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Corporate Governance – An Indian Perspective

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ABSTRACT

Balance between the interests of the various stakeholders in a corporation is essentially what corporate governance is all about. They include the government, the community, the shareholders, the management, the customers, the suppliers, and the financiers. Additionally, it creates the framework for a company's goals to be met and covers almost every aspect of management, from action plans and internal controls to performance evaluation and corporate disclosures. The need for an efficient and transparent corporate governance system has grown as a result of high-profile corporate governance failure scams, such as the stock market scam, the UTI scam, the Ketan Parikh scam, and the Satyam scam, which was sharply criticised by the shareholders. These scams have a significant impact on the nation's development.

Keywords: *Corporate Governance, Insider Trading, Accountability, Board Of Directors, Auditors, Company Act 2013, Unethical Practices, Fraudulent, Ethical Crisis, Scandals, Stakeholders, Internal Transparency, Governance Regulation, Framework, Financial Operations, Disclosure, Accounting Standards, Effectiveness, Public Trust, Formulation Of Policy, Internal Compliance*

1. OBJECTIVES

The objectives of this study are

1. To gain an insight into the prevailing corporate governance policy in India
2. To examine the accountability and responsibility of Board of Directors, management, auditors, company secretaries towards corporate reporting.
3. To study the causes of financial scandals and shareholders' disputes.
4. To analyse the effectiveness of the present policy and the need for the improvement.

2. INTRODUCTION

Participation, Rule of Law, Transparency, Responsiveness, Consensus Oriented, Equity and Inclusiveness, Effectiveness and Efficiency, and Accountability are the eight components that make up good governance. In order to promote good governance in India, the Ministry of Corporate Affairs launched corporate governance in 2009. A collection of rules or procedures by which a firm is controlled is known as corporate governance. It guarantees that the corporation operates in the manner in which it is expected to operate in order to accomplish the desired results. Corporate governance is required to restore public trust in the corporation, which has been shattered in recent years as a result of multiple corporate fraud cases. It is critical for investors' confidence to be restored. Around 12 Indian companies have made Forbes' list of the world's 2,000 most well-known corporations. Infosys. TCS, Tata Motors, and TCS were ranked 31st, 35th, and 70th, respectively. Companies were evaluated on parameters such as trustworthiness, social conduct, performance of the company's product or service and the company as an employer.

Governance is defined as the act of governing a business entity by the term itself. Because a corporation's entity is distinct from its officers, corporate governance is an essential subject to research. The Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) are the two organizations that make up India's corporate governance framework. They enhance investor protection and have required corporations to follow the best practices outlined in the recommendations. The Companies Act, 2013 got assent of the President of India on 29th August, 2013. The Companies Act of 2013 establishes a legal framework for corporate governance by improving disclosures, reporting, and transparency through improved and new compliance standards.

Principles of corporate governance -

The Principles are developed with an understanding that corporate governance policies have an important role to play in achieving broader economic objectives with respect to investor confidence, capital formation and allocation. As a result, the body of corporate governance laws and practices provides a framework that aids in closing the gap between family savings and real-economy investment. Few principles of corporate governance are:

1. Lay solid foundations for management and oversight : The board is responsible for:

- Bank supervision, including its control and accountability systems
- The appointment and removal of the managing director, deputy managing director, executive directors, and senior management.
- Formulation of the policy
- Reviewing and approving risk management and internal compliance and control systems, codes of conduct, and legal compliance
- Clarify Board members' and senior executives' respective roles and responsibilities in order to facilitate Board and management accountability to both the Bank and its shareholders.

2. Structure the board to add value: The Group must ensure that the Directors have a balance of independence, diversity of skills, knowledge, experience, perspective, and gender. It should have a Board with an appropriate composition, size, and commitment to carry out its responsibilities and duties. The Board is organised in such a way that:

- Has a thorough understanding of , and competence in dealing with, current and emerging business issues.
- Can effectively review and challenge management performance while exercising independent judgement.

3. Effective support of stock market : Stock exchange of India is regulated by the Securities and the Exchange Board of India (SEBI). SEBI monitors and regulates corporate governance of listed companies in India through Clause 49. This clause mandates the listed companies to adhere to corporate governance standards.

4. Disclosure and Transparency: The corporate governance framework should ensure that all material matters concerning the corporation are disclosed in a timely and accurate manner. To accomplish this, the Bank has established structures to ensure compliance with relevant legislation and accountability at the senior management level for that compliance, such that:

- All investors have equal and timely access to material information about the bank, such as its financial position, performance, ownership, and governance.
- Bank announcements are factually correct and presented in a clear and balanced manner. 'Balance' necessitates disclosing both positive and negative information.

5. Recognise and manage risk: The Board is responsible for reviewing the adequacy and effectiveness of the bank's risk management strategies, as well as reviewing and approving the risk management framework. To accomplish this, the Group has created an enterprise risk management policy and a risk appetite statement that govern how risk is managed within the Group. There is also a Group chief risk officer and an enterprise risk committee (ERC). The Group's chief risk officer and the ERC make recommendations, which the Board approves and puts into action. For example:

- The risk appetite framework, tolerance, restrictions, and mandates of the bank, taking into account asset quality and the external risk environment.
- Risk monitoring and reporting, including technology infrastructure adequacy and effectiveness

Significance of Corporate Governance in India

The effective implementation of good governance procedures enhances investors' confidence in corporate businesses, leading to greater investment and assuring their long-term growth. Thus an excellent corporate governance would tremendously benefit businesses, allowing them to thrive and prosper. In the context of liberalisation and globalisation there is a growing realisation in emerging economies including India that a country's business environment must be operated in a manner that is conducive to investors' confidence. This will be conducive to rapid capital formation and sustained growth of the economy

The Indian Companies Act of 2013 introduced innovative measures to appropriately balance legislative and regulatory reforms for enterprise growth and increased foreign investment while keeping international practices in mind. The rules and regulations are measures that increase shareholder involvement in decision making and introduce transparency in corporate governance, ultimately protecting the interests of society and shareholders.

Corporate governance protects not only the management, but also the interests of stakeholders, and it promotes India's economic progress in the world's roaring economies.

Foreign investors take notice of well-managed companies and respond positively to them, according to studies in India and abroad. Capital flows from foreign institutional investors (FII) for capital market investment and foreign direct investment (FDI) in joint ventures with Indian corporate companies will come if they are convinced of the implementation of basic principles of good corporate governance. Thus, International flows of capital enable companies to access financing from a large pool of investors. If countries are to reap the full benefits of the global capital markets, and if they are to attract long-term capital, corporate governance arrangements must be credible and well understood across borders.

A significant advantage of strong corporate governance is that it is required for a thriving stock market. A healthy stock market is an important tool for protecting investors. The stock market might result in insider trading. Insider trading allows corporate officials to gain an unfair advantage at the expense of investors in general. The most effective way to solve the issue is to encourage companies to practise self-regulation and to take preventative measures. This is inherently linked to the subject of corporate governance.

It is clear from the preceding that good governance practises must be effectively implemented and enforced, preferably through self-regulation and voluntary adoption of an ethical code of business conduct, and if necessary, through relevant regulatory laws and rules framed by the government or its agencies such as the SFBI and the RBI. In fact, a good corporate governance structure ensures that companies, preferably voluntarily, follow ethical codes of business conduct that are conducive to the expansion of investment in them and ensure good outcomes in terms of rates of return.

Prevailing unethical practices

Deception, collusions and defrauding sound like the plot of a best-selling novel. However, these terms are quite common in the commercial circles where unethical business practices can be seen by the dozen. Some businesses misrepresent their financial statements in order to mislead investors, lenders, and end-users. As a result, they alter their financial statements to show inflated profits and decreased depreciation. This leads investors to believe that the company is doing well, and they end up purchasing more stocks on the stock exchange. Here are some unprincipled practices performed by the high authorities of the company:

A. Unethical practices by auditors - An auditor is defined as an individual, a partnership firm, or an organisation who conducts an audit of a business or undertaking. The normal areas of unscrupulous practices include:

- revealing any sensitive information (e.g., a client trade secret) without the customer's express permission
- Not comply with technical ethical and professional standards
- Violating code of ethics laid down by CA Act 1949
- Does not perform Independence and professional scepticism while conducting audit
- Engaging with the client by offering services that are illegal under the CA statute

B. Unethical practices by directors - Section 244(1) of the CAMA 2004 defines directors as an individual duly nominated by a limited liability company to develop and control the company's activities. A corporation's directors must act in good faith to advance the company's objects for the benefit of its members/shareholders as a whole, as well as in the best interests of the company, its employees, the shareholders, the community, and the environment. Several of the unethical actions they engage in are:

- Management may override controls to intentionally misstate the nature and timing of revenue or other transactions by recording fictitious business events or transactions or changing the timing of recognition of legitimate transactions.
- Directors of an organisation may deliberately misrepresent their financial information to favorably depict the entity's financial performance.
- Director might not always disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals, by giving a 'Notice' in writing in Form MBP 1
- They might not abide by the articles of association and the memorandum of association
- Price rigging is one the activities which can be performed by the director where the director manipulates the prices of the shares.

C. Unethical practices by company secretaries - Company Secretary's responsibilities include guiding the Company's Board of Directors on strong corporate governance procedures and compliance with rules and regulations. The CS serves as a critical link between the management and the company and serves as a unique interface between the board and the Company's management. Some of unprofessional practices performed by them are:

- Insider dealings and needlessly delaying the distribution of meeting notices to corporate members;
- Soliciting for the appointment of his spouse or a close relative to the board of directors of the company;
- Utilising secret information obtained from the company for his own gain;
- Leaking secret firm information to the press or other third parties without the board's authorisation;
- Allowing his or her own interests to collide with his or her duty.

Consequences of fraudulent financial marketing

When the global financial crisis of 2008 struck, India was experiencing not only a financial but also an ethical crisis. A hypothetical scenario in the stock market in which a company's most fundamental financials are falsified. This is how Satyam Computer Services ended up.

The Scandal is one of India's largest corporate accounting frauds. Satyam Computer Services, a Hyderabad-based IT corporation, was founded by Ramalinga Raju and his brother Rama Raju in 1987. It was listed on the BSE in 1990-91. Over time, it developed to become India's fourth largest IT company. Satyam Computers was renowned as a jewel of IT companies, but in truth, this business was the result of financial crime, with the importance of corporate governance being highlighted. Satyam Computers was one of India’s fastest growing companies, but Ramalinga Raju's attention was drawn to the real estate boom. As real estate prices rose and the sector reached new heights, Ramalinga began buying land in several cities and forming his own companies, Maytas Infrastructure and Maytas Properties. Ramalinga Raju has set up nearly 365 businesses in order to purchase properties. He obtained intimate information regarding Hydrabad's metro route and began purchasing land in the area. When he ran out of funds, he began tampering with Satyam computers' financial reports. They showed fictitious growth, causing share prices to rise, and began selling shares while renting the other shares. To maximise his profit, he began fabricating sales invoices to represent Satyam Computers' sales increase. 7500 forgery sales invoice were issued. For profit, fictitious bank statements were created that showed money had been deposited as cash in the bank. All of this drew in investors, and the price of Satyam stock soared even higher. Satyam's promoters owned 24 percent of the company in 1999. By the end of 2008, it had reduced to 2%. As time went on, the disparity between the original and fraudulent figures widened. In 2008, the real estate market experienced a downturn, and Raju's plans to fill the gap failed, causing the price of his stock to plunge. Following this, Raju devised a new strategy in which Satyam Computer would purchase a 51 percent investment in Maytas infra and a 100 percent stake in Maytas properties, with the proceeds going to the promoters to demonstrate that the difference between the actual and false figures was utilised to purchase the companies. However, there was no money exchange. Satyam Computer's Board of Directors approved this strategy on December 16, 2008, but Raju proceeded without seeking shareholder approval. The choice, however, did not sit well with Satyam's investors. Share prices fell, and a lawsuit was brought against Satyam by a US investor, resulting in a 55 percent decline in Satyam's stock on the New York Stock Exchange.

Raju admitted on January 7 2009, that Satyam Computers was altering financial accounts, revealing that the difference between the genuine sum and the phoney figure was 7000 crores. Eventually it was established that Satyam's auditor was PWC price water house cooper. PWC was barred from the Indian stock exchange and fined $6 million by the US Securities and Exchange Commission. Later, we discovered that Satyam paid PWC twice the sum that any other IT business paid their auditor. Raju was charged with money laundering by the Enforcement Directorate, and his family's properties were seized. SEBI charged Raju and his family with insider trading and ordered them to refund 1850 crores of earnings plus a 12% interest. He was barred from dealing in the stock market for 14 years. Raju and his brother Rama Raju were sentenced to seven years in prison and fined 5.5 crores by the CBI. Following this, SEBI issued a notice and required corporations to change their auditors every ten years.

Scope of strengthening the present system

Good corporate governance assists the organisation in managing risk and reducing the possibility of corruption. Scandals within a firm are often more frequent when directors and senior management are not obliged to follow a clear governance code. Corporate governance should prioritise the well-being of all stakeholders, including the Board of Directors, shareholders, and other interested parties. Internal transparency is critical to maintaining a healthy connection between a corporation's decision-makers and shareholders. As a result, strong governance ensures that shareholders' rights and the society's reliance on firms are protected. Corporate governance guidelines that are properly implemented boost the country's economic growth as the regulations make it possible to manage a company's internal and external affairs with visibility, accountability, justice, and equity. It should be leveraged as an instrument for social construction, with corporations pursuing profit maximisation as well as welfare programs, and these practical relevance assisting in the growth of corporate social responsibility. An efficient corporate governance approach, such as maintaining adequate audit of finances, efficiency in the director function, cordial relationships among shareholders, and so on, has a long-term impact on business expansion and diversification. It is aided by raising capital at a faster pace due to increasing public confidence as well as minimising mismanagement within corporations, hence assisting economic expansion.

3. REVIEW OF LITERATURE

Robin; corporate governance in India: issues and importance (2019) : According to the findings of this research paper organisations may face challenges in the short term as a result of good corporate governance, but in the long term, it will be beneficial, and investors will be encouraged to act as shareholders rather than market participants.There is also a requirement for credit rating organisations to rate different firms' corporate governance processes.The promoters pick the directors, who then use their power to sway the choices of the directors in their favour. Such difficulties can be addressed by controlling the number of independent directors, as well as their size, selection criteria, and procedure.Although India has a decent ranking in corporate governance regulation, it still has a long way to go in terms of corporate governance as a developing country.

Padmini Srinivasan, Vasanthi Srinivasan ; Status of corporate governance research on India (2011) : An exploratory study: Owing to examination of papers published in international and Indian journals, there has been a consistent and growing interest in corporate governance in India. The relevance of specific issues such as regulatory procedures has converged across international and Indian publications, indicating the existence of a uniform body of expertise in the field of corporate governance research. However, additional empirical study and the creation of theories that are grounded in local reality are required in the Indian setting. Given that an economy's institutional framework has a substantial impact on the type of governance practices, more articles examining India's institutional context are needed.

Aiyesha Dey ; What Role Do Individual Leaders Play in Corporate Governance? (2022) : We can draw the conclusion from this article published from an international perspective that Scott Tucker built a wide network of payday lending businesses from 1997 to 2012, becoming a pioneer in online lending all along the way. He was later found guilty on 14 counts, including racketeering, false disclosures, and fraud. Associate Professor Aiyesha Dey explains how the case "Scott Tucker: Race to the Top" investigates the importance of individual leaders in the corporate governance framework, along with their responsibility for fostering a better corporate culture that embodies ethics, self-control, and a commitment to serve.

Ishwaree Rajiah-Bennett ; Corporate Governance Practices in India: Issues and Challenges (2020) : Advancements in the Disclosure of Financial and Non-Financial Operations and In order to contribute to high standards of corporate governance, a growing number of Asian companies are now embracing the best practises of proper accounting, reporting, and disclosure imposed by the International Accounting Standards Commission. Eicher Motors Ltd., HUL, HDFC, and Infosys Technologies have gone above and beyond the regulatory obligations to provide critical information disclosure. The Securities and Exchange Board of India has taken steps to mandate all group "A" businesses to provide a report on their governance standards.

Veeramani Siv, R P Ngulai Rong; Corporate Governance in India: The Changing of Corporate Board System(2019) : India's corporate governance structure has undergone significant reforms in order to enhance the legal framework and line with international norms. The board composition is well-established and roughly corresponds to the Anglo-Saxon paradigm. According to the research, the corporate governance framework in India still needs to address the methodology for evaluating board performance. The legal regimes are in place in general; regulatory authorities and other relevant authorities are actively seeking the best method to strengthen its regulation and strengthened governance system.

The primary difficulty remains how to ensure effective implementation and severe enforcement of the governance structure and the applicable on-the-ground regulations.

Puneeta Goel ; Implications of corporate governance on financial performance: an analytical review of governance and social reporting reforms in India(2018): This study suggests that having at least one female director on board is a significant improvement for Indian companies. Hopefully, when firms are able to identify the fundamental areas of social duty, this Indian model would be able to bring wonders for the growth of society. To address the issue of adherence and execution of governance measures in the face of severe intervention from bureaucracy and bribery in India, market authorities should be strengthened and given greater authority to penalise enterprises involved in fraud. The financial statements have been examined numerous times in order to validate the stated characteristics and gain greater consistency in assigning the rating score; however, the objectivity implicit in the ratings system remains a restriction. As global investors are willing to pay a premium for companies that invest in sustainable practises for stakeholders, local investors may follow suit and place a higher value on well-governed enterprises that embrace corporate responsibility.

Faze Almaqtari, Hamood Mohammed Al-Hattami, Khalid M.E. Al-nuzaili, Mohammed A. Al-Bukhrani ; Corporate governance in India: A systematic review and synthesis for future research (2020): examines the many sorts of studies, publishing channels, sampling units, data types, statistical techniques, and the most investigated areas in India related to corporate governance. Future studies could look into IT governance, the effect of corporate governance on risk disclosure, the impact of corporate corporate governance on financial reporting quality post-Ind. AS convergence, corporate governance and accounting standard compliance, corporate governance practices during COVID-19, and the role and influence of board and audit committee expertise in India. The relevant literature indicates that there is a disparity in practice, not only in terms of transparency and disclosure of corporate governance procedures, but also in terms of the methodology, sample periods, and statistical tools employed in previous study.

4. RESEARCH METHODOLOGY

Research methodology is a series of steps aiming at collection of information and their analysis. It validates the study and measures its reliability. It is driving towards the way in which data is to be collected and how they are to be interpreted? For this research exploratory research technique based on past literature from respective journals, annual report, newspaper & magazine covering a wide collection of academic literature is used. Available secondary data was extensively used for the study.

Types of Research Methodology

Descriptive

Descriptive research is a research method that describes the characteristics of the population or phenomenon under investigation. This descriptive methodology focuses on the "what" of the research subject rather than the "why."

Exploratory

Exploratory research is a methodology approach that tackles previously unstudied research problems. Exploratory research is frequently qualitative.

For this research we have used both the methodology.

Hypothesis:

The hypothesis proposed here is as mentioned below:

H0- A good corporate governance is needed for an hour for the Indian economy leading to accountability to shareholders and stakeholders for every decision and transparency in information sharing.

H1- A good corporate governance is just a theoretical concept and will not have any positive impact on the Indian economy.

Data types and sources:

Data is a group of files that support your research endeavor, study, or publication, such as spreadsheets, documents, photos, videos, or audio. Your study data is valuable because it allows other researchers to learn from and improve on your work.

Primary data

Primary data is information gathered by researchers directly from primary sources, such as interviews, surveys, and experiments. Primary data is typically acquired from the source—where the data originated—and is regarded as the best type of data in research.

Advantages of primary data

- Primary data is very accurate as it is essentially objective and explicitly obtained from the original source.
- Primary data is unique to the researcher's needs at the time of data collection. The researcher has complete control over the type of data collected.
- Primary data is typically most recent since it is collected in real time and not from ancient sources.

- The data collected through various designs and methods is made simple and easy to understand so that anyone interested in data can grasp it at a glance.
- The specialist who is in charge of the survey activities also keeps the data confidential.
- Conducting your own research enables you to address and overcome difficulties unique to your firm.

Disadvantages of primary data

- The organiser of the survey and the method used to obtain data from raw sources may take a long time.
- Obtaining primary data gathering methods may be too expensive because the marketer or research team must start from scratch.
- Primary data necessitates additional labour because a single person cannot conduct a survey or collect data on his or her own.
- The researchers must create a collection of example questionnaires in such a way or utilise a method or methodology that allows people to easily interpret it; otherwise, the feedback given will be incorrect or erroneous.
- If the technique utilised by researchers is not proper or reliable, the feedback produced will also be inaccurate or erroneous.
- An expert must do the data collection method, technique, and analysis since only an expert can make the entire research relevant by offering authentic facts and information

Secondary data

Secondary data is information gathered by someone other than the original user. Censuses, information acquired by government departments, organisational records, and data originally obtained for other research goals are all common sources of secondary data for social science.

Advantages of secondary data

- Secondary data collection for research is considerably faster and easier, allowing researchers to save time by going right to the analysis phase.
- Secondary research is often the less expensive choice because all of the data needed is already available and often easily accessible from free institutions such as public libraries.
- Secondary data collection typically takes far less time than primary data collection.
- Secondary data allows longitudinal studies to be conducted without having to wait a long time to develop results.
- It aids in the generation of fresh insights from current primary data.
- Secondary sources include more information than one could possibly manage in a period of data analysis. As a result, secondary data researchers have few constraints on the sources they might use.

Disadvantages of secondary data

- Secondary data might not be accurate or trustworthy. A researcher may need to double-check the information gathered from various sources.
- Before eventually identifying the essential data, investigators may be required to cope with irrelevant data.
- Some of the data is overstated due to the data source's personal bias.
- Secondary data sources are occasionally out of date, with no fresh information to replace the old.
- It is possible that the current user of this data does not require or does not have themes relevant to his study or research.
- There is no privatisation of data by its owner; data can be accessible by anyone who wishes to conduct research on the subject.

Population:

Group of maximum people including males and females having knowledge of social stock exchange to which the findings are generalized.

Sampling frame:

For performing non-probability sampling, a random list of different people belonging to different professions was generated from a selected area.

Sample size:

Sample size of 53 respondents was selected to make the study meaningful and effective.

Study area:

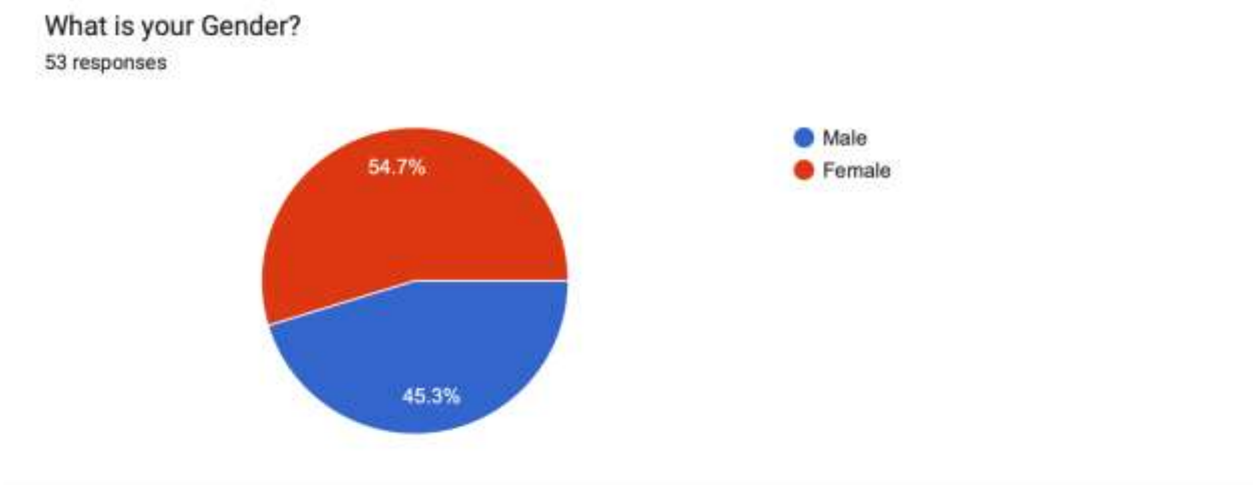
The study is bounded throughout the metropolitan cities as people out there are expected to have awareness on Corporate governance.

Limitations:

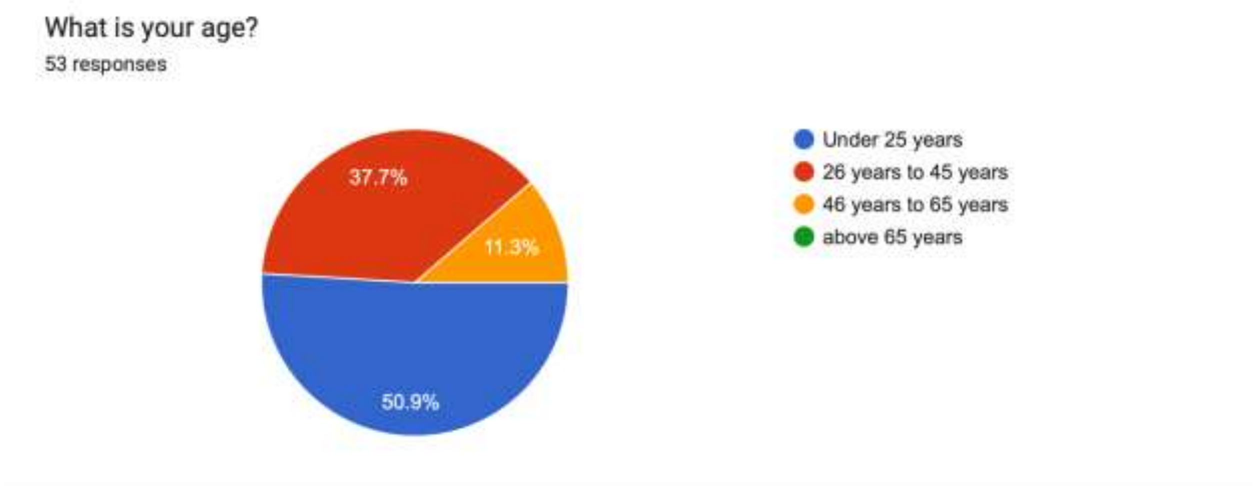
- The conclusions are based only on the results of a sample taken. Therefore, achieving a hundred percent degree of accuracy is not possible.
- It is very difficult to obtain a sample which is true representative of all the characteristics of the population.
- Lack of collection of data when not in person can also result in misleading of data
- It requires specialized knowledge

5. DATA ANALYSIS AND PRESENTATION

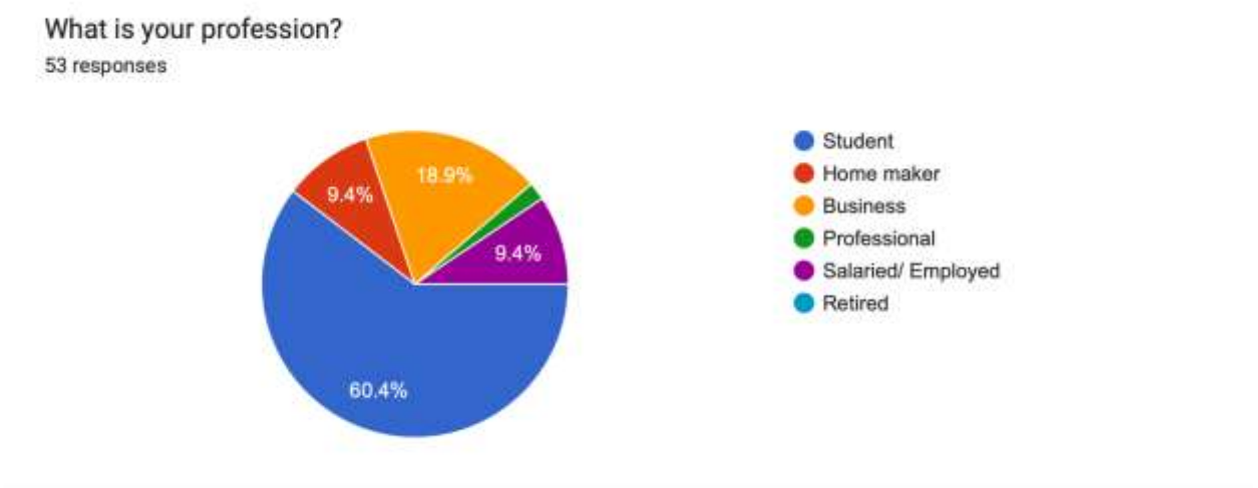
We performed the survey using the questionnaire method, and the results were as follows: we received 53 answers to the obligated questions below:



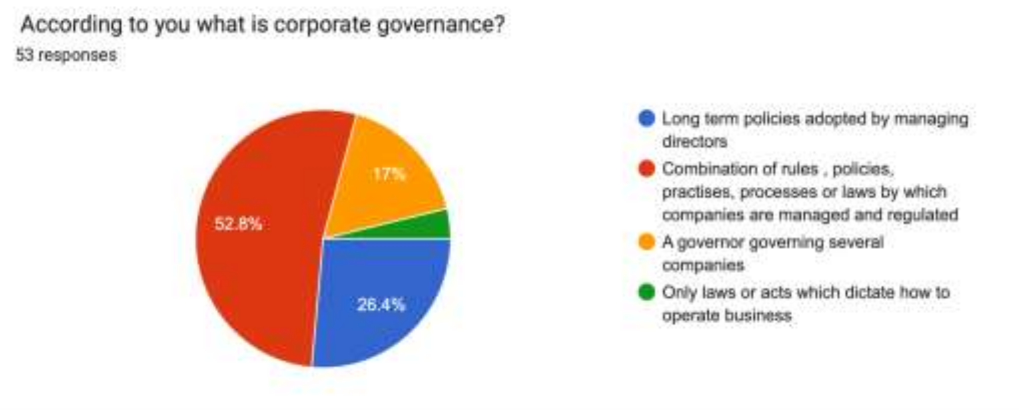
From the above chart we can conclude that the majority of the respondents are female.



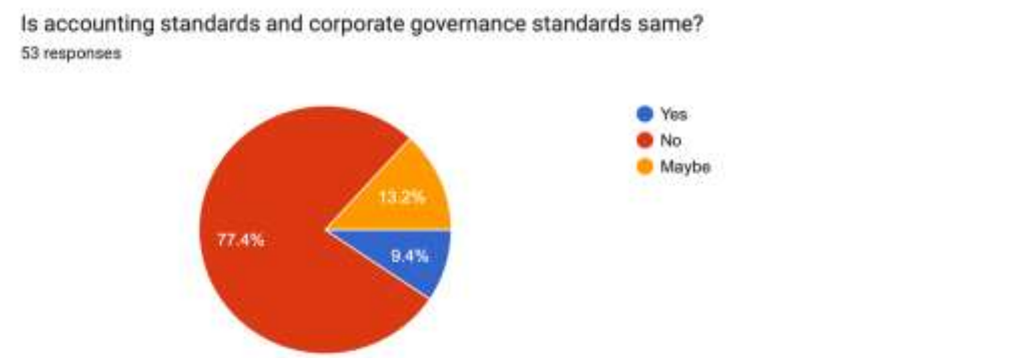
Almost half of the population is under the age of 25, with the remainder between 26 to 65.



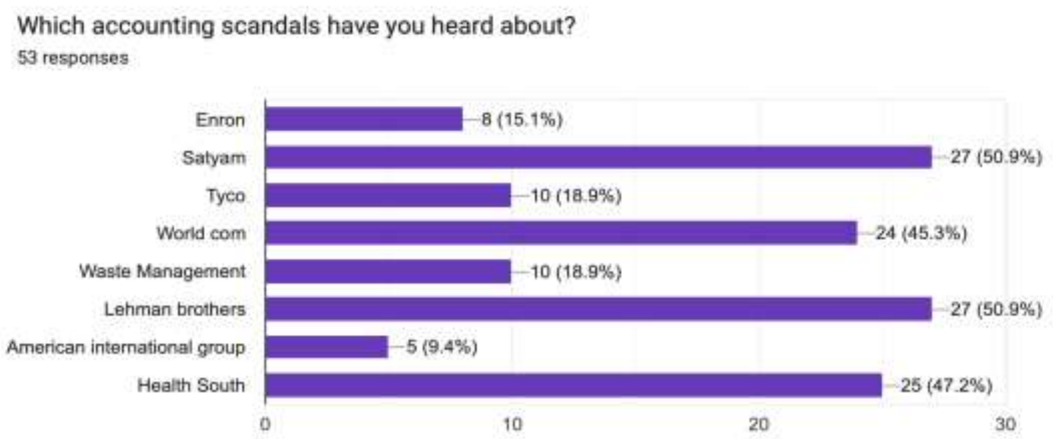
60% of the individuals are students, with only a few working in business. There are people who are also employed and homemakers with 9.4% each of the population



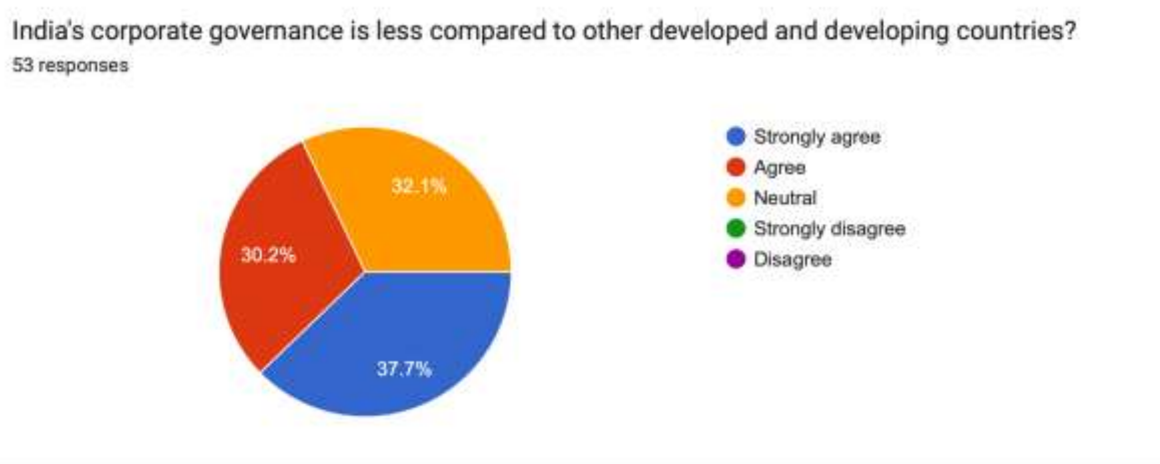
Majority of the respondents are aware what corporate governance is.



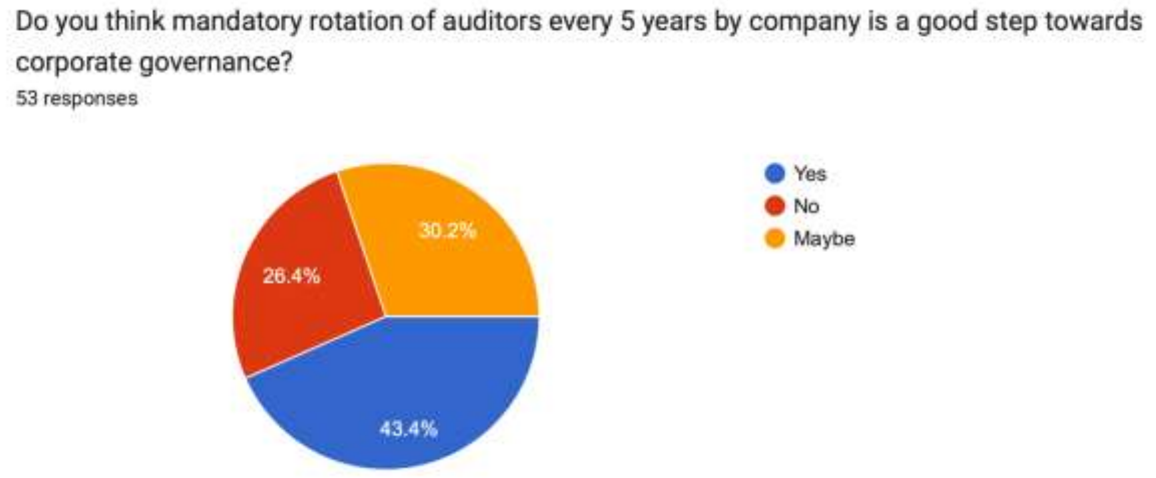
It can be inferred that the majority of the respondents are aware about the difference between accounting standards and corporate governance standards.



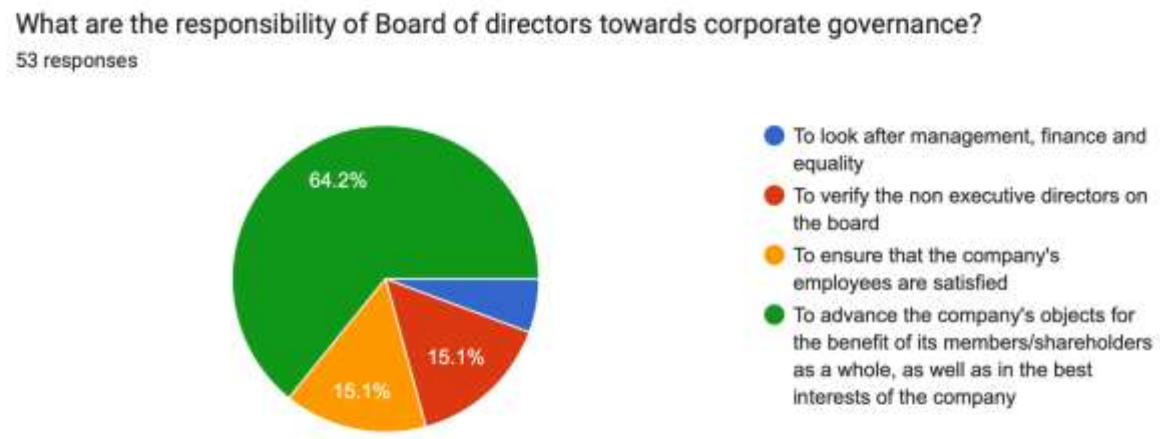
This figure shows that most individuals are aware of the Satyam, Lehman Brothers, Health South, and World Com scams. Participants in the minority have also heard of the other identified scams.



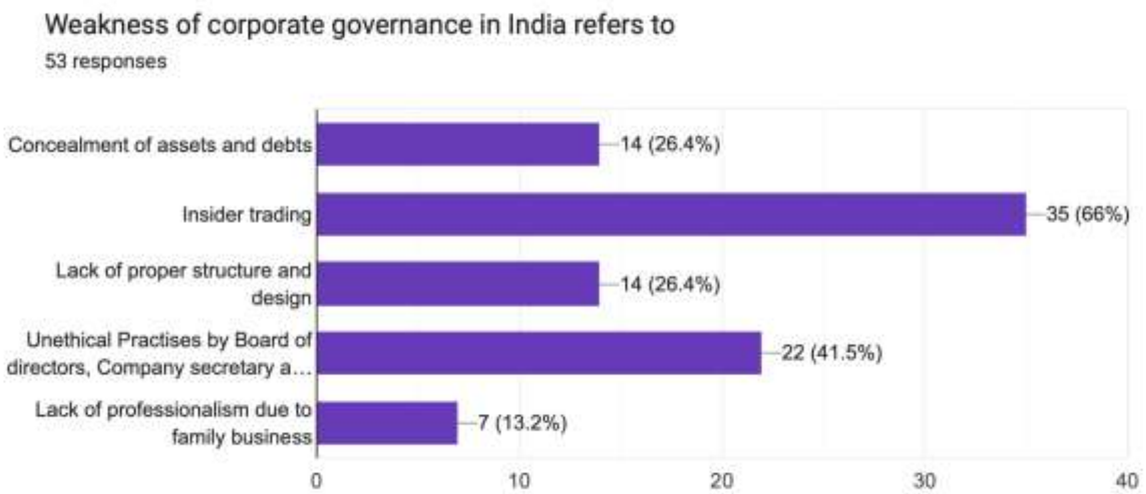
We can conclude from this graphic that India's corporate governance is less than that of other developed and developing countries because 60% of the audience agree on this.



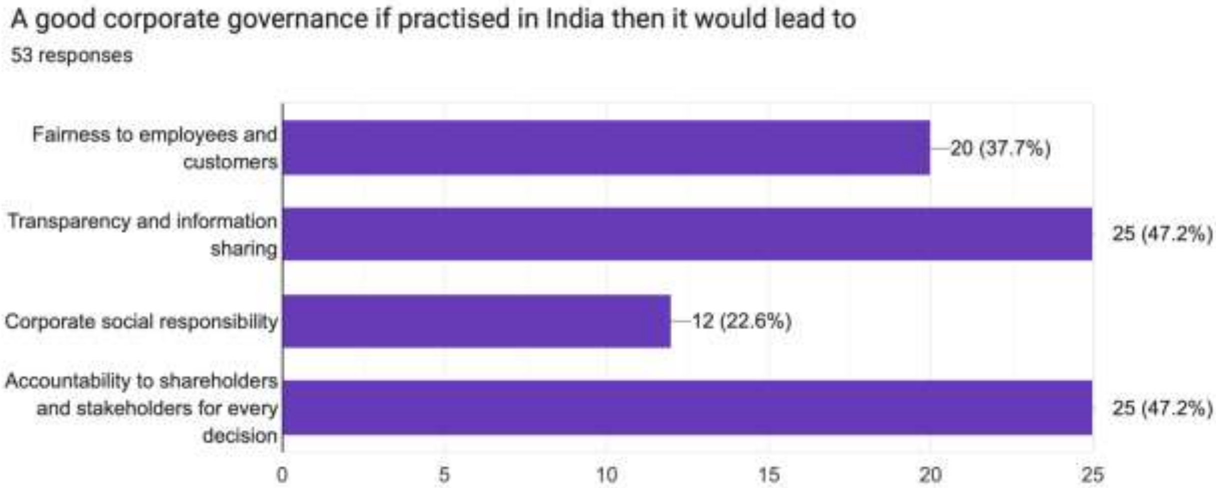
We cannot entirely agree on this stage because 26.4% disapprove and nearly a third are still unsure, accounting for half of the respondents.



A considerable proportion correctly identified the authorities' responsibility, whereas the remainder are just partly right.



From this data we can identify that insider trading is the biggest weakness of the corporate governance while unethical practices by the Board of directors, Company secretary and Chartered Accountant also pose a threat to the governors.



Majority of the people think that transparency in information sharing and accountability to shareholders and stakeholders for decisions could lead to a good corporate governance in India.

6. CONCLUSION

In the opinion of the firm's shareholders, the corporation is stronger the higher the level of corporate governance. The independent and engaged directors are the ones who inject and help to show that the company has a good vision. When it comes to investing, investors look for businesses that have greater corporate governance. Since their acts have moral and legal repercussions, the corporate governance rules in India encourage businesses to examine their workplace cultures and foster a more optimistic view among shareholders. The new regulations introduced by the Companies Act of 2013 are quite balanced and creative. They have assisted in reforming Indian company growth to meet international norms. Shareholders participate in corporate decision-making, and a number of protections have been put in place to ensure that the interests of both shareholders and society at large are not neglected. Transparency in the corporate world is greatly encouraged by good corporate governance. India advances in the global race of emerging economies as a result.

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Appendix:
Questionnaire

1. What is your Gender? *
   ○ Female
   ○ Male
   ○ Other

2. What is your age? *
○ Under 25 years
○ 26 years to 45 years
○ 46 years to 65 years
○ Above 65 years

3. What is your profession? *
○ Student
○ Homemaker
○ Business
○ Professional
○ Salaried/ Employed
○ Retired

4. According to you, what is corporate governance? *
○ Long term policies adopted by managing directors
○ Combination of rules , policies, practises, processes or laws by which companies are managed and regulated
○ A governor governing several companies
○ Only laws or acts which dictate how to operate business

5. Are accounting standards and corporate governance standards the same? *
○ Yes
○ No
○ Maybe

6. Which accounting scandals have you heard about? *
○ Enron
○ Satyam
○ Tyco
○ World com
○ Waste Management
○ Lehman brothers
○ American international group
○ Health South
○ Other

7. India's corporate governance is less compared to other developed and developing countries? *
○ Strongly agree
○ Agree
○ Neutral
○ Strongly disagree
○ Disagree

8. Do you think mandatory rotation of auditors every 5 years by company is a good step towards corporate governance? *
○ Yes
○ No
○ Maybe

9. What is the responsibility of the Board of directors towards corporate governance? *
○ To verify the non executive directors on the board
○ To ensure that the company's employees are satisfied

○ To advance the company's objects for the benefit of its members/shareholders as a whole, as well as in the best interests of the company

10. Weakness of corporate governance in India refers to *
- ○ Weakness of corporate governance in India refers to
- ○ Insider trading
- ○ Lack of proper structure and design
- ○ Unethical Practises by Board of directors, Company secretary and Chartered Accountant
- ○ Lack of professionalism due to family business

11. A good corporate governance if practiced in India then it would lead to *
- ○ Fairness to employees and customers
- ○ Transparency and information sharing
- ○ Corporate social responsibility
- ○ Accountability to shareholders and stakeholders for every decision

