustainability of financially sound enterprises (OECD, 2004). Bhaduri and Selarka (2016) has pointed out that the effective corporate governance should ensure effective usage of resources including the resources used for corporate social responsibility.

The corporates have the objective of achieving profit, but is increasingly focusing on achieving triple bottom line which includes social and environmental dimensions besides economic dimensions. Various authors including Ted London (2016) have pointed out necessity of improving well-being or removing poverty of the consumers in the BoP market. It has implications for the top of the pyramid market as well. It implies that business firms have to focus on the social and environmental dimension for improving the well-being of all categories of consumer. This has deep meaning for corporate governance and sustainability of the business. Companies should be careful enough not to spike the needs and convert into unnecessary wants that depletes the wealth of the consumer. Although one can argue that such governance mechanism can restrict choices of the individual consumer, but too expensive products and services in market shall facilitate inequality creating psychological rifts which can be witnessed in the living styles of people across the society.

Section 135 of Companies Act 2013 of India mentions about the corporate social responsibility, and Schedule VII of the act enlists improvement of - human well-being, environment sustainability, and gender diversity –promoting gender equality and women empowerment (Companies Act, 2013). The guidelines for the central public sector enterprises for corporate governance mention that "corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders (CPSE Guidelines, 2019)." This statement implies the strong position of multiple stakeholders in corporate governance that has been recognized by the Indian public sector enterprises.

Indian Ethos

The social philosophy of India draws strength from the Indian spiritual thoughts. Unity in diversity is the idea. The core ingredient of the ancient Indian wisdom is embedded in the concepts of Sruti and Smrti. Sruti stands for the eternal values of human freedom, dignity, equality, and fearlessness, irrespective of case, color, creed, or sex. Smritis contain only rules and regulations that need changes every now or then (Swami Ranganathananda, 1993; Swami Ranganathananda, 1995; Swami Ranganathananda, 2012).

In the Indian tradition, there are multiple Smritis but only one Sruti. The Vedas are the part of the Sruti. Smritis direct the way of life. For India, the Sruti has always influenced Smrti and hence, Indian society has practiced philanthropy over ages (Swami Ranganathananda, 1993).

Vedanta has categorized the human urges and aspirations into four categories of Purusarthas- Dharma, Artha, Kama and Moksha. Purusartha is that which is sought after by a human being. In actual life, people desire for Kama or sensory satisfactions, first. The sensory satisfaction is derived from food, clothing, social appreciation, etc. The second type of Purusartha is Artha or wealth. To satisfy

Kama, Artha is needed. Artha or wealth is produced through industry, agriculture, and various professions. So, enumeration should be Kama, Artha, Dharma and Moksha. Instead, Dharma comes first in all enumerations. Because, if Dharma is not there, Kama and Artha would have gone into the hands of few and create severe inequality in the society. In society, one has to live with and relate to the others. So, along with individuality, mutuality is equally important for human beings. Dharma comes first for regulating Kama and artha for all in the society. Dharma is the science of values. In Geeta, Sri Krishna mentions in 3.11 - Parasparam Bhavayantah Sreyah Param Avapysyatha – by practicing concern and help for each other, achieve the highest welfare for all (Swami Ranganathananda, 2012, p 111).

The final Purusartha is Moksha or salvation. This is the knowing of the self- according to the Vedanta (Swami Ranganathananda, 2012). According to Sri Ramakrishna (an avatar of god according to the Indian tradition and the guru of Swami Vivekananda)- the goal of human life is to know the god or that what is called self-realization. Self is the higher nature of a human being, while the lower nature delves with the activities of day to day living (Swami Ranganathananda, 2012).

In this context, it shall be also interesting to examine briefly the ways to achieve self-realization. The Geeta has described the four ways of arriving at the moksha or self-realization- the Jnana Yoga, Bhakti Yoga, karma Yoga and Raja Yoga. The Jnana yoga is the way of having knowledge about the eternal truth (Rolland, 1931). There are two types of knowledge- Para and Apara vidya. Para vidya is the higher or self-knowledge. The apara vidya is the lower knowledge or the knowledge of the phenomenal world (Swami Ranganathananda, 2012). The Bhakti yoga is the way of knowing the god or the self. This is the route of devotion. The path of karma yoga mentions about the self-less work. One has to perform one's work for the sake of work and without attachment to the end result. The means and not the ends become important. This type of selfless work is the highest form of work. Finally, the raja yoga corresponds to control and absolute mastery of the mind to realize the self (Rolland, 1931).

Corporate Governance and Indian Ethos

The following paragraphs discuss the three areas of the corporate governance – CSR, gender diversity and disclosures, which are increasingly important for the sustainability of a business firm:

CSR – It can be seen from the above discussion that corporate governance principles points to the well-being of the multiple stakeholders and the society at large. Currently, there are number of activities concerning stakeholders that are initiated as the activities for corporate social responsibility. Martin et al (2016) has proposed a sustainability driven corporate governance model that aims wider stakeholder participation with the board of the directors being independent and that, social and environmental concerns are crucial along with the economic goal of the business. This model extends beyond the stakeholder models. In fact, the MNCs like Pfizer, AT&T, Apple, etc follow such types of corporate governance model (Martin et al, 2016). The three pillars of sustainability are – the economic growth, the social equity and the environmental protection (Khan and Aktar, 2018). These concepts are very much present and discussed in the Indian Ethos. The care for the entire society and the surrounding environment is the dharma aspect and the dharma aspect needs to be embedded in all the activities of the value chain of business firm.

Singhania et al (2013) has pointed out that the philosophy of CSR has been discussed in India since Vedic times. The concept of helping the needy and the poor has been included in all of the ancient literatures. The philosophy is practiced by Indian companies to different extents and is ingrained in the Indian psyche. In this context, the authors mentioned a very simple, but yet a powerful ancient statement in Sanskrit which is popular in India – Athithi Devo Bhava. That means, a guest arrived in house is equal to the god. It indicates the level of respect for fellow human beings in India across centuries.

A society is not a mere aggregation of human being. Dharma or Ethical values unite man to man to form the integrated organization which is society. The modern organization is interested in the profit. In current times, the business firms are also becoming careful of other stakeholders. Dharma stresses the idea of mutuality or inter-dependence of a man in the society. When a firm carries out its activities in the light of dharma or ethical values, then profit earning becomes subordinated to service to society (Swami Raganathanada, 1993). It can be argued that the Dharma should reflect as the core value of an organization. Keeping dharma or ethics as the compass for corporate activities, all the systems and processes of a business firm can be realigned. A firm can design its products and services keeping in mind the basic and essential needs of the consumer. For example, safety features should be a part of the basic design of a vehicle. The safety should not come as an additional feature with an additional price. The automobile industry should strive to innovate for reducing the cost of the vehicle while improving the quality such essential feature. These types of activities are the indicator of the Dharma. The talent recruitment process should consider human values as one of the key attributes that need to checked in every candidate. Generally, the firms look for skills that are essential to run a business, but neglect the identification of human values or dharma aspect in a candidate during recruitment. The absence of ethics in the business leaders has led to the malpractices and hence, collapse of many giant organizations worldwide.

The great India Saint Sri Ramakrishna has mentioned in one sentence that conveys the message of Vedanta – “Shiv gyane jiv seva" meaning to serve the living beings as the supreme god.[4] The Ramakrishna order was formed following Sri Ramakrishna’s philosophy and the leadership of Swami Vivekananda. The order is famous to lead the spiritual movements and also to serve human beings. A famous quote that was used by Swami Vivekananda from the Rig Veda - ***Atmano mokshartham jagat hitaya cha*** (for the salvation of our individual self and for the well-being of all on earth).[5]

The implications are very deep and profound and if followed and thought deeply, can change not only corporate governance frameworks but has the power to transform the whole world. And, this is most needed at this time when we are in turbulent times struck by the covid epidemic, crashing economies and geopolitical disturbances. CSR is the responsibility of the corporate to develop well-being of this planet – environment and living beings. By destroying nature in the process of digging up mines, creating factories, setting up infrastructure, modern businesses destroy the natural harmony. The business needs to be careful about the environment and calls for innovative ways of doing business which are aligned with nature and not going against nature.

Gender Diversity - Inclusion of female director in the board of the directors is a mandatory for a prescribed category of companies. Besides the diversity in the board, the business firms should also strive for improving workforce diversity. Not only inclusion, but the career progression should be fair and represent gender diversity. Joshi (2018) has pointed to such progress to the workforce diversity but

[4] https://en.wikipedia.org/wiki/Teachings_of_Ramakrishna, accessed on 25 /4/2020
[5] https://en.wikipedia.org/wiki/Atmano_mokshartham_jagat_hitaya_cha, accessed on 25 /4/2020

raises concern about masculine feminine imbalance traits (gender-psychological concepts).

Modern Indian women is inspired by the ideals of selfless service, simplicity and modesty laid down in the ancient Indian scriptures (Swami Raganathanada, 1993). Vedanta mentions that every human is divine. This very statement removes any difference at the gender level. The status of the woman is important for the progress of a society or culture. The Rig-Veda presents the equal status of man and woman in civic and religious spheres. The Vedic woman was a companion and equal to the man in every activity that included pursuit of knowledge and virtue, performance of rituals, composition of hymns and in war and statecraft. The equality in practice found its sustenance in theory. The Upanishads state the idea of man and women as the equal halves of a divine unity. Each were complement of and incomplete without the other (Swami Raganathanada, 1995). The Indian women are the manifestations of motherhood. A small girl to an aged lady –all are respected as mother across India.[6] It can be said that women had equal positions as that of men in the ancient Indian society. The corporate governance frameworks can take inspiration from the Upanishads and create equal position for women in every sphere of activity in the corporate, which has to travel a long path although some progress has been made.

Disclosure of Information

Correct disclosure of information is key to the corporate governance framework. Satyam Computers collapsed because the company misrepresented its accounts to its board, stock exchanges, regulators, investors and all other stakeholders.[7] Enron

[6] Swami Vivekananda, Complete works of Swami Vivekananda,Vol 3, https://advaitaashrama.org/cw/content.php, accessed on 27April 2020

[7] https://www.hindustantimes.com/business/satyam-scam-all-you-need-to-know-about-india-s-biggest-accounting-fraud/story-YTfHTZy9K6NvsW8PxIEEYL.html, accessed on 28 April 2020

the giant energy company of the USA collapsed because it had overinflated its estimated profit and misled its investors. It has hidden its mounting debts through special purposes vehicle.[8] It can be argued that Satyam and Enron could have managed to sustain if they had not used malpractices. As far non-financial disclosures are concerned, Gallego-Alvarez et al (2017) mention that the companies need to publish ad-hoc environmental reports for effectively communicating the firms' environmental contribution in multiple dimensions such as environmental mitigation and ecosystem preservation. Ezhilarasi and Kabra (2017) pointed out to the increased reporting of environmental information by the polluting Indian companies. At the same time, they mentioned that there is a need of stringent regulation for making the disclosures mandatory.

Satya or truthfulness is a concept that has been the basis of all scriptures. Accordingly, Indian parents and senior citizens always teach its young generation to follow the path of Satya. This is also the key motto of the Indian administration – Satya Meva Jayate. This common yet very powerful mantra from the Mundaka Upanishad[9] embedded in the Indian psyche is very popular in India. The disclosure system should be based on Satya and practice of Satya can solve the problem of corruption. Satya is the basis of Ethics. Explaining the Patanjali Sutras, Swami Vivekananda placed a great emphasis on truthfulness. Truthfulness is important for a Yogi for getting the result of his work or self-realization[10]. Swami Vivekananda has emphasized that Love, Truth and Unselfishness are the highest ideal.[11]

The epics of Mahabharata and Ramayana underline the win of Satya and ethics against greed and unethical practices. All are pointers on the ethical practices for

[8] http://large.stanford.edu/courses/2018/ph240/smith1/, accessed on 28 April 2020
[9] https://en.wikipedia.org/wiki/Satyameva_Jayate accessed on 28/4/2020
[10] Swami Vivekananda, Complete works of Swami Vivekananda,Vol.1,Ch I, https://advaitaashrama.org/cw/content.php, accessed on 27April 2020
[11] ibid

correct disclosures. It can be said that practice of Satya is could have stopped the collapse of behemoths like Enron, Satyam, etc.

Case study – Ramakrishna Mission and Math

Guided by the philosophy of Sri Ramakrishna, the Ramakrishna mission was founded in Belur Math in the district of Howrah, West Bengal. It was founded under the leadership of Swami Vivekananda, who is regarded as one of the foremost thinkers and religious leaders of the present age.

The Ramakrishna Math and the Ramakrishna Mission are twin organizations that form the core of a worldwide spiritual movement known as the Ramakrishna Movement or the Vedanta Movement. The aim of the movement is the all-round development of human faculties, social equality, and peace for all humanity, without any distinctions of creed, caste, race or nationality amongst others. The Ramakrishna Math is a monastic organization for men brought into existence by Sri Ramakrishna. The Ramakrishna Mission is a registered society in which the monks of the Ramakrishna Math and lay devotees work together to deliver social service mainly in India. Although Ramakrishna Math and Ramakrishna Mission are legally and financially separate, they are closely inter-related in several other ways.[12]

A reading of the website of the headquarters of the Ramakrishna Mission and the Math shows the variety of social activities carried out in 2017-18 including flood relief, education services, medical services, and the services to the tribal.[13]

The Ramakrishna mission activities are based on the sruti aspect of the Indian spiritual wisdom. Its working policy and procedures reflect servicing the human beings and surrounding environment. The Ramakrishna mission philosophy of

[12] https://en.unesco.org/partnerships/non-governmental-organizations/ramakrishna-mission, accessed on 13 April 2020,
[13] https://belurmath.org/relief/, accessed on 28 April 2020

serving humanity and ways of work can be studied and benchmarked for by the modern business firms for its corporate governance framework.

Corporate Governance framework

We have seen in recent times the entrepreneurs try to address the problem of society by bringing solutions to the market. The bigger problem it solves, the faster growth it acquires like Flipkart, Amazon, Uber, etc. It is to be noted that the immediate stakeholders like the shareholders, the consumers, the employees and the suppliers, suffer the most after the collapse of a business. Especially, the employees are left devastated and, in all probability, have no recourse to money or jobs. Their skills can also become obsolete. These events can cause tremendous social disorder. This is especially relevant in the recent times of covid-19 pandemic, where lockdowns create uncertainty and fear of retrenchment of employees across different sector. The corporate governance framework should take cognizance of all these aspects. Based on the above literature review, and case study, it can be suggested that corporate governance framework should be designed keeping the Sruti aspect in the mind.

A corporate governance framework inspired by the concepts of Sruti and Smrti is suggested as follows –

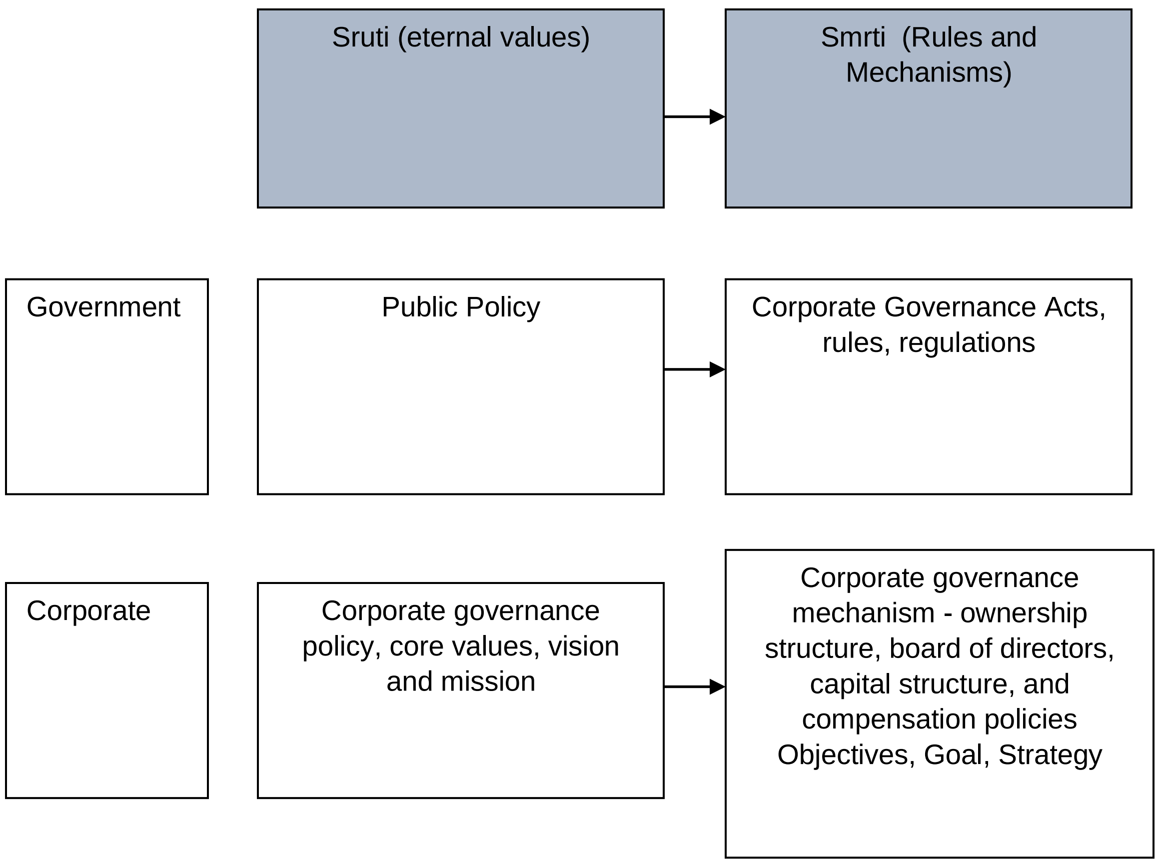

Figure 1: Conceptual Framework of Corporate Governance

The above framework (Figure 1) is not only applicable to the corporate but also to the government that creates the policies for corporate and lay down the acts, rules and regulations. While framing the policies for corporate governance, government should take in consideration the Sruti aspects.

The philosophy and national policies for a sector shall take in cognizance of the Sruti aspect- eternal aspects of human freedom, dignity, equality and fearlessness, irrespective of the caste, creed, color or sex. This should be reflected in all the national policies so that there will be common reference point. The Sruti aspect of public policy should drive the Smrti aspects. Smrti aspects shall address the sector specific issues and design the acts, rules, regulations and public policy implementation catering to corporate governance. That can be revised based on the needs of the practice.

The philosophy of corporate governance framework should be taken in cognizance the Sruti aspects of stakeholder well-being, environmental protection, human dignity and freedom. A business firm has to recognize the eternal values of sruti in the vision, mission and core values also. The formulation of the corporate governance framework - ownership structure, board of directors, capital structure, and compensation policies, forms the Smriti element and should be driven by the Sruti elements of corporate governance. The objectives, goals, strategy formulation including policy and procedures, strategy implementation and monitoring as well as controlling all form the Smrti aspect and should be driven by the Sruti element. In this way, the business model shall be holistic in approach and anchored in the eternal values. This will help the business to be sustainable.

Implementation of the framework

Implementation of the corporate governance framework can be carried out using the four paths of the Yoga. In this context, Jnana yoga can be used in terms of researching and innovating to improve the benefits of the stakeholders. This improvement impacts every aspect of business activity from the raw material procurement, the process improvement to the after sales and services. While doing this the business has to serve the different stakeholders and service is the form of bhakti yoga. Customers, suppliers, shareholders and greater society has to be served with honesty and sincerity. Care should be taken that the suppliers are paid properly at due time. Customers are provided with quality product with affordable price. Shareholders shall get profits out of the activities. Environment should not be polluted. Society at large should benefit and not suffer from the business activities. All the works should be done so that there are benefits accrued in terms of social, environmental and economical point of view. This is also the karma yoga. Finally, the physical and mental health of all the stakeholders has to be kept in mind especially the employees well-being. This aspect coincides with raja yoga and the human wellness and environment health is taken care of.

Conclusion

Corporate governance is a western management concept that is practiced by companies worldwide. The purpose of the corporate governance is to establish of right ways of doing business that which is ethical and beneficial to all the stakeholders of a company. The philosophy of corporate governance is long established in Indian philosophies. That can be witnessed through the ancient literatures. The modern firms are trying to correct the corruption and frauds after burning hands. Today's business tries to take recourse in ethics. The Indian scriptures and the philosophy have long established the value of ethics. The well-being of all living beings and the planet has been discussed in the scriptures which is similar to the concept of sustainability. A Corporate governance framework is suggested with inspirations from the Sruti and Smrti dimensions of the Indian scriptures. While the Sruti provides an eternal embeddedness in values, the smrti has to be adjusted based on the requirement of the time.

Going ahead, more works are needed to churn out the wisdoms in ancient Indian scripture and needs to be applied in a meaningful way to manage not only business organizations but all the activities of society. Not only theoretical discourse, but there also needs to be practiced in daily life to create an impact as learnt from the practice of four paths of yoga.

The implementation of the corporate governance should be done keeping in the view of the Jnana, Bhakti, karma and Raja yoga. Jnana refers to carry research and innovation of products, processes and services for the benefits of the multiple stakeholders. The stakeholders should be served and all their issues needs to be addressed with inspirations from Bhakti yoga. All the activities shall be carried out with an aim to improve social, environmental besides economical aspects. This is the Karma yoga. Finally, guided by Raja Yoga, the wellness of all the stakeholders has to be ensured. This will be an all-round implementation plan for the corporate governance framework and covers all aspect of implementation.

The overall strategy of a business should be anchored in the sruti or ethical aspect. As a result, it will be building sustainable business model because it will be anchored to a social and environmental strategy that has been absent over the past years.

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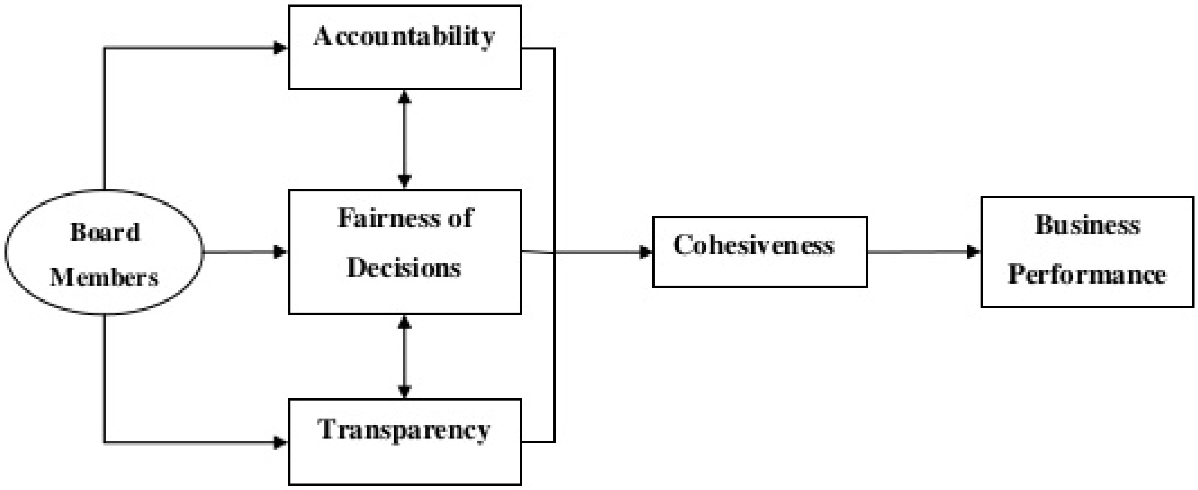
Role of Women in Corporate Governance

Dr. Tanya Soin Gaurav

Introduction - Corporate Governance as a Concept

Businesses operate on the principle of optimizing shareholder's value, profit maximization and optimum utilization of resources. In order to ensure that conflict of interest is minimized to as much degree as possible and that operations are carried out effectively and efficiently, a combination of rules, laws and policies have been put together through which businesses can be operated, regulated, monitored and controlled. A company's corporate governance dictates its corporate behaviour and sends across a message of trust and integrity to its investors and all other stakeholders. Even though profitability is a major concern in any business, a number of stakeholders also evaluate a company on the basis of its corporate citizenship behaviour which is high on conscience and ethics.

The Board of Directors are the primary governance enforcing body in any organization. They are chosen by the stakeholders and represent them evenly on the board. This ensures that the interest of all the shareholders is respected and represented. Any conflict of interest can be nipped at its budding stage itself. They have to ensure that the governance policies include corporate strategy, ethical business practices and contingency/risk planning. Organization culture also goes a long way in determining the penetration and impact of interventions, policies and strategies. When people at the top expect transparency and integrity, it automatically trickles down to the rest of the organization. As put on the official website of Nestle, "Our Board of Directors sets our long-term strategy and provides oversight on the basis of strong principles and an appropriate tone from the top. It ensures the long-term success of our company based on a clear strategy and good corporate governance. Its focus on corporate culture helps us align the interests between our business, our wider stakeholders and society."



With the overall change in the social, political and cultural fabric there is overall a decline in the transparency and trust factor. A global survey conducted by a Communication and Marketing firm Edelman came up with results based on the Edelman Trust Barometer. The overview of this survey was published by the Harvard Business Review. This survey measures consumers' trust in business, the media, the government and non-government organizations and found that all the four are down to the lowest in 17 years. The respondents who felt that a business does/delivers what it promised to, made only 52 percent of the total respondents. In such a situation, corporate governance gives an organization a platform to display their positive traits. Once the organization comes into the eye of the community and all the stakeholders, it makes all the more effort to maintain that image and keep from duplicity or negativity of any kind. This in turn puts the organization as well as the community and all the stakeholders in a win-win situation.

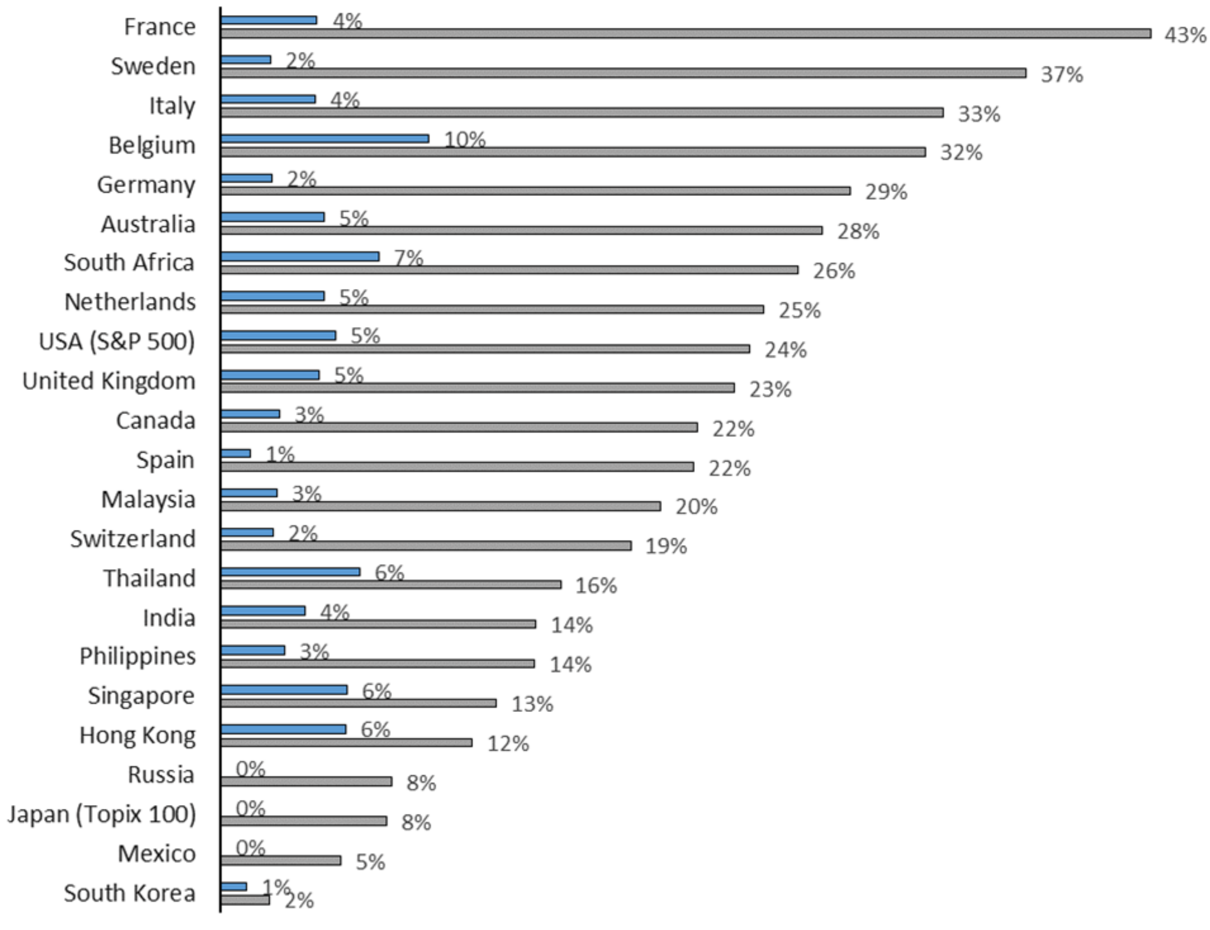
Women in Corporates

Mc Kinsey conducts a study on Women in corporates every year. A comparison of reports from the last five years have some promising results when it comes to women in the corporate scenario. Overall, the representation of women has shown an upward trend over the last five years. But the representation of women is a ratio and proportion game. When compared against the intake of women, there is an upward trend but when compared to men, the figure is far lagging behind. This ratio distorts the upward escalation of women in senior roles as well. When the hiring numbers are low, even though senior leadership positions are available, the number of women that can make it to that automatically comes down. If the hiring of women can see an upward trend, the availability of women candidates for senior positions will also increase.

Companies in today's scenario are inclining in big way towards diversity and inclusion. Best practices need to be followed while recruiting and also subsequently while managing performances while handling diversity at workplace. Diversity and Inclusion brings with itself a sense of belongingness, equal opportunities and fairness to the system. Though diversity is a big concept in itself, understanding it with special reference to women would help penetrate into the scope of this chapter. Organizations that respect diversity and implement it, build a very special culture within the organization. Women make phenomenal managers and are able to utilize their nurturing element in people management hence bringing out the best in others around them.

Diversity has a strong intent but there is a need to bridge the gap between good intent and absolute action. As per a report by McKinsey on Women representation in Corporates, "Seventy-three percent of senior leaders are highly committed to gender diversity, and close to half say they're working to improve gender diversity. Senior leaders set the priorities in organizations, so when they're engaged, it has a positive trickle-down effect: Managers are more likely to support diversity efforts, and employees are more likely to think the workplace is fair."

Women in the C-Suit follow different dynamics altogether. Approximately 24 out of 500 companies have women CEOs. Women representation in other C-suit roles varies, with 12.8% of Chief Financial Officers, 19% of Chief Information Officers and a more prominent 55% of Chief Human Resource Officers being women. As a matter of fact, HR is one such function which has always been skewed towards women representation. Why? This question shall be answers later in the chapter.



Source: ISS Analytics

Businesses can help their women employees to reach the C-Suit in multiple ways. Higher Representation of women on the Board inspires others women to pursue academic and professional pursuits to reach the same level. Mentoring can also go a long way in paving a path towards the C-suit. Also, organizations need to penetrate deep to understand the factors that can be inhibiting for women to reach their utmost potential. These factors majorly revolve around socio-cultural parameters and family demands, most importantly children. In case organizations want to increase the gender representation, they have to bring in strong interventions that help women maintain work-life balance. These interventions could benefit men as well, providing them justified time with their families and children A balanced life ensures a happy individual and a happy individual is any day more productive.

WOMEN ON THE BOARD

The Companies Act, 2013 and the Securities Exchange Board of India (SEBI) made it mandatory for the listed companies to have at least one woman on their board. For this particular position, the companies prefer a C-Suit woman but ironically majority of the women do not even reach the C-Suit. A diverse board is more likely to ensure robust decision making and governance. Diversity here is seen as a very broad requirement, ranging from gender, expertise, skill to experience. therefore, the quality of the board is directly proportional to board diversity.

According to a study, among the companies in India that have women board members, only 29% have two women directors while 63% have only one woman director. With a percentage like that, how can companies ensure a woman on board. Numbers keep fluctuating. For the benefit of various businesses, the representation of women on board is likely to be taken towards the upward direction. But the most important aspect to unveil and understand is: “Why do we need a woman on Board?”

Women representation on Board is said to have a trickle - down effect. They don't just represent a gender but a complete school of thought. Women bring with themselves a sense of citizenship, engagement, nurturance and longevity. Owing to the inherent fibre of a woman, she is more comforting and accessible when it comes to being a confidante. On a very generic bases, they are more objective and are less manipulative when it comes to taking decisions. From corporate governance point of view, women on the board can strengthen the base on which governance is built and executed.

The presence of women can stand tall to question the otherwise Masculine Corporate Culture. Though both, the feminine and the masculine corporate culture can coexist but the feminine corporate culture is relatively easier to stick onto. The feminine corporate culture is built on the pillars of traits that's symbolic of women. These kinds of organizations are more people-friendly and are therefore looked up as companies to work for. Masculine traits would include toughness, aggression, competitiveness, perseverance and assertiveness. Feminine traits on the other hand would include compassion, empathy, harmony, collaboration, nurturance, aesthetics and creativity. It can be said that men are controlled by the left-brain whereas women are more of the right-brain thinkers.

GENDER DIVERSITY: THE REPORT CARD					
Top 10 companies with most gender diverse boards among BSE-100 companies in FY 19			Top 10 companies with least gender diverse boards among BSE-100 companies in FY 19		
Companies	No. Of women on board	Percentage of women on Board	Companies	No. Of women on board	Percentage of women on Board
Apollo Hospitals	5	41.6	Oil & Natural Gas Corp	1	5.9
Godrej Consumer	5	35.7	Indian Oil Corp	1	5.9
Ultra Tech Cement	4	33.3	Bajaj Auto	1	6.3
Cipla	4	33.3	Container Corp of India	1	7.1
Infosys	3	33.3	Page Industries	1	7.1
Colgate-Palmolive India	3	30.0	Dabur India	1	7.1
HCL Technologies	3	27.3	Bharat Forge	1	7.1
Bharti Airtel	3	27.3	Havells India	1	7.7
Eicher Motors	1	25.0	Petronet LNG	1	7.7
JSW Steel	3	25.0	Bajaj Finance	1	7.7

Source: Bloomberg

Therefore, when the board has women representation on it, it puts across a message to acceptance and inclusion which puts an individual in a comfort zone to work in.

It never comes easy to a woman and therefore she is on a constant quest to prove herself. As she isn't wired to walk alone, as she moves forward so does everyone around her. If she is high on integrity, she ensures so is the culture around her.

Women representation brings up the overall performance of the organization, be it financial or operational. Women leaders have more innovation capacity and also practice integrated leadership. They stick to transparency and promote best business practices and therefore organizations with higher number of women executives experience fewer large-scale controversies. They build an environment and culture of trust.

Of all the functions of business, the highest representation of women is seen in the Human Resource Department. This fact also revolves around the basic make of a woman. Women are collaborative and are able to build up consensus. Women by nature cannot survive in their cocoon and therefore not only possess but also harness the spirit of togetherness.

The *Bharatiya* Context - Women and Corporate Governance

It can be quite interesting to understand the relation between women and corporate governance from the *Bharatiya* standpoint.

In an essay on Status of Indian Women in his book "The Dance of Shiva", Ananda Coomaraswamy highlighted that, "Indian women, with all their faults of sentimentality and ignorance, have remained the guardians of a spiritual culture which is of greater worth than the efficiency and information of the educated."

Women in India are considered the strong pillars of the society, holding the flag and marching forward propagating adherence of socio-cultural norms. They not only bind a family but also tirelessly stand up to ensure that the family sustains with integrity, strength of character, righteousness and morality. It is a well-accepted fact that men can live in a cocoon but women have the capacity to grow into a family and gives utmost importance to keeping it together. It is imbibed in them that the responsibility of building and nurturing relationships, whether personal or social, rests on the woman's shoulders. With all the unique qualities that God has gifted her with, she has guarded families and societies with their instinct and timeless wisdom. India's rich cultural and civilizational history brings out several such examples where women played a very critical role in people matters and areas of decision making.

Mandodri neither left her husband's side nor ever supported him in his evil deeds. She on the contrary always despised his actions and warned him against the repercussions of the same. Being an *asura*'s daughter and wife, she was one of the most respectable characters in *Ramayana*.

Raja Dashrath always relied on the advice of his youngest wife *Sumitra i*n the matters of the court during his reign. He gave her wisdom and discretion its due and respected her decision-making abilities and clarity of thought.

Kali, unlike the tame and calm goddesses, is fierce, aggressive and destructive. She reminds women that not only do we have the strength to nurture and create; we also have the strength to destroy and annihilate the sources of evil.

Draupadi had no say in the life she was given to live but all her husbands took her opinion in the matters of running their kingdom successfully. She had to endure a lot of pain which included the loss of her sons during the war of Kurukshetra in order to restore *dharma* for the larger good of the mankind.

Sita chose to share the hardships of the forest with her husband when she had the option of not to, later she was banished and therefore brought up her sons alone and finally had the courage to walk away when her husband came to take her back. She is a classic example of both, selflessness as well as self-love. Also, she was also looked up as one of the mythological characters who always questioned and stood up against the wrong.

The above examples bring out beautifully that women have been keepers of norms and governance directly or indirectly mostly relying on their innate qualities and people skills. Another interesting fact is a woman's eye for details. Detailing of any kind requires patience and perseverance which is seen higher in women as they are controlled by the right-brain which is also considered the part used by women to think and act. Therefore, they are better able to ensure inclusion and adherence to norms and multiple clauses in order to implement the highest degree of governance possible.

Women have, since forever, been empowered. Our mythology and deities depict powerful women and their impact on civilization. What needs to be done today is to make them realize their true power and potential. The only way to do this is to boost their confidence in a way that they are able to unleash themselves and propel towards a bright and a rewarding future. Women sponsorships, spirit of sisterhood, promoting diversity and inclusion, giving/taking challenging assignment, coaching/mentoring women executives by women leaders, removing disparity in recruitment norms etc. are some of the ways of ensuring this. Women on the Board create a culture to give these interventions the thrust they require to make an impact.

The author does not intend to hurt the sentiments of any gender and is a strong protagonist of gender neutrality. This chapter has been written within a scope and therefore highlights relevant inputs. The author respects the universal law of balance and believes that all genders are equally important to nurture a balanced society.

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A decade into research and academics, Dr. Tanya Soin Gaurav is NET-JRF qualified with her doctorate in women employability with reference to skill and competency gaps. A method academician, she has several publications exhibiting her passion to break stereotypes and bridge gaps with respect to women education and employment. Her quests include bringing to the class content that is contemporary and bridging the gap between being educated and being employable. Honouring this spirit she undertook a course in HR analytics from IIM- Rohtak with the intention of taking it to her students. She believes in the power of people and communication and imparts the same in her classes.

Lessons from Stories and Narratives for Corporate Governance

Dr. Priti Hingorani

Introduction

Storytelling is the most experienced path towards educating & enlightening the audience with ideas that remain ingrained in their memory for long time. It has been observed that stories generate interests, makes a person inquisitive and creative. But of the important aspect is the ability to shape human behaviour, thought and action. Before you as a reader start wondering about the linkage with corporate governance, I would request to please re-read the last sentence about ability of the stories to shape human behaviour, thought and action.

“Stories make enchantment and a feeling of a miracle in the world. They show us life, about ourselves and others” (Juliani, A.J., 2014).

Advantages of Story telling

Realizing the importance of story-telling at all levels, many higher educational institutions and corporate trainers have adopted stories as part of the curriculum. The Indian Institute of Management, Ahmedabad also started inculcating storytelling from Panchatantra as a part of curriculum, and as valuable lessons for various management issues. “At IIM Ahmedabad, it’s time for lessons from the Panchatantra” (Banarjee A., 2017). IIM Ahmadabad took this ideal opportunity and started exercises from the Panchatantra. IIMA’s PGP students pursued some important exercises on peaceful settlements - all from India’s ancient tales, the Panchatantra. These Panchatantra exercises cover five unique areas: Mitrabhedam, Mitrapraptikam, Kakolukiyam, Labdha Prasannam, and Aparikshitakaram.

Banasthali Vidyapith, when initiated its management programme in 1996 included Panchatantra tales in the MBA curriculum as it aids students to learn various life lessons as well as management lessons.

Why Panchatantra?

Panchatantra tales are the most popular for learning "Niti" (policy). They are additionally mentioned to as Niti-Sastra books. More than 2,000 years back, Vishnu Sharma created Panchatantra exercises to show the standards of "Good Governance" to three youthful Princes of Mahilaropyam Kingdom.

It provides a perfect understanding of dealing with people, ways of thinking, associations, and knowledge. "Stories in Panchatantra can be utilized for helpful insights to determine a wide range of controversies". Panchatantra stories are a wellspring of qualities and practices that can help improve the work environment life. The book underlines attentive activity over irresponsible conduct. The tales are loaded with knowledge about decision making, relations, social achievement and compromise, settlement, negotiation and so on that are exceptionally relevant in the present business associations. Panchatantra through the stories provides an abundance of good-governance lessons, which if followed helps in the smooth functioning of organizational works.

Good Governance lessons from Panchatantra

The good governance lessons from Panchatantra, includes the dimensions as depicted in the following chart.

1. Conflict Resolution

The rising conflicts in the organization are very common. These are the clashes that happen during association between representatives in all associations, large or little. “It’s an enormous drain on an organization,” says Grenny, J (2002).

It isn’t the character conflict every time that offers rise to the dispute between the representatives? Now and then, it is brought about by distinction in beliefs and neither one of the sides ready to accommodate. Different reasons incorporate outer elements that are affecting the feelings of colleagues. Or on the other hand, it could be because of miscommunication and contrast in working styles. It is essential to recognize what is making the conflict to fix it.

The story from Panchatantra entitled Lion & Bull explains the concept of conflict resolution. It says, work out the dispute before it escalates.

The initial story enlightens us concerning the question between two dear companions, the Lion and the Bull. The story closes with the death of the Bull. Two tricky jackals, who see this fellowship as a danger to their situation in the empire, set both the companions against one another. In a rage, the lion slaughters the bull and grieves later.

The case represents that, had the two companions worked out the argument before, there would have been no room left for misconception. Additionally, in the working environment, conflicts among colleagues may bring about outcasts getting in on the protest. All the more in this way, struggle evasion can bring about expanded worker stress and decreased innovative joint effort. In all cases, arguments just deteriorate with time.

In this manner, the struggling partners ought to consent before the difficulty spreads and others are included. The bull and the Lion can be emblematically known to speak to these qualities among the workers.

2. Team Work/Participation of all

Team building is a term referring to a variety of exercises that unite a team to do them. “Today’s teams are different from the teams of the past: They’re far more diverse, dispersed, digital, and dynamic” (Haas & Mortensen, 2016).

The advantage of a team building is that it advances cooperation in the work environment. Having the perfect individual, doing the correct activity as per their character qualities and the instructive foundation is significant for the entire team. By completely using the extraordinary capacities of individual workers, the team can work wonders.

This is how the story of Pigeon, Mouse, Crow, Tortoise, and Deer provides the teamwork lesson by explaining how participation achieves great results.

Pigeon, Mouse, Crow, Tortoise, and Deer are five companions, each having various capacities. They act the conqueror when trapped in terrifying conditions. The story starts with the mouse discharging the caught pigeons from a tracker’s net. Taking a glimpse at this the crow becomes a close acquaintance with the mouse. The story advances as they spare a youthful deer and afterward incorporate a tortoise to frame a gathering of five companions.

At the point when caught in intense circumstances, the shortcoming of one companion ends up being the quality of the others. By holding hands with one another, they can handle the difficulties of wild and threatening conditions for quite a while.

This case reveals the truth that; cooperation and agreement among groups can accomplish far beyond what inside rivalry could. The collective methodology gives a sheltered method to acquire new thoughts and methods of working into a business.

At the point when workers approach each other's thoughts, ventures move quicker and the administration conveyance is improved. Though inner rivalry brings about workers feeling set in opposition to each other and committing their time and vitality attempting to make sense of how to eclipse their friends.

An organization's prosperity is outrageous without every individual's commitments and novel abilities. Indeed, even the business competitors are presently holding onto joint effort as an easing approach to advance development.

3. Being Emotionally Intelligent

Enthusiastic knowledge is generally perceived as significant expertise that improves correspondence, the board, critical thinking, and connections inside the working environment. It is likewise an aptitude that specialists accept can be improved with preparing and practice.

EQ in the Workplace aids at:

- Making better choices and taking care of issues
- Keeping cool under tension
- Resolving clashes
- Having more prominent sympathy
- Listening, reflecting, and reacting to helpful analysis

The tale of Monkey and Crocodile explains how the monkey used its EQ and kept cool under the difficult situation which saved its life.

Two companions, monkey and crocodile live respectively in timberland. At the point when the crocodile's wife comes to know about the kinship, she contemplates internally that the monkey's heart must be exceptionally sweet. She fakes sickness and reveals to the crocodile that she wishes to eat the monkey's heart.

The crocodile is disturbed after hearing this and will not double-cross his only companion. The spouse undermines that she will starve to death if her desire isn't satisfied. The crocodile in the long run chooses to carry the monkey's heart to his dearest.

Following day, the monkey was taking a ride on the back of the crocodile. Overwhelmed, the crocodile lets him know: "Dear companion, my wife is sick and she would not eat anything except if she gets the opportunity to eat your heart. I have guaranteed her to bring your heart, so I am taking you to my home".

The monkey doesn't frenzy and tells the crocodile that he has left his heart at his home on the tree. The crocodile rides back the monkey to home, the monkey rapidly moves up the tree to wellbeing, endlessly from his companion.

This story gives different exercises to the working environment:

Have Right People in Teams: People who are confident and consistent with themselves make the best workers. In contrast to the crocodile, they don't settle on poor choices affected by others' feelings. Generally, having appropriate individuals in the groups prevents clashes in any case.

Social Skills: Sometimes excessively natural office connections may leave the representatives powerless against dangers covering up on display. Also, when work environment kinships cross chains of command (between unequal like the monkey and crocodile) it gets judicious to comprehend the targets or outcomes of such a connection.

Act Promptly: For an association, there is no individual more important than the person who can respond immediately and precisely at the trickiest of times. Like the monkey in the above story who doesn't lose his cool after distinguishing the danger. In circumstances like job clashes, warmed discussions, or character conflicts, the remaining alarm consistently assists with resisting the urge to panic, think plainly, and sail through the difficulties.

Being calm under stress can assess even the finest leaders. "Indeed, the ability to maintain composure and steadiness in times of crisis is a key element of so-called executive presence" (Overby, S, 2019). It does not merely have a soothing effect on others moreover it also inspires self-confidence. This ability falls within the realm of emotional intelligence.

4. Leadership

True Leader's drive people successfully, they comprehend objectives and purposes. In contrast, two or more leaders/bosses may lead to internal issues and problems. Even at the organization level when there is more than one decision-making authority there are likelihoods of committing a tactical fault.

The tale of 'The Bharunda Bird' explains the value of Leadership. The story introduced defines the significance of the system.

A strange bird, known as the 'Bharunda', a flying creature, had a solitary stomach yet two necks - each with a head. At some point, while twisting the one head went over a tasty organic product. The other head needed a sample of it, yet the first head didn't share it.

Another head was irritated, and when it went over a toxic food, it ate to show its importance to the first head. In any case, they had a similar stomach. Along these lines, when the toxic substance arrived at their midsection, the two of them died.

An examination of this case uncovers that the feathered creature, despite having two heads, had a similar body. They are practically one, and ought to have synchronized their activities.

The case represents the following:

When there are two heads/leaders inside an association, there can be interior clashes - on sharing of income, for instance. At the point when the leaders of an association are in trouble, they may act absurdly and may forfeit their target of endurance. For any authoritative structure, there ought to be the same number of heads as our stomachs (procedures or offices, for instance). The struggle of leaders of an association influences all pieces of the association and opens different parts to dangers as well.

Henceforth, associations that have two or multiple supervisors face difficult circumstances. This impacts their development and the endurance of the associations.

This story presents an important management lesson. It elaborates, that hierarchical structure is of most extreme significance, and ought to be done deliberately. It is self-destructive for any authoritative structure to have two heads.

In a state of harmony with present-day, Panchatantra suggests associations to 'Dodge Two-Bosses' as a strategic system. Panchatantra alerts this may impact the respectability of the association and can have its effect on its very endurance.

5. Skills Management

Skills management is about contemplation which is rising as organizing individuals and their skills. It involves recognizing the skills that are vital for a particular job. Therefore, the management needs to train the people so they can acquire and improve their skills for better performance and results.

The case of The King and the Foolish Monkey is a straightforward case to show the managers of abilities.

The ruler was partial to his pet monkey, who had the opportunity to enter wherever at his desire. The monkey was likewise steadfast and served the ruler with all devotion. At some point, when the lord was sleeping, a fly entered the ruler's room. The monkey attempted to shoo the fly away so it doesn't upset the ruler's rest. At the point when he neglected to do as such, he blew up and picked a blade to slaughter the fly. At the point when the fly sat on the ruler's chest the monkey hit at it. The fly took off however the ruler was murdered immediately.

An exploration of this case uncovers the fact that good governance comes with skills management:

The ruler permitted an unwise (undeveloped) most loved to serve him in his own chambers, however, denied any trained supervisor. The monkey attempted to counter a circumstance for which he neither had the right stuff or experience.

The device (blade) utilized by the monkey was not fitting in the given situation, neither had he any training to utilize it. The absurd monkey didn't look for the assistance of a gifted specialist when he was confronted with the circumstance that he didn't have what it takes to survive. The ruler and his administrator were to blame to keep the blade in a spot, where it tends to be spontaneously acquired to by incompetent people.

Overseeing aptitudes have become a significant administrative perspective for each association. Managers lift the profitability of the association since singular representatives become mindful of the abilities sets required for explicit undertakings and redesign their abilities to accomplish individual and organizational objectives.

6. Right Communication

The tale of 'Dharmabuddhi and Papabuddhi' two companions gain some cash in a specific town and conceal the cash under a tree before getting back.

One of the companions, Papabuddhi uncovers the cash alone and faults the other of taking it. At the point when the issue is heightened to the seniors of their town, Dharmabuddhi faces the claims of being cheated through false proof. It is then that Dharmabuddhi swings to activity to demonstrate his guiltlessness during this emergency.

An exploration of this story uncovers that when the honest one among the companions is confronted with proof to demonstrate him liable, he comprehends the emergency caused and controls the significance of prompt harm before he is accused.

One ought not to trust that a crisis will happen to relieve another crisis. All components of danger that may cause a crisis should be distinguished and arrangements should be made as needed during the calamity of the situation.

This tale conveys an important point to comprehend what you need to state before they are inquired. As for this situation, Dharmabuddhi trusts that the older folks will request his side of clarifications. He gets energetically to introduce his stand when he is approached to do as such. In the present powerful corporate world, the awful managers ought to be standing by to be given a chance. The need in this manner is to have targets and articulations prepared, and conveyed.

7. Risk Management

Fundamentals of Risk Management:

Figure a business procedure that incorporates hazard control measures. Mitigate the risks to outside insurance agencies. Incorporate periodical re-getting of risks as a piece of business activities. Maintain a strategic distance from territories of risks by closing down zones that open the business to high hazard. Beset up for a wide range of episodes, and have the option to recover from catastrophes.

The story of Two Fishes and a Frog talks about practicing Risk Management. Three companions, two fishes, and a frog lived cheerfully in a lake.

At some point, they saw many anglers who wanted to cast their nets in the lake next morning. The fishes were certain of their abilities to avoid the nets and even though the frog made a decent attempt to clarify the dangers, they would not leave.

As the anglers cast their nets in the lake, all fishes got captured - including the frog’s companions. The frog, be that as it may, got away because he left for a well with his family.

An analysis of this story uncovers the basics of Risk Management. The frog was ahead of schedule to distinguish the hazard and arranged his counter-activity, which the fishes neglected to do. He understood the power of the hazard and attempted a drawn-out other option. The frog organized his activities, he left with his family in the night, without wasting through his time discussing with the fishes or attempting to standby the fishes. The fishes were beloved companions of the frog, yet not on a higher need than sparing his own life and that of his family.

The frog didn't end his activities when the higher needs (sparing himself and his family) were served and come back to beware of the fishes, which was a follow-up on his lesser need activities.

Each business opens itself to a specific measure of dangers and vulnerabilities, or at the end of the day, hazard. Dangers may emerge from various occasions and situations, as lawful liabilities, venture disappointments. Through differed procedures, "risk management rotates around distinguishing, organizing and in the long run invalidating the impacts of the hazard" (Schiller & Prpich, 2013).

Panchatantra in Today's Context

"The stories of the Panchatantra are not just relevant that day, but still hold excellent even today" (Indianmirror, 2016).

Corporate management guarantees the assistance of investors and different partners in accomplishing key objectives. It takes a lot of procedures, plans, laws, customs and administrations to oversee a company's method of direction, organization and control.

The Panchatantra by its own early on portrayal guided three rulers on the complexities of statecraft and, prepare them to oversee the state. It provides clear guidance for current corporate administration.

Panchatantra bundles the perceptiveness of ages for individuals considering various things. Through straightforward yet charming stories, it shows us significant exercises of life that we will in general neglect as we grow. This is despite the way that the knowledge it conveys enlightens us with the way to progress and lead an existence of harmony. In this ever powerful and serious world, these exercises of good governance become more applicable in the present setting than any other time in recent memory!

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Environment Social Governance and Corporate Governance

Ms. Anjana Sharda

"If you want to go fast, go alone. If you want to go far, go together."

An enterprise does not survive in isolation; it is a part of the surrounding environment and society at large as stated in the stakeholder's theory in the 1980s. It emphasizes that enterprise is not just a business entity, but is an ecosystem that comprises environment, social, and governance **(ESG)** metrics.

The importance of ESG disclosure is a must for the sustainable performance of an enterprise, which assures continued investment by stakeholders. A simple analogy of an enterprise's sole interest in increasing profits and not adapting an inclusive responsibility for the overall surrounding environment, communities, and emotional well-being of its workers is similar to *"Cutting the branch one is sitting on"*.

Stakeholder theory has become more important in the new global economy and increasing natural calamities, damage of which can be reduced with the traditionalist approach of maintaining the balance, by combining business and ethics to sustain, before one falls into the hands of own greed.

Competitiveness with Principles at Stake Turns Greed into Cuscata.

Education plays a very important role in building sound individuals. A college degree used to be a prerequisite for a corporate job consideration when MNC's culture started in India around the 1990s. Then growing population created more colleges and degrees, but MNCs continuing with limited operations outside their home location called for competition.

A parallel could be drawn to the Darwinian theory of evolution a century after in the corporate sector with the survival of the most competitive. When it's about competing against your last performance, it's a healthy competition. When it's about going beyond taking care of your shareholders and customers to taking care of your employees too then it's a Business Value. But when it becomes a race to be ahead of your peers and dealing with the threats from the new entrants as a result of broadening of the global market and to keep interests invested from both shareholders and customers with principles at stake, then too much too soon could be hazardous.

Greed like Cuscata, a parasitic plant (Amar Bel) starts to absorb values and integrity from its host even before one realizes it.

"You don't have to cut a tree down to get at the fruit."

The environment is the life support system for everyone. Industrialization, Economic development other than increasing employment rate also caused Environment Degradation as a pitfall. Organizations that are not able to fine-tune its balance sheet with contributions made towards Air, Water and Land pollution control, the core Environmental Values struggle to last long.

Harm to our environment is considered at par to violation of human rights, including that of the next generation. History shows us that sometimes large- scale enterprises from developed countries tried to set-up their plants in developing countries as they have stringent environmental protection laws in their own home country. A case that is heart-stricken every time it is recalled is of Bhopal Gas Tragedy. When an MNC entered India with the hope of generating massive employment and contributing to a nation's economic development, but in reality, took away the lives of thousands of people and affected the generations to come with the worst.

"With Great Powers Come Great Responsibility."

Investors, shareholders, and consumers have higher stakes now than before in making sure that the organization they are going to select for investment purposes, already invested in and to purchase from, has a higher purpose to overcome unsolicited desires. Their decision- making impact society at large. After all, society plays an important role in developing an individual into a holistic one, who evolves into leading organizations. A socially conscious corporate citizen contributes to societal development through Corporate Social Responsibility (CSR), reflecting core Social Values.

Stakeholder(s) to emphasize the importance of developing an **Enterprise strategy* ensuring Sustainable Development Goals (SDGs) inclusion and their implementation. ***An enterprise strategy describes the relationship between the firm and society by answering the question "What are the values we stand for?". As an enterprise survival depends in part on there being some "fit" between the values of the enterprise and the societal issues which will determine the ability of the firm to sell its products."*

Enterprises may see stakeholders as a limitation in executing 'only profit-making goals', but no matter how firm stakeholders may appear as a parent or the head of the family by the fast-paced younger generation with their idealistic foundation and having the thought process of taking all together. It's their wisdom gained over a period of experience worth listening to, that always prove to be valuable in the long run and even comes handy to help when a firm gets stuck chasing its short-term gains.

SDGs inclusion in the enterprise strategy planning and development should ****neither be an "add-on" luxury only afforded by the most successful businesses nor to be a damage limitation insurance*, rather it should be a core moral responsibility of every enterprise towards its surrounding.

"Built to Last"

Integration is the key to implement Sustainable development goals (SDGs): Integration of environmental, social and governance (ESG) metrics leads to sustainability; Sustainable Economic Development automatically follows. Critical situations like Climate change and COVID 19 pandemic calls for action to not just invest for gain, but for a change. Investing in organizations '*Who Cares*' is for long-term value.

The stakeholder approach implemented by successful firms including both Indian and International demonstrates how managements are continuing to develop and implement their enterprise strategy with SDGs inclusion in a collaborative relationship with the environment and the society at large. It is one of the 'built to last' mantras for any enterprise.

17 SDGs with 10 years action plan.

The 2030 Agenda for Sustainable Development as adopted in 2015 by 193 UN Member States is for all nations to work on an integrated action plan.

*****SDG Pyramid by United in Diversity (www.unitedindiversity.org)*

1. ***No Poverty:*** to "End poverty in all its forms everywhere". 10 per cent of the world live in poverty and struggle to fulfill basic needs such as health, education, and access to water and sanitation. A study published in September 2020 found that poverty increased by 7 per cent in just a few months due to the COVID-19 pandemic, even though it had been steadily decreasing for the last 20 years.
2. ***Zero Hunger:*** to "End hunger, achieve food security and improved nutrition, and promote sustainable agriculture". Globally, 1 in 9 people are undernourished, the vast majority of whom live in developing countries. Under nutrition causes wasting (symptom of acute undernutrition) or severe wasting of 52 million children worldwide. It contributes to nearly half (45%) of deaths in children under five, which is ~3.1 million children per year.
3. ***Good Health and Well*-Being:** to "Ensure healthy lives and promote well-being for all at all ages". Significant strides have been made in increasing life

expectancy and reducing some of the common causes of child and maternal mortality.

4. ***Quality Education:*** to "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all".
5. ***Gender Equality:*** to "Achieve gender equality and empower all women and girls". The three "means of achieving" targets are: fostering equal rights to economic resources, property ownership and financial services for women; promoting empowerment of women through technology; and adopting, strengthening policies and enforcing legislation for gender equality.
6. ***Clean Water and Sanitation:*** to "Ensure availability and sustainable management of water and sanitation for all". 4.5 billion people currently do not have safely managed sanitation as per JMP report by WHO and UNICEF in 2017.
7. ***Affordable and Clean Energy:*** to "Ensure access to affordable, reliable, sustainable and modern energy for all". Progress in expanding access to electricity has been made in several countries, notably India, Bangladesh, and Kenya.
8. ***Decent Work and Economic Growth:*** to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". Strengthening domestic financial institutions and increasing Aid for Trade support for developing countries is considered essential to economic development.
9. ***Industry, Innovation and Infrastructure:*** to "Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation". In previously "unconnected" areas of the globe, 85 percent of people now live in covered areas. Planet-wide, 95 percent of the population is covered under "Universal Access to Information and Communications Technology."

10.***Reducing Inequalities:*** to "Reduce income inequality within and among countries". *Shared Prosperity* goal to sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average compliments SDG number 1, the eradication of extreme poverty.

11.***Sustainable Cities and Communities*****:** to "Make cities and human settlements inclusive, safe, resilient, and sustainable".

12.***Responsible Consumption and Production*****:** to "Ensure sustainable consumption and production patterns". Achieve the sustainable management and efficient use of natural resources, reducing waste generation through prevention, reduction, recycling and reuse.

13.***Climate Action*****:** to "Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy".

14.***Life Below Water*****:** to "Conserve and sustainably use the oceans, seas and marine resources for sustainable development".

15.***Life on Land*****:** to "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt biodiversity loss and reverse land degradation".

16.***Peace, Justice and Strong Institutions*****:** to "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels".

17.***Partnerships for the Goals*****:** to "Strengthen the means of implementation and revitalize the global partnership for sustainable development". To assure that countries and organizations *cooperate instead of compete and improving public-private partnerships involving civil societies*.

National enterprises leading by example with a well- governed stakeholder engagement model and some of the SDGs inclusion into its enterprise strategy.

An enterprise that is *"Powered by intellect, driven by values"*. Sh. Narayan Murthy's vision was to be India's most respected company when he was thinking to start his own company, Infosys. It is now one of the top governed Indian firms. Stakeholder Engagement is the key value driver for Infosys to make a better world together.

"The Company's ESG roadmap for 2030 reflects its continued aspiration to be a well-governed model organization for diverse talent with an inclusive workplace and community strategies to leverage technology for good."- **Mr. Salil Parekh, CEO, Infosys.**

Infosys core belief is **'Profits with Purpose'**; profit and ESG are strongly interlinked as ESG is a great source of capital and not just another tick box compliance. *"ESG funds are growing with each passing year; they are keenly looking at ESG-compliant companies. They are increasingly focusing on sustainability of business models. While investing, they are asking more and more questions like whether the company has enough talent in the long-run or not? Or whether it has sustainable resources available with itself or not?"* - **Mr. Nilanjan Roy, CFO, Infosys**

Another national enterprise that is driven by its ESG core value of "*Rise for Good*." - **Mahindra & Mahindra Limited.**

- Primary drivers of the company's ESG framework are *Governance & Compliance, People & Diversity and Sustainable Growth*. The company's higher purpose is the *well-being of People & Planet*, which is closely integrated with the processes of Profits and Governance.

- Environmental values reflect in *Mahindra's integrated sustainable mobility solutions through Electric vehicles*, a movement towards cleaner and greener future.
- Social values reflect through the *community programs making deep and wide impact* at every level of the society:
    - *Mahindra's Agri solutions* with a plan to impact the lives of 5 million farmers in next 4 years.
    - Offering *education support for ~4 lacs girls* under Mahindra's Nanhi Kali community program.
    - Mahindra's Pride school community program *commits to skilling 1 million under-resourced youth by 2025*. It has *skilled 500,000 youth and created 100,000 jobs in the last 15 years.*
    - *Over 1 lac individuals treated* through Mahindra's Lifeline Express community project.
    - *Equipping underprivileged students with employability* under Mahindra's Youth Empowerment program and many more.

International enterprises' dedication to ESG metrics is an integral part of their long-term performance strategy.

One of the oldest and the largest multinationals in India is **IBM**. With a strong culture to **'THINK'** and that means *to take everything into consideration since 1911* as the company motto given by one of its founders Thomas J. Watson, who had said- *"Knowledge is the result of thought, and thought is the keynote of success in this business or any business".*

IBM has been continuously working on the ESG metrics and also on UN SDGs. To protect the environment for future generations, IBM focusses on a) *Energy and climate change* with a goal of achieving 3% energy conservation as percentage of total energy use, b) *Conservation and pollution prevention* with water conservation, nonhazardous waste recycling, product reuse and recycling, c) *Product energy efficiency* and 4) *Integration of environmental considerations*.

For Social inclusion, IBM fosters a culture of *continuous investment in skills and re-skilling to make the digital era more inclusive*, by focusing on equal gender and racial/ethnic group representation, learning and volunteering.

'IBM STEM for Girls'- An initiative by IBM in India to improve education and career pathways for girls in schools through the transformation areas of a) *Technical skills*, b) *Career planning*, c) *Life skills*, d) *Ecosystem enablement*.

IBM STEM for Girls program is a comprehensive approach that builds technical capabilities, life and self-actualization skills to meet 21st-century challenges. *As part of this initiative, IBM is committed to impact over 200,000 girls across 900 schools in 10 states*. More than 78,000 girls in Karnataka, Telangana, Andhra Pradesh, Odisha, Punjab, Haryana, Assam, Bihar, Rajasthan and Gujarat are currently part of this program, which includes teacher training as well as a three-year STEM curriculum for students in grades 8-10.

"The success of India's digital roadmap will be defined by its ability to stay inclusive and diverse. With STEM for Girls program, IBM aims to nurture a holistic skilled talent pool, while contributing positively towards the country's Skill India and Digital India mission" - **Sandip Patel, General Manager, IBM India and South Asia**

For Governance, IBM has upheld its ethical imperative to prepare society for the changes emerging technologies may bring, by *steering powerful new technologies into the world responsibly and with clear purpose* and focus on a) *Data security and business continuity*, b) *Data privacy*, c) *Intellectual property protection & competitive behavior*.

UN SDGs provide an opportunity for IBM to build upon its *collaboration with stakeholders from a cross section of communities, governments, and the social sector*. *IBM is uniquely positioned to contribute toward the achievement of the 17 SDGs through the proactive management of the Company's internal operations and supply chain, corporate social responsibility programs, diversity and inclusion practices, and most importantly, the IBM products, solutions, and services that IBM offers to clients*.

Another international enterprise with a simple and profound thought of sharing one planet and being one humanity to drive its SDGs that considers '*The Planet is a Stakeholder*' is **Oracle**. Its commitment reflects with a dedicated *Chief Sustainability Officer (CSO)*, **Mr. Jon Chorley** to benefit the planet and the life it sustains. Sustainability is one of their core business practices that enables their operations, employees, partners and customers around the world to put the planet first.

Awards recipient for three consecutive years for being a leader in fighting climate change and a role model in sustainability is a recognition of Oracle's sustainability leadership.

Oracle's commitment to India is reflected through some of the focus areas as follows -

- *Advancing education* with increasing access to digital learning tools for children to develop interest in STEAM (Science, Technology, Engineering. Art and Mathematics), empowering educators through professional development, championing literacy for all, supporting higher education and Oracle Academy works with institutions, educators, and partners to help millions of students become technology innovators and leaders by offering a wide range of free teaching resources,
- *Protecting the environment* by helping save endangered species, advancing environmental education and growing more sustainable livelihoods in agriculture,
- *Strengthening communities* by providing access to quality healthcare, promote gender equality, and empower individuals from underserved communities,
- *Workplace giving* with the support to its employees' philanthropic efforts by matching their personal charitable donations and their contributions to Oracle disaster relief campaigns and enables its employees to help their colleagues in times of need through an *employee assistance fund*,
- *The Planet is a Stakeholder*- Emissions reduction and energy efficiency, minimize water consumption and waste generation across its operations, using treated water for non-drinking purposes and installing rainwater harvesting system thereby conserving hundreds of thousands of liters of water annually are key components of Oracle's sustainability strategy.

"Transitioning from a Fixed Mindset to a Growth Mindset"

Access to the pearls of wisdom to become socially conscious and environmentally responsible, with the help of indigenous knowledge system that is available in our own country, and adopting best practices from the world outside to increase awareness on sustainable development goals, at an enterprise level and the larger national level ensures good governance for development of all.

A fixed mindset might help in going fast to achieve short term gains, but a growth mindset ensures to go far with its higher possibility of generating actionable ideas, to make a difference at economic prosperity, social inclusion, environmental sustainability and peaceful societies as a whole.

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ANJANA SHARDA

Alumna, Banasthali Vidyapith

Anjana Sharda has 15+ years' work experience. 10 years were in IT sector at various roles, from strategy consulting to business and market research/analysis and last 5 years in social sector. She believes in maintaining the fine balance from working on complex corporate strategic projects to understanding and solving critical problems at the grass root level.

5 key points from my life so far-

- Social Emotional Learning (SEL) volunteer for eVidyaloka. Have been assigned a village in Jharkhand to teach students online from 5-15 years.
- Successfully completed an independent consulting project for a Japanese venture capital firm in October, 2020. Client was looking for a detailed analysis from a funding perspective in a SaaS start-up based in US.
- Assisting Freepathshala teachers with counselling of migrant workers (parents) and their children for Value of Education. One of the highest personal satisfaction for me is the ability to change mindsets that resulted in bringing few children back from engaging in child labour to Freepathshala learning school/platform.
- Recipient of many awards from IBM for successfully and innovatively completed projects. Selected for IBM's leadership program, Corporate Service Corps. (CSC) and was sent to Chile, South America to work on a social development project.
- Attended Grass Root Action Management, a mandatory internship program during MBA at Banasthali Vidyapeeth. Learnt from there, one of the most important life skills and lesson, that is one has to have a real passion to make a difference in social issues and that difference can be made by creating awareness through education.

Integrated Approach to Corporate Governance - Integrated Reporting

CS Amitava Banerjee & Dr Ankur Joshi

Introduction

The world is witnessing a change in the ways we educate, take care of health, make policies, and do business. In this dynamic environment, conventional practices need to revisit, amendments, and changes. One such domain is ‘Reporting’. This article presents the transition from the conventional reporting approach to the latest concept of integrated reporting. The idea is to help the reader appreciate the positive change that is taking place and also understand the way ahead.

Conventional reporting

Conventional reporting is rule-driven in India it is based on the Companies Act, 2013, Accounting Standards of ICAI, Income Tax Act even other statutes like the MSME Act which define the reporting norms for the financial statements. It relates to only financial data for the year it is prepared. The other extended part is the director’s report which when combined with the financial statement makes up the Annual Report shared with shareholders. The intent is very noble - the financial statements give the figures and the directors being in charge of management explain the implications of the figures. However, for a listed company a Corporate Governance report, a Management Discussion and Analysis, and Sustainability Report are also furnished along with financial statements.

The entry of Integrated Reports

Some of the questions that can help us draw attention towards integrated reports are:

- Why only financial aspects should be emphasized, what about environmental dimensions, community welfare etc?
- What about the future strategies of the organization in line with the national priorities, dynamic economic environment etc?

- Isn't the one-year time frame too short with respect the life term of a business? Shouldn't the reports consider longer time frame?
- Shouldn't the complexity and diversity of the organizations be considered and an organization responsive and customizable framework be made available?
- Shouldn't the lengthy and unattractive report with jargons be replaced with the compact and easy to understand and reader-friendly report?

The need for Integrated Reporting

In the backdrop shared above, the roots of IR can be traced back to the principles laid down by The International Organization of Securities Commissions (IOSCO)14.

IOSCO Principle 16 states "there should be full, accurate and timely disclosure of financial results, risks and other information that is material to investors´ decisions."

Governance of Integrated Reporting

IR movement started with the formation of the International Integrated Reporting Committee, 2010 (IIRC) by the Prince's Accounting for Sustainability Project (A4S) and the Global Reporting Initiative (GRI). In this respect I must quote from what The Prince of Wales had said, we are at present "battling to meet 21st-century challenges with, at best, 20th-century decision making and reporting systems."

Therefore, the IIRC aimed to deal with the challenges of over-consumption of finite natural resources, climate change, and the need to provide clean water, food, and a better standard of living for a growing global population. The IR framework

[14] IOSCO is the international body that brings together the world's securities regulators and is recognized as the global standard setter for the securities sector. IOSCO develops implements and promotes adherence to internationally recognized standards for securities regulation.

helps in tackling these issues on clear and comprehensive information derived from the report in mandates.

The role of the IIRC is to respond to the need for a concise, clear, consistent, and comparable integrated reporting framework, reflecting the organization's strategic objectives, governance, and business model, and integrating both financial and non-financial information.

Integrated Reporting in India

In 2012, the Securities and Exchange Board of India (SEBI) mandated the top 100 listed companies by market capitalization to file Business Responsibility Reports (SEBI-BRRs/ BRR) through the Listing Agreement. These disclosures were intended to enable businesses to engage more meaningfully with their stakeholders, and encourage them to go beyond regulatory financial compliance and report on their social and environmental impacts. The requirement for filing BRRs was extended to the top 500 listed companies by market capitalization from the financial year 2015-16. In March 2019, the updated NVGs were released by the Ministry of Corporate Affairs (MCA) as the 'National Guidelines for Responsible Business Conduct' (NGRBCs). In December 2019, SEBI extended the BRR requirement to the top 1000 listed companies by market capitalization, from the financial year 2019-20.

Recently though the Ministry in May 2020 after keeping in view the guiding principles, analyzed the filings being made by the top 500 companies in the SEBI-BRR; studied the prevalent non-financial/sustainability frameworks already being used by companies for making disclosures; and examined the need for a comprehensive non-financial/sustainability reporting requirement by companies for preparing the proposed formats. This culminated in the submission of 'Report of the Committee on Business Responsibility Reporting'. The Committee has endeavored to draft the report with a view towards global developments which are increasingly seeking businesses to be responsible and sustainable towards their environment and society. The framework has however been based on the National Guidelines on Responsible Business Conduct which have been developed in the specific context of the country.

Basic elements of IR

IR is based on 6 C's or six kinds of capital, Financial, Manufactured, Intellectual, Human, Social, and Natural. It recognizes the concept that all organizations depend on various forms of capital for their success. All such forms of capital must be disclosed to stakeholders to enable informed investment decision making.

The general character of each category but not of the specific items in each category is done. However, one should understand what items need to be identified in each category for example, in financial capital the cash generated from operations, bank loans, or deposits from shareholders can be crucial. In the case of manufactured capital, Land, building, infrastructure, environmental certifications, etc. find relevance. Intellectual capital on the other hand focuses on R&D expenditure, patents, internal development of software, licenses, etc. are important. Human capital takes into account training hours, capacity building measures, and salary as an example. Lastly, social capital emphasizes items like Investment in skills development and socio-economic development.

IR make businesses more responsible

IR is a process of understanding the link between financial results and sustainability impacts, which is vital for business managers, which is connected to both short- and long-term business success. The core of IR is providing rich information and measurements, based on which better decisions can be made.

Guiding principles of IR

IR has seven (7) guiding principles based on which the information needs to be presented.

1. Strategic focus and future orientation
2. Connectivity of information
3. Stakeholder relationships
4. Materiality
5. Conciseness
6. Reliability and completeness
7. Consistency and comparability

The beauty of the system is that all the above terms are self-explanatory and easily understood. The IIRC has given some direction about each of them. Mahindra's IR for 2017-18 and from pages 26 onwards gives a fair view of many variables which otherwise if you wanted to look for in case of the conventional report would take ages to find out. IR for Indian entities is still an experiment and all other aspects of conventional reporting still stay like the Corporate Governance report & Management Discussion and Analysis report. IR is not an ultimate report now but only a way of presenting the information.

IR in India is still in the experimental phase. To be specific SEBI in 2017 encouraged 100 and then extended top 500 companies for voluntary adoption from FY 2017 -18 of the BRR framework. So, the information related to Integrated Reporting may be provided in any of the three ways:

Separately in the annual report or by incorporating in Management Discussion & Analysis or by preparing a separate report (annual report prepared as per IR framework). So, the day, the third option becomes the only option (annual report prepared as per IR framework), and all other reports like CG, MD&A, and CSR are dissolved and a true IR reporting regime. India has made in India IR and it is called the National Guidelines on the Economic, Social and Environmental Responsibilities of Business 2018.

Summary

These are teething problems; the issue is the mind-set. There are two main components in IR a business model and sustainability initiatives. While all businesses have a strong business model, the fact that a much smaller percent report on or document their sustainability initiatives hence this gap needs to be filled. Once consciously map the sustainability initiatives then many reports will go away and IR will serve its true purpose instead of being an extra burden.

CS AMITAVA BANERJEE

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He is a qualified Company Secretary, LLB, M. Com, B. Com and holds a diploma in Business laws from NUJS, Kolkata. He is also an eligible Independent Director under the mandate of Ministry of Corporate Affairs (MCA) and has qualified the assessment test conducted by IICA under the aegis of MCA. He has more than 15 years of industry experience with brands like ITC Limited, Moser Baer India Limited and Isolux Corsan in Key Managerial positions in their Secretarial & Legal Department. He has also served as Deputy Director, Corporate Governance, CII. He was also engaged with consulting firms Vaish Associates & Advocates and Grant Thornton Advisory Pvt Ltd as a retainer consultant. He was also a trainer at Vaish Advocates and Grant Thornton, India for Company Directors.

He has been a Consultant with National Foundation for Corporate Governance **(NFCG**), a PPP by Ministry of Corporate Affairs **(MCA**) and CII, ICAI, ICSI, ICMAI, IICA & NSE. He has also acted as a resource person to ministerial committees and was a project manager for an assignment with Investor Education and Protection Fund Authority **(IEPFA),** MCA, GOI.

He contributes to educational research projects in various capacities as research consultant and academic reviewer. He is also Guest Faculty member at prominent institutions like IIT Delhi, Banasthali Vidyapith, IMT Nagpur, Tezpur University, Jaipuria Institute of Management Studies etc. His books and articles on corporate governance and allied topics have featured in publications of Thompson Reuters, Taxmann, Wolters Kluwer etc

Insider Trading and Corporate Governance

CS Amitava Banerjee

जानामि धर्मं न च मे प्रवृत्तिर्जानामि पापं न च मे निवृत्तिः ।
केनापि देवेन हृदि स्थितेन यथा नियुक्तोऽस्मि तथा करोमि ॥

Janaami dharmam na cha pravruthi, Janamyadharmam na cha may nivruthi,

Kenapi devena hrudhi sthithena, Yada niyuktho asmi karomi.Pandavagita 57

I know what is right but I am not able to practice it; I know what is wrong and I am not able to keep away from it. I act as I am directed to by some mysterious power that is seated in my heart.

Man has been known to follow his heart most of the times instead of the prudence of his mind. Such a person could be an employee at a responsible post or an external party like an auditor or a legal consultant. Common to all is the risk of handling potentially confidential information. Being aware of confidential information in the normal course of duties may be attributable to one's job and is not illegal perse but its misuse can be dangerous. The materiality of the information plays a critical role in determining its impact. Hence the primary role of the recipient of such information is to protect it. Therefore, any Information that is accessible by any person without breach of any law would be considered generally available. Thus, generally available information is not a matter of concern. The essence lies in the fiduciary duty of any officer who may have access to such information. The duty is to uphold the confidence and trust of investors. Hence, we must understand the true nature of the information in question.

Technically, this information is termed as Unpublished Price Sensitive Information (UPSI). Such information must have the potential to materially affect the price of the quoted securities upon coming into the public domain. The intent behind using such information must be to either make a profit or minimize loss. The whole idea is to prevent any person by his position in the company and having access to confidential information to take an unfair advantage which will benefit him at the expense of the persons in the public.

The Insider and the connected person

'Ghar ka bhedi Lanka dhaye' is a famous Indian proverb in context to the holy scripture of Ramayana. Vibhishana, the brother of the evil ruler of Lanka, Ravan, tried to highlight the righteous approach. But, his efforts of becoming a Whistle Blower within Lanka was not well taken and he parted ways with Ravan to join Shri Ram to uphold the cause of good over evil. This was a significant factor in the destruction of the kingdom of Lanka. Morally an appreciable act but if we see from the perspective of Ravan, this highlights the fact how an Insider - ghar ka bhedi can cause destruction.

Akin to the above concept, in the world of business, any person who has access to UPSI is termed as an Insider. Such a person gets information from its source and has the necessary knowledge to assess its materiality. Such insiders generally include members of management and the supervisory or administrative bodies of the issuer company. This definition is sometimes expanded to include employees of the company and those who provide services to the issuer (including outside lawyers, accountants, and financial advisers).

On the other hand, a person who learns about inside information from someone else not necessarily an insider is also treated as an Insider. For instance, non-executive directors who are not involved in the day-to-day affairs of the company and are not in charge of and not responsible for the conduct of the business of the company. Furthermore, being part of the promoter group cannot be stated to be foundational facts from which an inference of reasonably being expected to be in the knowledge of confidential information can be formed.[15]

Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to UPSI at the time of trading would, therefore, be on the person levelling the charge after which the person who has traded when in possession of or having access to UPSI may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of UPSI. Immediate relatives and other categories of persons specified above are also presumed to be connected persons. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of UPSI.

[15] Supreme Court Order dated 14th May 2018 in the matter of Chintalapati Srinivasa Raju v/s SEBI

History of Insider Trading in India

The first attempt to curb insider trading in India was by the Companies Act, 1956 under the provisions of sections 307 and 308 of the Act. Section 307 provided for maintenance of a register by the companies to record the directors' shareholdings in the company and Section 308 the duty of the directors and persons deemed to be the directors to make disclosure of their shareholdings in the company.

The Bhaba Committee later on distinguished between the directors who buy or sell shares while in possession of general information and those who buy or sell shares based on specific information. Such specific information could be related to closure of a high value contract or the intention of a company's board to recommend a dividend. The High-powered Sachar Committee recommended amendments to sections 307 and 308 of the Companies Act, 1956. The amendments envisaged – more detailed disclosure of transactions by those who have price-sensitive information and prohibition of transactions by such persons during certain specified period unless there are exceptional circumstances.

In May 1984 the Patel Committee reviewed the functioning of the stock exchanges and vide its report inter-alia recommended measures to prohibit the practice of insider trading by suggesting a draft legislation by way of amendments to the Securities Contracts (Regulation) Act, 1956.

In 1989, the Abid Hussain Committee, observed that problems of insider trading and secret takeover bids could be tackled only by appropriate regulatory measures and proposed insider trading to be regarded as a major offence, punishable with civil and criminal penalties. The committee recommended that SEBI should be asked to formulate the necessary legislation. Subsequently, SEBI issued a press release dated 19th August 1992 with a recommendation to formulate the 'internal code of conduct' for the companies to check the practice of insider trading. By November 1992, SEBI promulgated the SEBI (Prohibition of Insider Trading) Regulations, 1992 ("the Regulations), and gave a concrete shape to legislative measures for curbing insider trading.

However, it was felt that the Regulations needed some clarity and therefore a committee under the chairmanship of Justice N.K. Sodhi was set up. The Committee in its report recommended the legal framework for prohibition of insider trading in India and focused on making it more predictable, precise and clear. Yet again in August 2017, SEBI constituted the Viswanathan Committee and consequently the SEBI (Prohibition of Insider Trading) Regulations, 2015 was amended on 31st December 2018.

Prohibited activities

Defining insider trading, with an appropriate description of the activities has always been a challenge. Some legislators even fear that, by defining insider trading, they create a "roadmap for fraud" by providing guidance as to the activities that do not fall within the statutory prohibition. In assessing whether a person has engaged in insider trading, one of the key issues is to determine whether the trader intentionally traded on inside information. The prohibition is on both buying and selling securities, including derivatives and tipping. Tipping is prohibited only if there is a reasonable cause to believe that the Tippee would trade on the information. For example, in Singapore, a person is prohibited from communicating inside information to another person, if he knows, or ought reasonably to know, that the other person would be likely to use the information to deal in securities or to procure another person to deal in securities.

There has also been considerable debate on Trading versus Dealing. It was felt that the term dealing is extremely wide, for example getting securities dematerialized, creating an encumbrance, agreeing not to dispose of the securities without another person's consent such as a lender, would all be acts of dealing in securities. The intent of any regulation is to prohibit insider trading and not inflict unintended and untold prohibitions on any and every activity connected with securities like dealing.

On the other hand, Trading as defined in ordinary English would entail an act of getting something in return for something else. This means an element of consideration being involved and changing hands. Therefore, when one trades in securities by acquiring or disposing of an interest in securities when in possession of UPSI there would be an abuse of the UPSI, necessitating the prohibition. This ensures that the restrictive provisions are made precise rather than be left to wide and potentially ambiguous interpretation.

Fall from grace - Rajat K. Gupta and Raj Rajaratnam episode

The United States (US) has historically been the world leader in insider trading law. In 1909, the U.S. Supreme Court ruled in Strong v. Repide[16] that because a company director could affect the value of his company's shares, keeping buyers ignorant of his expected actions while selling his own shares would be deceitful and therefore fraudulent. Although this was the first major step in the foundation for insider trading law, statutory regulation did not begin until the passage of the Securities Act of 1933[17].

However, it was in 2012 when the whole world probably learned about Insider trading from an episode in the US. Rajat Gupta was the first foreign-born (Indian)

[16] **213 U.S. 419 (1909)**

[17] James H. Thompson & A Global Comparison of Insider Trading Regulations , 2013, Vol. 3, No. 1 2976 (macrothink.org)

managing director of consultancy firm McKinsey & Company. He was a board member of Goldman Sachs and even advised Bill Gates. But in 2012, Rajat Gupta was sentenced to two years in prison and ordered to pay a USD five million fine by a US judge who termed the Indian-American's insider trading crimes as "disgusting" and a "terrible breach of trust". According to the Securities Exchange Commission's (SEC's) complaint filed in federal court in Manhattan, Gupta illegally tipped Rajaratnam with insider information about the quarterly earnings of both Goldman Sachs and P&G as well as an impending $5 billion investment in Goldman by Berkshire Hathaway at the height of the financial crisis. Rajaratnam, the founder of Galleon Management who was recently convicted of multiple counts of insider trading in other securities stemming from unrelated insider trading schemes, allegedly caused various Galleon funds to trade based on Gupta's inside information, generating illicit profits or loss avoidance of more than $23 million[18]. Based on this inside information, Rajaratnam arranged for Galleon funds to purchase more than 215,000 Goldman shares.

The SEC's complaint additionally alleges that Gupta illegally disclosed to Rajaratnam inside information about Procter & Gamble (P&G) financial results for the quarter ending December 2008. Gupta participated in a telephonic meeting of P&G's Audit Committee at 9 a.m. on Jan. 29, 2009, to discuss the planned release of P&G's quarterly earnings the next day. A draft of the earnings release, which had been mailed to Gupta and the other committee members two days before the meeting, indicated that P&G's expected organic sales would be less than previously publicly predicted. Gupta called Rajaratnam in the early afternoon on January 29, and Rajaratnam shortly afterward informed another participant in the insider trading scheme that he had learned from a contact on P&G's board that the

[18] Rajat Gupta and Raj Rajaratnam (sec.gov)

company's organic sales growth would be lower than expected. Galleon funds then sold short approximately 180,000 P&G shares, making illicit profits of more than $570,000.

Current Indian Scenario

The scene in India on curbing Insider Trading is not very encouraging. As per SEBI's annual reports in 2017 and 2018, the regulator took up 85 cases for investigations and only 25 could have been completed. Most of these involve a lack of disclosure and trading on alleged insider information. Insider trading is tough to detect and punish in any jurisdiction, but the fact that SEBI has not been empowered with some basic investigative powers and tools is a major reason behind the low prosecution. SEBI was granted powers to call for phone data records only in 2014. But even today, SEBI does not have the power to tap phone records, as recommended by the Viswanathan committee.

Furthermore, SEBI in a discussion paper[19] talked of the following challenges which led to a longer time for investigating insider trading offenses:

- Establishing transmission of UPSI and proving flow of such information;
- Absence of details relating to UPSI, such as the precise time when the information was generated and when it became public and the people who had access to it before it became public;
- Identification of connection or relation between insiders and those who traded based on the UPS;
- Acquiring evidence for establishing connections;
- Establishing that trading took place while in possession of UPSI.

[19] SEBI | Discussion Paper on amendment to the SEBI (Prohibition of Insider Trading) Regulations, 2015 to provision for an informant mechanism.

As a step towards strengthening the mechanism for early detection of insider trading, SEBI instituted a process to enable timely reporting of instances of insider trading violations and also provide for the grant of reward for reporting of information relating to insider trading to SEBI at the first available opportunity. An independent office separate from the investigation and inspection wings or any of the dealing departments was established by the SEBI to device the policy relating to receipt and registration of disclosure of information on insider trading.

An alleged violation to be eligible for grant of reward should involve an act of giving up profits illegally obtained by legal compulsion of at least Rupees five (5) crore. The reward on the other hand shall be 10% of the monies collected but not exceeding Rs one (1) crore or such higher amount as may be specified later on by SEBI.

Relevance in Corporate Governance

The OECD Principles of Corporate Governance ("OECD Principles") characterize insider trading as an example of abusive self-dealing, resulting in inequitable treatment of shareholders. "Abusive self-dealing occurs when persons having close relationships with the company, including controlling shareholders, exploit those relationships to the detriment of the company and investors."

The mechanism of Corporate Governance does not only depend on 'Insiders' like Directors and CEO but also 'Outsiders' like auditors, valuers, etc. The 'outsiders' can be classified as 'fiduciaries' in the securities market. Some of the fiduciaries are Merchant Bankers, Credit Rating Agencies, Custodian, Debenture Trustees, Registrar to an Issue, etc. On the other hand, there are certain other fiduciaries such as Practicing Chartered Accountants, Practicing Company Secretaries, Cost Accountants, Valuers, Monitoring Agencies, etc.

Now, these fiduciaries are vested with immense responsibilities under various SEBI regulations pertaining to Issue of securities, relating to Pooled Investment Vehicle, Regulations relating to restructuring, Regulations relating to Intermediaries, Regulations relating to Financial Market Infrastructure, and others. This makes them a potential contact point for UPSI. Therefore, the whole structure of Corporate Governance which rests on the bedrock of guarding stakeholders' interest is dependent on how well the Insider Trading regulations are implemented.

The Future of Corporate Governance: Issues & Challenges in India

Dr. Rattan Sharma

Corporate Governance has become an important topic of wide public interest in the last few decades. It has come to occupy an important place in the discussion among the investing public, customers, employees, and society in general. The intensity of discussion and debates around it has increased due to unearthing of various scams and scandals in some of the well-known corporations all over the global including India- for example, collapse of some of the international corporate giants like World com, Enron, Anderson etc. It is in this context; Treadway committee was set up in 1987 in US. which led to various reforms leading to the passing of Sarbanes-Oxley Act 2002. In UK too Cadbury committee was set up in 1991.

It was noticed that the corporate sector is plagued with several problems like questionable accounting practices, distortion of accounting information, corrupt practices etc. – which shook the very foundation of trust and confidence on which the whole edifice of Corporate sector was built over time for its survival as well as its growth.

During this time, particularly 1991 onwards India too was ushering into the process of reforms in its economic activities. Global investors took active interest in this process and participated in it. However, their expectations from the Indian corporate sector were of the global standards and best practices in terms of adoption of accounting practices, information disclosure norms, governance standards etc.

Confederation of Indian Industries (CII) in India took the initiative in 1996 and framed a first Code of Good Governance in 1998. In 1999, Indian Parliament created Securities and Exchange Board of India (SEBI) 'to protect the interests of investors in securities and to promote the development of and to regulate the securities market'. It was indeed a defining moment in India's history of corporate governance.

As more and more companies started to tap in the capital market to raise funds, a plethora of scams rocked the Indian business scene. Corporate Governance emerged as an important solution to this problem.

SEBI set up Kumar Mangalam Birla Committee in 1999 whose recommendations were incorporated in Clause 49 of the listing agreements of every stock exchange in India in the year 2000. Later, Narayana Murthy committee was appointed to further strengthen the corporate Governance structure.

However, the Satyam fiasco in India once again shook the confidence of all the stakeholders in the corporate sector. Ministry of Corporate Affairs (MCA) was seized with this problem and by passing the Indian Companies Act 2013, the corporate governance was brought in the forefront and given more prominence.

Corporate Governance- Definition:

Corporate governance has been defined in several ways. However, the following definitions have been broadly agreed and used in the academic literature as well as in practice.

Corporate Governance is the system by which companies are directed and controlled. Board of Directors are responsible for the governance of their companies. The shareholders' role to governance is to appoint the Directors and Auditors and to satisfy themselves that an appropriate governance structure is in place.

The Cadbury Report, 1992, para 2.5

Corporate Governance defines a set of relationships between a company's management, its boards, its shareholders, and other stakeholders.

OECD Principles of Corporate Governance, 2004

'Corporate Governance is the application of best management practices, Compliance laws in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

Institute of Companies Secretaries of India

Future of Corporate Governance:

India has come a long way in the journey of corporate governance practices, norms, rules, and regulations. But some of the recent corporate cases in India like Videocon, IFLS, DHLS and Yes Bank point to the weak corporate governance that did not provide enough control to keep profligate management in check to the detriment of its shareholders. In the light of mal-practices, distortion of information etc. which is still been carried by a few companies, there is a need to further strengthen the corporate governance laws and its practices. Adoption of corporate governance principles transparency, responsibility, accountability, fairness - will help in developing the trust and confidence of the investing public, customers, employees, and other stakeholders.

The Corporate Governance practices in India will now be driven by a combination of mandatory regulations, voluntary guidelines, and market forces. The first two fall under the purview of Indian Companies Act 2013, SEBI rules and regulation, Institute of Chartered Accountants of India, and Institute of Company Secretaries of India. For example, regulations of mandatory requirement for board evaluation, rotation of auditors, mandatory corporate social responsibility spend, one female independent director and disclosure of dividend policy by the top 500 companies.

Role of Board of Directors

The nature and expectations from the corporate governance of companies have evolved over a period. Several issues and challenges have emerged which need to have an active involvement of its Board of Directors for solving them along with the management. As the Board of Directors are responsible for directing and controlling the affairs of companies by developing and implementing a sound and effective corporate governance structure, systems and procedures considering the interests of various stakeholders. In fact, they are the backbone for a healthy and sound system of Corporate Governance.

Issues and Challenges:

Some of the important issues which need consideration are discussed below:

1. Crisis Management:

Managing a crisis like Covid-19 and navigating the company through it with a clear-cut direction will test the efficacy of CG. For instance, till now there has been no respite from Covid-19, people were waiting for a vaccine to be administered. Meanwhile, new variants of the virus have emerged in a few countries like UK. It will be interesting to observe how the Boards will guide the management of the companies to tackle this ongoing situation. During this crisis, employees have the most vulnerable lot, as many of them have been laid off. A sense of helplessness and insecurity has prevailed. Employees require empathy and support during such times. A great example to this regard has been setup by Nestle in India which has announced that no employees will be laid off during this time. This has not only been appreciated by all and sundry and but will go a long way to earn loyalty of its employees. It speaks volumes about its Corporate Governance policies and practices.

2. Balancing of Stakeholders interests:

Management must keep in mind the interests of all stakeholders while taking business decisions. These include customers, employees, suppliers, and the society in general. Though it is easy to say in but difficult to adopt in practice. Making a decision which satisfies all the stakeholders simultaneously is very difficult. It is a big challenge to balance the interest of various stakeholders and prioritise as per the demand of the situation. Board of Directors should oversee how the interests are balanced.

3. Conflict of Interests – How to resolve:

Jensen & Meckling in their article have highlighted the Principal & Agent relationship between the owner and management. Management many a times may not act in the best interest of its owners; thus, giving rise to the problem of conflict of interest. Further, management may take a decision keeping in mind the short-term interest rather than the long-term interests of the company. This may not be appreciated by the owners. How these decisions are to be resolved by the Board will affect the future of the company?

Transparency, Disclosure and Accountability

To gain faith of various stakeholders it is necessary for the management to be transparent in its dealings, decision making and disclosure of the information so that the stakeholders develop faith in the organisation and its management. It is the responsibility of the Board to see that relevant information is disclosed. As many a times the disclosed information is not relevant from the governance point of view. For governance to be effective and development of stakeholder's trust, relevant information must be disclosed, and accountability of any wrong act must be established.

4. Ethics violation:

The future of Corporate Governance will also depend upon how the Board tackles the problem of Ethics violation. Trust and confidence in the management and the board is possible only when such violation is dealt with quickly and effectively.

Whistle blower policies:

Whistle blower policy play an important role in gaining the trust and confidence of the organisation for various stakeholders including the society in general. Organisations are managed by human beings. There is a possibility of some people may commit gross violation of rules and develop vested interests. If someone brings out such issues, there should be clear cut and transparent policy in the organisation as to how they are dealt with; about their safety and security etc. so that people should not fear to pinpoint the gross violations. However, it should be kept in mind that one should not blow the whistle for taking revenge or ulterior motive etc.

5. Corporate Governance culture:

Culture refers to the values, attitudes, and behaviour that an organisation exhibits in its operation and its relationship with those affected by its conduct. An organisation with the CG culture will always be liked by various stakeholders. For example, in India, people appreciate the culture of Governance in companies like Infosys, Tatas. Governance Culture is so important in the organisation that it has also received the attention even of the regulators. For instance, SEBI guidelines also recommended that board responsibility is to develop culture of governance in the organisation.

The above issues and challenges need to be faced / tackled by the Board for healthy and effective Corporate Governance practices. As the changes are fast taking place, the role of CG is of utmost importance to gain trust and confidence of various stakeholders.

Regulators in India are aware of their responsibilities and have made laws, rules, and regulations; issued guidelines, circulars from time to time to make the system effective and efficient. Some of the important steps being taken to strengthen it are:

1. Board of Directors and their performance evaluation:

Board directors have been given the responsibility of corporate governance. Thus, having the right Board for the company who can direct and control its affairs without meddling in day today affairs of the operations of the company. Law prescribe that Board should constitute of Executive and non-executive members. It is expected that member of the board will be with relevant qualifications and skills with proper training. He should be a person with sound value system, honesty, and integrity. Board should be diverse not only in terms of gender but also in terms of qualification, skill, competencies, and perspectives. Quality of Board reflects the quality of CG in the organisation.

Regulators now have come out that the performance of the Board will be evaluated as to how they perform in the capacity as member of the Board. This makes the board accountable to various decisions taken. They need to be active members and not merely acting as a proxy. This is a step in the right direction to make the Board accountable for their decisions.

2. Independent directors (ID):

The induction of ID is a recent step being taken by the Regulators to strengthen the Board which can take objective decisions relating to corporate governance. Again, who are made the independent directors? Are they qualified? How much they are independent to take a decision? At a broader level have they got enough people with the requisite qualification. Do they have a data base of IDs available to choose from? In fact, the effectiveness of the Corporate governance depends a lot upon these factors.

Role and functioning of other Committees appointed by the Board as per the regulations:

Under the Indian Regulations, various committees must be appointed to perform different activities. For example, it is required that the Audit committee of a company should have ID with requisite qualification to head it. In future, the effectiveness of CG will depend upon the functioning of various committees keeping in mind its principles.

Conclusion:

We have highlighted some of the issues that require serious considerations on which the future of Corporate governance depends. These issues and like others need to be tackled properly and urgently so. Otherwise, Corporate governance will remain an annual, mechanical exercise in mere compliance of the letter of law and will not percolate downwards in the organisation. We must benchmark with the global best practices of business; otherwise not only the organizations but the Nation would suffer and lag in the economic development race.

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DR. RATTAN SHARMA

Professor Emeritus, Delhi School of Business, VIPS- Technical Campus, Delhi

Dr. Rattan Sharma has a rich experience of more than 40 years in the field of education. During this period, he has worked at various prestigious institutes. Currently, he is associated with Vivekananda Institute of Professional Studies- Technical Campus, Delhi. He is immediate past President of Association of Indian Management Schools (AIMS), a body of approx. 800 business schools in the country.

An alumnus of Shri Ram College of Commerce, Delhi University, Dr. Sharma began his career in teaching in an affiliated college of Delhi University. Some of the elite institutes where Dr. Sharma worked include: IIM - Lucknow; MDI, Gurgaon; S.P.Jain Institute of Management and Research, Mumbai, where he served as Director of Center of Family Managed Businesses; Administrative Staff College of India, Hyderabad; BULMIM where he was the founder Director; a constituent of Bharatiya Vidya Bhavan. He has also worked as Director of a business school in the private sector. Dr. Sharma was an EFMD fellow in Manchester Business School, U.K. He is a member of a number of professional bodies and helps various institutes in their efforts to provide quality and relevant management education. In addition, he was a Visitor’s nominee in Department of Commerce at AMU, FMS-Delhi University and also a member of committee of Credit Appraisal and Evaluation of PICUP. He is a professional trainer and conducts short duration programs for executives at various levels in the corporate as well as Government sectors. He has conducted more than 200 short duration programmes during his career.

He is Ph.D from Commerce Department, Delhi School of Economics, Delhi University. An author of a number of articles / research papers in this field, he has also bagged the best article award of the Year by the Institute of Chartered Accountants of India in 1987. He has been examining number of Ph. D thesis for various Institutes/ Universities like IIT-Delhi, Jamia Milia & Delhi. Apart from research and training he has been a consultant to various organizations in different industrial sectors. He interacts with the industry and Government sectors in various capacities. His area of interest includes Corporate Governance, CSR, Sustainability, Strategy. Presently, he is engaged in studying the CSR activities in the Indian Corporate Sector.

Exploring Indigenous Wisdom for Insights into Corporate Governance

Dr. Urvashi Bhamboo

Background

This article aims to set the agenda for the need to look beyond western theories and frameworks. For this review of articles related to ancient wisdom was done. The author acknowledges the following authors and their articles which were reviewed for developing this article:

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Introduction

To control and guide any business house, the required system is underpinned by corporate governance. Corporate governance ensures for integrity and efficiency of a company. Company potentials can be severely destroyed by poor corporate governance and can get them entrapped into serious financial difficulties. Such scenarios are definite routes to long-term tarnishing to a company's reputation.

Present business environment is shaped within the range of various ingredients named as VUCA - Volatility, Uncertainty, Complexity and Ambiguity. Companies are flooded with laws to comply or explain as far as the matter of corporate governance is concerned. All the mechanisms following which the companies ensure corporate governance must be based on some key concepts of accountability, transparency, fairness and responsibility. In this scenario, are there ideas that can be drawn from indigenous knowledge and ancient wisdom? Let us explore some points:

Ramayana and Corporate governance

Good laws and key principles of corporate governance, if followed religiously will certainly help companies to outperform and make competition irrelevant. Along with the various codes given by authoritative bodies in reference to corporate governance there are many ethical insights which can be derived from ancient wisdom accessible through various scriptures. One such aspect to be mentioned here is of Ramayana. ICSI in its web-document has also mentioned about the same while giving practical insights about International Corporate Governance Code.

Learning corporate governance from Bhagwan Ram

Ram Rajya has been illustrated as the model code for good governance, indicating Ramayana to be a guiding line for practitioners of corporate governance. As per Ramayana and the insights imbibed in the web document the professionals working on corporate governance have been instructed about Bhagwan Ram and the whole focus has been laid on competence and confidentiality. For an instance, Shri Bharat was told by Bhagwan Ram to not deal with complex issues in a unilateral manner and nor in consultation with too many people. There should be an efficient core group.

Ramayana also tells us to prefer one wise man to a thousand fools to ensure prosperity at the time of economic crisis. The beauty of narratives and stories shared in scriptures is that there are no hero-villain or good-bad characters. In fact, in Ramayana itself there are incidences where good learning can be drawn from Ravan, Vibhishan, Kumbhkarn etc and their discussions are also a source to seek practical insights about good corporate governance practices to ensure accountability and responsibility among organizations.

- **Ravan and his deeds indicating need for good governance**

  Dr. Moorthy Iyer also mentioned such insights in a paper uploaded on academia.edu. The paper was titled as Governance system prevailing in India - a case study of Shri Ram Rajya. There are many instances depicted in the paper and one such key instance is about the death bed, where Ravan told Bhagwan Ram that "Things that are bad for you seduce you easily; you run towards them impatiently. But things that are actually good for you fail to attract you; you shun them creatively, finding powerful excuses to justify your procrastination. That is why I was impatient to abduct Sita but avoided meeting you. This is the wisdom of my life, Ram. My last words, I give it to you".

This simply matches with the narrative of Adrian Cadbury in his paper titled, what are the Trends in Corporate Governance? How will they Impact your Company? In this paper the author highlights the importance of corporate governance in a way that it helps in bringing about much improvement in board accountability and performance at the same time.

Dr. Moorthy talks of the incident of Ravan being on death bed and realizing his accountability and responsibility, Adrian's thought indicates that all the institutional investors must become the driving force and bring about reforms to facilitate good corporate governance. This is essential for operational convergence of governance systems. This convergence will help in resolving various issues like clarity in business purpose and board and director evaluation.

Corporate governance principles: Inspiration from Hanuman and King Sugreev

As per Ramayana, there are instances between Hanuman and King Sugreev described in Kishkindha Kanda with which many issues of present-day corporate houses could be resolved seamlessly. Hanuman explains to King Sugreev that "Matchless kingdom is his who can keep his treasury, army, friends and his own sovereignty - all these four, in equiponderance." Now in the present times the kingdoms or the corporate houses are dealing with high degrees of volatility.

There will certainly be tactical and strategic implications of this increased volatility to which the company directors will be exposed to. Some important drivers of this volatility may include trade related conflict, inequality in the income, inflation and the everlasting and ever-increasing societal fragmentation. To address these challenges the insights from our ancient scriptures described in this article will certainly help.

The next section presents an interesting review of an idea of linking ancient wisdom and contemporary practices by Prof. Subhash Sharma, a renowned name in the domain of Indian management.

- **Journey of Corporate Governance: Kautilya to Gandhi and to Modi**

  In the article titled Kautilaya to Modi, the author described Swaraj as Self-rule and Ramrajya as good governance on the part of rulers. Mahatma Gandhi's governance model namely Swaraj; second-Oceanic model of grassroots development and third - Means - Ends relationship are blessed with the foundation and philosophy of Ramrajya, as explained by Prof. Subhash Sharma.

Conclusion

The review of a select articles on the theme of ancient wisdom and lessons to be drawn from them for corporate governance highlight that there is a lot of potential to draw critical and crucial insights. These articles have shared that careful observation and understanding of the ancient wisdom can help us solve problems related to governance being faced in contemporary times.

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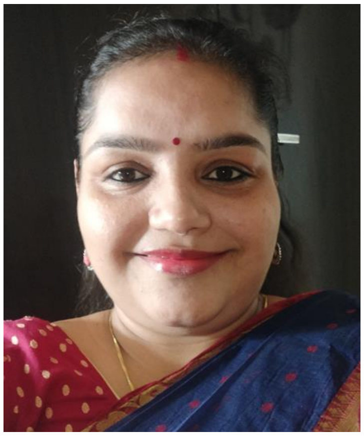

I am a teacher by nature and profession and presently associated with Department of Commerce and Management, Banasthali University from the last eight years. I am also a budding researcher and completed my Ph.D. in Management from Banasthali Vidyapith itself. Areas of my interest are Human Resource Management, Organization Behavior, Corporate Governance.

Leadership and Good Governance: Bharatiya Perspectives

Ms. Pallavi Joshi

The idea of Lok-Sangrah which is mentioned in Bhagavad Gita can be connected to maintenance of the world, creation of social good or discharge of duties through non-doership approach has the potential to bring a bundle of positive changes. Leadership inspired by Lok-Sangrah can lead to Good Governance. The ideas from Bharatiya culture can offer innovative solutions to various common problems of corruption, inefficient employer-employee relationships, decline in mutual respect & trust, inefficient governance, focus on selfish gains and chaos etc. Value, ethics and morals can change the scene and wipe out the problems.

Lok-Sangrah helps in both self-governance and organizational governance. Self-governance is the key to organizational governance. The reason for emphasis on the idea of self-governance or self-management emanates from the fact that extrinsic approach to bring good governance needs more resources and outcomes are less effective. Whereas when the leaders or managers are self-disciplined, have self-control and are self-governed, the overall governance of the organization is better. Once self-governance is achieved, organizational development can easily be achieved. Some prominent examples of such leaders and their organization are – E. Sreedharan and Delhi Metro Rail Corporation, Mahadeo Havaji Bachche and Mumbai Dabbawala, Vikram Sarabhai and ISRO, Jos de Blok and Buurtzorg etc. Lok-Sangrah helps in maintaining legal and ethical standards and effective & efficient conduct of those standards. Transparency in day-to-day conduct will help in reducing corruption.

For achieving good governance Lok-Sangrah with nishkaam bhaav (self-less devotion) has potential to bring excellent results. One of the prominent personalities in India who practiced in this idea is E. Sreedharan (famous as The Metro Man of India), shared in an interview that it was the same idea from Bhagavad Gita that keeps him inspired to work for welfare of the society. This idea can also be linked to an interesting concept by Sharma (2007) - Spiritually guided materialism, which can inspire to balance multiple aspects of life and bring positive changes in the organizations. For achieving good governance, it is necessary to follow one's dharma with nishkaam bhaav and work aligned towards Lok-Sangrah. Materialistic development and spiritual development will go hand in hand. Lok-Sangrah cannot be achieved without self-awareness. Though it ensures serving the society it will be at its full essence with self- enlightenment.

Ram-Rajya and governance of Raja Janak are the best examples of Lok-Sangrah based governance in Bhartiya Scriptures. When Lok-Sangrah comes in practice then materialistic and spiritual development go hand in hand. Ram-Rajya, which has been considered synonymous to good governance, had features like good administration, appropriate decision making, love for motherland, fulfilling roles and responsibilities aptly, care, integrity etc.

Lok-Sangrah can be related to leadership practices very aptly. Leaders are expected to guide people on the right path to achieve the desired vision. It is the responsibility on the part of the leader to correct followers' behaviour through his/her own example. Lok-Sangrah stands for the benefit of society and its well-being rather than the individual benefit of a leader.

Lok-Sangrah is a practice which creates a responsible workplace with focus on humanity. Working with the spirit of lok-Sangrah gives meaning and purpose to action. Lok-Sangrah ensures benefits for the workplace and organization with good for the community and welfare of all. It helps in developing workplace spirituality and engaging in organization citizenship behaviors.

To conclude, the inherent ideas from Bharatiya culture like Lok-Sangrah can help in achieving good governance and case-studies of such ancient governance and leadership models can enrich our current understanding. These ideas, if become part of the management education and corporate philosophy, good governance will be easier to achieve.

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Ms. Pallavi Joshi is a Doctoral Scholar, FMS-WISDOM, Banasthali Vidyapith. She holds an MBA from DAVV, Indore. Her area of interest is Indian Ethos and learning from Bhartiya scriptures. She has presented papers in conference on themes of Indian ethos for good governance, leadership and corporate social responsibility. She has successfully completed Annual Refresher Program in Teaching through SWAYAM and various courses through Coursera. He also has a certification in Social and Emotional Intelligence from Socialigence, Indore.

Rise of Shareholder Activism through Institutional Investors

CS Amitava Banerjee and Dr. Ankur Joshi

Introduction

A Conflict of interest is inevitable in an agency system. The agency problem, in corporations, arises between shareholders and managers. Adam Smith (1776) had very rightly opined that as managers were entrusted with other people's money, it cannot be expected, that they should watch over it with the same anxious vigilance as they would if the money was of their own. The theory further gains ground with shareholdings being dispersed and individual shareholders having minimal influence on how corporations are managed.

The shareholders as the owners of the corporation hire managers as their agents to increase the value of their assets. These managers are then entrusted with some decision-making rights which would have otherwise been exercised by the shareholders in the capacity of an owner. However, with the advent of the 20th century, these managers took over the company boards and enriched themselves to the extent applicable laws allowed them to an extent that the shareholders surrendered all the control to the managers.

Soon the shareholders realized that the delegation of authority was not benefiting them. But the active intervention did not come from the shareholders soon enough. Instead, few wealthy individuals who held some shares in companies, engaged with the Board to bring in changes with the intent to realise their objective of unlocking some value on their investments. In 1926, when an investor Benjamin Graham succeeded in persuading the management at Northern Pipeline Company to distribute its excess cash to shareholders, the phenomenon of shareholder activism gained primary recognition. Graham came to be known as the "Father of Activist Investing". But by the 1980s some wealthy individuals started using their own money to buy controlling positions in public companies and created a cult of Infamous corporate raiders. Their main aim was replacing the management. They were only acting with the motive of increasing the value of their holdings. This era also witnessed the advent of public pension fund activism and the beginning of shareholder activism by institutional investors in 1985, with the formation of the Council of Institutional Investors (CII).

Later in the 1990s things started changing into a more positive manner where investors pursued board representation and influenced strategies related to operational efficiency. Instances of management buyouts were predominant where such changes were made as a strategy to ensure that the entity became more profitable. Today the modern investor activism is based on a much broader premise than some wealthy individuals. Institutional investors like hedge funds and private equity funds have gained prominence. These institutional investors have now become dominant players as guardians of shareholders' rights and they have the potential to influence management’s activities directly through their shareholding and indirectly by trading in their shares. But the Institutional Investors with all their vigor were not impacting the system all over their investment portfolio. A very powerful subsystem of Proxy advisors that evolved as guideposts for institutional investors to keep management in check was running the show.

The proxy advisory firms became so important that even the statute relies heavily on their decisions. For instance, the Securities and Exchange Commission (SEC) in the US requires all institutional investors to vote on all matters put forth in proxy statements. Their revenue model is simple, such firms put out detailed reports with voting options and in return, they charge fees from institutional investors for their services.

Why is activism required?

The modern investor is focused on the long-term share price and operational improvements. He looks at the improved alignment of interests and higher levels of corporate governance standards. However, the most primary reason for triggering activism is the failure of the Board's fiduciary duty to control the agents of the shareholders which includes the responsibility to compensate and monitor top management. On a more specific note, the Proxy advisory firms inter alia analyses important corporate actions such as mergers and acquisitions, Board level appointments, CEO pay, Shareholder voting pattern in Annual General Meetings (AGMs), Extraordinary General Meetings (EGMs) and the court convened meetings.

Institutional investors can impact corporate governance because of their collective stake, which enables them to use their influence as owners to ensure that the companies in which they have invested comply with desired governance norms. Proxy voting by Institutional Investors at shareholder meetings, which emerged as a matter of compliance, has now become a powerful lever of change in the governance scenario.

Institutional Investors - impact on the US market

In many countries, institutional investors gained significance during the latter half of the twentieth century. Most prominently, in the United States (US), institutional investment grew from 6.1% of aggregate ownership of equities in 1950 to over 50% by 2002 (Board of Governors of the Federal Reserve System, 2003). However, the birth of the shareholder rights movement can be attributed to the stock market crash of the late 1920s.

The legal framework in the US which once restricted Banks from direct equity ownership came to an end in 1999 paving the way for Institutional Investors in gaining mileage in defining the corporate governance landscape. Later the Securities Exchange Commission (SEC) liberalized the nomination process of directors on the board of a company. In 2009, after a decade of taking the first steps towards liberalizing institutional intervention in the capital market, the footprints of such investors grew significantly in the largest US corporations where they owned an aggregate of 73% of the outstanding equity in the top largest 1000 corporations.

The SEC regulates the mutual funds and ETFs whereas a wide variety of other institutional investors' like pension funds, insurance companies, and hedge funds are unregulated. Such Institutional investors have played an important role in monitoring corporate governance issues like majority voting, separation of the Chairman and CEO roles, the quality, and diversity of Boards of Directors, and executive pay.

To manage their proxy voting, institutional investors rely heavily on third-party proxy advisory firms. In the US, The SEC explicitly allows institutional investors to rely on proxy advisory firms' voting guidelines to satisfy their fiduciary obligations. The proxy advisory market has grown to such proportions that the SEC in July 2014 has put in place rules for institutional investors and proxy advisors. In December 2017, the U.S. House of Representatives passed a bill, the Corporate Governance Reform and Transparency Act of 2017 which would impose significant new regulatory requirements on proxy advisory firms.

The US Proxy market is an example of a classic duopoly, where two proxy advisory firms, ISS (an arm of Genstar, a private equity firm) and Glass Lewis (an arm of the Ontario Teacher's Pension Plan Board and the Alberta Investment Management Corporation) have a 97 % share. These Proxy advisory firms have gained so much significance that they have become de facto standard setters for corporate governance and executive compensation practices.

Influence of Institutional investors on the Indian market

Back in Asia, where it is quite common that even the most influential shareholders prefer to exert influence behind closed doors, Institutional Investor was a late entrant. A cultural trait of respect also dissuades activists from embarrassing other business leaders in open forums like the general meetings. However, as Asia increasingly draws, more investors to take a closer look at potential value-creating opportunities the scenario of shareholders activism has significantly changed.

In 2012, The Children's Investment Fund (TCI), a UK based hedge fund holding only 1% shares in a government company, Coal India Limited, was up against the majority shareholder, the Government of India. Apart from the issue of pricing strategy to avoid selling its products at market prices, TCI also raised concerns about the management and governance. TCI had also moved the Calcutta high court against Coal India and its directors. It also took the Government to arbitration according to bilateral investment treaties by India.

A noteworthy move in the direction of recognizing the role of institutional investors in corporate governance was made by the Securities Exchange Board of India (SEBI) when it put in a guideline asking Asset management Companies to disclose general policies and procedures for exercising voting rights on shares held by them on their respective websites and in annual reports. Later in 2014 SEBI came up with the SEBI (Research Analysts) Regulations, 2014, wherein it gave recognition to Proxy advisors for the first time in India.

In India, SEBI by its various legislative interventions, administrative as well as quasi-Judicial proceedings has to a greater degree been able to create a balanced corporate Governance ecosystem in the country. The Uday Kotak the committee being the most recent one in suggesting reforms in the Corporate Governance domain has advocated for constructively engaging and communicating with long-term institutional shareholders and engaging with them on matters of strategic importance including long-term value creation. The committee has even emphasized proactive communicating and engagement with security holders including with the institutional shareholders at least once a year along with members of the Committee/Board/KMPs, as may be required to identifying actionable points for implementation.

The committee laid the foundation for 'Stewardship Responsibilities' of institutional investors by acknowledging the increasing importance of institutional investors in capital markets across the world. On a cumulative reading of various Stewardship responsibilities mentioned in various codes across the world, it emerges that every such investor should have in place comprehensive policies on :

a) Discharge of their stewardship responsibilities

b) Management of conflicts of interest in fulfilling stewardship responsibilities

c) Monitoring of investee companies

d) Intervention in investee companies

e) Collaboration with other institutional investors

f) Voting and disclosure of the voting activity

g) Periodical reporting on their stewardship activities

As the first step in establishing the Stewardship model, SEBI has been requested to consider prescribed detailed requirements for disclosures concerning voting policies and actual voting on different resolutions of investee companies by mutual funds in India.

The Committee observed that because of the increasing importance of institutional investors in capital markets across the world, they are expected to shoulder greater responsibility towards their clients/beneficiaries by enhancing their monitoring of and engagement with their investee companies. The committee has also recommended that the capital market regulator SEBI should introduce the common Stewardship Code for investments by institutional investors in Indian capital markets.

Since the concept of the proxy advisory is in the nascent stage for India it would be too early to give judgment on its positive or negative impact. Although based on past interventions these firms have made in corporate decision making it can be said that they are doing well in keeping up investor voting decisions. They have been instrumental in complying with existing laws and are very effective in maintaining global corporate governance standards.

Most recently after the IL&FS fallout, SEBI recognising the deep impact the proxy advisory firms have, constituted a committee to look into issues related to Proxy Advisers. the committee recognised that institutional investors like Foreign Portfolio Investors, Portfolio Managers, Alternative Investment Funds, Real Estate Investment Trusts, and Infrastructure Investment Trusts, etc. may be mandated to ensure that proxy advisory firms employed by them (if any) should have appropriate capacity & capability to issue proxy advice and such firm is complying with code of conduct for proxy advisers as specified by SEBI.

Building an environment for strong activism

With shareholder activism on the rise in India and globally, companies in India have the opportunity to absorb and implement best practices used by global counterparts. The most vital technique that companies must use is to engage in dialogue with investors not only at the time a vote from the shareholder is required, but consistently to ensure the effectiveness of their communication with investors.

The change in the company law regime under the Companies Act 2013 which allowed class-action suits to be initiated in India has given the much-needed impetus for shareholders activation on the regulatory front. However, the promoter-driven corporate culture which was the main obstacle in shareholders activism is giving way to liberal decision-making by investors. Instances of stiff resistance from shareholders in Raymond's Ltd proposal of selling a prime Mumbai based property at around 90% discount to its promoters is evidence of uprising activism.

Another remarkable feature of shareholder activism in India has been its utilisation by even the promoters to improve the level of governance. The campaign led at Infosys by Narayan Murthy, in ousting its Chairman, CEO and two other independent directors from the board is a testimonial to the utility and positive impact of activism. Similarly, in the earlier TATA Cyrus Mistry case, the promoter sought the ouster of one of its nominees on the board.

The actual concept of a separate legal entity is being tested with shareholder conscious participation in voting where the long-term objective and plans are given more importance than the people who run the show. The company's future is now prominent to shareholders and not of those who are the promoters. Shareholders activism has been instrumental in setting clear strategies like spinning-off one or more divisions or assets, creating more focused entities.

The Bharatiya perspective of shareholder activism

To ensure good governance in the society, Bharatiya wisdom considers that the role of the King (ruler/head) is crucial. He has to abide by the ethical code of conduct, discharge responsibilities, and fulfill the righteous expectations of the citizens. Many Bhartiya scriptures such as Ramayan, Mahabharat, Manusmriti, Arthshastra mention the roles and responsibilities to be followed and fulfilled by a King and the importance of the self-control and self-discipline of the King.

Lying on the bed of arrows, Bhishm preaches Yudhishthir on the principles of Good Governance to be followed by a King. Most importantly a king is expected to have self-control. The king must make sure that there are no signs of any distrust among the people and officials. A King should neither be too harsh nor extremely gentle. Keeping aside personal wants and desires, a King is ought to strive for the protection of citizens and justice. Some of the important duties of a King as mentioned in Manusmriti are self-control, self-discipline, subduction of senses, following which he looks after protection, justice of all. The ministers adopted by a King must include members from all sections of the society. Every activity of the Kingdom must be made known to the public, ensuring transparency.

But a question arises - what if the King falters or takes the wrong path? Would the kingdom be considered doomed? Is there any mechanism to put things on track?

Yes, there is a mechanism.

Contrary to the popular perception, the Bharatiya model of the kingdom is not that of a feudal or authoritarian one. In the Bharatiya kingdom model of governance, a King is a leader but is always under boundation to follow the advice of learned and wise people who may be guru, ministers, counsels in the court, or any guru, rishi, muni outside the court. All the Bhartiya Kingdoms used to have Kul-gurus, Amatyas, Mantri, Samantas, and advisors. Every decision was made based on the opinion and advice of all.

Whenever the King failed to perform his duties or deviated from the path, the gurus and ministers advised him. When Ravan started to walk on the evil path; Malyavan, Vibhishan, and Mandodari put the right perspective in front of him.

Mahatma Vidura always advised Dritrashtra to check the unrighteous acts. When it comes to gurus guiding the King on the principles of Governance, the mention of Chanakya seems to be of utmost importance. According to Chanakya the righteous conduct of a King and his ability to rise over his senses is good.

Thus, it can be safely concluded that the ministers, counsels, gurus, and other learned people acted as carriers of the voice of people and ensured their interest is safeguarded.

League of Achievers: Brief Profile of Distinguished Women Corporate leaders

Compiled by Dr. Suman Lahiri

Introduction

India is increasingly witnessing the leading roles that women are playing in the nation building. This can be witnessed in the business organizations as well. Indian companies in the private and public sector have been led by women in some of the key sectors. The recent policies of the Indian government have underlined the empowerment of the women in every aspects of the Indian economy. The following examples[20] have been compiled which shows that women have led with positive impact in some of the key sectors like biotechnology, banking, metals, power and healthcare.

Arundhati Bhattacharya

Ms. Arundhati Bhattacharya was the Chairman of the State Bank of India (SBI). She joined SBI in September 1977 as a Probationary Officer at the age of 22 years and is the first woman to lead an India-based Fortune India 500 company. She has taken various responsibilities during her 36-year career with the bank. This included working in foreign exchange, treasury, retail operations, human resources and investment banking. She had worked as the chief executive of the bank's merchant banking arm- State Bank of India Capital Markets, chief general manager in charge of new projects, and has served at the bank's New York office. She has been involved with the launch of several new businesses such as SBI General Insurance, SBI Custodial Services, SBI Pension Funds Pvt. Ltd. and the SBI Macquarie Infrastructure Fund. She was named the 25th most powerful woman in the world by Forbes, and the 4th most powerful woman in Asia Pacific by Fortune. She ended her tenure in October 2017. She also joined Independent Director in

[20] The examples have been compiled from different internet sources and sources have been quoted in the footnotes.

Reliance Industries Board.[21] In 2020 she joined as the Chairperson and CEO of the India division of Salesforce, the global giant in CRM and is also currently Chairperson of SWIFT India, part of a global payments network.[22] She has immensely contributed for cause of women's education. For instance, her guidance was useful for Banasthali Vidyapith to establish State Bank of India School of Commerce and Banking in the university's campus.

Kiran Mazumdar-Shaw

Ms. Kiran Mazumdar-Shaw is a leading biotech entrepreneur. She is the Chairperson and Managing Director of Biocon, Asia's leading bio-pharmaceuticals enterprise. She is recognized as the 100 most influential person in the world and is recognized as a global thought leader for Biotechnology. She has steered Biocon from an industrial enzymes company to a fully-integrated, innovation-led, emerging global biopharmaceutical enterprise. Recognized as a first-generation entrepreneur, she has received the two prestigious awards of Padma Shri (1989) and the Padma Bhushan (2005) for her contribution in the field of Biotechnology. Her leadership in the area of Biotechnology has recognized internationally. She has been instrumental to set up the Association of Biotech Led Enterprises, and bring in government, industry and academia together for the evolution of India biotechnology sector.[23]

[21] (https://www.businesstoday.in/current/corporate/arundhati-bhattacharya-joins-reliance-industries-board-as-independent-additional-director/story/285663.html)

[22] (https://en.wikipedia.org/wiki/Arundhati_Bhattacharya)

[23] (https://www.biocon.com/docs/KiranMazumdarShaw_Profile_2015.pdf)

Soma Mondal

Smt. Soma Mondal has the distinction of not only being the first woman Functional Director of SAIL, but she is also the first woman Chairman of the Company. A graduate in Electrical Engineering from National Institute of Technology, Rourkela, she commenced her career as a Graduate Engineer Trainee at NALCO and rose through the ranks to take over the mantle of Director (Commercial) at NALCO in the year 2014. She joined SAIL in March, 2017 as Director (Commercial). At SAIL, she spearheaded the implementation of the marketing strategies emerging from the Comprehensive Turnaround Roadmap for the Company since 2017. SAIL achieved best ever sales volume consecutively for the three Financial Years from 2017-18 to 2019-20, and the momentum is still continuing in the current financial year of 2020-21. Promoting the branding efforts of the various products of the Company, she was instrumental in the launch of new brands viz. “NEX” and “SAIL SeQR” to promote PF Structural Sections and TMT Bars respectively. Sensing the need for improving sales through the retail channels, she has made relentless effort to set up two-tier distribution network. To educate and tap the vast potential of rural India, the “Gaon Ki Ore” workshops were organised in almost all the States and Union Territories across the Country. For meeting the evolving expectations of the challenging domestic market, she introduced timely reforms in the Marketing Organisation Structure of SAIL. She is a member of the CII-National Committee on Steel and Chairperson of the CII sub-committee on ‘Safeguard for Tariff and Non-Tariff Barrier”.[24]

[24] (https://sail.co.in/en/ms-soma-mondal-profile)

Meher Pudumjee

Ms. Meher Pudumjee is the Chairperson of Thermax Ltd. She joined Thermax as a trainee engineer in 1990 and played an important role in turning around the subsidiary company of Thermax company in UK. She was appointed the board of directors after her return to India in 1996. She was involved with the treasury and working capital management functions of Thermax as well as focused on the drinking water, and Air Pollution Control businesses of the company. She played an active role in the turnaround of Thermax in the period between 1999-2001. Ms. Pudumjee became the Chairperson of Thermax in 2004. Ms. Pudumjee has served as the Chairperson of Pune Zonal Council of the Confederation of the Indian Industry (CII) as Member of the CII Young Indians. She was selected as a Young Global leader by the world Economic Forum in 2008 for her professional accomplishment, commitment to society and potential to contribute to shaping the future of the world. She was selected as the CEO of the Year, 2009 by Business Standard.[25]

Sunita Reddy

Ms. Sunita Reddy is the Managing Director of the Apollo Group. Ms. Reddy joined the Apollo Hospitals Group in 1989. She spearheaded the finance function and led the company to participate in the international equity markets through a successful Global Depository Receipt (GDR) and subsequently bringing the First Foreign Direct Investment into Healthcare in India. She has been instrumental to make Apollo emerge as a formidable, financially sound hospital enterprise.

[25] https://www.thermaxglobal.com/board-of-directors/, https://www.isb.edu/en/shadow-a-ceo/cxo-profiles/meher-pudumjee.html

She has made the Apollo Reach Hospitals model as an innovation redefining both healthcare and healthcare design. Sunita Reddy is a Director on the Board of Apollo Munich-Re Health Insurance Company Ltd as well as also serves on the Board of several Apollo Hospitals' Group companies. She is widely recognized as a key influencer in the Indian healthcare industry, and some of her important positions are Co-Chairperson of Healthcare Sub Committee – Confederation of Indian Industry (CII), a member in the National Committee on Healthcare and a member of the Harvard Business School India Advisory Board (IAB).[26]

Roshni Nadar

Roshni Nadar Malhotra an Indian businesswoman, the chairperson of HCL Technologies and the first woman to lead a listed IT company in India.[27] She worked with Sky News UK and CNN America as a news producer before joining HCL Corp in 2009. She took charge as Executive Director and later as CEO.

She established The Habitats Trust in 2018 that works towards protecting India's natural habitats and its indigenous species, and has driven transformational efforts in the area of education as a trustee of the Shiv Nadar Foundation. Roshni has received several honors and accolades in recognition of her work both in business and in philanthropy. She featured in the Forbes list of 'The World's 100 Most Powerful Women' in 2017, 2018, and 2019 consecutively.

[26] (https://bangalore.apollohospitals.com/sheshadripuram/about-us/apollo-management/ms-suneeta-reddy-managing-director/)

[27] https://www.thehindu.com/business/who-is-roshni-nadar-the-first-woman-to-head-a-listed-indian-it-firm/article32120536.ece and https://en.wikipedia.org/wiki/Roshni_Nadar

Tanya Dubash

Tanya Dubash is the Executive Director and Chief Brand Officer at the Godrej Group. She serves as a Director on the Boards of several Godrej Group companies and also the Chairperson of Godrej Nature's Basket. She heads the Strategic Marketing Group that guides the Godrej Masterbrand and portfolio strategy, and chairs the Marketing Council comprising of Group Marketing Head. Tanya was a member on the Board of the Bharatiya Mahila Bank between November 2013 and May 2015. She is an alumna of Brown University and Harvard Business School. She was recognized by the World Economic Forum as a Young Global Leader in 2007.[28]

Monika Halan

Monika Halan is Consulting Editor with Mint and a well-known Finance Journalist. She is author of the best-selling book Let's Talk Money[29] and recently the Hindi version of her book was also launched. She has worked across several media organizations in India and has run many successful TV series around personal finance advice in NDTV, Zee, and Bloomberg. She is a regular speaker on financial literacy, regulation, inclusion and consumer issues in retail finance. Monika has public policy experience working with the Government of India as an advisor and member in various committees and task force setup by Government of India. She was chosen as a Yale World Fellow in 2011, has a Masters in Economics from the Delhi School of Economics and a Masters in Journalism Studies from College of Cardiff, University of Wales, UK.[30]

[28] 28 https://www.linkedin.com/in/tanyadubash
[29] Published by Harper Collins (2018)
[30] 30 https://worldfellows.yale.edu/person/monika-halan/ and https://www.linkedin.com/in/monikahalan/

Dr. Saagarika Ghoshal

Dr. Saagarika Ghoshal is a well-known HR professional, a Writer, and one of the leading management thinkers in India. She is the first woman Director on the Board for METRO Cash and Carry India. She has been listed as one of the 50 Most Influential HR Leaders in Asia and was covered by Business Today as one of the 30 Most powerful Women in Indian Business. She has been conferred with various accolades in India, Asia and USA like Most Powerful HR Professionals of India, 2010, Pride of HR Profession Award in Recognition for Outstanding Leadership promoting Diversity and Selfless contribution to Human Resources Development 2010 and Woman Super Achiever Award. She is a diversity expert, an international speaker, trainer and a practitioner with an impressive HR track record spanning more than two decade across a spectrum of industry sectors that include Telecom, Financial services, Aviation, Media & Entertainment and Retail. She also serves as a non-executive board member to Geodesic and is frequently invited to write as well to share her learning at national and international academic institutions and professional forums like SHRM, World HR Congress. She is an alumna of Banasthali Vidyapith, Stanford University and Narsee Monjee Institute of Management Studies.[31]

Conclusion

It can be concluded that women play an important role in the transformation of the country. Their leading roles in the recent times have put Indian economy on the growth trajectory. Such instances will be increasingly evidenced as India pushes forward in the global economy. This is quite inspiring and provides evidence of Indian women playing an important role in nation building.

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31 http://saagarikaghoshal.com/ and http://www.indiasgreatest.com/saagarika.html

About OMRISE Research Group

OMRISE is a research group that focuses on Organizational Management (OM), Research (R), Innovation (I) and Sustainable Entrepreneurship (SE). The group comprises of researchers, consultants, entrepreneurs, business organisations and academic institutions, all organised and nourishing each other like a Banyan Tree. The Integrative Paradigm as the key guiding principle for the research undertaken. The group actively disseminates its research through publications, consulting, online modules etc. The research and consulting domain is Organisational Theory & Practice, that includes gross as well as subtle organisational aspects viz. culture, design, structure, technology, strategy, leadership and governance to name a few. The group strongly believes in co-creation of knowledge and it guides the engagement with business and consulting organisations. The group was setup in collaboration of Buurtzorg Nederland (Netherlands), Praan Group (Netherlands), Banasthali Vidyapith (India) and recently the group has been joined by Dev Sanskriti Vishwavidyalaya, Haridwar.

The group has organized international conferences, research seminars and workshops to further the cause of indigenous research. The latest initiative of OM-RISE online magazine also took off very well and its unique ideas are been appreciated by readers all over the world.

Website: www.omrise.org

Brief profile of Researchers

MS. ARJITA SINGH

Research Scholar, FMS-WISDOM, Banasthali Vidyapith

Arjita Singh is currently pursuing her doctoral programme in management from FMS-WISDOM, Banasthali Vidyapith. She is working on a unique idea of developing future work skills through insights from Indian ethos and culture. She also contributes to assist in teaching courses like Indigenous Management Systems, Indian Ethos in Mangement etc. She has attended conferences and research seminars on theme of ethos and Indian management. She hails from Uttar Pradesh and joined Banasthali Vidyapith since her secondary schooling. Here she also pursued her graduation and MBA.

MS. TANYA CHOUHAN

Research Scholar, FMS-WISDOM, Banasthali Vidyapith

Tanya Chouhan is a doctoral research scholar at FMS-WISDOM, Banasthali Vidyapith where she is working on Application of Emotional and Social Intelligence in People Management through insights from Bharatiya Culture. She also contributes to assist in teaching courses like Indigenous Management Systems, Indian Ethos in Management etc. She has completed her higher studies, Bachelor of Arts and MBA from Banasthali Vidyapith. She has attended conferences and research seminars on theme of ethos and Indian management

Brief profile of P.I.

PROF. HARSH PUROHIT

Dean, Faculty of Management and Faculty of Law, Banasthali Vidyapith

Dr. Harsh Purohit is a Professor of Personal Finance at the largest residential university for women's education in India - Banasthali Vidyapith and the Dean, FMS-WISDOM and Faculty of Law. He is coordinator of Internal Quality Assurance Cell (IQAC) under which various initiatives have been taken by the university. He is coordinator for the National Center for Corporate Governance supported by the National Foundation for Corporate Governance. He is the Principal Investigator of the NITI Aayog's prestigious Atal Incubation Centre at the University. He also heads the activities of Online Refresher Course in Management supported by the Ministry of Education and AICTE through the National Resource Center.

Prof. Purohit, a Gold medalist in Commerce and a Management graduate from IMS, DAVV, Indore has authored two books, over 70 articles in reputed journals while 55 of his students have been awarded PhD in his supervision. He has conceptualized the framework of 'Holistic Electoral Competency Rating', 'Bharatiya Model of Financial and Digital Literacy' and 'Work-Life Natural Fusion' which have potential to bring another revolution. He has contributed in raising CSR grants for the University from Bank of America, SBI, Tech Mahindra Foundation, HDFC Bank etc. and received 7 awards from Principal Mutual Funds, ICSI, Lions Club etc. for promotion of Women's Education and Financial Literacy in India.

Brief profile Co-P.I.

ANKUR JOSHI

Assistant Professor, FMS-WISDOM, Banasthali Vidyapith

Ankur Joshi is working as Assistant Professor at Faculty of Management Studies-WISDOM, Banasthali Vidyapith. He is also visiting faculty at Vrije University, The Netherlands for programme on Integrative Spiritual Care. He is a Fellow of MDI-Gurugram in Public Policy and Governance, where he did doctoral research on Gurukul education system and its insights for improving quality of education in Bharat.

At Banasthali Vidyapith he contributes as Researcher with OMRISE Research group formed at Banasthali in collaboration with Buurtzorg and Praan Group from The Netherlands. He has developed online modules for Online Refresher Course in Management and is co-coordinator for Project on Promotion of Research in Indian Management and Ethos. He has also conducted various training sessions for teachers, civil servants and students. He has published about 15 papers and book chapters in indexed journals and publishers like Springer, Palgrave etc.