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This Special Issue for March 2026 is published in academic collaboration with the **21st Prestige International Conference on Management (PICOM 2026).** The collaboration represents a scholarly convergence aimed at advancing rigorous, theory-driven, and empirically grounded research within the broad domain of management studies and its interdisciplinary intersections.

Situated within a rapidly transforming global landscape characterized by technological advancement, sustainability transitions, evolving governance frameworks, and complex market dynamics, management research assumes heightened significance. This Special Issue seeks to critically engage with these transformations by providing a structured academic platform for the dissemination of peer-reviewed scholarship presented at PICOM 2026.

The Issue is designed to foreground original research contributions that demonstrate methodological robustness, conceptual clarity, and substantive relevance. It encourages analytical inquiry across diverse sub-fields, including but not limited to strategic management, organizational behavior, finance, marketing, operations, entrepreneurship, innovation studies, corporate governance, sustainability management, digital transformation, and public policy interfaces. Interdisciplinary approaches integrating economics, law, public administration, technology studies, and sustainability sciences are particularly welcomed, reflecting the increasingly integrated nature of management research.

All submissions considered for inclusion in this Special Issue undergo a formal editorial screening and peer-review process in accordance with established academic and publication standards. Emphasis is placed on scholarly integrity, theoretical contribution, empirical validity, and the potential to inform both academic discourse and managerial practice. By consolidating selected research presented at PICOM 2026, this Special Issue aims to facilitate sustained academic dialogue beyond the conference platform. It aspires to contribute meaningfully to the existing body of knowledge by promoting critical reflection, comparative analysis, and innovative frameworks capable of addressing contemporary and emerging challenges in management scholarship.

Through this collaborative initiative, the Special Issue reaffirms a commitment to academic excellence, intellectual independence, and the advancement of globally relevant research that bridges theory and practice in the field of management.

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The manuscripts included in this Special Issue have undergone a comprehensive and multi-tiered editorial process to ensure the highest standards of academic quality and scholarly rigor. In addition to the external peer-review mechanism, each contribution has been subjected to meticulous review and substantive editing by the Journal's Internal Editorial Board.

This dual-layered evaluation framework was instituted to reinforce methodological soundness, conceptual coherence, citation integrity, and alignment with the thematic objectives of the Special Issue. The collaborative engagement between external reviewers and the internal editorial team reflects the Journal's commitment to maintaining intellectual exactitude, editorial precision, and publication ethics.

Through this structured and rigorous editorial oversight, the Special Issue upholds its dedication to producing research that is analytically robust, theoretically significant, and globally relevant.

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2026

Whistle Blower's Protection Act, 2014: An Ethical Backbone Building Transparency and Accountability in Contemporary Leaderships

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WHISTLE BLOWER'S PROTECTION ACT, 2014: AN ETHICAL BACKBONE BUILDING TRANSPARENCY AND ACCOUNTABILITY IN CONTEMPORARY LEADERSHIPS

Aditi Shrivastava[1]

Shaliha Bee[2]

ABSTRACT

The paper under discussion narrows down to Whistle Blowers Protection Act 2014 in India and tries to establish whether it is working or not in enhancing ethical governance and accountability in organizations. This analysis examines the purpose of the legislation process, how well it serves policymakers, and the reasons that have arisen since the law was enacted to determine its strengths and weaknesses in the context of modern leadership. This article examines relevant juridical tools, representative cases, and empirical / hard figures to determine whether the Act is an ethical basis for modern governance or whether it needs major reform to be more effective. The inspection finds that the statutory channels, although having a rudimentary legal framework of protecting whistleblowers, have practices that are slowly gained and that coupled with a number of systemic gaps, safe environment to the whistleblowers is unable to be created. Lastly, the work developed also provided several recommendations to the legal regulations and institutions that would be considered during drafting or amendment of the regulations; all these would mean a lot in enhancing WBP Act and making the state more transparent and accountable all over India.

Keywords: Whistle Blowers Protection Act, 2014; Whistleblower Protection; Ethical Governance; Legal Framework in India; Transparency and Accountability; Legislative and Institutional Reforms.

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Introduction: The Imperative of Transparency and Accountability in Governance

A. Context and Background for Whistleblowing

Whistle blowing in organizations, in terms of reporting immoral actions, fraud activities or corruption is what we call whistleblowing, and it is considered to be an essential aspect of democratic leadership and corporate governance in the world. The very name reminds of the symbolic whistle of a referee stopping a violation by whistling, and captures the most important element in this process: the demand to acknowledge wrongdoing that undermines institutions and the confidence that people place in them. In a so-called democratic system, the concepts of transparency and responsiveness prevail over empty talk; it is the most important part of trust and leadership. The cardinal aspect of democracy is suspended with heightened intolerance towards unacceptable behaviors and distorted messages. Whistleblowing is also an excellent control of power mechanism within other settings. This is applied as a tactic to turn around the current hierarchy, hold the leaders to task, and request them to assume moral duties.

The last decades are characterized by significant advances in the sphere of protections of whistleblowers on the international level which has resulted in several rules created by the majority of the countries to protect whistleblowers. The laws vary slightly in terms of their breadth and the effectiveness is a signifier of the mounting awareness of the necessity to safeguard the whistleblowers against suppression, and to instill a culture, which not only promotes the conception of telling the truth to the authority, but also guarantees those, who do it.

B. The Indian Context: Need for Whistleblower Protection

India with its prolific democratic input and ornate socio-political set up has unfortunately, fought off tirelessly against corruption and governance predicaments in various localities. The prevalence of major financial frauds and various acts of bribery and distortion of power have traditionally created the discomfort on the credibility of state and non-state institutions. In this atmosphere, the role of people daring to expose such inappropriateness is becoming all the more necessary. The history of anti-corruption movements in India is replete with tales of the so-called whistleblowers, usually ordinary citizens or loyal government workers, who have played a critical role of exposing the widespread corruption, often at a huge cost since they are not afraid to act. Until the law changed in 2014, the safety of whistleblowers was also not well-developed and was largely based on administrative instructions or the remnants of other laws that did not provide much protection. The Public Interest Disclosure (Protection of Informers) Bill of 2002 and the Public Interest Disclosure and Protection of Informers Resolution (PIDPIR) of 2004 were early attempts but have an

insufficient legal rigor and applicability. There existed no unified protections to the whistleblowers prior to the amendment of laws in 2014, since they were founded on poorly scattered administrative regulations or sections of other laws that guaranteed a modicum of security. The act is a representation of a necessary step in a bid to ensure the protection of the whistleblowers and also to foster a culture of transparency and accountability within India.

C. Statement of Research Problem and Paper Structure

The current inquiry attempts to critically examine the implications of the Whistle Blowers Protection Act, 2014, in achieving the intended results. Specifically, it tries to explain the question: The question that arises is:

Does the Whistle Blowers Protection Act, 2014, provide the ethical basis to the contemporary leadership in India, or do significant reforms require improvement of the contribution to the establishment of transparency and accountability in governance?

In order to fully address this question, the manuscript will be structured in the following manner: **Part III** will explore the legislative intent and necessary stipulations of the Whistle Blowers Protection Act, 2014, in order to build a baseline understanding of its structure and objectives.

Part IV will discuss the effectiveness of the Act and demonstrate both positive and negative sides of it depending on the information we possess and professional opinions.

Part V will provide detailed case studies of prominent whistleblower cases in India and evaluate statistical data concerning whistleblowing and bribery and how they have a real impact and impediments.

A detailed examination of **Part VI** will examine the subtle challenges that contribute to the implementation of the Act and focus on political, bureaucratic, societal, and organizational factors.

Part VII will suggest a line of precise proposals of legislative, institutional, and cultural changes to strengthen the Act and create a stronger ethical governance structure in India.

Part VIII will be used to conclude the manuscript by summarizing the essence of the findings and providing a favorable insight on the future of whistleblower protection in India.

The Whistle Blower Protection Act, 2014: Legislative Intent and Key Provisions

A. Genesis and Objectives of the Act

The Whistle Blowers Protection Act, 2014 (hereinafter referred to as the Act) is a critical though late, legislative measure towards the need to ensure the provision of a formal means by which

people who expose corruption and maladministration in India can be legally safeguarded. This Act has its origins in the early 2000s when there was a growing consciousness of corruption among the population and a number of high-profile cases in which those who had the courage to speak out were severely retaliated against including losing their lives. The unfortunate incidents of Satyendra Dubey, Shanmugam Manjunath and Lalit Mehta, as reported in the introduction, were the strong driving forces, as they made people think and agitated the demand of a specific law to safeguard the whistleblowers (Kumar, 2004).[i]

Without this new law, India lacked an entire legal framework to protect whistleblowers. Even though some administrative directives and stipulations were included in different existing statutes, they were essentially unsatisfactory to address the complex problems and risks associated with whistleblowing. The Public Interest Disclosure (Protection of Informers) Bill, 2002 was an early legislative project followed by the Public Interest Disclosure and Protection of Informers Resolution (PIDPIR) in 2004 that granted the Central Vigilance Commission (CVC) the power to investigate complaints. Nevertheless, these were met with significant criticism because of their narrow-mindedness and lack of enforceability which eventually destroyed the trust of the potential whistleblowers. In 2007, the Second Administrative Reform Commission also highlighted the essential need to have effective laws on whistleblower protection, which added to the pressure to have extensive, regulatory measures.

It is on this background of societal strife and legislative change that Whistle Blowers Protection Bill, 2011, was brought before the Parliament and finally able to gain presidential assent on May 9, 2014, it became the Whistle Blowers Protection Act, 2014. Whistle Blowers Protection Act 2014 (the Whistle Blowers Act).[ii]

The primary legislative intent behind the Act was multifaceted:

a. Promoting Transparency and Accountability

This order will establish a policy that emphasizes on transparency and accountability in the governmental responsibilities since it will encourage citizens to report corruption, abuse of power and other malpractices with no fear of punishment. It appreciates the most important activities of whistleblowers that involves revealing and rectifying injustices that would remain hidden.

b. Safeguarding Whistleblowers

The basic purpose of the law is to provide the whistleblowers with legal provisions of protection against victimization, harassment and retaliation. This includes efforts to prevent dismissal, demotion, reassignment or any form of biased treatment based on making a secured disclosure.

c. Setting up a Systemized Mechanism

The Act aims at providing a clear and systematic process of receiving, investigating, and disposing complaints which involve disclosed information which was protected. This involves giving it a competent body (Authority) to deal with such complaints and a time limited process to investigate the same.

d. Deterring Corruption

The Act aims at being a deterrent to corrupt practices and maladministration in government offices by establishing an environment, which allows reporting of corruption, and by making sure that the wrongdoings are investigated. Simply put, it is a vital instrument that the Act was developed to reinforce ethical governance and the rule of law in India, as the role of whistleblowers to a sound democratic society is priceless.

B. Key Provisions

The Act, lays down a framework for the protection of whistleblowers and the establishment of a mechanism to inquire into protected disclosure. Key provisions of the act include:

a. Definition of Whistleblower and Protected Disclosure:

According to the Act a whistleblower is an individual who makes a disclosure that is considered as protected. A protected disclosure is any disclosure of information concerning an allegation of corruption or willful use of power or discretion that results in loss to the exchequer by a public servant [The Whistle Blowers Protection Act, 2014, s. 2(d), 2(e)]. (The Whistle Blowers Protection Act 2014)[iii]

b. Scope of the Act:

The act mostly concerns the public servants and government institutions and bodies. It addresses the disclosures of the public servants concerning the corruption or misuse of power on the part of fellow public servants. This narrowness especially exclusion of the private sector has been a major area of criticism and shall be addressed in detail later. (Chakraborty, 2025)[iv]

c. Procedure for Making Disclosures:

The Act outlines how such a disclosure is to be made and that it has to be documented and signed by the whistleblower. It further requires that the disclosure must include complete details and must be affixed with an affidavit. Notably, the Act explicitly/ specifically provides an option of anonymous complaints, which has led to a question of the safety and security of whistleblowers [The Whistle Blowers Protection Act, 2014, s.6]. (The Whistle Blowers Protection Act 2014)[v]

d. Protection against Victimization and Retaliation:

The Act has clauses that seek to ensure that the whistleblowers are not victimized. Depending on a protected disclosure, it articulates that no employer shall subject any public servant to a departmental or disciplinary action. It equally makes provision of the Competent Authority proposing appropriate measures to guard the whistleblower/s against harassment or victimization [The Whistle Blowers Protection Act, 2014, s.11]. But the effectiveness of such protections has been disputed in practice (The Whistle Blowers Protection Act 2014)[vi]

e. Identity Protection:

Even though it does not permit a complainant to do so anonymously, the Act will not reveal to others the identity of the complainant with a few exceptions, including where the order of a court requires it. The Competent Authority is required to take any measures to keep the identity of the complainant hidden [The Whistle Blowers Protection Act, 2014, s.10). Clause 7 of (The Whistle Blowers Protection Act 2014)[vii]

f. False complaints and Unauthorized Disclosure: Penalties:

The Act provides penalties to detract the misuse of the act by filing false or frivolous complaints. disclosure made by any individual can be imprisoned to a maximum of two years with a fine of at most thirty thousand rupees. On the same note, the disclosure of identity of the complainant against the act that is not authorized is equally punishable offence. Whistle Blowers Protection Act, 2014, s.16,17]. A relevant law exists that protects the Whistle Blowers in the country of origin:(The Whistle Blowers Protection Act 2014)[viii]

g. Time Limit for Inquiry:

The act provides that a Competent Authority is only supposed to complete the inquiry under the act within a given time frame, which in most cases is ninety days, but is subject to extension. It also provides a time period of seven years after which a disclosure has to be made since the year in which the alleged corruption or abuse of power was done [The Whistle Blowers Protection Act, 2014, s.9, 6(3)].[ix] (The Whistle Blowers Protection Act 2014).

C. Comparison with International Best Practices

The Whistle Blowers Protection Act, 2014, forms a milestone in the history of India when we consider the development of whistleblower protection laws. In comparison to internationally known best practices, it is however possible to identify some gaps in that legislation. Major developed countries which are home to multinational companies and who have the most mature and

comprehensive regime for whistleblower protection have provided useful points for further considerations.

The United States has incorporated whistleblower regimes in several laws such as the Whistleblower Protection Act of 1989 (for Federal employees) and Sarbanes- Oxley Act of 2002 (for corporate whistleblowers).[x] A characteristic feature of the U.S. law is the False Claims Act, which empowers a layman to sue on behalf of Government any party making false claims against federal programs. Successful whistleblowers under this Act can obtain a bounty which serves as a significant financial incentive for reporting (Devine et al., 2011).

This incentive is a unique feature distinguishing U.S. law from Indian legislation which does not incorporate any kind of incentive system. Additionally, while U.S. Laws offer solid measures for protection against disclosure of identity and retribution; sometimes even reinstatement and damage award that need be paid out by an employer under certain circumstances are envisaged; Indian model does not contain such potential features. (Miceli et al., 2013)[xi]

Another example of comprehensive legislation is the Public Interest Disclosure Act (PIDA) of 1998 in the United Kingdom (U.K.). PIDA was also done to safeguard the people who make disclosures in the public interest which encompasses a wider scope of others other than the workers in the public service including the workers in the private sector, contractors, and agency workers. It further generates the various kinds of disclosures (internal, regulatory, and broader disclosures) and it offers insurance against malicious treatment that extends to unfair dismissal. (Lewis, 2001)[xii] PIDA is fully enforced since its enactment as compared to the Indian Act, which offers more thorough and legal precedent and working frameworks.

Table 1: Comparative Overview of Whistleblower Protection Legislation (India, USA, UK)

Feature	India (Whistle Blowers Protection Act, 2014)	USA (e.g., False Claims Act, Sarbanes- Oxley Act)	UK (Public Interest Disclosure Act, 1998)
Scope of Protection	Primarily public servants	Broad, including federal and corporate employees	Broad, including public and private sector workers

Anonymity	Identity concealed, but not fully anonymous	Stronger provisions for anonymity	Provisions for different types of disclosures, including anonymous
Financial Incentives	No	Yes (e.g., False Claims Act)	No
Retaliation Protection	Safeguards against victimization	Stronger, including reinstatement, compensation	Protection against detrimental treatment
Implementation Status	Partially implemented/Not fully notified	Fully implemented	Fully implemented
Private Sector Coverage	Excluded	Covered (e.g., Sarbanes-Oxley Act)	Covered

This brief comparison indicates that although the Act in India is similar in its main objective to ensure the protection of whistleblowers, it is lagging behind in some of its features, especially on the limitation of scope, the lack of financial incentives, and the inability to implement it fully. These disparities highlight the necessity of India to study the international cases to boost the usefulness of the system of whistleblower protection in the country.

D. Operational Efficacy: Strengths and Weaknesses in Practice

The Act, though a landmark Indian legislation has had its share of challenges in operationalization and has been recorded as having a mixed success. There is an analysis of its practical implementation which shows that there are certain strengths and other weaknesses that put together, affect its efficiency as an ethical foundation of governance.

Strengths of the Act

Despite its drawbacks and limitations, the Act has several commendable strengths that lay a foundational legal framework for whistleblower protection in India:

- **Law and Legal System:** The biggest strength of the Act is the fact that it does exist. It offers, in the first instance, a specific statutory framework to safeguard the whistleblowers, leaving behind the administrative ad-hoc guidelines. This legalization will legitimize the act

of whistle blowing and give a formal avenue of reporting malpractice which is vital in developing a culture of transparency.

- **Law on Protected Disclosure Mandate:** The Act stipulates that the relevant Competent Authority (usually the CVC at the central level) should investigate disclosed information which is safeguarded. This is to make sure that notifications are not reported or wrongly treated without due process. The introduction of a formal investigative system, which has the authority to summon people and gather evidence is an important move towards the creation of accountability to perceived misdeeds.
- **Identity Protection (but only in limited scope):** Even though the Act does not allow anonymous complaints, it has measures of hiding the identity of the complainant. The Act specifies that Section 10 of the Act requires a Competent Authority to do all that is necessary to protect the privacy and identity of the complainant as well as to protect the identity of the complainant so that it is not disclosed, except under certain circumstances first required by law or a court order. (The Whistle Blowers Protection Act 2014)[xiii] Ideally, this provision is meant to address the risk of retaliation by ensuring the identity of the whistleblower remains unknown, therefore, providing some form of psychological safety to the potential disclosure makers.

These are strengths that are basic, but still, with no effective implementation, they remain theoretic. The real gauge of the effectiveness of the Act is the manner in which these provisions have been translated into real protection and actual results to the whistle-blowers and combat against corruption.

Weaknesses and Limitations

The operational effectiveness of the Act, although it has noble goals, has been critically undermined by a multiplicity of weaknesses and limitations most of which have been triggered by its design and difficulty in its implementation. These weaknesses are a serious blow to its ability to act as a strong ethical foundation:

- **Narrow Scope: Exclusion of Private Sector and Corporate Whistleblowers:** The major weakness of the Act that is criticized is its limited applicability to the primary subjects such as the government organizations and personnel. It clearly exempts the employees of the private sector and the corporate organizations of its jurisdiction. (Chakraborty, 2025)[xiv] This is a blaring absence, particularly in a fast developing economy as India where corporate fraud and malpractices are rampant. Though the Companies Act, 2013, and the SEBI regulations

require the presence of internal vigil mechanism in some companies, these are usually internal policies, which do not have backing of the statutory power and thorough protection of a specific whistleblower law. This exposes a large section of potential whistleblowers to retaliation and prevents reporting of corporate malpractices, which generates a massive loophole in the overall anti- corruption system.

- **Lack of Implementation/Non-Notification:** Probably the biggest obstacle to the perfunctory effectiveness of the Act is that it has still not been notified and is yet to be fully implemented. Although the Act has been given presidential consent in 2014, not all the provisions of the Act have been fully implemented. Such legislative inertia has made the Act practically almost useless, which has created a legal gap that exposes the whistleblowers to no protection. (Chakraborty, 2025)[xv]

- **Anonymity Issues: Lack of Provisions on Anonymous Complaints:** The Act mandates that the disclosures should be in the form of written form and the whistleblower sign the disclosure, which practically precludes anonymous complaints [The Whistle Blowers Protection Act, 2014, s.6]. Although it allows anonymity of identity, the mere signing of a complaint can discourage. this will ensure that those who may soon become whistleblowers fear that their identities may be revealed at some point and the repercussions will be very harsh. The fear of being exposed even with the assurance of discretion is still a key psychological barricade to many people.

- **Absence of Incentives:** The Indian Act does not provide any monetary compensation or incentives in the event of a successful disclosure as do other laws that protect whistleblowers in other countries, including the U.S. False Claims Act. (Chakraborty, 2025)[xvi] Lack of these incentives may undermine the desire of individuals to take such great personal and professional risks of whistleblowing.

- No Provision Support/Rehabilitation: The Act does not include any financial, medical, or psychological support, or rehabilitation of whistleblowers that become victims of whistleblowing, lose their jobs, or get physically hurt due to their actions. In the absence of a strong support system, people would be reluctant to present themselves, as they will be alone to take care of themselves in front of severe retaliation. (Chakraborty, 2025)[xvii]

- **Time Bar for Complaints:** The Act under Section 6(3) provides that the Competent Authority does not inquire into any disclosure made in protection that occurred after seven years after the date on which the supposed corruption or misuse of power occurred. This

may be counterintuitive to the protection of whistle blowers because (The Whistle Blowers Protection Act 2014)[xviii] will enable potential wrongdoers to get away with it as long as their wrongdoing is not exposed to the outside world.

- **Bureaucracy and shortage of resources:** Whistle blowers are further met with bureaucracies even after lodging complaints, slowness in investigating and lack of sufficient resources in the Competent Authority to carry out a good and prompt investigation. According to the EY Global Integrity Report 2024, a high rate of organizations in India had experienced an attempt at integrity, but a high number of employees experienced pressure not to report the misconduct, and many have heard of retaliations, which reflects a systemic problem with the quality of reporting systems. (EY, 2024)[xix]

Studies and Real-World Impact

The practicality and efficacy of any legislation cannot be better perceived than through observing its functioning in the field as well as scrutinizing the experiences of the group of people whom the legislation is meant to defend. This part will explore the high-profile whistleblower cases in India and will examine the available data and statistics to determine the real impact of Whistle Blowers Protection Act, 2014, and the overall situation concerning whistleblowing in India.

- **The Satyendra Dubey Case (2003):** The famous example of the struggle against corruption in India was horrific case of Satyendra Dubey, a very young, idealistic engineer who was working in the National Highways Authority of India (NHAI). During the construction of the Golden Quadrilateral highway project, a flagship project of the NHAI, Dubey found out that there was rampant corruption and three of the main areas where there was irregularity in contract awarding, poor quality of construction and misappropriation of funds. Being frustrated by the apathy shown by the official pressing the extreme step of writing directly to the Prime Minister of India and his Office (PMO) and informing him about the corruption and asking him to keep the information confidential. Unfortunately, it was revealed and in November 2003, he was grisly killed at Gaya, Bihar. When Dubey was assassinated, it was a shockwave to the whole country as it revealed the nexus of corruption and crime that is long-established and the bare nakedness of the people who brave to question it. The case demonstrated the total lack of a legal structure safeguarding the whistleblowers and became a strong booster to the need to have a special-purpose law. Many people still draw inspiration by the legacy of Dubey, and the fact of his death is a reminder of the dangerous route taken by the whistleblower in India. (Kumar, 2004)[xx]

- **The Shanmugam Manjunath Case (2005):** Another similar and grim example of Shanmugam Manjunath, a sales officer of Indian Oil Corporation (IOC), was another young professional that paid with his life because of his integrity. The mafia of fuel adulteration is a big business, and stationed in Lakhimpur Kheri, Uttar Pradesh, Manjunath has gone against the mafia, by sealing two petrol pumps used to sell adulterated fuel. Upon reopening the petrol pumps, he had a surprise raid to ensure that malpractice was not still practiced. He was killed in November 2005 and his corpse was discovered in the backseat of his automobile. The killing of Manjunath, similar to that of Dubey, was a public outrage, and it showed the risks that people who deal with the organized crime and corruption can take. As highlighted by the case, there is a need to protect not only the public servants but also the employees of the public sector undertakings and the employees in the private sector who blow the whistle. It was also demonstrated through the legal struggle which took place later to avenge his murderers by his friends and former students of the Indian Institute of Management, Lucknow, which emphasized the role of civil society in promoting the cause of the whistleblowers. (Kumar, 2006)[xxi]

- **The Lalit Mehta Case (2008):** India has several such cases and one of them is the case of Lalit Mehta who was a staunch Right to Information activist (RTI) and tirelessly strived to bring to light corruption in the right of passage of the National Rural Employment Guarantee Act (NREGA) in the Palamau district of Jharkhand. He unearthed a number of land acquisition scams, misallocation of the plots, and embezzlement of NREGA funds by the officials and politicians. Metha never gave up his work and by the help of RTI Act he was able to make public schemes transparent, thus causing threats and attacks to him. He was brutally killed in May 2008 with his face disfigured in order to hide his identity. The case filed by Mehta highlighted the strong nexus between the RTI Act and whistleblowing since the data gotten under the RTI is usually the one that exposes corruption. His death also put the frailty of the RTI activists into the spotlight and why a detailed law is required to defend all individuals who want to keep those in power accountable irrespective of their position in office. (Chakraborty, 2025)[xxii]

These cases were tragic though they had a significant effect on the discussion in the populace and the law. They revealed the structural inefficiencies in defending the fighters against corruption and developed a serious moral and political obligation that a powerful whistleblower law should be passed. Nevertheless, the fact that the Whistle Blowers Protection Act, 2014, is still partially implemented even now, does give serious doubts about the questions whether the lessons of these sacrifices are really learned.

Challenges to Implementation and Ethical Governance

The process of transformation of legislative acts into practical implementation is usually fraught with difficulties, and the Whistle Blowers Protection Act, 2014 is no exception to this rule. Regardless of the progressive nature of the Act, it has had major challenges that have crippled its potential to act as a strong ethical foundation to governance in India. All these challenges are a result of complicated factor interplay between political, bureaucratic, societal, and institutional factors.

A. Political Will and Bureaucratic Inertia

The lack of political will and the bureaucratic inertia seem to be one of the most challenging factors to ensure the complete application of the Whistle Blowers Protection Act. The Act despite passing through Parliament has not been given full notification, that is, critical provisions required to operationalize the Act are yet to be operationalized. Such a legislative black hole is in effect making the Act toothless in several ways.

B. Societal and Cultural Factors

In addition to the political and bureaucratic environment, cultural and societal issues are also important determinants of whistleblower protection in India. There are instances in which these aspects determine the readiness of an individual to blow the whistle and the social reaction on the same acts, fear of repercussions, ignorance, and cultural attitudes towards Whistleblowing.

C. Adequacy of Infrastructure and Personnel

The Commission named under the Act as Competent Authorities is the Central Vigilance Commission (CVC) and State Vigilance Commissions. Yet, these agencies might not have the infrastructure, expert manpower, and fund to adequately deal with a potentially high number of whistleblower reports. Corruption cases are very tricky and to investigate them, one needs trained investigators, experts in forensics and legal professionals, which are not necessarily always accessible.

D. Need for Specialized Training and Sensitization

There may not be the staffing of the personnel as much as they can be untrained, uninformed of the peculiarities and sensitivities that come with the handling of whistleblower complaints. The lack of understanding of the psychology of the whistleblower, the type of retaliation, and the importance of confidentiality can lead to the emergence of the flaws in the procedure that jeopardize the safety of the whistleblower and the quality of the investigation process. Training programs should be in place

which would enable those who have the mandate of enforcing the Act with the necessary skills and attitude.

E. Judicial Backlog and Delays

The slow rate of Indian judicial system even in case a complaint made by a whistleblower results in a legal action may be a big deterrent. The long court proceedings may be economically and emotionally exhausting to the whistleblowers, which only makes other people afraid to do so. To summarize, the obstacles to the realization of the Whistle Blowers Protection Act, 2014, are complex and in-depth. These barriers can only be overcome through legislative changes as well as a radical change in political commitment, societal attitudes and institutional abilities. The Act will fail to achieve its potentials of being a real ethical support of transparent and accountable Indian governance unless it addresses these fundamental problems.

Recommendations for Strengthening the Act and Fostering Ethical Governance

A multi-faceted reformation plan (such as the legislative, institutional, and cultural ones) is a necessity to transform the Whistle Blowers Protection Act, 2014, into the laws that, on the one hand, are intimately linked to the excellent intentions but, on the other hand, are not that useful to refer to in India. These are recommendations based on the study of the weaknesses in the Act, the difficulties in the implementation and the lessons the Indian experiences and the best practices that should be followed internationally.

A. Legislative Reforms: The Act also needs to change fundamentally in order to expand its scope, improve the protection and create incentives that will encourage reporting:

- **Increasing Scope: Inclusion of the Private Sector and Corporate Whistleblowers:** The most pressing change has to be the addition of the legislature to the private sector and corporate employees. The current inability to include a large portion of the workforce puts a substantial portion of the workforce at the mercy and allows business malpractices to go scot-free. It must be a healthy amendment, which obviously includes all forms of organizations, official and non-official, all forms of employees, contractor and consultant. This expansion must also provide a clear detail on the genre of disclosures which must be protected in the private sector, such as the financial fraud, environmental crimes and the labor atrocities.
- **Increased Safety: Increased Protection of Dissenting and Retaliation:** The Act must be reformed in a manner that it not only comes up with truly anonymous complaints but also the identity of the whistleblower may not be revealed to the Competent Authority

under any circumstances, unless it is absolutely necessary to the investigation and with the prior approval of the whistleblower. This could be accomplished through the encrypted online portal as well as through the third parties. In addition, it should be made much more powerful in terms of victimization and retaliation. This includes:

- **Reversal of Burden of Proof**: Giving the employer the burden of proving that any ill action occurring against a whistleblower was not retaliatory. Expanding the meaning of the term victimization to also encompass any evidence of subtle harassment, isolation in the workplace, and lack of opportunities.
- **Expanded Definition of Retaliation**: Broadening the definition of 'victimization' to include subtle forms of harassment, professional isolation, and denial of opportunities.
- **Incentives and Support**: Introduction of Financial Rewards and Rehabilitation Programs: To spur the disclosures and offer a safety net to the whistleblower, the Act ought to come up with provisions of financial rewards to the successful disclosures especially where there was great recovery of government funds or assets. U.S. False Claims Act. These rewards ought to be in percentage of the amount owed back, and this gives a physical reply. Also, there is the need to have comprehensive support and rehabilitation programs. These should include:
- **Legal Aid:** Providing free legal assistance to whistleblowers throughout the process.
- **Rehabilitation and Reinstatement**: Assuring the reinstatement mechanisms of the unfairly dismissed whistleblowers and offering help in the professional recovery of these individuals.
- **Review of Time Bar**: Re-debate of the Seven-Year Limitation Period: The seven-year period of time on disclosure must be reconsidered and maybe changed or made more adaptable. Numerous sophisticated frauds and corruption can only be revealed after a period of time. It should be centered on when the wrong was discovered and not necessarily when it was committed particularly in a continuous crime.

B. Institutional and Administrative Reforms

In addition to the legislative change, strong institutional and administrative reforms are essential to the competent execution and enforcement of the Act:

- **Establishment of a Dedicated, Independent Authority for Whistleblower Protection:** An effective and adequately staffed Whistleblower Protection Authority (WPA) must be established. This institution ought to be independent of the current anti-corruption organizations in order to have a single organization that is only concerned with the protection of whistleblowers. WPA would have ensured that it is independent of political and bureaucratic interference and leadership appointments should be done openly.

- **Public Outreach Mandate**: A clear mandate to conduct public awareness campaigns and provide guidance to potential whistleblowers.
- **Streamlining Complaint Mechanisms and Ensuring Timely Redressal:** The filing and investigating complaints process should be simplified to bring about efficiency and speed. It involves: easy reporting channels, rigid schedules and periodic reporting.
- **Training and Sensitization Programs for Public Officials and Judiciary:** All stakeholders in the whistleblower protection ecosystem, such as government, law enforcers, prosecutors and the judiciary need to undergo comprehensive training and sensitization programs.

Conclusion: Towards a Robust Ethical Backbone

Summary of Findings

In 2014, the Whistle Blowers Protection Act was launched to bring about accountability and transparency in the Indian system of governance by introducing a legal procedure that would safeguard the whistleblowers who will report corruption and power abuse. Taking a closer look at the legislation of the Act, its purpose in the legislative work, the effectiveness of the functioning and the issues on the functioning and the implementation of the Act prove a multifaceted picture. Despite the Act being a significant move in the right direction as it formally recognizes the importance of whistleblowing and the legislation tool of doing disclosures with security, the fact of its current state and performance does not seem like an effective ethical support of the modern time leadership in India.

The Act has weaknesses, although it has strengths. The most obvious of its shortcomings is that it excludes the private sector, and thus leaves a huge majority of potential whistleblowers unguarded. The fact that the mechanism cannot even offer truly anonymous complaints, there are no such things as financial motivations, and there are no support and rehabilitation resources that may be offered to victimized whistleblowers further deteriorates its usefulness. The time restriction of seven years regarding disclosure is also a challenge to practice.

Challenges in Implementation:

By notifying and partially implementing the Act, its efficacy in its operations has been brought under a severe shock. The cause of this legislative inertia is said to be often driven by lack of political will, bureaucratic opposition, and the very fact that whistle blowing is a threat to the vested interests. The societal conditions of spreading fear of retaliation and the absence of awareness in the population are other causes contributing to the situational environment in which whistleblowing is a risky activity.

Future Outlook and Call for Action

The success of any whistleblower protection regime in India is intrinsically connected with the future of the transparent and accountable governance in this country. Whistleblowers are not just informants they are the most important watch dogs of the common good, and they are usually the initial barriers of corruption and malfeasance. Their bravery in telling the truth to authority, which in many cases comes at the extreme cost to them, should be supported, guarded and motivated.

All the stakeholders should work towards a concerted and long-term effort in order to make sure that the Whistle Blowers Protection Act, 2014, really does serve the purpose it is supposed to. This includes:

1. Immediate and Full Implementation: The first and the most vital action would be the instant and complete notification of all the provisions of the Act, so as to have its total operationalization.

2. Robust Institutional Building: An independent, committed, and adequately resourced Whistleblower Protection Authority is required to facilitate a streamlined and quality management of complaints as well as provide protection of the whistle blowers. This should be supplemented with increased training and sensitization of all the concerned government officials and the judiciary.

3. Developing a Culture of Integrity: Along with the reformation of the laws and institutions, the social understanding of the whistleblowing is to be changed. The culture of whistleblowing as a civic duty and an act of disloyalty as a civic duty should be altered through the campaigns of raising awareness among the population, ethical leadership in the government and the non-governmental sector, and through the participation of the civil society and media.

By concentrating on these areas of critical concern, India stands to have a truly robust ethical base of its governance not only one that is protecting the individuals who report malpractices, but also one that would encourage openness, responsibility and honesty. The past experience is self-evident: it costs a lot to not execute it, and it costs even more to execute something to change things. The Whistle Blowers Protection Act, 2014 is at its peak and it will soon see the light of the day and will take place in the fight against corruption and good governance in India.

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Environmental Law & Companies Accountability: Lawful Vital For Sustainable Development

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ENVIRONMENTAL LAW & COMPANIES ACCOUNTABILITY: LAWFUL VITAL FOR SUSTAINABLE DEVELOPMENT

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ABSTRACT

The meeting of corporate accountability and environmental law describes an important outline for the growth of sustainable development in the present global scenario. Various International treaties like the Rio Declaration, the Paris Agreement & Sustainable Development Goals etc. have framed the legal and standardized the basic foundations that are needed by all the states and the companies for facilitating the preservation of ecology and responsible for the management of the resources used which are given by the nature. This paper scrutinizes how the laws related to the environment outline the conduct of the company through the various liabilities related to the compliance mandates, combining the provisions of various principles and doctrines like polluter pays, precautionary principles, etc. Study of the jurisprudence, literature, and the provisions of the various statutes, which shows the various gaps between the intention and implementation. This research paper will conclude by citing the important shift towards binding the obligations that are lawful for companies under environmental law, which ensures that corporate governance is not restricted to self-regulation but functions as a duty imposed by law to justify multigenerational equity and world security related to ecology.

Key Words: Corporate Social Responsibility, Environmentally Sustainable Goals, Sustainable Development, Treaties, World Sustainable Development.

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Introduction

According to the Report of Brundtland the Sustainable Development means the development that fulfills the present time without any compromising ability for the future generations for meeting their own needs of the generations (United Nations, 1987, p.43), gives the normative framework regarding the balance of economic progress, social justice and protection of the environment. Companies play an important engine for the production and consumption of environmental resources at the world at large provided by the nature to us for the better living. The usage of the resources by them acts as both a contributor and a signal towards the lowering of the Sustainable Development, which makes the companies accountable and a main aim for environmental law and concern (Tietenberg & Lewis, 2018).

For regulating the corporate environmental attitude through which societies and states constitute the legal architecture, environmental law plays an important role. This law mentions the standards, provides for the liability and provides incentives for compliance of the law. In today's time, companies are not only treated as profit-making actors but also liable and duty- bound towards the impact and factors affecting the environment and the society which sometimes leads to the negative impact over the society and nature due to the wrong usage of the resources available to the companies (Faure & Hart, 2006).

When accountability is paired with the resilient leadership of corporate it moves beyond mere compliance and becomes a strategic imperative for long term viability and competitive advantage. This integrated approach allows businesses to better manage risks that adapt the effective and rapid changing world. CEA (Corporate Environmental Accountability) involves the various liabilities with the transparency, reporting etc. Regulatory demands, market pressure and ethical considerations are considered as the core of environmental accountability with relation to corporate liability.

Ethical and Visionary guidance, Oversight and integration, culture and empowerment, proactive risk management, etc., are the main roles of resilient corporate leadership which are important and embedded in environmental accountability into the core strategy of the business.

This research asserts the lawful accountability of the companies, which is a requisite for sustainable development. It further examines the development of the conditions for examining the documents, which checks the corporate behavior for analyzing the accountability and the challenges for regulating the challenges regarding the environment and sustainable development by the companies. For

identifying the research gaps and for recommending the reforms for strengthening the accountability, doctrinal analysis, case studies and empirical examinations of the corporate disclosure practices.

Literature Review

An extensive scholarly literature showcases the accountability of the companies that harm the environment. This scrutiny arranges the field in three important stands: (i) doctrinal and normative analyses of the liability frameworks; (ii) reporting of the empirical and policy evaluations, and (iii) due diligence on transitional perspectives of supply chains.

Normative and Doctrinal Analysis: Traditional laws related to the environment were limited towards the Indian Jurisdictions only. Various doctrines of the law of tort, like negligence, nuisance and strict liability, were considered as the main avenues for the redress for the violations of the provisions related to the environment (Burr & Ghosh, 2019). Researchers and Legal Scholars faced difficulties in imputing the causation regarding the diffusion of pollution and were criticized for the lack of compensation when there was a need for ecological restoration in society for the violations of these provisions, which harm both the environment and the society (French & Schon-Riley, 2010). Due to this, the principle of corporate criminal liability got the attention, specifically concerning deterrence and symbolic criticism (Faure & Hart, 2006). Still, the research focuses on the criminal sanctions and fines and sometimes fails to show the scale of corporate wealth for such violations (Johns,2013).

Disclosure and market-based mechanisms: The second strand discusses the various range of disclosure obligations, market-based mechanisms, and voluntary governance mechanisms or regimes. Research related to corporate social responsibility (CSR) and environmental, social, and governance (ESG) reporting has illustrated the trade-off between transparency and greenwashing of the violations of the provisions regarding the protection of the environment through various laws prevailing in the state (Delmas & Burbano, 2011). Eccles and Serafeim (2013) propose that a quality disclosure should allow for standardization and third-party verification. Recent literature also examines the impact of the Task Force on Climate-related Financial Disclosures (TCFD) and International Sustainability Standards Board (ISSB), both streamlining disclosure frameworks (FSB/TCFD, 2023; IFRS Foundation/ISSB, 2023)

Multinational Accountability and Supply Chains: The new and current wave of research checks the accountability of the companies across the worldwide supply chain. As per the debate by the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), has shared the views

about the obligations with regard to due diligence (European Commission, 2024; EUR-Lex, 2024). Researchers debate laws that extend the responsibility from the direct operations involving both the upstream and downstream impacts (Leite, 2024). Though optimistic, enforcement in developing jurisdictions, proof of causation, and transnational compliance monitoring continue to pose challenges (Mancini, 2020; Eller, 2025).

Research Methodology

Research Design

This work adopts a blended method of design, covering doctrinal legal analysis, comparative case studies, and empirically analyzing the content of the companies' reports. This triangle confirms both the empirical and normative insights.

Doctrinal Analysis

This contains the analysis of the acts, principles, doctrines, and precedents that govern the accountability of companies related to the environment. Various sources like UK Environment Act 2021, EU Directive 2024/1760, and international treaties like Convention of Aarhus (UNECE, 1998), identify the liability standards, remedies and enforcement mechanisms.

Comparative Case Analysis

For examining the legal outcomes, responses by the corporates and the regulatory lessons, three case studies were analyzed:

(1) Deep-water Horizon (USA, 2010), (2) Bhopal (India, 1984) and

(3) Contemporary supply chain controversies.

Growth of Environmental Principles and Norms

The evolution of environmental laws has gone through various key and important principles, which is now an integral part of the corporate frameworks and accountability. European Environmental law originated the precautionary principle, which requires companies to work within the realm of scientific uncertainty. For assigning the liability to the parties regarding the economic accountability, the polluter pays principle came into play (OECD, 1972). With respect to the duty toward future generations, various principles like intergenerational equity and sustainable development originated (Weiss, 1992). Landmark judgments like M.C. Mehta vs. Union of India (1987) showcased the various judicial applications of these principles for enforcing corporate responsibility.

Various Statutes governing the Behavior of the Companies Regarding the Environment.

Many statutes, like the law of tort, criminal laws, administrative laws and various treaties and other laws govern the accountability of the companies.

Statutory Composition: There are various acts, like, UK Environment Act, 2021, and the EU Directive Act 2024/1760 impose due diligence and require reporting of the liabilities. While the Environment Protection Act of 1986 empowers regulators to set up the standards and sanctions for violations of the norms and formalities. This framework was developed as the founding liability for the violations of the guidelines.

Law of Tort: Various doctrines like the doctrine of nuisance, negligence and strict liability allowed the victims to recover damages. But evidence of causation and limitations in trans boundary harm often harm and stop the efficacy of the law of tort.

Criminal Liability: using and discharging of unlawful pollutants in the air sometimes may result in corporate fines, and in some serious situations, the officers may be behind bars as well. In day-to-day practice, penalties remain modest as compared to corporate revenues, which limit the deterrence (Johns, 2013).

Administrative Remedies: Licensing regimes, compliance inspections and administrative penalties which support the judicial enforcement via resource constraints that hamper the regulators.
Soft Law: Frameworks like United Nations Guiding Principles on Business and Human Rights (2011) and Organization of Economic Co-operation and Development Guidelines for Multinational Enterprises (2011) encourage voluntary compliance. But they miss the binding effect which raises the concerns regarding the green washing (Delmas & Burbano, 2011).

Accountability Structure

Disclosure obligations, civil liability, criminal sanctions and corporate reforms are the accountability mechanisms to ensure the enforcement of corporate environmental obligations.

Disclosure

Task Force on Climate-related Financial Disclosures (TCFD) and International Sustainability Standards Board (ISSB) set out the standards, which are mandatory for reporting frameworks. This

not only improves the transparency but also depends on rigorous enforcement and verification for the companies around the globe.

Civil liabilities

Civil liability is also a very important part of the accountability mechanism. The challenges of securing adequate redress from multinational corporations were clearly illustrated during the Bhopal Gas Tragedy (1984). Civil liability is also considered as a very strong and important part with regard to the accountability mechanisms for companies related to environmental protection and violations of the provisions. The challenges of securing adequate redress from multinational corporations were clearly illustrated during the case of Union Carbide Corporation vs. Union of India (1984), primarily referred to as the Bhopal gas Tragedy, which established the principle of absolute liability ordering the company to pay the claims to the victims. A similar judgment was passed by the court in the case of M.C. Mehta vs. Union of India, referred to as the Shri Ram Fertilizer case or the Oleum Gas leak case.

Criminal liability

Corporate criminal liability is a symbolic condemnation; it performs a deterrent and expressive function, representing legal condemnation. It causes severe environmental harm, but fines are often inadequate, and the lack of enforcement mechanisms often leads to no punishment for the offenders. There are various instances where the judiciary has imposed various penalties on companies that have committed violations of the environmental provisions. Best to discuss cases like the Oleum gas leak case, the Bhopal case tragedy, etc., where the court has convicted various persons for negligence due to which mass destruction took place in society, which provided for the compensation and relief to the aggrieved parties with regard to the justice.

Government Reforms

There are various sources and documents that showcases about the enforcement models, key tools and mechanisms by the government for the reforms related to the companies violating the environmental provisions. Some of them are:

The Environment Rules, 2025: to deal with human resources and the deficits with the infrastructure of the CPCB and SPCBs, the ministry of Environment, Forest and Climate Change ordered by the Environment Audit Rules of 2025. It had involved key features like third party verification, Random Assignments and broad scope of the provisions (MoEFCC, 2025).

Key Environmental Regulations: Uses the command and control permits for the punitive actions, providing for the closure orders of electricity, water fines etc. with the core philosophy of deterrence and regulations including penalties and fines.

Corporate Sustainability & Laws: Juris Centre provides for compulsory reporting of the Business Responsibility reports for the top listed companies of the country, with the aim to have proper transparency with inputs and outputs sometimes lack behind the penalties for the performance of the companies with reference to the work related to the environmental protection.

Case Studies

Deep-water Horizon (USA, 2010)

The BP oil spill resulted in the largest environmental disaster in US history. Litigation led to over USD 65 billion in fines and settlements. This case demonstrates the potential for strong penalties but also reveals the devastating ecological and social consequences of regulatory failure.

Many causes, including a series of mechanical failures and poor decisions and an insufficient safety culture, including defective cement, failed pressure test, BOP, etc. are found during regular investigation by official investigation. This incident was a huge disaster marked as an ecological and environmental disaster. Approximately 210 million gallons of oil leaked, causing direct physical, chemical and ecological harm to marine life presented at Gulf of Mexico, Shorelines of Louisiana, Mississippi, Alabama and Florida, etc. were highly affected and faced severe damages. Though the spill affected human health, economy and legal and financial framework but environmental damage was highest damage. This case showed the negligence and ignorance of corporate companies towards environmental sustainability.

Bhopal Gas Tragedy (India, 1984)

One of the biggest disasters of Indian history, and a prime example of corporate negligence and hazardous outcomes of such irresponsibility, the Bhopal Gas Tragedy is marked dark page of history. This disaster was caused by combination of corroborative management negligence and poor maintenance. Toxic gas cloud was formed due to sudden and uncontrollable leak of methyl isocyanate (a very toxic and dangerous gas) causing immediate death, respiratory distress and pulmonary edema etc. Union Carbide Corporation (UCC) parent company of UCIL was held liable for not tracking and mismanagement of safety measures and procedures. This established the principle of absolute liability, providing the companies liable for the act even if they have taken proper care and measure (UCC vs. Union of India, AIR 1988 SC 1531).

Supply chain accountability

Corporations implicated in deforestation through palm oil and soy sourcing illustrate challenges of monitoring complex global supply chains. Recent EU due diligence laws seek to impose extraterritorial accountability.

M.C. Mehta and Anr. v. Union of India & Ors. & Shriram Foods and Fertiliser Industries

It is considered as one of the most important case in the Indian Environmental Jurisprudence. It also introduced the principle of absolute liability which strengths the accountability of the dangerous industries. Further, this case showed the importance of Article 21 of Indian Constitution.

Transnational Dimensions

Courts are now more willing to make parent companies answerable for harm caused abroad. Accountability is difficult due to globalization as companies work in many countries under various sets of law. The UN's draft on business and Human Rights is few of the major efforts to fix this, which creates common international rules. Milieudefensie v. Shell (2021) is a good example, where a Dutch court held Shell responsible for environmental damage that was caused by its Nigerian operation.

Corporate Governance and Environmental Risk

Enforcing duties is still weak because the law does not clearly define directors' environmental responsibilities. Though, under Section 172 of the UK Companies Act 2006, directors must consider various environmental issues while making a decision. Stronger environmental, social, and governance (ESG) practices are strongly pushed by shareholders and investors.

Policy Recommendations

- Strengthen penalties by making punishments stronger to ensure proportional deterrence and stop companies from breaking rules.
- Expanding statutory due diligence by making companies check their whole supply chain.
- For enforcing law, especially in developing countries, to improve the ability of governments.
- Verification and company reporting to create common international rules for company.
- Clarifying directors' duties related to enforcing accountability for protecting the environment.
- For worldwide integrating co-operation among companies.

Conclusion

Achieving sustainable development requires strong corporate accountability within environmental law through enforceable legal obligations, not just goodwill. While legal frameworks are in place, inconsistent enforcement across jurisdictions hampers real progress. Leadership accountability must be made official; directors and executives should face personal liability for environmental violations. This will ensure decision-makers cannot shift ecological costs onto others without facing consequences.

Sustainable corporate governance needs to include environmental duties as part of fiduciary responsibilities. This shift will change boards from passive observers into active guardians of ecological integrity. Global reporting standards must be legally binding, and transparent disclosure processes should be reviewed by independent audits and regulatory oversight.

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Resilient Leadership in Times of Crisis: Safeguarding Human Rights and Upholding Corporate Accountability

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RESILIENT LEADERSHIP IN TIMES OF CRISIS: SAFEGUARDING HUMAN RIGHTS AND UPHOLDING CORPORATE ACCOUNTABILITY

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ABSTRACT

The entire world is experiencing global challenges like pandemics, climate change, and geopolitical tensions, which resulted into a changed nature of the business environment, forcing business leaders to respond in highly volatile and ethically demanding situations. Such crises not only distort business activities; but they also measure the sincerity of business dedication to human rights. The present research explores that the how resilient and ethical leadership can include human rights protection while response to business crisis. The authors have adopted a doctrinal research approach for the paper examine international and national frameworks such as the UN Guiding Principles on Business and Human Rights, core ILO conventions, and the new human rights due diligence legislation. The paper will also discuss on leadership theories to develop a concepts of resilience as an ethical capacity created through learning rather than individualistic heroism. The paper will reveal the discrepancies between international standards and business practices, especially during times of crises. The paper will conclude that business resilience can only be achieved through ethical leadership.

Keywords: Resilient Leadership; Human Rights; Corporate Accountability; Crisis Governance; Business Ethics; Legal Frameworks

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Introduction

The COVID-19 pandemic has profoundly changed the ways in which governance and leadership are exercised across the world, forcing both public and private sectors to react quickly in highly uncertain environments. Yes, some of the public and private areas have shown the capacity to change, be transparent, and be resilient, mostly in developing countries, which have faced problems with weak decision-making, rigid bureaucratic systems, and broken communication. There are many factors which have led to delay responses, not consistent policies, and a lack of clear loss of public and stakeholder trust. Recent studies have focused that the results of the crisis were much better when leadership was adaptive, institutions were flexible, and communication remained coherent and responsive.

In some areas of South Asian region, the COVID pandemic has created immense pressure on already poor administration and economic institutions. In Pakistan, the city of Karachi, for example, has highlighted that how a lack of readiness, a less focused approach to governance, and not pro- active leadership has hampered the ability to respond to emergencies effectively. Similar issues have also visible in the corporate world, where interlinked global crises such as pandemics, climate change, and geopolitical tensions have revealed the ethical underpinnings of business leadership. Crisis management has acted as a stress litmus test of organizational values, showing whether human rights values were considered or not.

Research Methodology

The study uses doctrinal analysis based on major international and national human rights instruments, and leadership and human rights scholarship to contextualize corporate responsibility, due diligence, and accountability.

In this inquiry, three significant questions are posed:

1. How do crisis contexts refigure leadership imperatives related to resilience?
2. What normative obligations do international frameworks impose on corporations, and how do gaps manifest in practice?
3. Might a synthesized framework operationalize resilient leadership as a human rights protection?

Identification of Statement of the Research Problem

The article connects leadership theory and human rights law, analyzing standards, gaps, and future frameworks, using real-world crises to demonstrate how ethical leadership facilitates sustainable and rights-respecting corporate governance.

Analysis & Findings of the Research

This section offers a doctrinal and analytical review of resilient leadership, crisis governance, human rights obligations, and corporate accountability, divided into retained thematic sub-sections to ensure conceptual coherence and continuity.

Crisis Contexts and the Emergence of Resilient Leadership

The world is facing global crises in complex ways, ranging from the day-to-day crises of the COVID-19 pandemic, which effectively shut down 1.5 billion global workers in 2020, to the traditional crises of the phenomenon of climate migration, which forces 21.5 million people to move from their homes and livelihoods every year, and other more unique crises, such as the hybrid threat of cyber-attacks and trade wars, among others. These are crises that cascade across geo-political boundaries, threatening human rights in ways that range from the shut down of factories in India, which sent millions of workers in the informal economy back to the streets, to the cancellation of garment orders in Bangladesh because of safety concerns.

Resilient leadership is not possessed by anyone as a kind of innate heroism but rather acquired as a skill: to absorb shocks, find answers on the fly, and spark transformation. For example, in the face of Hurricane Katrina in 2005, effective leaders such as those at Entergy worked to coordinate responses with agencies in rebuilding a community devastated by the hurricane in contrast to firms that were driven to reward shareholders as opposed to retaining workers in the aftermath of the disaster. As this example illustrates, 'governance' is transformed with boards engaging in long-range planning, now thinking in terms of a decade rather than a quarter and including "black swan" scenario planning. In India in 2021, for example, the oxygen shortage exposed some pharmaceutical firms such as Serum Institute who responded ethically to crisis to gain public trust in contrast to those firms who engaged in supply hoarding.

The key takeaways are the need to ensure legitimacy by being open and engaging with stakeholders, thus countering reputational damage, as seen in the Boohoo scandal in Leicester in 2020, where claims of modern slavery led to a 12% drop in market value.

Conceptual Foundations of Resilient and Ethical Leadership

Fundamentally, the essential qualities of resilient leadership can be categorized into three areas: cognitive systems thinking, emotional humility in high-pressure situations, and behavioral empowerment of stakeholders. The moral foundation of resilient leadership is based on Aristotelian virtue ethics, in which phronesis, or practical wisdom, assists in dealing with situations characterized by bounded rationality, particularly in high-pressure "fog of war" environments. Resilient leaders also follow the precautionary principle, which Airbus followed in deciding to temporarily halt the operation of its 737 MAX aircraft in the absence of comprehensive information, as seen in its proactive response to safety concerns.

Decision-making in a tough spot benefits from applying the following heuristics: use the 'value-sorting' approach of prioritizing human value first, and then profitability. The theory of Responsible Leadership (RLT) proposes that the leader functions as a moral agent in pluralistic settings. The theory of RLT will be able to induce a sense of 'we-intention' through the activity of narrative co-creation. Resilient teams outperform based on empirical evidence from humanitarian responses. Psychological safety - the Project Aristotle equivalent for the crisis setting - is what will surface in the event of dissent, and could be detrimental early on. Humility is revealed and encouraged during the post.

For ethical crises, care ethics emphasizes relational obligations, such as safeguarding the interests of vulnerable contracting firms rather than economizing. Consider the Tata Group's cyclone relief efforts in the state of Odisha in 1999, which created lasting allegiance, unlike the Vedanta Niyamgiri scenario, where ethical failures have triggered lawsuits. These bases involve nurturing through simulations, coaching, and board compositions, thereby turning threats into principles.

Human Rights Obligations of Corporations during Crises

International human rights law, in short, applies primarily to states, but corporations have obligations to avoid complicity in HR violations: respect life, health, liberty, non-discrimination, etc.

The increase in global crises has made it more pressing: the pandemic, for instance, increases the probability of forced labor globally by 20% according to ILO estimates.

The sources derive from the following: UDHR Article 25, right to health/security, ICCPR Article 7, not to be treated cruelly, ICESCR Article 7, just conditions.

Organizations need to undertake impact assessments pre-emptively, covering even Tier 2 suppliers when uncertainty leads to violations, such as those in cobalt mines in Democratic Republic of Congo, fueling EV production in a climate of emergency. The law is evolving, and there is a European Commission-based EU Directive in 2024 that includes civil liability provisions, piercing the veil principle, in its Corporate Sustainability Due Diligence legislation. Even in India, Companies Act Section 135 includes indirect provisions regarding community-based rights in its CSR provisions.

Leaders operationalize by policy commitment: 'no profit at rights' expense.' Remedies-investigations, compensation-restore legitimacy, as Nestle's Maggi remediation since 2015 demonstrates. The imperative is beyond morality; rights violations cost the $4.4 trillion/year that the Access to Medicine Foundation calculates.

UN Guiding Principles on Business and Human Rights and ILO Frameworks

The three-fold framework of UNGPs—Protect (governments), Respect (companies), Remedy—grounds corporate responsibilities, and Principle 17 requires HRDD: identify, prevent, mitigate, account. HRDD processes are integrated with enterprise risk management (ERM), and boards set salient risks (labor in the garment industry, for example). Management implements through cascade training, where senior managers set the example, and mid-managers implement audits.

The ILO frameworks strengthens the labor pillars with conventions 87 (association), 98 (bargaining), and 155 (safety) that are non-derogable, even in emergency situations. This is challenged by emergencies, such as the 2020 furloughs that ignored consultations in 40% of Indian companies, according to Oxfam. Synergies are created through UNGPs Principle 11.

Case study: Unilever's HRDD maturity model includes supplier scorecards, which have reduced child labor by 84% from 2010 to 2020. Accountability flows down to CEOs through tone at the top using KPIs, public reporting using Principle 19. Large gaps: voluntary status results in 30% superficial compliance on Shift audits.

Corporate Accountability and Crisis Governance Mechanisms

Accountability depends on transparency (Principle 19), monitoring (18), and the grievance system (29-31). Crisis Boards call on war rooms with independent experts, with incentives tied to rights-based key performance indicators—$65B, BP's Deepwater Horizon case is a failure of such an approach. Dialogue between stakeholders implements Principle 30, with operational remedies leading to judicial escalation.

Mechanisms include:

1. Internal audits with whistleblower facilities (80% effectiveness - ETI);
2. External verification such as SA 8000; and
3. Real-time dashboards via public information. Specific to India are localization requirements: SEBI's BRSR (2021) requires rights disclosures for the top 1,000 firms

Deficits- worries of retaliation idle 70% of concerns-necessitate safe harbors. Success stories: Maersk developed a 2022 due diligence app that identified over 500 concerns preemptively.

Integration of Human Rights into Crisis Management and Leadership Practices

Integration requires HRDD-embedded BCP: Baseline mapping

Phase 1 (Assess); Phase 2 (Integrate) Policy alignment; tracking Phase 3 (Track) - KPIs; Phase 4 (Communicate) Stakeholder reports.

Leaders set examples: At Adani Ports, cyclone preparedness required the protection of human lives first ahead of company property. Practices include simulations incorporating rights scenarios, such as strike-breaking risks; ethical AI for supply chain tracing; and diverse C-suites-women 30% reduce bias per McKinsey. Pandemic wins: Pfizer's vaccine equity pacts with COVAX. Challenges-Cost pressures-yield to ROI: rights-compliant firms outperform by 5-10% TSR.

Normative Gaps and Challenges in Leadership and Human Rights Enforcement

Even as the standards of human rights continue to be widely accepted, effective implementation remains a challenge, especially in emergencies. Soft-law instruments such as the UN Guiding Principles may sometimes lead to box-ticking rather than accountability, which is further exacerbated by unclear supply chains and weak regulatory oversight in emergency situations. In such situations,

companies are likely to give greater importance to their shareholders than to workers' rights, and a lack of employee engagement and selective audits would further widen the gap.

Conclusion

This research makes it clear that true resilience in a crisis is not based on rules and decision-making, but on people, values, and relationships. Leaders who remain calm and act with integrity give institutions the confidence to be flexible without compromising human rights. When institutions are flexible and accountability is taken seriously, crisis responses become more humane as well as more effective. The proposed framework views leadership as a living process—one that anticipates risks, learns from mistakes, and puts dignity at the forefront of decision-making.

It is not optional to prepare leaders for the next crisis; it is necessary for protecting institutions and the people who depend on them. Suggestions for Practice

- Embed HRDD into leadership KPIs, incorporating annual audits.
- Simulate crises using rights scenarios and NGO partnerships.
- Legislate supply chain liability for MNEs.

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SHIFTING THE GOVERNANCE PARADIGM FROM BOX TICKING COMPLIANCE TO ETHICAL LEADERSHIP AND RESILIENCE

Swasti Jain[1]

ABSTRACT

This paper underscores the need to do more than compliance in consonance with the Indian Corporate legal framework and build the business in line with ethics and integrity. Despite the comprehensive company regulation frameworks that included the Companies Act 2013, SEBI (LODR) Regulations 2015, Kotak Committee reforms, and ESG-oriented reporting standards (BRSR, BRSR Core), the gap in leadership still persists. The study points out that the successful organizational strength is attained by the leaders who are concerned with integrity, stakeholder interests, and adaptive resilience instead of merely meeting the regulatory needs.

The discussion addresses the legal responsibilities of the directors, the independent nature of the board members, the fiduciary responsibilities, and the responsibilities of the board committees to ensure ethics. It also takes a reflection on how the ethics in the processes of international best practice (including OECD Principles and UK and Singapore governance codes) are integrated. Through case studies of ICICI Bank and PNB-Nirav Modi, the paper shows that only procedural compliance can work in situations where there is no leadership commitment towards transparency. Finally, the paper proposes certain reforms, such as statutory ethical leadership standards, increased governance of ESG, and ethics-based board evaluation.

Keywords: Ethical Leadership, Corporate Governance, Organizational Resilience, Stakeholder Trust, ESG Reporting.

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Introduction

The history of India over the past decade shows that even the presence of sophisticated institutions of governance is insufficient to prevent the downfall of a company; however, the presence of ethical governance that views compliance as a bottom but not a peak is what separates the strong and the weak companies. The IL&FS, ICICI Bank, PNB Nirav Modi, and Yes Bank cases are characterized by structural ineptitude in ethics, where compliance with the regulations is formal and co-existent with lax board and oversight, conflicted decision-making, and a permissive culture towards the issues of the same. In this paper, it is suggested that the governance paradigm that should be applied to India should not just be a set of boxes that are ticked but a model where leadership accountability, stakeholder-centred judgment, and organisational resilience are integrated as part of the steel framework of corporate decision-making.

The post-Kotak Committee reforms and Companies Act of 2013, the SEBI (LODR) Regulations of 2015, and business-level failures such as the PNB Nirav Modi scandal, the ICICI Bank governance crisis, and the Yes Bank woes all maintained a watchful eye on high-profile collapses such as the PNB Nirav Modi fraud, the ICICI Bank governance crisis, and the Yes Bank distress. In both instances, later examinations indicate underlying inadequacies of tone at the top, a lack of director independence challenge, and condoning related party benefits, which do not fit fiduciary stewardship, as well as breaches of internal controls and risk management. Collectively, these instances indicate that in cases where boards perceive governance as a documentation activity as opposed to a vibrant system of values, incentives, and accountability, formal compliance may cofactor with the occurrence of severe ethical violations.

The global mechanisms, such as the G20/OECD Principles of Corporate Governance, emphasize the use of risk management, sustainability, and stakeholder involvement in board responsibilities to link moral leadership with long-term value generation and market confidence (Organisation for Economic Co-operation and Development, n.d.) [1]. The increasing demands on good governance in India and on the global front are demands that go beyond legal provisions to requirements that boards and senior management possess the ability to anticipate the non-financial risks, solve the social and environmental externalities, and have confidence in the face of unpredictability. Ethical leadership is used as a resilience mechanism in this scenario: leaders who respect the interests of the

stakeholders, internalise fiduciary obligations, and encourage open dissent are in a better position to perceive faint signals of malfeasance, bounce back, and keep credibility in volatile markets.

Identification of the Statement of Research Problem

The implementation of major Kotak Committee recommendations, the enhanced LODR requirements, and the transition to BRSR and BRSR Core are all indicators of the current trend in regulatory direction of India, which has significantly increased the volume and density of compliance regulations for the listed entities. Nonetheless, several commentators note that most boards respond to such changes with a checklist approach, which focuses on form and not content and views committee structures, disclosures, and ESG reporting as external pressures to be addressed and not as internal instruments for the generation of ethical value.

Research Methodology

It is against this backdrop that the present paper adopts a doctrinal, analytical and comparative research methodology supplemented by several case-studies. It uses doctrinal and analytical methods to analyse various analyses of primary and secondary sources, including the Companies Act and SEBI regulations. A comparative analysis has been done using selected international corporate governance frameworks. It will look at how the corporate governance system in India can be improved to transcend compliance-based reforms in a gradual manner and how it can more coherently focus on ethical leadership and resiliency. It looks at the legal and fiduciary duty of directors, board design and practice of key committees and independent boards, and the inclusion of ESG and stakeholder norms, using both lessons learned in Indian banking scandals and global benchmarks such as the OECD Principles and major common law codes of governance.

Analysis & Findings of the Research

Conceptual Framework and Historical Evolution of Corporate Governance in India

The shift of India away, towards a more resilience-based model of governance, which has started to emerge within India, can be traced back to a series of policy and regulatory interventions that have started to take effect in India as early as the late 1990s. The earliest organized attempt by a business

association in a country to come up with a blueprint of voluntary governance was the Code on Desirable Corporate Governance that was issued by the Confederation of Indian Industry in 1998 and laid an emphasis on independent boards, audit committees, and improved disclosure to attract foreign investment. Based on this, SEBI started the Kumar Mangalam Birla Committee in 1999. Rebuilding on the recommendations of the committee, in 2001, Clause 49 was inserted in stock exchange listing agreements, and a number of these best practices were converted into listing obligations that are enforceable on the listed companies. (Sharma, 2010) [2].

Following a series of failures of corporations both locally and internationally, later committees refined and enhanced this architecture, slowly refocusing the lens to emphasize more of structural compliance than substantive effectiveness. Following the scandals such as the Enron case, the Naresh Chandra Committee (2002) focused on the independence of the auditors and financial disclosure, the Narayana Murthy Committee (2003) concentrated on the use of Clause 49 and proposed more stringent rules governing board independence, audit committee activities, and financial reporting; this led to a revision of Clause 49 in 2004. Though modern commentaries already observed that too many companies regarded these requirements as formalities, these reforms enhanced the significance of independent directors and board supervision, and acting in letter and not in spirit, which constrained their transformative ability. (Securities and Exchange Board of India, 2003) [3].

Following the adoption of the Companies Act 2013 and the shift of SEBI to the new listing obligations and disclosure requirements regulatory framework (SEBI (Listing Obligations and Disclosure Requirements)) 2015, standard elements of corporate governance, including independent directors, board committees, and heightened director obligations, were brought into the primary company law, representing a major statutory convergence. The codification of the directors' duties into the Act formally codified a stakeholder-based concept of stewardship in the Indian company law, giving the directors the responsibility to exercise good faith and the best interests of the company, its employees, shareholders, the community, and the environment. A vivid ethical and social responsibility element was introduced into the governance framework at the same time as the mandatory CSR spending rules were introduced and the gradual construction of ESG-related disclosure requirements was pursued.

The latest development in this chain is the Kotak Committee on Corporate Governance (2017) and consequent changes made by SEBI to the LODR Regulations that focus on the current market issues on related party transactions, quality of governance, and efficacy of the independent directors. The suggestions of the Committee were well-defined as the endeavors to enhance accountability, transparency, and safeguard minority shareholders. Such recommendations included issues such as enhanced reporting of related party transactions, enhanced control of subsidiaries, and separation of the roles of chairperson and managing director in certain companies. The present part of the paper demonstrates the Indian experience of corporate governance as an unfinished yet observable shift in the limited, rule-oriented concept of governance to a resiliency- based approach founded on moral leadership and stakeholder-aware custodianship, against this regulatory and historical background. The adoption of the ESG standards, the difference between compliance-based and resilience-focused strategies, the reconsideration of directors as ethical custodians, and the redefinition of the Indian framework as increasingly concerned with culture and conduct., and long term sustainability all demonstrate that the Indian framework gradually shifts towards a more holistic approach and less preoccupation with structural form (Bareja & Kashyap, 2025) [4].

Existing Legal Framework That Shapes Ethical Leadership in India

By embedding duties of care, loyalty, transparency, and stakeholder sensitivity into numerous statutes and regulations, the current Indian legal architecture creates a normative template for ethical leadership in addition to prescribing governance procedures. When combined, the Companies Act 2013, SEBI's LODR framework, ESG-linked disclosure regimes like BRSR and BRSR Core, and related statutes like the Competition Act, the Prevention of Corruption Act, and the IBC create an ecosystem where ethical leadership is a legal requirement supported by liability, disclosure, and enforcement mechanisms rather than just aspirational rhetoric. These domestic instruments may be complemented by reading the G20/OECD Principles of Corporate Governance 2023, which have placed emphasis on sustainability, risk management, and stakeholder interests to provide a comparative yardstick against which to assess India on its way to resilient, ethically-based governance.

The Companies Act 2013 has made ethical leadership embedded into the law of companies by conducting a thorough codification of the duty of directors and boards. Section 166 broadens

fiduciary duty to deal other than with narrow shareholder primacy, by directing such duty to act in good faith in the interest of the company, its employees, shareholders, the community, and the environment, and by requiring directors to exercise due care and independent judgment, avoid conflict of interest, and undue gain. Whereas audit and nomination/remuneration committees indirectly empowered by Section 177 and 178 have the powers to oversee auditing and nomination, as well as remuneration, clearly, having the required integrity, transparency, and fair compensation structures, Section 149 establishes the position of an independent director as an internal ethics watchdog, specifying that the individual is expected to be objective, neutral, and remedial when it comes to conflicts between management and shareholder interests.

Section 134 links the ethical leadership to financial reporting integrity, where the board is jointly responsible for ensuring the accuracy and completeness of financial statements and reports by the board. Even though it is expressly stipulated as a spending and reporting provision of eligible companies, Section 135 regarding corporate social responsibility suggests a statutory requirement that boards should include social and environmental aspects in strategic decisions.

The main regulatory framework, which involves linking access to the market and quality of governance amongst listed entities, is the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The universal principles of corporate governance provided in Regulation 4 are fairness, transparency, ethical conduct, and responsible disclosure. These values are applied in the understanding of more detailed responsibilities across the LODR framework. Regulations 17 to 21 are concerned with risk management, the important committee roles, and the composition of the board. Based on the National Guidelines on Responsible Business Conduct, the introduction of Business Responsibility and Sustainability Reporting (BRSR) and BRSR Core by the top 1000 listed companies by SEBI means that boards disclose governance, environmental, and social indicators, including anti-corruption policies, value chain integrity standards, and leadership behaviour.

Besides the company and securities law, various special statutes promote more responsible actions of the leaders. The Insolvency and Bankruptcy Code of 2016 deters irresponsible decisions that may harm creditors and other interested parties by making directors responsible for fraudulent or wrongful trade. The amendments of the Prevention of Corruption Act in 2018 provide corporate liability in cases of bribery, which puts boards and top management in a position to adopt powerful anti-bribery and compliance strategies. In the same manner, the Competition Act of 2002 does not

allow cartels and abuses of dominance, meaning that the exclusionary practices and collusion cannot be considered the elements of legitimate business and may impose severe punishment on an individual and a company.

Lastly, the new set of G20/OECD Principles of Corporate Governance (2023) has a valuable soft law standard to increase the domestic framework in India, as they emphasize sustainability, stakeholder engagement, and board accountability towards risk and resilience. The Principles ask governments to ensure directors consider material environmental and social risks, institutional investors to be agents of the public good, and policies on disclosure to enable a market to assess standards of sustainability and good governance, as well as financial performance. In comparison to this norm, the complex legal system of India can be viewed as slowly aligning formal governance duties with a wider notion of moral, resilient leadership, despite the continuing presence of cultural norms and gaps in enforcement between which some of these norms are translated into boardroom action.

Where the Framework Fails: Existing Gaps in Ethical Leadership in India

When challenged in comparison to continuous moral lapses and institutions of flaws in leadership responsibility, the apparently sound governance system in India reveals grave weaknesses. Nomination manipulation usually compromises the independence of directors to act as a real check on executive overreach, as the nomination process should not be influenced by the promoters or the management, even though the Companies Act and the regulations of SEBI stipulate. The most practical example involving board-management collusion refers to the ICICI Bank/Videocon scandal, where independent directors gave loans without reporting any conflicts of interest involving the family of the CEO, and loyalty was given priority over investigation and exposure of how apparent independence covers substance manipulation (Press Trust of India, 2018) [5]. Additionally, ESG accountability under BRSR and BRSR Core is undermined by greenwashing risks, where firms issue unsubstantiated claims on sustainability metrics without verifiable value- chain integration or third-party assurance, diluting disclosures into marketing exercises (Das & Kapai, 2025) [6]. On the same note, the CSR requirements of Section 135 CSR obligations have degraded into vanity: firms use formula projects to hit their spending quotas, without any actual board-level deliberation of how the activities affect society, or how they fit in with the ethical strategy. These loopholes are indicative of a bigger problem: even obligatory reporting does not contribute to the development of resilient and stakeholder-oriented leadership under the increased pressure of investor scrutiny without stringent enforcement and cultural changes.

Illustrative Governance failures through case studies

The failures of corporate governance in India cannot be seen as abstract, as major decisions of the court and governmental actions point to the inability of moral leadership to prevail over formal compliance. Among the well-known cases are Tata Sons v. Cyrus Mistry, Sahara India v. SEBI, the ICICI bank -Chanda Kochhar scandal, the IL&FS debacle, and the PNB -Nirav Modi scam all demonstrate that boards, independent directors and vigilance systems fail because of promoter influence, conflicts of interest, lack of transparency and blindness in risk taking often with negative result to stakeholders.

- ***Tata Sons v. Cyrus Mistry (2021 Supreme Court):*** The Supreme Court affirmed the ousting of Cyrus Mistry as the chairman in the 2021 Tata Sons v. Mistry case, which pointed out that nominee directors should serve the company rather than the person who appointed them and that the court seldom intervenes in board decisions unless they are illegal. Mistry alleged that the promoter-sponsored nominees were oppressing as they were ignoring their duties as stipulated in Section 166 of the Companies Act. The ruling has not touched on how promoter power is also often damaging to the actual independence and how it can easily result in governance being susceptible to insider capture, as it maintains board autonomy (Varottil, 2021) [7].
- ***Sahara India v. SEBI:*** In Sahara India Real Estate Corp. Ltd. v. SEBI, the Supreme Court, by lifting the veil of private placement, demanded over 24,000 crore in the form of refunds on the ground of opaqueness of investments, causing investor misconceptions and ineffectiveness of the regulatory authorities. The Court held that they were public offers under SEBI regulations under the SEBI Act 1992, despite Sahara purporting to be exempt under the provisions of Section 55A of the Companies Act 1956. Sahara had raised millions of dollars without listing or disclosing. The decision sealed gaps that enabled free flows of capital and also supported the wide jurisdiction of SEBI to protect the retail investors from fraudulent schemes in the guise of fundraising. This precedent foreshadows the necessity of more strict rules on the private placement standards with the 2013 Act because it sheds light on the moral gray area of self-regulated transparency, where companies exploit the formalities to pursue growth at the expense of accountability.

- ***ICICI Bank -Chanda Kochhar*:** The controversy of the ICICI Bank was founded on alleged quid pro quo loans to the Videocon Group by the bank CEO, known as Chanda Kochhar, who had links to the commercial activities of her husband. In 2023, Kochhar was found guilty of misconduct and bribery by a tribunal. The related-party transactions in the bank were contravened through the bank code of conduct and fiduciary as well as LODR regulations, wherein the independent directors sanctioned 3,250 crore of credit despite the unreported conflicts. Lapse of vigilance and board collusion was revealed by SEBI and internal inquiry; the example of non-recusal by Kochhar is a demonstration of how personal profit is put above institutional integrity. The case indicates the inadequacy of board oversight and conflict disclosure, which were unethical and showed that the role of stewardship should be followed to the letter to ensure that nominal independence can be achieved.
- ***PNB Nirav Modi fraud and IL&FS crisis*:** The governance explosion that caused the 2018 IL&FS downfall, which resulted in 91000 crore in defaults, was due to aggressive borrowing facilitated through evergreening, lax board management, and manipulated reporting, which triggered a liquidity contagion through NBFCs. The government intervention in the form of NCLT unveiled the executive overreach and collusion of rating agencies, highlighting the vulnerability in the resilience of risk committees and audit functions. Like this, the PNBNirav Modi fraud case included 14,000 crore in fraudulent Letters of Undertaking that were created through insider collusion, SWIFT-core banking disconnections, and failure to pay attention to telltale signs of fraud, a symptom of systemic regulatory and internal control failures. The whistleblower protection and accountability of directors should be reformed because both crises indicate how ethical complacency, as a tolerance to the lack of transparency and conflict, increases vulnerability.

Comparative Insights with the UK and Singapore

The UK, Singapore, and OECD / G20 legal systems provide valuable comparisons to India to the extent that they have more explicitly linked directors' responsibilities and board practice to ethical judgment, stakeholder interests, and longer-term board competence. These parallel models illuminate how the principles-based codes, culture of enforcement, and language of statute can alter ethical leadership from an ideal to a practical necessity.

- **United Kingdom**: The Section 172 of the UK Companies Act of 2006 formalises the duty of the director to act in the good faith of the success of the company, but (in contrast to the Section 174) specifically specifies that they must consider the long-term impacts, the interests of the employees, the relationship between the company and its suppliers and customers, the community and environmental impact, reputation of high standards of conduct, and consideration of long-term treatment of the members. This definition of enlightened shareholder value gives a legal basis to hold directors liable when they disregard the sustainability or broader impact by including an ethical and stakeholder-conscious element in the basic fiduciary duty. In the United Kingdom, the codes of corporate governance were revised in 2024 by the Financial Reporting Council. It has a methodology that is ultimately based on principles and is a comply or explain approach, but emphasizes internal control, culture, values, and purpose in both financial and non-financial (including ESG) reporting. The most crucial board responsibilities include ethical culture and risk oversight since the boards should establish the purpose of the company, align culture with values, provide effective speak-up channels, and provide a clear declaration on the effectiveness of the internal controls. Unlike the more regulation-oriented approach of India, the UK model relies on narrative reporting and market discipline in order to force boards to go beyond mere formal compliance in making ethics and sustainability part of their approach.
- **Singapore:** The 2012 and 2018 editions of the Singaporean Code of Corporate Governance are a mix of guidelines that are prescriptive and promote board professionalism, continual training, and transparent accountability structures. The Code further stresses that individual persons or groups of persons should not dominate the board decisions, demand a majority of independent directors in particular cases, and that induction, orientation, and further training programs provided to directors should be fully reported in annual reports. In line with a continued emphasis on board challenge and ethical judgment quality, in place of directorship being regarded as a purely honorary post, this deliberate targeting of director competence and growth is meant to enhance the quality of board challenge and ethical judgment. The environment of enforcing the expectations is strengthened by the fact that Singapore has an active Monetary Authority of Singapore and Singapore Exchange that support its enforcement. These can include delisting, public reprimands, and fit and proper assessment of directors and key officers. As a matter of fact, such a combination of clear codes, mandatory training, and plausible enforcement has contributed to the creation of a culture where boards are anticipating internalizing ethics, risk management, and stakeholder

sensibility as part of professional responsibility and not the soft add-ons. The systematic board training and disclosure in Singapore provides a viable example to improve ethical leadership capacity in India, where the independent directors often do not experience systematic induction and assessment.

The chapter on sustainability and resilience is specified in line with the 2023 revision of the G20/OECD Principles of Corporate Governance, which also elaborates on past proposals concerning the role of the stakeholders and institutional investors. The Principles call governments to establish mechanisms in which institutional investors should adopt stewardship codes, boards assess sustainability risks and opportunities, and stakeholders are incorporated in a manner that enhances long-term value generation and the robustness of businesses and the economy in general. Ethical stewardship is therefore viewed as a systemic expectation of boards, investors, and even the regulators, instead of a company virtue. In a comparative perspective,

The aspects of the stakeholder-sensitive nature of the duty in the UK and the focus on sustainability in the OECD are already embodied in the statutory responsibilities of directors and the LODR/BRSR regimes of the SEBI, but their normative force is lower due to the flaws in enforcement and the existence of a more checklist-oriented culture. India might be able to enhance its ethical leadership agenda by: (i) clarifying the inclusive responsibilities of stakeholders through practice (as in Section 172 guidance and the required narrative statements); (ii) institutionalizing required and disclosed board education and review on ethics and ESG; and (iii) bringing the stewardship, culture and transparency failures identified in the OECD/G20 framework more into consistency with market and regulatory sanctions.

Proposals for Reforms

The present system of governance in India requires a conscious change in norms: it is necessary to stop viewing ethics as a tacit expectation and to consider it as an official, enforced responsibility of leadership. The reforms below aim at operationalizing ethical leadership by redefining board structures, reinforcing internal voice, enhancing accountability in ESG-related areas, and defining the responsibilities of directors.

To start with, company law should extend beyond general fiduciary language to come up with a form, notwithstanding developments in ESG jurisprudence and governance that focus on stakeholders, to formally acknowledge the existence of an ethical leadership obligation to be exercised by directors. An amended Section 166 can indicate how international regimes, encompassing ethics into the role of directors, include, as an example, a scenario in which the directors, in making a decision, promote an organizational culture of integrity, ensure the successful implementation of codes of conduct, and consider long-term environmental and social implications of their decision. In case of misconduct, the codification would provide the regulators and judicial bodies with a doctrinal point of reference to determine not only the outcomes but also the ethical nature of board practices.

Second, boards of publicly traded companies should be made to have a separate Ethics and Integrity Committee other than the Audit Committee. The mandate that this committee should implement is clear on conflicts of interest, the breach of the code of conduct, related party governance, and the risks that are related to culture. The necessity to oversee non-financial risks at the board level is already indicated by the emerging ESG rules; offering such supervision an institutional residence would ensure the focus and special reporting channels. Periodic ethical climate surveys, integrity risk evaluations, and board-level remediation plans could also be under the committee, as this is a way of putting ethics at the board level into the annual work programme of the board, as opposed to taking it as a one-off issue. To incorporate ethics into the annual board work program, as opposed to seeing it as an ad hoc matter, the committee might also oversee regular surveys of the ethics climate, independent evaluation of ethics risks, and remediation plans at the board level.

Third, protection of whistleblowers should be revised to align with the international best practice through a combination of monetary rewards, the absence of retaliation guarantees, and anonymity. Comparative analysis shows that the system in India is still fragile and disorganized: there is no reward system as to the one of the U.S. SEC whistleblower program, the dispossessed of the Indian private sector are not sufficiently safeguarded, and the anonymity of the reporting is not strongly supported by the law. The reforms must require safe, anonymous reporting of all large corporations, offer criminal protection to the whistleblowers in the private sector, as well as provide incentives based on performance in instances where a discovery leads to a large recovery or penalty, and discouragements (Dhivya, 2025) [8].

Fourth, Principle 1 (integrity, ethics, transparency, accountability) ought to be turned into a more focused instrument of market discipline through the BRSR and BRSR Core frameworks of SEBI, which require even more detailed disclosures of integrity by the leadership. Current leadership requests information about anti-corruption policies, conflicts of interest complaints, bribery disciplinary actions, and training cover of main managerial personnel, and can be expanded to include board-level violations, settlements, and reason behind corrective culture reforms. In the case of listed entities and major unlisted public companies, the periodic training of directors as required on ESG and ethics, and the emerging regulatory expectations should be shifted into hard law. Professional associations such as ICSI and ICAI have begun to design and develop structured ESG and governance training programs, with risk management, sustainability, and stakeholder engagement as the competencies at the board level. Going on this, there might be a requirement that all directors have documented induction and hours of continuing education in ethics and ESG, and this should be disclosed in annual reports and BRSR submissions, like board training is more commonly expected in other jurisdictions such as Singapore (Jha, 2023) [9].

Lastly, in order to keep up with the increasing importance of sustainability disclosures, regulatory sanctions for greenwashing and false ESG claims need to be strengthened [10]. Explicit Provisions that consider materially false or misleading sustainability representations to be violations of the securities law can be introduced into the present BRSR and ESG debt structures. These would have the same result, including penalties equal to financial misstatements (monetary fines, disqualification of directors, and, where not otherwise, criminal liabilities under fraud provisions). To bring ethical leadership and legal risk into alignment, an independent audit of key BRSR indicators and SEBI actions against egregious cases of misreporting would suggest that ESG stories are held to the same truthfulness requirements as financial reporting.

Conclusion

The Companies Act 2013, LODR rules, and BRSR rules of the SEBI, and supporting regulations of India provide a fine set of rules, director responsibilities, and reporting standards, all designed to keep boards on track and accountable. However, this framework is still incomplete: its elements exist in silos, and the law of companies focuses on the fiduciary obligations, the securities law focuses on the disclosures to the market, and the ESG requirements overlay the sustainability expectations, with no central enforcement or ethical implementation. Substantive ethical problems and procedural incompetence seem to go hand in hand, and the downfall of IL&FS to ICICI is a prime example of boards looking at compliance as a ritual and not as a foundation of sound decision-making. Amid such gaps, the principal

normative assertion of the present paper, that the true organizational strength requires the presence of ethical leaders embedded in the culture, trust of stakeholders, and responsiveness to the changing environment, has not been met.

Since Clause 49 to Kotak reforms and BRSR Core, the regulatory trend of India shows that there is an increasing realization of governance as multidimensional, which entails not just financial integrity, but also social license and environmental pro-sightedness. The independent director mandates, committee forms, and statutory responsibilities in Section 166 give the company the tools to establish accountability doctrines; the mandates on insider excesses are discouraged by the RPT standard and whistleblower provisions.

Internationally standardized elements, such as OECD-based sustainability control, show the proper ambition, but practice shows a lack of integration between implementing the culture of prevention and adaptation to green washing through creating only superficial narratives of ESG disclosures. This messiness promotes a box-ticking culture where companies respond with the bare minimum to fulfill the criteria without embedding ethics as a rule at the board of the company, leaving companies disposed to shocks that cannot be managed with compliance checklists. In addition to regulatory minimums, a strong company will come up with leadership that would view integrity as a strategic resource and not a limitation, and it would build trust with creditors, employees, investors, and communities during volatility. Examples of comparative experience in board training requirements in Singapore, enlightened shareholder value duty in the UK, and OECD stewardship principles demonstrate that explicit ethical framing, coupled with plausible sanctions, will shift the governance process out of its defensive and into its proactive role.

A strong firm will create a leadership that cherishes integrity and goes beyond the minimum set by the regulations, but this is not a constraint but a strategic asset, as it attains trust in the presence of volatility among creditors, workers, investors, and communities. The results of comparative observations between the board training needs in Singapore, the UK enlightened shareholder value duty, and the OECD stewardship principles demonstrate that effective ethical framing coupled with effective sanctions can change the position of governance into a proactive one. Indian law shows landmark cases like Tata-Mistry and PNB-Modi, where ethical complacency and not questioning leads to the disintegration of the board, and the collapse of the system and the confidence of the market. Instead, resilient governance, predicting ethical risks, empowering dissent, and aligning their incentives to long-term societal value require leaders to create anti-fragile organizations that are likely to thrive in times of crisis.

Therefore, a proactive management approach, which accommodates corporate ethics in its DNA, ought to be utilized instead of the reactive compliance strategy, which attempts to detect violations after they occur. Statutory identification of ethical leadership positions, board ethics committees, stronger whistleblower protections and incentives, obligatory disclosure of integrity under BRSR, director ESG training, and fines on green washing would be operationalized in this change. Such measures would attract international precedents and would address the issue of the heavy ownership by the promoter in India. These reforms would make governance a driver of values by refocusing the boards off their overburdened responsibilities in an effort to encourage culture, decision-making, and responsibility to the stakeholders. In the long run, robust Indian companies will be created by leaders who take ethical management as their ultimate fiduciary responsibility, and not owing to heightened regulation, and restore the long-term confidence in a market economy that continues to evolve towards international standards.

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A Divine Blueprint for Leadership: Lord Krishna's Teachings as the Supreme Law

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A DIVINE BLUEPRINT FOR LEADERSHIP: LORD KRISHNA'S TEACHINGS AS THE SUPREME LAW

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ABSTRACT

The only thing that is common to the great epic Mahabharata & the scripture of great Hindu philosophical text Geeta is the principal and character Lord Krishna, around whose orbit, the divine teachings rotate as the planets revolve around the sun. The divine & universal principles, pronounced by the Almighty on the battlefield of Kurukshetra, encompass not only spiritual – references but reflect on comprehensive universal concept of governance with altogether new version of virtuousness & leadership. Krishna's principles, based on Dharma (righteous duty), Karma Yoga (selfless action), and the concept of Sthitaprajña (steadfast intellect), form a "Supreme Law." This new form of Law provides a perpetual & encompassing framework for administrative sincerity & optimistic leadership projecting His insight, as most befitting to all kinds of contemporary issues in political science & ethics.

Keywords: Strategic Brilliance, Steadfast Intellect, Rule of Law, Administrative Competence, Equity, Justice, and Good Conscience

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Introduction

Krishna as the Ideal Proclamation

"yatra yogeśvaraḥ kṛṣṇo yatra pārtho dhanur-dharaḥ /"
"tatra śrīr vijayo bhūtir dhruvā nītir matir mama //[4]"

Virtues & Justice always follow where Krishna resides because, righteousness (Dharma) is maintained & prevailed only with Krishna's proper handling of Governance Code sometimes, to the extent of rebellious actions to put an end to the unrighteousness (Adharma). Known as "Master of all Mystics", Krishna's character, depicts the unmatched intelligence with positivity and unique resourcefulness with a high level of composure. His legendary role as Arjun's charioteer exemplifies, his balancing expertise to integrate the divine knowledge with mundane affairs (Karma Yoga). The verse assures shri (opulence), vijaya (victory), and bhuti (extraordinary power) where Krishna's ideology is implemented, emphasizing that governance in accordance with his wisdom leads to prosperity and success.

Bhagwan Krishna's life is an example of a combination of Enlightenment & Vision. His dedication to uphold the morality is made explicit by His efforts to dispel the forces of unrighteousness by enforcing the rules of righteousness in Mahabharata, without engaging into the battle of Kingship[5]. The Bhagavad Gita, his direct speech, is the primary text for understanding his "Supreme Law." It provides a roadmap for decision-making in a crisis, which is the very heart of successful governance. Though long overlooked by political philosophers, the Gita is now being recognized as an important text of Indian political philosophy[6].

Identification and Statement of the Research Problem

The current research aims to fill a basic gap in the contemporary legal and leadership discourse, which is the increasing divide between law and morality in modern governance structures. Even though modern legal systems are very codified and rights-based, they are often ineffective in maintaining ethical integrity, internal accountability, and justice based on morality. This has led to growing worries like corruption, legal formalism, moral relativism in decision-making, and leadership based on power rather than responsibility.

[4] Bhagavad Gita, Chapter 18, Verse 78
[5] ICPR n.d.
[6] Gray 2023

The research problem arises from the recognition that modern jurisprudence is based almost entirely on Positive Law, which is law based on the authority of the sovereign and statutory enactment, to the exclusion of any underlying moral foundations. By contrast, the teachings of Lord Krishna in the Bhagavad Gita offer a holistic approach in which Dharma (righteous duty), Karma Yoga (unselfish action), and Sthitaprajña (steadfast intellect) combine to constitute a "Supreme Law" that integrates morality, duty, and governance.

Therefore, the research problem can be formulated as follows:

Is it possible to interpret the philosophical paradigm of Lord Krishna as a normative paradigm of "Supreme Law" that can fill the gap between morality and modern legal-administrative systems?

The research examines the possibility of using the doctrine of Dharma as a natural moral law, Karma Yoga as a selfless administration principle, and Sthitaprajña as a decision-making state, in order to fill the gap in modern jurisprudence and leadership paradigms.

Research Methodology

This study follows a qualitative, doctrinal, and philosophical research methodology. The research is basically theoretical and conceptual in nature.

Doctrinal Method

The research work is a critical analysis of the primary scriptural texts, particularly the Bhagavad Gita, which is a source of guiding principles on law, duty, justice, and leadership. The important doctrines of Dharma, Nishkama Karma, and Sthitaprajña are analyzed from the perspective of legal-ethical principles.

Philosophical and Conceptual Analysis

The lessons from Krishna are important in the backdrop of jurisprudential concepts, particularly for the Natural Law vs. Positive Law dichotomy. This particular research work conceptually helps in comparing the very principles of Dharma with contemporary legal concepts such as the Rule of Law, supremacy of the constitution, equity, justice, good conscience, and welfare state.

Comparative Approach

A structured comparison is drawn between:

- Dharma and modern Positive Law
- Duty-based ethics and rights-based legal systems
- Spiritual-moral sanctions and state-enforced legal sanctions

This comparative approach enables the positioning of Krishna's "Supreme Law" in the context of contemporary jurisprudence and political philosophy.

Interdisciplinary Orientation

The study is interdisciplinary in nature, and it combines law, ethics, political philosophy, and leadership studies, connecting scriptural philosophy with modern administrative ethics, anti-corruption values, and leadership paradigms.

Analysis & Findings

The Supreme Pillars of Krishna's Law

"nāsato vidyate bhāvo nābhāvo vidyate sataḥ"

"ubhayor api dṛṣṭo 'ntas tv anayos tattva-darśibhiḥ ||

7"

Krishna's teachings enunciate a brilliant Trinity of assimilation of Law, morality & duty as against legal machinery without morality.

Dharma: The Foundational Constitutional Principle

Dharma is a fundamental and ultimate principle that defines a leader's obligation. It moves beyond simple law, encompassing morality, duty, and the cosmic order[8] (ṛta).

The Mandate for Ethical Governance:

Krishna's declaration of his purpose serves as the ultimate legislative mandate for all rulers: **the maintenance and restoration of the moral and legal order (Dharma-saṁsthāpanārthāya).d**

[7] Bhagavad Gita, Chapter 2, Verse 16
[8] IJLMH n.d

"Yadā yadā hi dharmasya glānirbhavati Bhārata,/Abhyutthānam adharmasya tadātmānam sṛjāmyaham.
Paritrāṇāya sādhūnāṁ vināśāya ca duṣkṛtām,/Dharma-saṁsthāpanārthāya sambhavāmi yuge yuge."[9]

Dharma as Natural Law

Dharma reaches deep in the Universal Order asserting that law must be in tune with universal morality, justice & truth and this mandates the supremacy of law over ruler, establishing the ancient precedent for the modern **Rule of Law**[10]

The Concept of Dharma in Modern Legal Systems: Bridging Morality and Law[11]

Dharma constitutes the core – values of Krishna's teachings, turning it from social – concept to the **Supreme Law** – a inalienable moral & ethical framework which provide a sound footing to all earthly laws. Dharma when compared against the modern – day jurisprudence, it reflects a deeper divide and offers to remove the rough – spots in the right oriented legal system of current era.

It's no less than a paradox that we all are living and governed by a maze of laws and a thicket of various regulations yet the mental peace always eludes us, because the laws have become *blasé* in their approach. Modern day legal system raises many sticking points, which find answers only in the Gita, which is not merely our holy scripture but a code of mouthful sayings of Lord Krishna, which only promise to make life idyllic. The Gita suggests a definite way out of solipsism, to make humanity, more humane.

A true concept of justice is essentially based not only on legal provisions and equality but more on professing the rectitude and code of ethical values, which find explicit mention in verses of the Gita. Amidst multitude of several verses, the most relevant to the present topic is found in Chapter 2, Verse 47 of the Gita, which is reproduced here –

"Karmanye Vadhikaraste Ma Phaleshu Kadachana //"

[9] Easwaran 2007, 4.7-8
[10] DJMR 2023; IJLLR n.d.
[11] Sen, Amartya. 1999. "The Concept of Justice in Indian Thought." Journal of Indian Philosophy 27 (1-2): 1-19.

It lays – down an important lesson, asking the people that "they have right to perform their duties but are not entitled to the fruits of their action." This doctrine is popularly known as Karam – Yoga. The concept of justice as enshrined in the Gita is not merely abidance of rules or submission to authority but is more of an integration with ethical values, i.e., Dharma.

Lord Krishna pronounces that Renunciation & Self – restraint are the gold standards against which the Justice is measured. Dharma to prevail must remain aloof from the vices like individual favour or fear, bias or pressure, craving or cupidity. Lord Krishna explains that, when a person discharges his duties, keeping in mind, the above said values, then; only, the pristine form of justice follows, bringing immaculate gems of righteousness, equality & fairness.

The imprint of Dharma' doctrine of justice is also visible across many of our Constitutional provisions like Equality, Non – Discrimination and Fundamental Duties which resonate fully with the Gita. Thus, adherence of ethical values of aloofness & objectivity as taught by Gita, in implementation of modern law, can help bridge the gap.

The Jurisprudence of Dharma vs. Positive Law

The sole basis on which our entire legal – mechanism, revolves is the premise that law flows from the sovereign authority whereas the Dharma as advocated by Krishna is totally poles apart.

Feature	**Dharma (Righteous Law)**	**Positive Law (Modern Code)**
Foundation	Moral, Ethical, Cosmic Order (*Ṛta*)	Sovereign's Will, Legislative Enactment
Focus	**Duty-centric** (Obligations, *Svadharma*)	**Rights-centric** (Individual Entitlements)
Source	Revelation (*Śruti*), Tradition (*Smriti*), Conscience	Constitution, Statutes, Judicial Precedent
Sanction	Spiritual and Social (Karma, Moral consequences)	State Enforcement (Fines, Imprisonment)
Scope	All-encompassing (Law + Morality + Custom)	Specific (Rules for external conduct)

The Role of Dharma as Natural Law

Re – examining the concept, Dharma draws coherent similarities with the philosophical school of **Natural Law**. It proclaims that there exists a universal code of virtuousness, rooted alike in the universe and human conscience which should act as touchstone for any fair appraisal of laws enforced through enactment.

a. **Universal Mandate:** Krishna's appeal for the creation of Dharma is a mandate for justice that **transcends the arbitrariness of law.** This notion that the law rules the king, and not the reverse **(Dharma is the controller of the king)** – is the ancient equivalent of the contemporary "Rule of Law" and "Constitutional Supremacy."
b. **Welfare and Universal Good:** The meaning of Dharma is "that which upholds, sustains, and nourishes" (Dhṛ). It aims for the well-being and progress of all beings (Loka Samgraha). This philosophy underpins the modern concept of the **Welfare State** and the constitutional inclusion of ethical goals like the **Directive Principles of State Policy (DPSPs**) in countries like India (e.g., environmental protection, social justice).

Bridging the Gap: Integrating Ethics in Law

The central theme of Krishna's Supreme Law lies in the basic principle that **law & morality are inseparable.** Dharma directly hits over modern legal system with strong appeal how the modern day legal enactments can be assessed on the parameters of morality.

a. **Mens Rea (Guilty Mind):** The quintessential twin elements of Dharma , i.e., righteous behavior and bonafide, are well applied in legal maxim mens – rea in criminal branch of law. The motive behind an action is of prime importance in assessing guilt, indicating a lingering sense of morality in addition to the physical act.
b. **Judicial Review and Conscience:** In cases of uncertainty, or when a positive law is deemed to be unjust, courts rely on the principles of "**equity, justice, and good conscience**." This practice is essentially the invocation of Dharma—the universal moral law—to correct the limitations or injustices of a specific statute.
c. **Duty-Based Environmental Law:** Modern environmental jurisprudence, which seeks to protect the planet for future generations, reflects a **Dharma-based obligation** toward

nature. It views the earth not as a resource to be exploited (a right), but as a sacred entity to be sustained (a duty).

d. **Dharma's Relevance:** The idea of Dharma offers a new philosophical landscape to our modern day legal – framework and suggests that, a law in true spirit comes to fulfillment when morality or conscience is assimilated with technical standards. Lord Krishna's authority bears attestation to the concept that the greatest political success is achieved when the general administration of public – affairs is attended with self – sacrificing & devoted services for the sake of supreme moral code of values.

Karma Yoga: The Principle of Selfless Administration

Karma Yoga propounds a theory a 'Nishkama Karma' where the actions are performed without any desire for personal gain, it draws analogy with Anasakti, these principles embody Indian model of Moral Elevation based on dutiful contentment rather than personal rewards.[12]

a. **Integrity and Non-Attachment :** Karma Yoga has its own set of norms for a true leader and it calls upon that administrative duties should be delinked from power and pelf and should be executed with the very spirit of responsibility. Such an approach directly negates the temptation for corrupt practices.[13]
b. **Excellence in Action :** The principle is concisely stated as: "Yogaḥ karmasu kauśalam" **(Perfection in action is Yoga**) (Bhagwad Gita chapter 2 verse 50). This requires a very high level of administrative efficiency as a form of sacred service, inculcating a strong sense of purpose in the work force.[14]

Sthitaprajña: The Ideal Executive and Jurist

The **Sthitaprajña** (Steadfast Intellect), detailed in Bhagwad Gita chapter 2 verses 54-72, acts as a code of conscience for all the duties ranging from executive to judicial pronouncements.[15]

a. **Composure in Crisis:** The Sthitaprajña promotes equanimity, drawing a fine balance between enthralling with success and upsetting with failures. Such a neutrality in practice, is

[12] Mulla and Krishnan 2014
[13] SAGE University n.d.
[14] Scribd n.d.
[15] ResearchGate n.d.

vital for unbiased decisions, free from subjectivity and any mass – agitation, often accompanied with delirium.

b. **Strategic Foresight and Emotional Intelligence:** Krishna's consistent, tranquil behavior and ability to anticipate future challenges demonstrate this state, demonstrating that leadership must balance intellect with empathy.[16]

Relevance to Modern Jurisprudence and Leadership

Krishna's Supreme Law attempts to essay a broad framework for present – day governance particularly by bridging right – based law with duty based ethics.

Bridging Rights and Duties in Law

While modern law is primarily individually focused, Dharma is fundamentally responsibility focused, emphasizing obligations over privileges.[17]

Feature	**Dharma (Krishna's Law)**	**Modern Positive Law**
Foundation	Duty, Moral/Cosmic Order (*ṛta*)	Rights, Legislative Enactment
Focus	**Loka Saṁgraha** (Universal Welfare)	Individual Entitlements/Sanctions
Influence	Natural Law, Source of Moral Authority	Statutes, Codes, Judicial Precedent

The virtuous mandates of **Directive Principles of State Policy** now, incorporated in the Constitutions of many modern democracies, conveys a pledge to the Dharma – based ideal of the Welfare State.[18]

Furthermore, the judicial appeal to **"equity, justice, and good conscience"** serves as an invocation of Dharma to correct the limitations of technical statute.

[16] ICPR n.d.; SAGE University n.d.
[17] IJLMH n.d.
[18] LawWeb n.d.

Ethical Leadership and Organizational Excellence

The principles of Karma Yoga and Sthitaprajña translate directly to managerial and administrative ethics:

a. **Anti-Corruption:** Karma Yoga inculcates a spirit of professional – uprightness, making the duty a sole reward and a powerful tool aimed – at eradication the corruption from public – domain.[19]
b. **Transformational Leadership:** Krishna acted as an "unattached guide" and strategist, modeling the leader as a mentor who empowers others and identifies their true potential, which is the core of modern transformational leadership theory.[20]

Conclusion: The Eternal Relevance of the Divine Blueprint

Lord Krishna's teachings serve as an example of all – embracing & sustaining leadership. His philosophy has revealed an altogether new recasting & reimagined version of governance which exhibits sorts of altruism (Karma Yoga), executed with unshakeable character (Sthitaprajña), and guided by the supreme, universal standard of ethics (Dharma).

The timeless Supreme – Law as conceptualized in Krishna's teachings, offers to set – up a non – compromising code of norms for carving – out a governance model based on integrity and righteousness. The final outcome for matters pertaining to polity therefore necessarily follows that, adherence to a code of upright, virtuous & righteous acts, provide a sound platform for an equitable, well – ordered & stable State.

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EXTORTION V. COLLUSION: SAFE HARBOURS IN ANTI-CORRUPTION LAW

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ABSTRACT

As corruption grows rampant, the most acute consequences of it are felt by the public. The Prevention of Corruption Act, 1988, (revised in 2018), provides limited exemption for the act of giving bribes but fails to clearly demarcate extortionary payments and collusive bribery. Although this supposedly non-discriminatory policy may, in theory, make people more afraid to indulge in bribery, it actually creates a normative incongruity: those, who are forced to give extortionary bribes, to get what they are already legally entitled to, are often charged as main culprits, but not as victims or potential whistle-blowers due to the limited protection and restrictive conditions to seek such exemption. This makes them even more discouraged to report the bribe as they are also in the fear that they will also face penalisation.

This paper challenges the notion of the perceived exception and sets out an alternative approach to the liability of bribe-givers based on mens rea, transactional circumstances, and evidential requirements. Through a comparative examination of the United Kingdom, the United States of America, Singapore, South Korea, and the United Nations Convention Against Corruption, a three-fold typology of extortionary, facilitative, and collusive bribes is developed, and a conditional safe-harbour regime is recommended.

Keywords: Anti-Corruption Law, Collusive Bribes, Differentiated Liability Regime, Safe-Harbour Mechanism, Comparative Anti-Bribery Frameworks.

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Introduction

Corruption has been left as one of the most complicated and rotting issues even in the contemporary systems governing. The phenomenon continues to morph quickly even decades after legislative reforms and institutional restructuring took place. In places such as India, where the pace of socio-economic growth is colliding with the fog of bureaucracy, the tenacity of bribery more needs a more jurisprudential answer: Are not all givers of bribes morally and legally identical?

The Indian legal framework, through the provisions of its Prevention of Corruption Act, 1988 still deems the act of receiving and giving a bribe as being near symmetries. The 2018 amendment to the Prevention of Corruption Act marked a significant shift in India‟s anti-corruption regime by omitting section 24. This withdrew the statutory protection previously available to bribe-givers who testified against corrupt public officials.

Although it was intended to close perceived loopholes, this reform has had the unintended effect of further enhancing a regime of near symmetrical criminalisation which disregards the structural power imbalance between public officials and ordinary citizens.

While section 8 purports to grant limited immunity to bribe-givers who can prove compulsion and report the incident within seven days, this safeguard is largely illusory in practice. The absence of clear standards for „compulsion‟, the unrealistic reporting window and the lack of anonymity and witness protection, together render the existing framework ineffective, if not counterproductive. Rather than strengthening deterrence, the existing framework undermines enforcement.

This paper recommends that there should be a doctrinal change in the approach of always treating all bribe-givers the same to adopting a context-based safe-harbour approach. This is not aimed at undermining the anti-corruption effort, but to make the distinction among the extortionary, facilitative and collusive bribes, which are not each other in intent, culpability and policy relevance. A three-part typology based on the principles of fairness and comparative practices would develop a more rational and consistent system in the context of solving this problem. Fundamentally, the paper challenges the idea that corruption can ever be fought when the blackmailed are penalized together with the corrupt? By solving this paradox, it suggests practical changes and a policy framework that would restore the legal framework to principles of justice and accountability. (SUKHTANKAR & VAISHNAV, 2015)

Identification of Statement of Research Problem

This indistinct position appears to be doctrinally unchallenged and practically difficult, and the consequences it has can be inconsistent with the original legislative objectives of the Act. The major inconvenience is that the criminalisation of extortion-like payments is done in those cases when the citizens take money not to get any unfair benefit but to receive what they have a right to according to the law. These are payments, usually given under duress, of a sort of survival response to the systemic inefficiencies or direct coercion by government officials.

The current anti-corruption systems like the United Kingdom, United States, Singapore, South Korea and even the United Nations Convention against Corruption, consider bribery as a range, and not a stone. They distinguish between coerced payments, facilitative grease payments and symbiotic collusive bribes. Certain jurisdictions even provide conditional safe-harbour models to the victims of such extortion who report such deals. Not only do such models help in capturing the moral nuance, but also improve the enforcement by fostering early reporting.

The existing system in India, however, is still stuck to an absolutist variant of criminal liability, and it is unlikely to create much space in which the distinctions depending on duress, compulsion, or the lack of mens rea may take place. This strict regime can unwillingly undermine the anti-corruption machineries rather than empower them. An example is that when the citizens are afraid that by reporting the bribe, he will be considered an offender, the likelihood of voluntarily reporting it will decrease significantly. In this way, even those individuals who may be the key witnesses or whistle-blowers are not encouraged to speak. The system instead, ironically, safeguards the corrupt actors by criminalizing their own citizens, victims. This constitutes one of the main thematic issues that this paper is trying to answer and solve.

The Indian anti-corruption regime classifies all bribe-givers as equally culpable, without making any distinction between coerced, facilitative, and collusive bribery. This equal culpability makes it difficult to report, overlooks the issue of power imbalance, and makes enforcement difficult, leading to the question of how to balance deterrence with fairness.

Research Methodology

This research will employ a doctrinal and comparative legal approach. The research will examine the legal provisions, court judgments, and enforcement of the law as it stands in Indian law, and will also involve a comparative analysis of anti-bribery laws in the United Kingdom, United

States of America, Singapore, South Korea, and UNCAC. Secondary sources will be employed to evaluate reporting, culpability, and enforcement.

Analysis & Findings of the Research

The jurisprudential treatment of individuals engaging in bribery under Indian anti-corruption laws has received long academic deliberation. The Prevention of Corruption Act (PCA) conceptualizes corruption as a near symmetrical crime, thus making the giver and the receiver of an undue advantage almost equally guilty. However, the PCA is inadequate in distinguishing coercively forced bribery and voluntarily committed misconduct. The resulting doctrinal gap, in its turn, has been linked to the under-reporting of extortionist bribery, because the parties that are afraid of being prosecuted are less likely to report the coercive demands.

Indian Law Framework - Review

The primary issue at the core is that the 2018 amendment (by omitting Section 24), rationalized that if giver and taker both consensually participate, then no protection should naturally arise. But this overlooked the simple but crucial fact of power disparity. It gave no leeway for passive demands and passive coercion which cannot strictly be attributed to force but an inherent and implicit force which is often difficult to prove but exists nonetheless where one party hold a position of power. i.e, a government servant. While section 8 of the Act seems to grant limited immunity to bribe-givers who can prove such compulsion and report it within an unreasonably restrictive deadline, this safeguard is largely illusory in practice. The provision fails to consider power and resource disparity between the giver and taker. Albeit prescribing a nominal asymmetry, the section effectively, by cumulative design, reproduces such symmetrical treatment through enforcement outcomes.

Exisitng framework provides the defence of coercion or duress as under S 32 of BNS (S 94 of IPC) – which states that threats of serious harm would exclude the liability. But fails to account for the pervasive reality of implicit coercion, where bribes are extracted not through explicit threats but through the denial or delay of services to which citizens are legally entitled. Such coercion is particularly acute for middle- and low-income groups. Take for example, issuance of ration cards for a low-income group. They are already entitled to receive it, but under the risk of delay in issuance or complete non issuance, they would be coerced to pay the bribe. Not by force of threat but by implicit need. This effectively renders the defense unusable in most cases.

The significance of incentivising disclosure is also enhanced by international principles and conventions. The United Nations Convention Against Corruption (UNCAC) emphasizes collaboration and disclosure of individuals who engage in corrupt dealings especially in Articles 37 through to 39 which urge states to provide mitigation or immunity to those who cooperate with investigating authorities .In the Indian legal system, judicial interpretation of the PCA has been mostly focused on the action of the governmental officials. In *CBI v. Ramesh Gelli* (2016), the Supreme Court upheld the broad application of the Act as a means of protecting institutional integrity but did not mention the status of those who have been coercively induced to give bribes. This judicial silence allows the statutory framework to work in a way that practically annul and obliterate important differences in culpability.

The literature on the mechanisms of corruption reporting also supports the demand of reform. Empirical analyses of citizen-state relations in India indicate that petty administrative extortion is pervasive and it is supported by discretionary service provision. Further empirical studies have shown that those who yield to coercive demands feel a greater legal vulnerability, which discourages them to approach the enforcement authorities. This interaction reveals an abysmal gap between the legal framework and the actual practice of administrative force.

Basu (2011) introduces the concept of „harassment bribes", defined as payments extracted to secure goods or services to which the payer is already legally entitled, distinguishing them from collusive bribes that seek unlawful advantage. The prevailing regime of near symmetrical criminalisation aligns the post-transaction interests of the bribe-giver and bribe-taker, converting both into „partners in crime" and thereby suppressing reporting and detection. Granting immunity to victims of harassment bribery reverses this incentive structure by creating divergence of interests after payment, encouraging disclosure, restitution and cooperation with investigative authorities. Reallocation is preferable rather than dilution of punishment, whereby the bribe-taker bears the full penal burden, including mandatory repayment of the bribe amount to the giver.

Laboratory experiments simulating harassment bribery demonstrate that granting immunity to bribe-givers significantly increases reporting behaviour and reduces the incidence of bribe demands compared to regimes of near symmetric liability. The deterrent effect of asymmetric liability weakens when officials are able to retaliate against whistle-blowers, indicating that immunity schemes must be accompanied by robust protection mechanisms to be institutionally effective.

Reporting behaviour is shown to be driven not only by monetary incentives such as refund of bribes but also by intrinsic motivations related to fairness and moral outrage, suggesting that financial restitution is not a necessary condition for the success of leniency frameworks. However, the effectiveness of asymmetric punishment is institution-dependent: the model demonstrates that immunity-based regimes reduce bribery only when the cost of whistle-blowing is low and detection probabilities can be endogenously increased by complainants. Where reporting costs are high and investigative capacity is weak, asymmetric punishment may fail to eliminate bribery and may even generate welfare losses by encouraging disclosures that do not result in enforcement.

The framework predicts that asymmetric punishment is most successful in low-value, routine administrative transactions and least effective in high-stakes or rent-seeking environments, indicating the need for differentiated enforcement strategies rather than uniform immunity regimes. Legal theorists argue that an undifferentiated liability regime is in contradiction to the principles of criminal jurisprudence. To classify a bribe-giver who has been coerced into doing an act as a principal offender is to overlook the lack of corrupt intent and destroy the foundation on which criminal culpability is established. This doctrinal gap necessitates a conceptual re-classification of bribery practices, as undertaken in the next section. (VIRUMBI & VAISHALI, 2024)

Typology of Bribes

Bribery is often understood as a single act, but in reality, it is a wide spectrum of situations. Treating every bribe-giver as equally culpable overlooks the crucial differences in agency, intent and the structural conditions under which such payment occurs. A reform in the anti-corruption laws must therefore begin with a clear typology that reflects the realities of citizens and the institutional vulnerabilities exploited by corrupt officials. This paper adopts a threefold classification, i.e., coercive/extortionary bribes, collusive bribes and facilitation/grease payments, to build a foundation for a differentiated and reasoned liability.

1. **Coercive / Extortionary Bribes:** Coercive or extortionary bribes are bribes that are inappropriately requested by a public official and are usually done under threat of holding or impeding or denying a service to which the citizen has a legal claim.[1] In this case, the person giving the bribe lacks voluntariness and the money is a forced action against abuse of power. It is a common type of bribery that emerges in the high-contact administrative setting like the licencing office, welfare disbursement point, or the police interaction where citizens are under urgent need and the officials substantially have

discretionary power. What makes the payer of such cases morally blameworthy is fundamentally distinct to that of a willing corruption participant. The payer is a reciprocator of coercion, caught between illegal acquiescence and illegal denudation. However, by criminalising such individuals through legal system, it not only overlooks the imbalance of power but also it discourages the victims to report the demand. The fear of self-incrimination guarantees silence hence allowing extortion by corrupt officials as a habit. Separating this type is thus a crucial feature of any viable safe-harbour regime.

2. **Collusive Bribes:** Collusive bribes involve a mutual and conscious agreement in which the person who is paying and the official are aware of an illegal transaction. The person giving the bribe desires to gain some benefits that they do not deserve like being given preferential treatment when it comes to regulation, being treated preferentially in a contract, evading prosecution or illegal access to state resources. The government official, on the other hand, breaks his/her duty as demanded by the law to get personal benefits. This type of bribery is the most pernicious to the systems of the people since it replaces merit and legality with personal bargaining. It warps the way the institutions work, it redistributes the public resources inequitably, and it makes it possible to have established networks of corruption. Collusive bribery should be subject to the most severe legal penalties because both sides evidently have a criminal intent. This type of category does not warrant or justify a safe-harbour model. (Mance & Mistree, 2022)

3. **Facilitation or "Grease" Payments:** Facilitation payments lie in between coercion and collusion. These are cheap payments that are made to hasten ordinary, legitimate services without a threat being clearly expressed by the official. Such payments can be made voluntarily by the citizens as a way of avoiding wait times or going through the inefficient bureaucracy. These payments may seem insignificant or acculturated, but their long-term effects are tremendous. They institutionalise corruption as a normal business deal, a reward to incompetence, and progressively turn time into a luxury offered by the authorities. Facilitation payments are not aimed at an illegal advantage as in collusive bribes, nor do they involve threatening force as in coercive bribes. They are so ambiguous that it complicates regulatory treatment, necessitating a combination of the administrative reform, behavioural interventions, and balanced legal disincentives. This typology forms the analytical basis for the differentiated liability framework proposed below.

Proposed Framework

A coherent reform of bribe-giver liability must rest upon a legally defensible, administratively workable and doctrinally principled architecture. This section articulates an integrated framework grounded in „mens rea", voluntariness and proportionality, clarifying immunity for coerced bribe-givers, mitigation for facilitative payments and full liability for collusive bribery. The proposed safe-harbour regime is consistent with Article 14 of the Constitution of India, as it advances substantive equality by distinguishing between coerced and collusive conduct on the basis of rational classification and proportionality.

1. **Conditional Safe-Harbor for Coerced Bribe-Givers:** The central premise is comprised of a **statutory safe-harbour** based on conditionality that protects a person from any liability for having paid an unlawful payment as a result of coercion (i.e., being forced into doing so). This rationale is supported by foundations of criminal law, which hold that culpability requires intent (mens rea) and wilful participation (actus reus).

   Elements of the Safe-Harbor

a *Coercion-Based Participation:* Bribe payers must prove that the payment was made under express or implied coercion, and that there was no intent to gain an unlawful advantage through the payment. For example, Specific indicators of coercion may include threats of delay in response to a request or denial of lawful service; or evidence of the greater bargaining power.

b *Time-Bound Reporting Requirement:* The report must be made within a written statutory timeframe, in addition to providing evidence, providing validity for an eventual claim or plea agreement (similar to existing whistleblower reporting requirements).

c *Mandatory Cooperation with Authorities:* Claimants must provide any information in connection with the investigation, as well as cooperate with other information-gathering steps in the investigation, including providing information and assisting with controlled delivery or verification.

d *Prima Facie Evidentiary Threshold:* The evidence requisite to obtain the regulatory protections will include moderate levels of proof, supported by: recordings, communications, witness statements, or circumstantial indicators.

e *Whistleblower-Style Protection Guarantees:* Complainants will be guaranteed: confidentiality, protection against retaliation, and immunity for any disclosures made in good faith. The features of these protections will have been influenced by the Whistle Blowers Protection Act of 2014.

The provisions set forth above will create an opportunity for statutory immunity from liability regarding violations of the bribery statute.

2. **Partial Mitigation for Facilitation Payments:** Facilitating payments are a third category of corruption, which is found within a continuum between coercive and collusive acts. Due to the lack of clear coercive elements, facilitating payments may arise in the context of bureaucratic dysfunction; however, this will not excuse or legitimise the practice of facilitating payments. Instead, the mitigation framework identifies potential remedies for mitigating circumstances and establishes the framework within the context of the facilitation payment's structural context and does not provide immunity from prosecution.

Mitigation Structure

- **Reduced Penalties for First-Time Offenders**- This will provide an incentive for early reporting and will prevent excessive punishments for first-time offenders.
- **Mandatory Reporting Requirement-** As with the case of coercive payments, reporting is key for mitigation.
- **Contextual Assessment-** Various contextual factors (e.g., reliance, culpability, and vulnerability) must all be taken into account when assessing culpability.

This graded approach to mitigating facilitating payments supports the need to deter facilitating payments while recognizing the need to address the bureaucratic dysfunction associated with these payments.

3. **Full Liability for Collusive Bribe-Givers**

Collusive bribery is defined as the intentional act of colluding with another individual for the purpose of obtaining a benefit that is not otherwise available. This is the primary type of corruption that anti-corruption legislation was intended to address and should therefore be subject to **unimpaired liability**.

Liability Specification

Full liability applies where:

- the bribe-giver acted voluntarily;
- the intention was to secure illicit gain;

- The giver–taker interaction was mutually beneficial.
- Where the bribe cannot be classified as coercive or facilitation payments.

4. Independent Review Authority: Structure and Legitimacy

An Independent Review Authority (IRA) would serve as a means of providing an institutional framework for the assessment of coercion and the appropriateness of alternative methods of dispute resolution. The proposed IRA could either be created through an amendment of the existing PCA or by way of a delegated legislation made pursuant to the provisions of Subsection 29A. The proposed authority would have powers to determine coercion claims; summon records and evidence; issue reasoned orders, forward verified cases to enforcement bodies. To ensure that an IRA is capable of carrying out its responsibilities in a manner that will be transparent and accountable, strong procedural safeguards that prohibits interference, requires written explanation of the authority's determination and establishes an electronic audit trail should be developed.

5. Safeguards Against Misuse

In order to protect against the potential for abuse of the safe-harbor protection available under the proposals above, the proposed framework governing this area should include the following safeguards:

a Penalties for False/Malicious Claims – Misrepresentation of collusive bribes as coercive processes is a separate criminal offence.

b Stringent Prima Facie Scrutiny- the IRA will reject claims that do not satisfy evidentiary requirements (Gogel, 1990).

c Audit and Review Mechanisms- an independent audit of each claim will preserve the integrity of the reporting system and prevent the potential for institutional drift.

d Mandatory Co-operation Clause- failure to cooperate with an investigation or fabrication of evidence will result in the cancellation of any immunity provided under the proposals above.

The safeguards outlined above create deterrents for abuse of the safe-harbour process; maintain the integrity of the reporting system; and protect all parties involved through a level of safety that cannot be assured through the existing institutional framework. The operational effectiveness of this framework depends on reporting and verification mechanisms, as addressed in the following section.

Mechanisms for Reporting and Verification

The effectiveness of a differentiated liability regime depends on whether reporting and verification systems are provided which are procedurally sound, easily available to the citizenry, and not easily subject to institutional manipulation. These structures are based on the best practices that have been preserved to date in India, namely, the procedural frameworks enshrined in the Whistle Blowers Protection Act, 2014, and the digital filing architecture of the Central Information Commission, as well as the international standards promoting the timely disclosure and integrity of evidence. The overall adoption of such systems guarantees that those who have been victimized into bribery are enabled to blow the whistle without intimidation, and at the same time they maintain protection against victimization. (Kannabiran, Hollestein, & Hoffmann, 2021)

- **Time-Bound Reporting and Statutory Timelines:** The main condition of the suggested safe-harbor regime is the requirement of disclosure within a period of time mentioned in the statute. These time limitations are consistent with the prompt-reporting features of the whistleblower protection regimes, departmental vigilance manuals requiring immediate reporting of misconduct, and empirical studies that indicate that a short reporting window can lead to a high level of evidentiary reliability. Exceptions can only be granted in cases where the complainant can prove viable hindrances like persistent threats, incapacitation or recorded unavailability of reporting channels.
- **Confidentiality and Whistleblower-Style Protections:** The ban of retaliation is crucial to the development of the desire of the coerced people to reveal the corrupt practices. In this regard, the mechanism must include the protection provisions expressed in the Whistle Blowers Protection Act, 2014 or analogous best practices, such as uncompromising anonymity (except where legally required), disallowance of retaliatory administrative measures, such as transfers, harassment, or disadvantage of service, and secure and encrypted reporting procedures.
- **Evidentiary Standards and Acceptable Proof:** The suggested regime uses a prima facie standard of proof, which is neither too high nor too easy to reach, but is strong enough to create credibility. This criterion resembles the criteria used by the CVC and other quasi-judicial bodies in approving preliminary investigations. The acceptable evidence includes audio or video recordings of the demand; written or electronic

communications; official documents reflecting unexplained delays or the refusal of legitimate services; circumstantial evidence of coercion (e.g., repeated demands); sworn affidavits; and statements of corroborating witnesses. The IRA might also look at contextual clues in the absence of direct evidence, which is in line with the principles in administrative inquiries.

- **Verification Protocols and Procedural Stages:** The verification process must balance procedural fairness with investigative rigor. A **five-stage protocol** is proposed as follows:

  a **Preliminary Screening-** Determination of timeliness and jurisdiction and a minimum sufficiency of evidences.

  b **Corroborative Evaluation-** Cross-check against departmental records, service logs, CCTV footage and where available, digital metadata.

  c **Notice and Response from the Implicated Official**- As per the principles of natural justice, the accused official will be given a chance to respond, under non-interference protection.

  d **Reasoned Determination-** The IRA will give a written order approving or rejecting safe-harbor protection.

  e **Forwarding for Prosecution-** Cases that are confirmed to be of an extortionary bribery will be forwarded to the anti-corruption agencies and the immunity of such complainant will be turned on.

  The verification structure is indicative of adjudicatory practices adopted by the like bodies like the CCI and CIC where the reasoned orders, staged inquiries, and procedural fairness are the main features of operations. (SUKHTANKAR & VAISHNAV, 2015)

Comparative Analysis

This section of the paper looks at the case of the United States, the United Kingdom, South Korea, and Singapore control bribe-giving, especially, those that pertain to facilitation payments, coercion, or self-reporting. A direct comparison with that of the country of India comes as the last point of comparison. Corruption Prevention Act, 1988 (with amendments of 2018).

United States – Foreign Corrupt Practices Act (FCPA)

The United States‟ **Foreign Corrupt Practices Act of of 1977, 15 U.S.C** is an intent-based and substantively different approach on bribe-giving. Under **15 U.S.C. §§ 78dd-1(b), 78dd-2(b),**

and 78dd-3(b), the FCPA recognizes a limited exception for "facilitating payments" made solely to expedite routine, non-discretionary governmental action, such as visa processing, mail delivery, or scheduling inspections. The payments are permissible when the official performs a ministerial function with no decision-making discretion, this preserves the centrality of corrupt intent within the offence. The U.S. courts have clarified the narrow boundaries of the exception: in **United States v Kay, 359 F.3d 738 (5th Cir. 2004)**, the Court has held that the payments intended to influence substantive governmental decisions such as reducing customs duties are not "facilitating payments," as they confer an improper advantage. Similarly, **United States v Esquenazi, 752 F.3d 912 (11th Cir. 2014)** the courts reaffirmed in this case, that any payment yielding business"s advantage falls within the statute"s prohibitive scope.

The U.S. enforcement practices are further distinguished between the coerced or extortion-induced payments from corrupt transactions. The **DOJ–SEC FCPA Resource Guide (2020)** recognizes the payments made under threats or compulsion lack the requisite corrupt intent and therefore they do not attract liability, the coerced individuals are typically treated as victims and are often eligible for declination when timely reported. **These features highlight the gaps in Indian law**, which includes the absence of statutory differentiation for routine facilitating payments, lack of a coercion-based exemption, and no structured reporting-based relief mechanism. (Agbor, 2024)

United Kingdom – Bribery Act 2010

The ***Bribery Act 2010*** is one of the most conscientious anti-corruption frameworks globally, marked through its **absolute statutory prohibition of facilitation payments**. The *Sections 1 and 2* of the Act criminalise offering, promising, giving, requesting, or accepting any financial or other advantage, intended to induce improper performance. The *Section 7* of the act creates a strict liability offence for commercial organizations that fail to prevent bribery carried out by associated persons, subject to the statutory defence of having implemented "adequate procedures," as given in the ***Ministry of Justice Guidance (2011)***. The Guidance unequivocally states that, the facilitation payments made regardless of their value, frequency, or local practice constitute bribery under UK law, this leaves no statutory room for administrative or "speed money" exceptions. The clarity gives a deliberate legislative choice to remove ambiguity and eliminate tolerance for any category of unofficial payments.

The enforcement agencies apply for a **structured, public-interest-based discretion** whilst determining whether the prosecution is appropriate. The **Crown Prosecution Service (CPS) Guidance** and the **Serious Fraud Office (SFO) Facilitation Payments Policy** acknowledges

that isolated or low-value payments which are made under pressure or in circumstances where refusal may result in adverse and dire consequences may not justify prosecution, particularly where prompt self-reporting and cooperation occur. Factors focusing on the repetition, failure to comply with policies in an organization, systemic corruption risk, and the state of mind of the payer are stressed in the policies. The UK‟s enforcement philosophy can be seen in the case of ***SFO v Standard Bank Plc [2015]***, the UK practice with regard to corporate bribery controls has been underscored on the basis of transparency, timely self-reporting, and effective compliance controls as the Court has noted in the judgment. This hybrid of rigid structure and a carefully designed implementation has a point of comparison with systems where bribes are still criminalized, and the motive, coercion or corporate protection are not yet particularly distinguished. The two laws criminalize facilitation payments, but in the UK, this is moderate with elaborate prosecutorial principles and a moderation time frame. In India, there is no such checking system and the execution of the same on citizens is more severe.

South Korea – Improper Solicitation and Graft Act (Kim Young-ran Act) 2016

The South Korea‟s ***Improper Solicitation and Graft Act 2016*** sets allowable strict prohibitions of the giving or receiving of benefits by a public officer and sets clear limits as to what kind of hospitality can be given. The Act offers an essential distinction in the criminal law between intentionally induced bribery aimed at affecting official action and bribes made covertly, by pressure, or under some necessity, which can be subject to the administration mechanism. In the Act and its ***Enforcement Decree***, individuals receiving coercive or extortionary demands from public officials can receive **administrative exemption or immunity** if they report it promptly to the ***Anti-Corruption and Civil Rights Commission (ACRC)*** or relevant authorities. This relief mechanism drawing on reporting is a clear legislative purpose to safeguard those who do not harbor corruption.

The enforcement practice is given in the ***ACRC's official interpretive guidelines***,outlining the factors that mitigate or eliminate the liability for the payer. Such instructions consider the coercion, threats, institutional pressures and non-discretionary government demands as the signs, that the payer did not intend to grant an inappropriate advantage. There is uniformity in the application of this principle to administrative determinations made by the ACRC (especially where the compelled gift or other contribution involved), and the conduct of the payer was handled by exemption and not prosecution. The administrative and the statutory framework therefore provides that enforcement approach is mostly about intentional graft as well as offering systematic relief to those who have been forced by an official to act. South Korea

exempts coercion and reporting behaviour; India considers all bribery by citizens to be punishable except in the fulfilling of Section 24.

Singapore – Prevention of Corruption Act (PCA)

The Singapore‟s ***Prevention of Corruption Act (Cap. 241)*** **offers a general statutory law that makes giving and receiving of corrupt gratification illegal with a constituent definition of corruption that does so in the functional terms and that such benefit is offered with an intention to influence improper performance. T**he PCA does not expressly distinguish between coerced and voluntary payments, the Singapore‟s enforcement practice is led by the ***Corrupt Practices Investigation Bureau (CPIB)*** **which** incorporates a healthy reporting-based safeguarding model. The CPIB openly declares that those who report corruption efforts on their own initiative could be given immunity, acted as witnesses, or otherwise provided with some leniency, which is one of the long-held operation principles, as integrity and collaboration come first. This method of administration will allow enforcement bodies to segment between the persons who commit evils and those that fell to the pressure of the situation or even blackmail.

This distinction is further refined at the level of the judicial decisions which lay emphasis on voluntariness, coercion, and context. In ***Public Prosecutor v Teo Chu Ha [2014] SGCA 45***, the Court of Appeal highlighted that the decision to maintain corrupt intent does not rest on the fact of payment; the voluntariness through which the payer makes the payment and the circumstances under which the agreement takes place are still the key elements in establishing a case of liability. Similarly, in ***Public Prosecutor v Syed Mostaq Ahmad [2012] SGDC 331***, the District Court was prepared to acknowledge that some situational pressures can lower the culpability where the payer did not have a deliberate intention of gaining improper favour. When these judgments are combined with the operational policies of CPIB we find that Singapore anti-corruption system considers coercion and context to be the part, which mitigates penalties and hence, enforcement is done with consideration to intentional corruption as opposed to forced enforcement. Singapore has strong reporting-based relief, whereas India only has a restricted trap exception and general liability.

Conclusion

The present analysis explains a fundamental contradiction entrenched in the current Indian anti-corruption system the Prevention of Corruption Act, 1988. Which, despite formally recognising compulsion, continues to criminalise givers and receivers in near-equal measure in its operational

effect, erasing a any substantial distinction between coercion and collusion and thus annihilates fundamental moral culpability, intent, and structural disadvantage. As a result, the statutory regime, despite its supposedly deterrent orientation, ends up condoning the very players, which are most susceptible to administrative extortion.

The classification of forced bribe-givers as key offenders under this legislation discourages whistle-blowing, undermines detection systems, and impunity of corrupt officials, thus undermining the integrity of the law as well as the constitutional obligation to fairness.

It is thus the suggestion of this paper to introduce a graded, three-part typology of bribes that can be coercive, facilitative, and collusive, supplemented by a safe-harbor system. The suggested architecture maintains the deterrence effectiveness of the Indian law against corruption against the collusive players, and has the ability to afford conditional immunity to the coerced bribe- givers, and proportionate compensation of the facilitation payments. The core of the institutional nucleus is the creation of an Independent Review Authority, which is a quasi-judicial institution based on the already existing Indian precedents including the CIC, CCI and Lokpal benches.

All these reforms attempt to advance a model of resilient leadership and sustainability. One that is enables citizen empowerment and mandates institutional ethical responsibility. The model is quintessential to restore confidence in public administration. The core ideas of transparency, citizen participation and accountability facilitate a sustainable governance practice that not only punishes the guilty wrong doer but also strengthens integrity and durability of the democratic institution. It is better that 10 guilty persons escape than that one innocent person suffer. The proposed framework appropriately treats the parties involved in light of the cicumstances and the facts. Adoption of differentiated liability is not, then, a policy improvement, as such, but an indispensable correction, which brings the anti-corruption system in India into line with constitutional principles, best practices in other nations, and the practical realities of life in India. (Kannabiran, Hollestein, & Hoffmann, 2021)

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Leadership Beyond Tokenism: Reconstructing Gender-Responsive Corporate Governance Through Feminist Jurisprudence

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LEADERSHIP BEYOND TOKENISM: RECONSTRUCTING GENDER-RESPONSIVE CORPORATE GOVERNANCE THROUGH FEMINIST JURISPRUDENCE

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ABSTRACT

Reforms in corporate governance have been taking place with all parts of the world trying to increase the number of women holding leadership roles via the adoption of diversity requirements. However, these demands often end up in tokenistic inclusion. The present paper through the application of a doctrinal methodological approach questions the ongoing nature of tokenism in the field of corporate leadership. As well as questions the legal standards, such as the Companies Act, diversity provisions of the SEBI, the diversity provisions of the EU through the 2022 Women on Boards Directive, and the international standards, including CEDAW and the UNSDGs, in relation to relevant judicial rulings and other academic articles. These legislative actions have enhanced the numerical aspect of women but their transformational effectiveness is still bound by firmly rooted corporate cultures that still prefer male oriented leadership and decision-making patterns. Based on feminist legal theory, it argues that so-called impartiality of law masks the gendered dynamics of governance systems; thus, inequality is reproduced in the name of regulatory compliance and formalised rules of adherence to human-right principles. So, Substantive equality requires a shift in formal compliance to veritable change of leadership and governance systems.

Keywords: Corporate Governance, Gender Justice, Gender-Responsive Leadership, Feminist Jurisprudence, Sustainability, Tokenism

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Introduction

Gender diversity as a matter of corporate governance has become a significant issue of modern legal and policy change. The legislatures, regulators and international institutions support diversity requirements by arguing that inclusive leadership enhances corporate accountability, ethical decision making and long-term sustainability (Adams & Ferreira, 2009; Bear et al., 2010).

Diversified boards are linked with better inspection, improved stakeholder backing and lower governance catastrophe. In turn, some jurisdictions, including India, and different countries of the European Union, as well as those within the OECD, have embraced statutory quotas, disclosures, or codes of soft law governance that require and even promote the presence of women on corporate boards (National Stock Exchange of India, 2024; Seierstad & Skjeie, 2012).

Nevertheless, in spite of these reforms, there is a significant body of scholarship that indicates numerical representation is not a guarantee of meaningful participation and influence. Female directors see their appointments done in a manner that fulfils the legal stipulations, without altering the current power structures, which makes their nomination look symbolic and not structural. This is commonly understood as tokenism, which helps corporations to appear legitimate and lawfully compliant without necessarily reallocating power throughout management frameworks (Kanter, 1977; Terjesen et al., 2009).

Research Objectives and Methodology

Research Objectives

This paper pursues three objectives:

1. To examine how tokenism is produced and sustained through corporate governance laws and regulatory frameworks.
2. To analyse corporate governance norms using feminist legal theories, particularly dominance theory, intersectionality, and vulnerability theory.
3. To propose a normative framework for gender-responsive corporate governance that promotes substantive participation and sustainable leadership.

Research Methodology

The study adopts a doctrinal and feminist-theoretical research methodology. It critically analyses statutory means, regulatory frameworks, judicial doctrines, and international human-rights instruments which govern gender diversity in corporate leadership in India, with the comparative

reference to a number of foreign jurisdictions of choice. Primary sources include the Companies Act, 2013; the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the EU Directive 2022/2381; and relevant constitutional jurisprudence. These sources are researched alongside feminist legal studies and empiric evidence, such as corporate governance indicators which have been released by the NSE and OECD research on board diversity. It is an analysis where a normative structural orientation is taken and it focuses on the way law brings about gendered access to corporate power as opposed to primary empirical fieldwork.

Tokenism as a Structural Feature of Corporate Governance

In corporate governance, tokenism is associated with women gaining access to leadership positions mainly because of compliance, legitimacy or reputational reasons without any accompanying power to make decisions (Kanter, 1977). The legal mandate of having "at least one woman director" is a motivator and encourages low levels of compliance in the Indian context. This leads to women being isolated in boards and not being part of powerful committees that govern financial management, executive appointments and remunerations boards (National Stock Exchange of India, 2024; Seierstad & Skjeie, 2012).

Although women are represented in one-fifth of the board of listed Indian companies, they are less than 10 percent of executive directorships and a disproportionately small proportion of key committee appointments (NSE, 2024). These trends are also seen in the comparative jurisdictions, which suggests that tokenism is not jurisdiction specific, but rather built into models of corporate governance (Terjesen et al., 2009).

Legal Framework Governing Gender Diversity in Corporate Governance

Indian Corporate Law Framework

1. Companies Act, 2013

The Companies Act, 2013 gives a mandatory requirement. Section 149(1) of the act requires that at least one-woman director is appointed on prescribed classes of companies. Since its inception, the provision has been a major boost in the number of women on boards in India. In 2024, it was presented that more than 20 percent of board positions in listed companies were occupied by women (NSE, 2024). But compliance is usually achieved through nominal or token appointments, that is, appointment of women who are related to the promoters and hence have reduced ability to participate and influence (Bilimoria, 2006).

The HCL Technologies Ltd. complies with the statutory provision on women-director by appointing female family members of the promoter group instead of hiring independent professionals with substantive governance experience. Though these types of appointments meet the formal legal standard, but these types of appointments do little to increase the diversity of the board (Varottil, 2016).

The formal equality approach of statutory emphasis on numerical inclusion assumes the representation as a goal itself. Nonetheless, the law does not say anything about the allocation of power in boards, such as the committee membership, agenda-setting power, and access to informal networks of decision-making.

2. SEBI LODR Regulations, 2015

Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, stipulates that top listed entities have to have at least one female director who is independent and a woman. Other disclosure requirements of Regulations 26 and 34 seek to increase transparency in the composition of the board and the governance practises. Although these requirements enhance formal independence, it does not bind women to participate in other important committees like audit, risk management, or nomination and remuneration committees where substantive power is vested (Hillman et al., 2001).

3. Corporate Social Responsibility and Gender

Section 135 of the Companies Act promotes corporate engagement with social initiatives, including women's empowerment, through Corporate Social Responsibility. However, the emphasis on external gender initiatives often contrasts sharply with internal governance practices, revealing a pattern of external equality coupled with internal inequality (Terjesen et al., 2009).

Comparative and International Frameworks

Norway's mandatory 40% quota for boards of public limited companies represents one of the earliest and most robust diversity regimes. While compliance rates are high, studies highlight the emergence of the "golden skirts" phenomenon, where a small group of elite women occupy multiple board positions, limiting broader inclusion (Kanter, 1977).

The European Union's Directive 2022/2381 adopts a more procedural approach, mandating transparent nomination criteria, objective selection processes, and reporting obligations. In contrast, the United Kingdom's Corporate Governance Code relies on a "comply or explain"

model, which has improved board-level representation but failed to address gender disparities in executive leadership (Terjesen et al., 2009).

International human rights instruments including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Beijing Platform for Action, and Sustainable Development Goal 5 provide normative support for gender equality in leadership. Indian courts have recognised the relevance of such instruments in interpreting domestic law, most notably in *Vishaka v. State of Rajasthan* (1997).

Feminist Jurisprudential Analysis

A. Dominance Theory and the Illusion of Neutrality

MacKinnon (1989) explains the dominance theory, which shows how law reflects and reinforces male power structures. The norms of corporate governance defining merit, leadership, and efficiency are traditionally built around male career trajectories characterised by uninterrupted employment and aggressive competition. Diversity mandates operating within this framework enhances representation without questioning power relations underpinning it and forcing women to assimilate instead of transforming the cultures of governance.

B. Intersectionality and Elite Capture

Intersectionality explains the constraints of gendered-neutral discourse of diversity to show how gender intersects with caste, social classes, and social capital. In India, promoter networks are important with regard to appointing women directors, which leads to elite capture and marginalisation of women. Gender diversity reforms which work on the assumption that women constitute a homogenous group run the risk of reproducing existing hierarchies within gender reform itself (Crenshaw, 1989).

C. Vulnerability, Care Work, and the Myth of Merit

The theory of vulnerability questions the assumption of an equal starting point in the corporate structures. The unpaid care work responsibility of women significantly limits career advancement and their appointment to boards. Judicial recognition of care work in *Deepika Singh v. Central Administrative Tribunal* (2022) highlights the lack of corelation between constitutional equality and corporate governance practices. In the absence of institutional accommodation of non-linear career patterns, diversity requirements are superficial.

To achieve a feminist reformulation of corporate governance, the primacy of the shareholder should be replaced by the stakeholder-based model which is aware of relational responsibility

and institutional vulnerability. The legislations of corporate governance should hence consider the issues of caregiving responsibilities, disparity in network access, and structural constraints that determine the path of leadership.

The application of feminist jurisprudence within the context of corporate governance also needs the reconsideration of the enforcement mechanisms. Disclosure-based regimes should be supplemented with qualitative assessments of participation, leadership influence, and decision-making power. This would be in line with the current trends that are spreading in the world that highlight the environmental, social and governance (ESG) accountability as an indicator of corporate legitimacy (Hillman et al., 2001).

Analysis of the Study and Suggested Reforms for Gender-Responsive Leadership and Corporate Sustainability

In India and in similar jurisdictions, involvement may be in the form of token appointment often of relatives of the promoters or of elite women. According to the theory proposed by Kanter, this results in isolation, reinforcement of stereotypes, and exclusion, which means that the corporate culture has not changed. Their lack of inclusion in informal power networks impacts women negatively to date. Referring to the case of Vishaka, the results indicate that cultural norms are not laws that determine real results, and patriarchal approaches to corporate organisations are not weak.

Based on the dominance theory, intersectionality, care ethics, and vulnerability theory, the findings indicate that the existing reforms have not broken the corporate power of patriarchy. The symbolic inclusion is strengthened in the law by adding more people without changing the system of governance. The paper has determined some of the general findings:

- First, there is an increment in the representation of women in corporate boards in various jurisdiction, although they do not often make it to real power positions, including executive directorships or even in important committees, like in audit and nomination committees.
- Second, tokenism is still not isolated, and businesses introduce women to the company board only to meet the regulatory demands, choosing those who belong to the rich social groups instead of enhancing inclusiveness.
- Third, the culture of the corporation still upholds the norms of patriarchy by limiting accessibility of women to informal decision-making networks.

- Finally, intersectional inequalities are still unaddressed in a great extent, which leads to the marginalisation of women with deprived caste, class, and regional backgrounds.

The connection between gender-responsible leadership and corporate sustainability is an issue that has been receiving growing interest in governance literature. Decision-making diversity is closely intertwined with sustainability which is not simply the ability to act responsibly toward the environment but a long-term institutional stability, ethical leadership and trust of the stakeholders. The research shows that those boards that have a significant gender diversity show better risk oversight, social impact focus, and a high stability in long-term performance (Adams & Ferreira, 2009; Bear et al., 2010).

These advantages however only come into reality when the role of women participation is substantive as opposed to being symbolic. The tokenistic inclusion does not allow the women to take part in the strategy making regarding the risk management, compliance culture as well as sustainability programmes. Feminist jurisprudence rationalises this non accomplishment by emphasising how the corporate governance systems have been founded on shareholder-centric, profit-maximising norms throughout history which concur with masculine leadership models. Gender-responsive leadership has broken this paradigm by integrating the care ethics, relational decision making, and long-term stakeholder provisions into governance procedures (Bear et al., 2010).

On the legal note, gender-responsive leadership can be embedded in corporate governance frameworks, which make the corporate behaviour more sustainable as it complies with the constitutional equality guidelines and human rights regulations on the international level. Governance models, which do not respond to internal gender hierarchies, risk reputational damage, regulatory non-compliance, as well as, compromised institutional legitimacy. Therefore, gender-responsive leadership is not just a goal in diversity but a structural prerequisite of viable corporate governance.

To have a gender-responsive corporate governance structure, there is a need to change the formal equality to substantive equality. This involves requiring women to be part of major board committees, having transparency and objectivity in nomination and remuneration processes, and undertaking qualitative gender audits which evaluate participation, impact and access to information. The possibilities of reducing elite capture and improving fairness by using procedural safeguards are proposed by comparative evidence within the EU Directive 2022/2381.

The enforcement mechanisms should be reinforced using more severe punishment, possible fundraising ban, and ESG-rating consequences to make sure that the compliance increases gender inclusion beyond a symbolic ruling to the substantive one.

The institutional changes should also aim towards leadership pipelines through mentorship, and board-readiness programmes of women, especially women of marginalised backgrounds. Measures of performance evaluation must no longer conform to the masculine standards of uninterrupted access and reward collaborative, ethical and stakeholder-based leadership. Including these practices via human resource department, under Nomination and Remuneration Committee oversight uplifts inclusive leadership development and enhances sustainability. These reforms associate gender equality with corporate resilience through improving quality of decision-making and minimising governance risk.

Conclusion

Although the gender diversity requirements have enhanced the increase in the number of women in the corporate governance, it has not eliminated the entrenched patriarchal systems of power. The reason why tokenism continues to exist is because the corporate law envisions equality in the form of representation and not participation and influence. The idea of feminist jurisprudence shows that neutrality in corporate governance is a myth that covers gendered norms that limit women in their power.

This gap can be dealt with gender-responsive leadership. By involving women in the central decision making, risk management and strategy, corporate governance will be more balanced, transparent and futuristic. The advantages of such leadership include enhanced corporate resilience through better risk management, establishment of trust with stakeholders and long-term sustainability.

Gender equality should go beyond just a symbolic representation when it comes to corporate governance. To make corporate governance robust and competent, gender-responsive leadership is a necessary diversity objective rather than a luxury.

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Inherent Jurisdiction under Section 528 Bharatiya Nagarik Suraksha Sanhita in a Lens of Judicial Pragmatism

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INHERENT JURISDICTION UNDER SECTION 528 BNSS IN A LENS OF JUDICIAL PRAGMATISM

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ABSTRACT

Approaching the major issues, not only in law but in all spheres, with lens of pragmatism, offers to ease the layers of labyrinth and also, a strong, engine to guide futuristic models in public – domain. Pragmatism as such follows an established truism. "Change is the only constant." Any review through the lens of judicial pragmatism enables to have relook over crisis management in law. The instant matter of bi – furcating the inherent jurisdiction of High Courts u/s 528 B.N.S.S. (old 482 Cr.P.C.) no longer stays to be tagged as shooting off the cuff as Law Commission of India has thrown its weight behind this argument thrice in its 14th, 41st & 141st Reports. Briefly stated, the underlying principle of inherent jurisdiction u/s 528 B.N.S.S. is to prevent abuse of the judicial process and to secure the ends of justice and in such cases, the court is duty bound to correct its own errors as a matters of right, not discretion or favour, even if the court may have to step out of standard procedure or rules. Thus, it's all about recalling the illegal order *ex debito justitiae* for the sake of real justice. The instances which lead to the invoking of inherent powers u/s 528 B.N.S.S., are mainly abuse of process of courts and attempts to thrust the securing the ends of justice in criminal matters. Having regard to the mammoth pendency of criminal cases in District Courts across the country, i.e., more than 3 Crores at present, redressal of such issues arising in District Courts, may be much better and timely made at the level of Sessions Courts than High Courts.

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The existing remedy to approach High Courts u/s 528 BNSS, not only entails inordinate time spells & considerable costs but also adds to hardships of the litigant, When the District Judges can exercise inherent jurisdiction on civil side u/s 151 C.P.C., there appears no justification in denying the criminal version of inherent powers to the Sessions Judges. It's no longer an academic bubble or a time pass for shooting the breeze anymore, but a whole lotta jurists are all into it who too feel the same way. There exist both administrative & judicial/ legal reasons to support this argument.

Keywords: Inherent Jurisdiction, Section 528 B.N.S.S., Law Commission Reports, High Court, District Judiciary, Pendency.

Introduction

The objective of this research paper is not to trigger any debate on complete cessation of inherent jurisdiction of High Courts u/s 528 B.N.S.S. but the bifurcation of powers to Sessions Courts with regard to the orders passed by judicial Magistrates.

Approaching the major issues, not only in law but in all spheres, with lens of pragmatism, offers to ease the layers of labyrinth and also, a strong, engine to guide futuristic models in public – domain. Pragmatism as such follows an established truism. "Change is the only constant." Any review through the lens of judicial pragmatism enables to have relooked over crisis management in law.

Present legal position with regard to S. 528 B.N.S.S. & its jurisdiction, prima – facie, presents a fallacious impression and it is not doing any substantial service except to paper – over the hidden problem making us to believe as if no such issue exists. Thus, this research paper endeavors to embark upon a liminal phase with regard to conferring the inherent jurisdiction to criminal courts by bridging the gap between past & present.

It's an irony that many age old legal provisions which have since acquired the dubious distinction of cliché, have not been revisited under the theory of judicial pragmatism. This failure to tweak laws compatible with current requirements, is now well manifested in the form of humongous pendency of cases.

The instant matter of bi – furcating the inherent jurisdiction of High Courts u/s 528 B.N.S.S. (old 482 Cr.P.C.) no longer stays to be tagged as shooting off the cuff as Law Commission of India has thrown its weight behind this argument thrice in its 14th, 41st & 141st Reports.

Briefly stated, the underlying principle of inherent jurisdiction u/s 528 B.N.S.S. is to prevent abuse of the judicial process and to secure the ends of justice and in such cases, the court is duty bound to correct its own errors as a matters of right, not discretion or favour, even if the court may have to step out of standard procedure or rules. Thus, it's all about recalling the illegal order *ex debito justitiae* for the sake of real justice.

Background

Before studying the *mise – en – scene* of the instant issue, it would be apt to refer the previous reports of Law Commission of India, especially the 14TH Report titled "Reform of Judicial Administration" submitted way back in 1958, chaired by Hon'ble Justice Shri M.C. Setalvad which for the first time

highlighted the significance of inherent jurisdiction (for High Court) and led to the birth of S. 482 in the Cr.P.C. This recommendation triggered the debate over the leeway of inherent jurisdiction in criminal matters. The ideology set forth in the 14TH Report was seconded by 41ST Report and 141ST Report submitted in 1991, all recommending the amendment in S. 482 of Cr.P.C. to the effect that it may be renumbered as S. 482 (1) and a new sub – section (2) as below may be added:-

"482(2). Criminal Courts other than the High Courts shall also have inherent powers to make such orders as may be necessary to prevent abuse of the process of the Court or otherwise to secure the ends of justice."

Thus the journey of 33 years from 1958 to 1991 has consistently emphasized the need for conferment of inherent jurisdiction to Criminal Courts too to address the instances of abuse of judicial process at the end of Trial Courts.

Significance

The relevance of the instant issue goes without saying as humongous pendency of criminal cases especially those which are waiting for corrections in illegalities or corrective measures for prevention of abuse in the judicial process, may be directly attributed to the lack of inherent jurisdiction to the criminal courts, resulting in great gridlock in resolution of such cases at the end of High Courts. To sum up, the significance maybe categorized chiefly in the following points: -

i) The inherent powers in criminal matters are presently vested only in the High Courts which itself has contributed greatly to longstanding gridlock of cases requiring urgent steps to prevent abuse of judicial process and to secure the ends of justice.

ii) It is the litigants who have to bear the brunt of engaging further in unnecessary litigation before the High Court's resulting in waste of both money and time.

iii) During the pendency of petitions u/s 528 B.N.S.S. before High Courts, the proceedings in main – cases before subordinate criminal courts, automatically get stayed for a long time, defeating the very purpose of justice.

iv) The High Court's being Constitutional Courts are supposed to focus on constitutional matters and Others of national importance rather than spending time on hearing cases u/s 528 B.N.S.S. which are minor cases relating to corrections in judicial process.

Research Objective

The very *raison de'tre* of any law depends on its evaluation and rules of scansion to find out if the provisions really yielded the desired results for which they are intended and enacted. This further prompts us to study the legal provisions afresh under teleological lens. It is on these lines, an endeavor is made in the present write up to scrutinize the scope of inherent jurisdiction u/s 528 B.N.S.S. prevalent today in our judicial system so that kaleidoscopic study may be undertaken for a comprehensive and holistic approach in the matter.

Scope

The main object and scope of this research is to widen the horizon of inherent jurisdiction so as to extend their ambit to the criminal courts partly so that the Sessions Court may also hear the matters about abuse of judicial process in the matters arising out of the Court of Judicial Magistrates.

Limitations

The only moot question in the present issue is about the part or full conferment of inherent jurisdiction upon the criminal courts (Sessions Courts), and it is up to the wisdom of our jurists and law makers to consider the effects and bring about suitable amendments.

Research Question

Whether inherent jurisdiction conferred upon High Courts u/s 528 B.N.S.S. can be partly allowed to be exercised by Sessions Courts only in the matters of abuse of process or securing the ends of justice arising from the proceedings of subordinate criminal courts?

Statement of Research Problem

This research seeks to critically explore the existing ambit of Section 528 BNSS, with a view to strengthen the criminal justice system by vesting the Sessions Courts too with partial inherent powers in criminal matters requiring intervention at the stage of Subordinate courts of Magistrates with the objective to minimize unnecessary Litigation delay & expenses .

Research Methodology

Doctrinal Research Based on Extensive Literature Review of relevant laws and cases. A detailed review of several research papers has been carried on to develop a precise opinion for the problem in

question. The methodology adopted in this Research paper is multipronged. To sum up, the low-down is:

1) Studying the present compelling realities, which have necessitated a recalibration;
2) Critical evaluation of criminal justice system with reference to Section 528 BNSS;
3) Judicious evaluation of the merits vis a vis demerits;
4) Pragmatic solutions within the legal framework.

Literature Review

Contradictory vis –a – vis Complementary

In embarking upon the research on diversifying the inherent jurisdiction to criminal courts, it would not be out of context to state here that the exercises undertaken so far to tweak the old Cr.P.C. provisions by mere rebadging them often messed the route and instead of seeing the things in the lens of pragmatism, the whole attempt was rendered at last, wide of the truth/ reality & remained un – noticed too.

Time has therefore now come to think out of the box and shed Neanderthal approach towards present day judicial requirements of 18,735 criminal courts in the country.

The idea to bifurcate the inherent jurisdiction u/s 528 B.N.S.S. as mooted in this research paper, is not therefore contradictory but complementary in as much as, this idea addresses many shortcomings in dispensation of criminal justice, to name a few:-

i) The present exclusive jurisdiction to High Courts entails considerable time & cost
ii) The litigants have to cough – up heavy cost by way of engaging separate advocates in High Courts, which makes the justice – delivery more difficult.
iii) During the pendency of petitions u/s 528 B.N.S.S. before High Courts, the proceedings in main – cases before subordinate criminal courts, automatically get stayed for a long time, defeating the very purpose of justice.
iv) The High Courts being Constitutional Courts are supposed to focus on constitutional matters and Others of national importance rather than spending time on hearing cases u/s 528 B.N.S.S. which are minor cases relating to corrections in judicial process.

The idea also gets further support from the fact, that when the District Judges can exercise inherent jurisdiction on civil side u/s 151 C.P.C., there appears no justification in denying the criminal

version of inherent powers to the Sessions Judges.

Main Analysis & Findings

The official figures by National Judicial Data Grid (herein after referred to as N.J.D.G.), too send some strong signals in this regard. The state put the total pendency of Criminal Cases at more than 3 crores before the criminal courts across the country, whereas High Courts overall share of criminal cases is paltry at 19 lakhs only in the country. Going by broad guesstimation, the appropriate percentage of petitions u/s 528 B.N.S.S. in the High Court taken – together floats around 12 – 14% at National Level which comes to around 2.5 lakh pan India. The N.J.D.G. has not given any separate depiction about pendency figures of petitions u/s 528 B.N.S.S. in the High Courts.

On one hand, these 2.5 lakhs petitions u/s 528 B.N.S.S. are awaiting disposal by High Courts, on the other, their equal number of main cases are hanging in uncertainty at the end of Sessions Courts/ criminal courts.

An important observation was made by Kerala High Court in State of Kerala, 1973[5], when the Division Bench held that though the Section (482 Cr.P.C./ Now S. 528 B.N.S.S.) is silent on granting any inherent jurisdiction to the Subordinate Courts, but the omission does not mean that the Subordinate Courts can't exercise inherent powers. Going further, Orissa High Court has held in Ramesh Chandra Das Vs. Premlata Patra[6], that "….. every Court in the absence of express provision in the Code, is deemed to possess powers necessary to do the right & undo a wrong in course of administration of justice ….."

As per stats, these are around 18,735 District & Subordinate Courts in our country, which are grappling with the load of 3 crores criminal cases. For want of inherent jurisdiction to correct errors in these 3 crores cases matters go to only 25 High Courts & 14 Benches for adjudication only to meet the fate of crawling in High Courts, as High Courts too are functioning with 26 – 30% vacancies.

The instances which lead to the invoking of inherent powers u/s 528 B.N.S.S., are mainly abuse of process of courts and attempts to thrust the securing the ends of justice in criminal matters. Having regard to the mammoth pendency of criminal cases in District Courts across the country, i.e., more than 3 Crores at present, redressal of such issues arising in District Courts, may be much better and timely made at the level of Sessions Courts than High Courts.

[5] Cr.L.J. 1288
[6] 1988 (3) Crimes 87, 89 (Ori.)

Some cases in points, may be stated for corroboration of this argument, where the Criminal Revisions are dismissed in default of appearance, even if bona fide is shown, it can't be restored due to bar u/s 403 B.N.S.S. (old 362 Cr.P.C.), Or where an accused is acquitted u/s 279 B.N.S.S. (old 256 Cr.P.C.) or a case is dismissed in default, such order can't be restored nor the acquitted can be set aside later by the Sessions Courts,.

It would be appropriate to recapitulate important observations made by Hon'ble Supreme Court of India in the following reported citations, with regard to exercise of inherent jurisdiction by the Subordinate Courts to secure the ends of justice: -

"The absence of any reference to any other criminal Courts does not necessarily imply that such Courts can in no circumstances exercise inherent power for it is a well-established principle that every Court has inherent power to act *ex debito justitiae* to do that real and substantial justice for which alone it exists or to prevent the abuse of its own process. It is inherent in the general jurisdiction of the court "to act rightly and fairly according to the circumstances towards all parties involved" [Jai Berhma[7]]. Every Court has inherent power to act *ex debito justitiae*, to do real and substantial justice for which alone the court exists. To secure the ends of justice is the prime obligation of the Court system. The expression "nothing in this Code shall be deemed to limit or affect the inherent power" appears to be in favour of preserving the amplitude of the inherent power. The wholesome provisions of section 482 are to be utilised for achieving the ends of justice and to secure the ends of justice [Sorbeshwar Mili Vs. Meghraj Malla[8]]."

"Though CrPC does not contain any express provision like section 151 CPC recognising the existence of inherent powers in subordinate courts and section 482 is limited in terms to High Court, there is sufficient authority for the view that even subordinate criminal Courts have limited inherent powers and in exercise of those powers they may review and revise their orders for the ends of justice except in those cases where the court itself either expressly or by necessary implication prohibits such review or revision and confers on the order the kind of finality until it is set aside by superior Courts in appeal or revision [Krushna Mohan Vs. Sudhakar Das[9]]."

"All courts, whether civil or criminal, possess, in the absence of any express provision, as inherent in their constitutions, all such powers as are necessary to do the right and undo a wrong in the course of administration of justice.

[7] A.I.R. 1922 P.C. 269 : 2 P. 10 : 49 I.A. 351

It is to be exercised *ex debito justitiae* to do real and substantial justice for the administration of which courts done. In exercise of inherent power courts would be justified to quash abuse of the powers exists of court or quashing proceedings would otherwise serve the ends of justice [Minu Kumari v State of Bihar[10]]."

Conclusion & Solution

This idea of opening doors of inherent jurisdiction to criminal courts can be complementary so much so that it may be implemented with ease by partly empowering all the Sessions Courts to exercise inherent jurisdiction u/s 528 B.N.S.S. only in the matters of abuse of judicial process or for securing the ends of justice, arising from the courts of Judicial Magistrates as it sits in Appeal over their Orders.

We would rather suggest to avoid wading into debate over complete conferment of inherent jurisdiction to the Sessions Courts by taking away from the High Courts, it is therefore, humbly suggested to focus on amending the very import of S. 528 B.N.S.S.so as to bring rationality.

However, the matters of abuse of judicial process & like, arising from the proceeding of Sessions Courts, may be continued to be challenged before the High Courts as it is.

Such part conferment of inherent jurisdiction to Sessions Court would not, in any way, curtail the superiority of High Courts as Art. 227 of the Constitution of India, guarantees wide powers to High Courts to address any illegality in any judicial order passed by the subordinate courts.

In addition to this, Revisionary jurisdiction u/s 442 B.N.S.S. also gives additional teeth to High Courts to correct illegalities in the proceedings before Trial Courts.

The idea of part conferment of inherent jurisdiction upon the Sessions Court is so deeply impactful that it can't be tossed out without convincing solutions, therefore, if not fully, a kind of part conferment of inherent jurisdiction upon criminal courts, is definitely required today. This research paper doesn't suggest anything which flips the legal position between High Courts & Sessions Courts on their head, but what we propose is to bridge the gap with rationality. We would be tripping ourselves if we ignore our own mistakes.

[8] 1982 Cr. L.J. (N.O.C.) 50 (Gau.)
[9] A.I.R. 1953 Ori. 281 : 1953 Cr. L.J. 1726 : 19 Cut. L.T. 330 : I.L.R. (1953) Cut. 311
[10] (2007) 1 Mad. L.J. (Crl.) 357 (S.C.)]

Signing off this research with very apt lines – "Justice delayed by design can not be justice denied by blame." We can't really indict our judicial system for delay & pendency when the law itself is shackled in inertia.

In order to secure true ends of justice within definite time – frame, Section 528 B.N.S.S. is required to be tweaked suitably by conferring appropriate inherent jurisdiction upon the criminal courts to timely address legal errors in more than 3 crores criminal cases.

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Enforcing Corporate Environmental Accountability: Preventing Green washing under Companies Act and SEBI Regulations

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ENFORCING CORPORATE ENVIRONMENTAL ACCOUNTABILITY: PREVENTING GREENWASHING UNDER COMPANIES ACT AND SEBI REGULATIONS

Medha Joshi[1]

ABSTRACT

'Is India's corporate regulatory framework capable of effectively scrutinising greenwashing and enforcing environmental accountability?' embarks on scrutinising the deficit and credible framework under the Companies Act- Section 135 (CSR- corporate social responsibility) and the SEBI's BRSR (Business Responsibility and Sustainability Reporting), which mandates Economic, Social, Governance (ESG) disclosures for top-listed corporations. The research dissects and evaluates SEBI's power to penalise listed entities for misleading and non-performance, and analyses its coordination with environmental laws and consumer protection regimes. To curb the menace of greenwashing, an enforcement-driven regulatory framework should be adopted for enforcement-driven regulatory interventions, as proposed by this paper. The research directs a mechanism for transparency, investor confidence, and corporate accountability, ensuring sustainability.

Keywords- Greenwashing, Corporate accountability, BRSR, ESG, SEBI, CSR

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Introduction

A globalized world, which is fast-paced and interconnected, often faces the challenge of environmental protection and conservation. With the establishment of thousands of corporations, the primary concern before the state comes into play is bringing development (corporate) and ecological concerns into equilibrium. It is imperative that businesses, as leaders, portray their resilience and align leadership with ecological conservation as well. Human activity is inseparable from ecological systems and, thus, ecology becomes pivotal for conservation. Corporate Social Responsibility (CSR) Sustainability in business and the environment is critical for satisfying the collective benefits of ecological welfare, as there is a strong interdependence that cannot be overlooked[i] (Mishra, Anshika, 2025). Corporations have accountability towards the environment, and by way of the ESG (Environmental, Social and Governance) regime and its authenticity, the corporations are expected to show their resilience in creating a business regime that is ecologically conscious and enforces measures to protect the environment (which is paramount).

To create equilibrium, the concept of corporate social responsibility was inculcated in the business sphere by way of the Companies Act, 2013[ii] (Companies Act, 2013, s. 135). There are two sides to a coin; similarly, a contrast to CSR by the green washing has emerged with regulatory practice, questioning the credibility of the entire framework[iii] (Sharma & Bansal, 2025; Taxmann, 2025). The core challenge for the authorities is identifying the menace and dealing with it accordingly[iv] (Advertising Standards Council of India, 2024). A major lacuna that is faced by the legal authorities, primarily SEBI, is regarding the power it holds[v] (Securities and Exchange Board of India, 2021). The ambit of SEBI's powers is wide, but it lacks the command of enforceability, which is reflected in its BRSR (Business Responsibility and Sustainability Reporting)[vi] disclosures (Securities and Exchange Board of India, (2023), Business Responsibility and Sustainability Reporting (BRSR) Framework. Responsible business conduct in India is governed by the BRSR guidelines, which outline the statutory standards for ensuring ESG (Environmental, Social and Governance) metrics[vii] (Securities and Exchange Board of India, (2021). Business Responsibility and Sustainability Reporting (BRSR) Framework; MCA, 2019.

Green washing refers to the practice of reporting ESG compliance by listed entities (on stock exchanges) regarding their non-financial matters, which constitutes the companies' responsible impact[viii] (Li et al., 2021). Usually, the companies try to evade matters of ESG reporting in real time to prioritize their own interests, and this act becomes green washing. The concern of having a

responsible business act is to create a sense of social inclusion of businesses that derive profit out of the net of society, and it is imperative to give back to society, specifically to the development, upliftment and betterment of society and the environment wholly. Social responsibility involves the duty as a concerned subscriber to society to act in the length and breadth of the welfare of society and towards the protection of the interests of the people as well. The non-financial disclosures of the corporations are considered significant to develop and bring welfare to society through resource contributions by the corporations. The paper investigated the legal lacunae that are hindering the effective implementation of the legal regimes in the Indian corporate sphere to regulate law relating to green washing.

Identification of the Statement of Problem

The rapid globalization has induced the practice of green washing in the corporate sector, leading to challenging outcomes in ensuring actual environmental and sustainability disclosures reporting. The legal framework under the Companies Act, 2013 and the SEBI's ESG reporting mandate lacks the momentum in regulating the green washing gaps, with fragmented legislative policies in tackling the issue.

Research Objectives

1. To analyse the current framework of ESG and CSR under SEBI and the Companies Act, 2013, respectively.
2. To analyse the legal protection against green washing under the SEBI rules and the Companies Act.
3. To identify and understand the green washing administration in the Indian practice.
4. To decipher the ramifications of corporate environmental disclosures and development.
5. To elaborate and suggest mechanisms for a robust implementation

Hypotheses

The existing Indian regulatory framework is insufficient to prevent greenwashing effectively.

Research Questions

1. What is the current legal framework for preventing greenwashing under the Companies Act, 2013 and SEBI rules?

2. What are the relevant provisions for corporate environmental accountability and sustainability disclosures under the Companies Act, 2013 and the SEBI rules?
3. What is the extent and expanse of greenwashing practice in India?
4. What interventions can be credibly implemented to prevent greenwashing practices in India?

Scope and Limitation

The study focuses on critically analysing the greenwashing regulatory mechanism, specifically under the Companies Act, 2013 and SEBI's ESG reporting mandate. The research is limited to the Companies Act, 2013 and ESG norms of SEBI, focusing on the consumer's and investor interest in the same.

Research Methodology

The research adopts a doctrinal and analytical method of legal research methodology, focusing on the critical analysis of the current legal framework, regulations and other legal and policy instruments regulating the corporate environmental and sustainability reporting in India.

Analysis & Findings of the Research

A. Corporate Environmental Disclosure Mandate vis-à-vis Development Crusade

For a sustainable business operation, certain efforts were mandated for non-financial disclosures by the corporations to ensure sustainable development, which aligns with the development goals. The corporate disclosure scheme for non-financial matters gained traction from the CSR guidelines from 2009 (a result of the SEBI's Business Responsibility Report (BRR)). The basis of BRR can be traced to the National Voluntary Guidelines by the SEBI (Business Responsibility and Sustainability Reporting (BRSR) The evolution of sustainability reporting in India. The Companies Act, 2013, mandates a two per cent CSR contribution for companies having a net worth of five hundred crore rupees or more, for activities mandated under the seventh schedule of the statute.

The mandate for disclosure falls upon all listed entities, which have the responsibility to conduct business while maintaining a continuous stream of ESG disclosures. Companies frequently use greenwashing to evade the actual and tangible pursuit of CSR metrics, presenting a deficient framework in a perfunctory manner.

India has no one-stop law for greenwashing but has a scattered legal framework. The scattered legal framework, though, looks sufficient but lacks a proper enforceability mechanism to govern the landscape of evading responsibility and accountability. SEBI's BRSR mandates compulsory ESG disclosure for the top 1000 listed entities over 140 indicators consisting of certain mandatory and voluntary disclosures aligned to the NGBRC precepts. But BRSR disclosures have self-reported data, which might provide unverified metrics. Evolution of ESG mandates, which have developed over the years, yet they lack a robust and concrete mechanism. SEBI has continuously and effortfully continued to improve and incorporate an inclusive mechanism accounting for vigorous implementation[ix] (Securities and Exchange Board of India, (2023). Business Responsibility and Sustainability Reporting (BRSR) Framework).

The advent of the disclosure scheme can be traced to BRR, which focuses on the aspect of 'responsibility', giving a structure to the ESG disclosure mechanism. BRR was made mandatory for only the top 100 listed companies, and later included the top 500, followed by the top 1000 companies, focusing on policies and broad action. Later, the IRDAI Stewardship Code, 2017, extended disclosure to institutional investors along with listed companies. SEBI Integrated Reporting, 2017, which mandates the voluntary disclosure of the top 500 listed companies, encourages linkage between financial and non-financial data, but the framework was at a qualitative level. SEBI Green Securities Disclosure, 2017, provided the requirement for green bond-issuing entities to report based on climate-focused transparency. Furthermore, the SEBI Stewardship Code, 2019, embeds ESG responsibilities in investment for listed entities. The MCA Committee of Business Responsibility Reporting and Sustainability Board (2020) mandated a coordinated scheme ensuring sustainability norms. BRSR was introduced by SEBI in 2021 and provided a more comprehensive and coherent ESG framework tied to NGRBC standards. From 2023 onwards, BRSR mandates for the top 1000 listed entities, covering quantitative and qualitative measures and indicators, enabling a robust check system for controlling greenwashing.

Section 135, Companies Act, stipulates the requirement of a CSR Committee consisting of three or more directors, out of which at least one must be an independent director. The following is the eligibility criterion for a company to be able to fulfil the CSR requirement-

1. Net-worth of 5 billion or more; or
2. Turnover of 10 billion or more; or

3. Net profit of 10 million or more.

Based on this eligibility, the Act requires the Company to contribute two per cent towards activities listed in the Seventh Schedule, such as imparting vocational training, educational and skill development, women empowerment, etc. The CSR Committee is tasked with the functions of formulation, regulation and recommendation of policy for CSR for the company. The Committee is to disclose the contents of the policy in the report (yearly). The Seventh Schedule provides for a non-exhaustive list giving direction to companies' contributing to social accountability, aligning with the SDGs.

Carroll's pyramid lays down the four components of CSR, where the foundational stone, like economic, ethical, legal and philanthropic responsibilities, form the pillars of a robust corporate responsible being. The ethical responsibilities require the businesses to act in accordance with right, just and fair conduct. Legal responsibilities state for obeying the law and complying with its requirements, avoiding any breach or violation of it. Economic responsibilities state that the businesses must establish a ground of economic agenda and a basic block on which the finance of the company rests, aligning with a nation's economic tone. Philanthropic responsibilities require corporations to be good citizens of the corporate community, and their alignment with improving and aiding the quality of life by contributing resources to society.

B. Anti-Green washing Administration and Its Possibility

Green washing is derived from two words, 'green' and 'brainwashing'[x] (Mitchell and Ramey, 2011) and with evolving consciousness of environmental issues, modeled the corporate sphere and legal regimes. Green washing poses a critical challenge to achieving genuine sustainability due to the inconsistencies that arise among the claims and compliance eroding public trust[xi] (Devireddy, K. R. (2024)) India lacks a dedicated 'greenwashing' law, whereby the mechanisms of green washing are covered under various acts like environmental laws, company law, SEBI regulations and mandates, consumer law, and unfair practices laws. Judiciary, through various cases, has scrutinized and evolved the domain of claims over corporate environmental disclosures. In Vellore Citizens Welfare Forum v. Union of India, the Supreme Court established the 'polluter pays' principle and the 'precautionary' principle for conscious business accountability to the environment. The case became the base framework for mandatory EIA (Environmental Impact Assessment)[xii]. The judiciary, by reinforcing strict liability for sustainability measures, rejected corporate defiance of compliance[xiii]. In

the recent case, the SEBI investigated green bonds for non-disclosure of the use of proceeds, fining promoters for ESG misrepresentation[xiv] (Securities and Exchange Board of India, 2024).

Misleading and false claims under green washing lead to deception by corporations towards consumers, attracting the attention of the CCPA and ASCI in remedying the interests of Indian consumers (DoCA and ASCI, 2024)[xv]. The authorities require the companies to substantiate the claims made under certain labels such as 'eco-friendly', environmentally friendly', 'carbon-neutral', and 'sustainable' (CCPA, 2023; Lim, 2024)[xvi]. Patanjali Ayurveda Limited's claim on 'herbal and natural' products was laid out to not meet the requirements as stated, and was declared against ethical advertising and emphasized the concern of the consumers[xvii] (Ajoy Sinha Karpuram, 2024).

The Guidelines for the Prevention and Regulation of Green washing by the CCPA (under the Ministry of Consumer Affairs) in 2024 defined green washing as

- 'any deceptive or misleading practice where companies exaggerate, omit, or make unsubstantiated environmental claims to mislead consumers.'
- 'use of deceptive words, symbols or imagery, placing emphasis on positive environmental aspects while downplaying or concealing harmful attributes.'

These guidelines lay down a framework that requires the companies to display all information to the consumers truthfully by way of links or generated bar codes on the packaging[xviii] (Chatterjee & Siddique, 2025). Greenwashing, thus, incorporates any false or misleading claims in relation to environmental consistency in the products. The Consumer Protection Act, 2019, protects greenwashing under unfair trade practices, which undermines the interest of the consumers and erodes their trust in such corporations[xix] (Consumer Protection Act, 2019, s.2(47)).

ASCI performs a critical role in regulating the false spread and misleading advertisements claiming to be in line with environmental standards, ensuring absolute transparency from the business. The enforcement metric of ASCI is relatively weaker due to the non-binding nature of the law[xx] (Chatterjee & Siddique, 2025). For instance, in one of the directives, the ASCI intervened where the product was not eco-friendly but carried the label, misleading potential buyers (Ekam Eco Solutions Pvt. Ltd.)[xxi] (Chatterjee & Siddique, 2025).

The recent introduction of the Environment Audit Rules, 2025 (Ministry of Environment, Forest and Climate Change), is a critical measure to foster compliance with the environmental legislation[xxii]

(Chatterjee & Mukherjee, 2025). The rules aim for strong transparency by creating a new group of qualified and registered professionals called Registered Environment Auditors. These auditors are managed and assessed by the Environment Audit Designated Agency (EADA). The regulations provide a clear mechanism and structure for independent environmental auditing. To avoid conflicts among the auditors, tasks are assigned randomly. Auditors have two ways for acquiring the certification, one is by passing the national exam and the other is receiving credit for prior learning. To aid the current regulating bodies like CPCB and State Pollution Control Boards, the Registered Environment Auditors can conduct on-site inspections, collect the samples, review records and evaluate the project compliances falling under the scope of the environmental laws, inclusive of waste management and green credit rules. The framework aims to boost transparency and trust in environmental governance by allowing reliable third-party verification of compliance and supporting India's broader sustainability and ESG goals.

C. Critical Analysis of Greenwashing Prevention Framework: A Necessary Enquiry

India's legislative approach to greenwashing has evolved significantly in recent years. This change comes as ESG standards have become established in the corporate governance regime and the capital markets. Greenwashing, which refers to the practice of making false, exaggerated or unverified environmental claims, erodes inverstor's trust and the credibility of the sustainability efforts. Presently, there are fragmentary laws in India dealing with greenwashing practice. Although progress has been made in this regard, there are crucial operational barriers in bringing consolidation among the consumer, corporate and securities laws concerning cooperation, clarity, definitions and enforcement[xxiii] (Delmas & Burbano, 2011).

The SEBI is duty-bound to protect the investors and maintain the market integrity, and address misleading ESG disclosures. The introduction of the BRSR regime marked a major shift from voluntary sustainability reporting to mandatory ESG disclosure for the top 1000 listed companies. (SEBI, 2023). Under the BRSR framework, the companies are required to provide both qualitative and quantitative data sets relevant to the environmental factors and sustainability, including indicators like greenhouse gas emissions, efforts to reduce climate risk, waste management, energy and water usage, etc. The aim of this is to standardize the reporting mechanism and to improve investor awareness and transparency.

The BRSR framework has several implementational flaws despite its well-developed mechanism, as there is a lack of third-party verification and certification of the standards being reported and the reporting data being based solely on self-disclosures (see Table 1). SEBI has often brought to notice the instances of greenwashing by the corporate claiming false environmental claims, which undermines the ESG credibility and erodes investor and consumer trust[xxiv] (Economic Times, 2025, as reported). This allows for selective disclosures and optimistic projections of environmental claims. SEBI has raised concerns about cases where companies have claimed environmental impact while committing violations simultaneously, amounting to greenwashing[xxv] (Economic Times, 2025, as reported).

The Companies Act of 2013 also mandates for environmental disclosures under its CSR framework (Section 134), like the BRSR mandates, but varies in expanse and scope (see Table 1). Section 134 of the Companies Act of 2013 requires the CSR Board's report to include the information on aspects relevant to sustainability, environmental compliances, energy conservation, etc.[xxvi] (Companies Act, 2013, s. 134(3)). In due course, it is required under the Act of 2013 that the Directors must act in good faith in such disclosures and for the benefit of the company, shareholders and the employees. Any misleading environmental claim can result in a violation of the Director's duty and will make him liable for concealing the environmental risks[xxvii] (Companies Act, 2013, s. 166(2)).

There is no clarity in the law to prevent false or misleading environmental and sustainability claims, and there is no law defining what greenwashing is. The focus of Company law is primarily on the financial statements instead of the actual effective implementation. There is no provision under the law that requires checking and assessing whether the ESG compliance is being done under the stated report. The main focus is centered on the funding rather than on assessing the tangible inputs for environmental sustainability.

Consumer laws cover the aspect of greenwashing when it coincides with eroding the consumer trust and contains this practice under the ambit of unfair trade practices. The Consumer Protection Act, 2019, provides for remedies in cases of unfair trade practices under which false and misleading advertisements are also covered. This implicitly also covers the ambit of greenwashing, which companies use to portray their products in a way that is environmentally friendly. CCPA, thus, has the power to penalize false and deceptive environmental claims.

ASCI regulation plays a crucial role, alongside CCPA, in regulating the deceptive advertisement practice of environmental and sustainability claims. Some businesses often advertise themselves as 'eco-friendly' or '100% natural' without any evidence of them being environmentally friendly. Voltas Limited and Godrej Consumer Products Limited are two cases that demonstrate misleading environmental claims can mislead consumers despite the disclosures being legal[xxviii] (VBCL Law Review, 2024). ASCI's power is limited to regulatory and does not create any deterrence for enforcing stricter compliance.

One significant challenge is the absence of any definition in the law for 'greenwashing', which creates a barrier in determining its occurrence. This lack of clarity in defining greenwashing creates barriers in legally acknowledging the ambit of what constitutes greenwashing [xxix] (Lyon & Montgomery, 2015). Because of this, regulatory responses often lag evolving corporate sustainability reporting. The fragmented regulatory operations that rest with SEBI and ASCI create ambiguity and mismanagement, diminishing the standards of penalty and penalising, which in turn leads to overlapping of authority[xxx] (Delmas & Burbano, 2011).

Conclusion and Suggestions

ESG is generally construed to be the circumference covering the CSR mandate and sometimes stands distinctively from it. The mandate of CSR and ESG plays a crucial role in disclosing the environmental claims, because the environment is the bubble in which the human race thrives and does its business, and thus needs conservation and mindful protection. To achieve such conservation efforts, resilient and mindful leadership in the business industry is pivotal to maintain the sustainability profile alongside development, which often shares a complicated and inverse relationship. With the pace of development, to keep the environment in check, the CSR and ESG mandates have evolved, requiring companies to make environmental disclosures, but with such compliance, there is an adversary that has also evolves that is the practice of greenwashing to erode the actual compliance.

The concern of greenwashing is important and challenging, as in India, there is a fragmentary approach in laws, which creates ambiguity and overlaps in determining the jurisdiction of a particular authority. The Company Act and SEBI's BRSR are the major players requiring the adherence of corporates to the environmental accountability and sustainable reporting practice. The issue of

greenwashing is serious as it erodes investor and consumer trust and also weakens the sustainability governance.

The Companies Act provide the framework that is relevant in dealing with the financial statements of the CSR disclosure, and its focus is not on the enforcement requirement of the environmental claims being reported under the report, and this data set is generally self-reported and not authenticated by any third-party verification. To include a rigorous mechanism, third-party reporting and certification can be made mandatory for both ESG and CSR mandates, which will ensure transparency and fairness in the reporting. Greenwashing threatens the core of sustainable development, and any disclosure that is done without any enforcement becomes ineffective; thus, there is an urgent need to shift the balance from compliance reporting towards actual accountability.

The CCPA and the SEBI should work together to address the misleading and deceptive environmental claims and develop a system to coordinate for enforcing propriety in disclosures. The current ESG framework often overlooks the consumers, and thus inclusion of consumer-centric perceptions into the ESG mandate can ensure accountability. Strengthening coordination between regulators and increasing the Director's responsibility, alongwith mechanism such as the inclusion of consumer agencies and incorporating third-party verification of the sustainability claims, can be a potential tool in curbing the menace of greenwashing in India. More focused and integrated coordination between the SEBI, CCPA, ASCI and the companies' Board of Directors via a regulatory channel can ease the case of greenwashing. The regulatory channel can be established as the 'Corporate Environmental Disclosure Board, which will assess ESG and CSR reporting and will aid in the conduct of environmental reporting.

The menace of greenwashing can be curbed by addressing the enforcement gaps and by an integrated approach of legal frameworks in maintaining the validity of the same. The core element of curbing it lies in the hands of leadership, which is running the companies, and if they are responsible, then cases of such misleading claims are eliminated. The need of the hour is to have such resilient leadership as Ratan Tata, etc., who are paving the way for a sustainable future; along with keeping a balance between environmental preservation and development.

Annexure I: BRSR Disclosure and Greenwashing Risks in India

BRSR Disclosure Indicator	Nature of Disclosure under BRSR	Potential Greenwashing Risk	Regulatory / Enforcement Gap	Suggested Legal or Regulatory Safeguard
Greenhouse Gas (Scope 1, 2 & 3) Emissions	Quantitative, self-reported environmental data	Under-reporting, selective boundary definition, and omission of Scope 3 emissions	No mandatory independent third-party verification	Compulsory ESG assurance aligned with global standards (ISSB / GRI)
Energy Consumption & Efficiency Measures	Quantitative and descriptive disclosure	Inflated efficiency claims without verifiable baselines	Lack of audit of energy performance metrics	Mandatory energy audit disclosure under SEBI–MCA coordination
CSR Expenditure under Section 135	Financial disclosure of CSR spending	Emphasis on expenditure rather than environmental impact	Impact assessment is not uniformly enforced	Outcome-based CSR reporting with measurable sustainability indicators
Waste Management & Circular Economy Practices	Narrative and quantitative disclosure	Selective reporting of recycling initiatives while omitting hazardous waste	Absence of cross-verification with environmental regulators	Integrated disclosure review with CPCB data
Supply Chain Sustainability	Qualitative policy-based disclosure	Omission of adverse supplier practices	No obligation for supplier-level ESG verification	Mandatory supply-chain due diligence disclosures
Environmental Governance Structure	Board-level ESG oversight disclosures	Cosmetic ESG committees with no real authority	No liability for ineffective or misleading governance claims	Director accountability for false or misleading ESG governance disclosures
Stakeholder Grievance Redressal	Process-based disclosure	Overstatement of responsiveness or effectiveness	Weak monitoring of grievance outcomes	Periodic regulatory review and public outcome reporting
Climate Risk & Transition Planning	Forward-looking narrative disclosure	Vague or aspirational commitments with no implementation plan	Absence of penalty for non-performance	Mandatory transition roadmaps with timelines and penalties

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WHISTLEBLOWING IN INDIA: STRENGTHENING ETHICAL GOVERNANCE AND CORPORATE ACCOUNTABILITY

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ABSTRACT

Whistleblowers are very useful tools in ensuring transparency and accountability in organizations against unethical behavior, fraud, and corruption. Even in the Indian scenario, the Whistle Blowers Protection Act, 2014, and Clause 49 of SEBI have formalized the process of whistleblowing. But due to certain reasons like possible intimidation, lack of anonymity, and ineffectiveness, the process of whistleblowing has been hindered. This paper will analyze the importance of whistleblowers in preventing white-collar crimes, the effect of whistleblowers on maintaining organizational integrity from a critical perspective, and the ineffectiveness of the legislation. Best practices on protecting whistleblowers in the US, Australia, and New Zealand provide a comparative study of the global scenario. It has been explained in this paper how the establishment of an effective leadership environment, along with overall education programs for people, is very significant in making the whistleblower effective and ensuring the interests of stakeholders in Indian organizations.

Keywords: Whistleblowing, Corporate Governance, White-Collar Crime, Legal Protection, Ethical Leadership

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Introduction

There has been vast growth in business entities, apart from the complexities in financial transactions, hence the reliance on trust as a fundamental basis for financial and business systems. On the other hand, the aforementioned complexity has also led to conditions that are conducive to the existence of white-collar crimes. Financial crimes are normally associated with severe consequences in the sustainability and viability of economic entities. White-collar crimes are quite distinct in the sense that they can never be detected, owing to the aspect of professional deception.

Whistleblowers are essential in addressing this dilemma. The term 'whistle-blowing,' as a practice, is the process by which an individual reveals the wrongdoing of an organization to the organization's authorities as well as to other government oversight bodies. In numerous cases of accounting fraud, insider trading, bribery, and abuse of power, whistleblowers have been the key to bringing these acts to light in an organization.

In India, however, the scope of the law governing whistleblowing is quite limited in nature. The Whistle Blowers Protection Act of 2014 intertwines public-interest disclosures into law; however, such laws are largely seen in the context of fighting corruption in public offices. In contrast to such other countries, regulatory authorities such as SEBI have already realized the significance of whistleblowing in the context of good corporate governance by directing listed companies in India regarding the implementation of vigil mechanisms in respect of listed corporations.

The paper focuses on the aspect of whistleblowing and its application in combatting white-collar crimes in India. The paper will not only analyze the legal frameworks in India, analyze the challenges faced by the whistleblowers, and describe the aspect of organizational and ethical leadership, but will also consider global approaches in an endeavour to reform and shape the aspect of whistleblower protection in India.

Research Questions

1. To what extent are the Indian legal systems and the Whistle Blowers Protection Act, 2014 effective in protecting the integrity of the whistleblowers in the public and private sectors?
2. What are the key difficulties and obstacles faced by whistleblowers in India, and what is the overall effect on whistleblowing on unethical practices?
3. How does the organizational culture and ethical leadership affect employee reporting

of misbehavior?

4. How can India learn from international frameworks for whistleblower protection to enhance transparency, accountability, and corporate governance

Research Methodology

In this proposed research, the research methodology is qualitative and comprises the evaluation of primary as well as secondary literature, such as statutes, case laws, case studies, and research publications, regarding the topic of whistleblowing. A comparison between the existing whistleblowing regimes worldwide and the current practices in India is carried out.

Definitional Perspectives on Whistleblowing and Whistleblowers

Whistleblowing is a phenomenon that has developed gradually in accordance with the evolution of laws and mechanisms created for revealing illegitimacy concealed by power and the secrecy of the organization. Whistleblowing is a significant mechanism for revealing the violation of ethics and the law that remains concealed in power organizations.

Whistleblowing

It is defined as the disclosure of information concerning illegal, improper, or unethical acts carried out in an organization made in line with genuine intentions and in the best interests of the public. These may involve acts such as corruption, fraud, abuse of power, financial impropriety, illegality, and potential dangers to public health and the environment. These acts may occur both internally through the organizational mechanism and externally through institutions such as regulatory bodies, law-enforcement institutions, judicial institutions, and the press. Generally, there exist two forms of whistleblowing. These are explained as follows:

Internal Whistleblowing

Internal Whistleblowing is a process where the employee blows the whistle on illegal, improper, or unlawful behavior that occurs in the same organization. Normally, people receive feedback or convey the complaint to the management or the human resource department. Internal whistleblowing may include complaints such as fraud, theft, sexual harassment, misuse of the company's services, or breach of business policy. Internal whistleblowing helps take corrective action very early and promotes accountability within the organization's management.

External Whistleblowing

External whistleblowing happens when the whistleblower blows the whistle to other organizations or bodies outside the whistleblowing organization, like law enforcement agencies, regulatory organizations, the judiciary, or the press. The main reason for adopting the strategy of external whistleblowing is when the strategy of internal whistleblowing fails or is not an option. External whistleblowing is important as it ensures greater transparency and integrity in organizations (Shah, 2023).

Whistleblower

A whistleblower is a person who, as a result of their professional engagement with an organization, has insider knowledge of wrongs committed within the organization and comes forward to reveal the information in the interest of the public. A whistleblower can be a person or a group of people who work within, or are connected to, an organization and discover illegal and unlawful activities that are committed within the scope of their work. Whistleblowers are critical in unearthing intricate wrongs committed within organizations that are usually hidden by organizational structure, confidentiality, and misuse of power. Despite their importance in ensuring there is transparency and accountability within organizations, whistleblowers are often subjected to harassment, discrimination, and even dismissal from work.

International bodies have attempted to establish a definition of whistleblowing within a wider debate on ethical governance and accountability. According to the International Labour Organization, whistleblowing is the act of staff, as well as former staff, reporting illegal, dangerous, irregular, and unethical activities of an employer. However, in a wider debate on a United Nations document titled the United Nations Convention Against Corruption, whistleblowing is believed to be a reporting of criminal activities by a person of good intentions and reasonable suspicions to a relevant authority (Lendvai, Bálint, & Huszár, 2024).

The research community has further elucidated this definition by stating that the voluntary act of blowing the whistle is done by individuals with privileged information and aims at triggering a response from authorities or decision-makers in an institution. This further accentuates the active involvement of a whistleblower in an institution triggering actions for accountability. Under the Indian scenario, the concept of whistleblowing appears to fall within the gamut of 'public interest

disclosure.' The Whistle Blowers Protection Act, 2014 recognizes whistleblowing to a limited extent and mostly targets those situations where there are allegations of corruption and the misuse of power within the public domain. Such differing attitudes cumulatively recognize the pivotal position occupied by whistleblowing.

Evolution of Whistleblower Protection in India

The whistleblower protection in India has been operational as a response to large-scale corporate and financial scandals that have exposed serious flaws in governance and regulatory structures. The Harshad Mehta securities scandal in 1992 brought to light serious flaws in the system, and lastly, the Satyam Computer Services scandal in 2009 emphasized the urgent need for effective protection for those individuals who possess whistleblower qualities. The first measure towards effective whistleblower protection was initiated by the Public Interest Disclosure Resolution, 2004. In light of the tragic death of Satyendra Dubey in 2003, there was a great deal of public concern that ultimately led to the establishment of a comprehensive regulatory framework through The Whistle Blowers Protection Act, 2014.

Side by side with these, the code of corporate governance in India has also undergone significant changes. The code of corporate governance developed and disseminated by the Confederation of Indian Industry in 1998 emphasized transparency, the role of audit committees, and board accountability. The Kumar Mangalam Birla Committee recommendations, based on these, became a part of Clause 49 of the SEBI Listing Agreement.

Amendments to Clause 49 of the Listing Agreement in 2005 and 2014 made whistleblower policies mandatory in corporate governance structures. This was initially made on a voluntary basis and later made mandatory in the case of listed companies with the requirement to implement whistleblower channels and protection against retaliation for whistleblowers. This development was an important milestone in making whistleblower protection part of the corporate framework in India (Yadav & Veer, 2025).

High-Profile Whistleblowing Cases in India

Meanwhile, various Indian whistleblowers receive accolades on the ground for exposing corruption and unethical practices, often at great personal risk.

- ***Lalit Mehta (2008):*** Engineer-turned-social-activist Lalit Mehta started to expose

embezzlements of the MGNREGS in the Palamu district of Jharkhand. Economist-assisted social audits were therefore able to detect discrepancies in the allotment of funds. On May 15, 2008, while on his way through Chhatarpur in Madhya Pradesh, he was hacked to death by a group, thus bringing all of a sudden his investigating activities to an end.

- ***Rinku Singh Rahi (2009):*** District Social Welfare Officer at Muzaffarnagar district in Uttar Pradesh, Rahi had exposed large-scale corruption in the welfare schemes. Unidentified assailants shot him multiple times. He survived and continued his anti-corruption crusade using the Right to Information Act to unravel further scandals.
- ***Aseervatham Achary (2011):*** An erstwhile aide of Telecom Minister A. Raja, his revelations led to the unraveling of the 2G spectrum scam. It was due to his revelations about this scam that the investigations carried out by the Central Bureau of Investigation and the Central Vigilance Commission unearthed the gigantic corruption that had infiltrated the telecom sector.
- ***Narendra Kumar Singh (2012):*** Narendra Kumar Singh, an IPS officer serving in Madhya Pradesh, actively opposed illegal mining taking place in the Morena district of the state despite continuous threats. On 8 March 2012, he was intentionally mowed down while trying to stop the transportation of illicitly mined materials. Singh eventually succumbed to his injuries.
- ***Sanjiv Chaturvedi (2012):*** Sanjiv Chaturvedi is a member of the Indian Forest Service. He reported the cutting of trees done unauthorisedly in the Hansi-Butana Canal project in 2002. Later, while he was the Chief Vigilance Officer of AIIMS between 2012 and 2016, he reported more than 200 irregularities, which were mostly related to unauthorised foreign tours of medical officers.
- ***Ashok Khemka (2012):*** Ashok Khemka, a bureaucrat with the Indian Administrative Service, brought to light several instances of widespread corruption, such as the cancellation of the land mutation entries pertaining to the Robert Vadra-DFL land transaction in the Haryana land deal. Despite facing a series of transfers, the bureaucrat has been a persistent voice for handing over more transparency to the governmental sector (Sahoo, Biswal, and Sarangi, 2025).

Laws Governing Whistleblower Practices in India

The Companies Act, 2013

An Act named Companies Act, 2013, has been formulated to ensure ethical performance and fulfilling regulatory requirements in the operations of companies in the Indian market. The Act has formulated statutory procedures to deal with corporate malpractices through inspection, inquiry, and investigation. Sections 206-229 of the Act regulate the inspection and investigation of corporate affairs, and under Section 208, the inspectors and the Registrar of the Company have the power to scrutinize the accounts of a company and require further investigation, if needed.

Under Section 210, the Central Government may make an investigation in respect of an inspector's report, a special resolution, and in the public interest. Under Section 211, the Serious Fraud Investigation Office (SFIO) is a specialized agency for investigation related to serious frauds. In fact, Section 177(9) encourages whistleblowing and holds auditors and companies accountable for making the competent authorities informed of frauds and mismanagement. This act also requires certain types of companies, like listed companies, those which accept deposits, and borrowing companies, to put in place a vigil mechanism for making genuine concerns, enhancing the transparency and accountability in a company (Karavadi, 2013).

Securities and Exchange Board of India (SEBI), 1992

The Securities and Exchange Board of India, after issuing a 2003 circular regarding amendments to the Principles of Corporate Governance, included Clause 49 in the Listing Agreement, which recommended establishing mechanisms for whistleblowing in listed companies. These mechanisms are at the heart of an approach that helps employees bring to the management or any other responsible authority in the company acts of unethical conduct, fraud, or violations of the code of ethics of the company. Clause 49 also protects the informant against victimisation and permits access to the chairperson of the audit committee in case of need, which again reinforces transparency and accountability in corporate governance. (Deshpande, 2023).

Whistleblower Protection Act, 2014

The Whistle Blowers Protection Act, 2014 specifies an avenue for lodging and investigating reports concerning corruption, misappropriation of power and authority, and significant danger to the broader public interest, including safety, health, the environment, and equity. It also aims to shield

witnesses from intimidation. It allows any individual, including government officials, to submit a public interest disclosure to the concerned authority. For instance, allegations against Union ministers are required to be made to the Prime Minister of India.

Sections 5 and 6 enable the concerned authority to investigate disclosures made under the Act. Sections 7-10 grant a level of power similar to that of a civil court with a further right to seek help from the police in order to conduct an efficient investigation. Sections 11-13 ensure protection for a whistleblower as an individual is not allowed to disclose his or her identity. Moreover, Sections 15-22 lay down punishment for non-acceptance of complaints, provision of incorrect information, or disclosure of a complainant's identity, with a right to appeal before the High Court.

Despite the advantages, there are limitations to the Act. The Act covers mainly public sector employees and lacks the impact of protecting whistleblowers in the private sector. The Act has a minute definition for "disclosure," and there is no apt solution to anonymous complaints. The Act does not reveal the whistleblower's identity, and it lacks reward systems to encourage people who blow the whistle on illegal activities. The Act, however, represents a major milestone because it was drawn up after public consultation. The Act attempts to walk the thin line of offering adequate protection to whistleblowers and preventing abuse of the Act, where persons are fined for filing false complaints under Section 17 and have a 60-day appeal period to grievance-redressed public officials (Deshpande, 2023).

Protection of Whistleblowers in the Corporate Sector

Whistle-blowing is an act of great courage, as it puts the whistle-blower alongside some of the most crucial supporters of the wider public interest. However, the whistle-blower within the context of the business environment faces numerous challenges. Some of the employees who witness fraud, work-related risks, sexual harassment, and any form of misconduct choose not to proceed with the action of whistle-blowing, in order not to become victims themselves, and hence any kind of misconduct and damage to the reputation of the business remains unmarred.

To cope with such problems, a Whistleblower Protection Act, 2014, has been developed in India, which has provided a scope to cover a legal framework for the protection of such persons. The aim of corporate whistleblowing systems would be to serve as internal control mechanisms within organizations. The success of these systems would hinge on defined reporting processes and

protection against intimidation. The systems would otherwise be reduced to mere symbolic actions and would lack functionality.

The role of committees, including the K.R. Mangalam Committee and the Narayan Murthy Committee, in having effective corporate governance structures, in terms of Clause 49 of the SEBI Listing Agreement (2003), has not been insignificant. It encourages providing facilities to its employees to report any unethical practices, fraud, and violations of their policies with impunity and, in some cases, direct access to the Chairman of the Audit Committee. Although, this is not mandatory, but in fact, it will prove quite effective for good corporate governance, as it will ensure a safe zone for the whistle-blower.

Comparative Global Frameworks

United States of America (USA)

In the USA, there is a well-established system of protection of whistleblowers at both federal and state levels. This False Claims Act of 1986 rewards people for reporting government fraud with a percentage of the amount of benefit obtained. This act imposes a penalty even on a whistleblower with intentionally made false claims. The Whistleblower Protection Act of 1989 is a law that guards government workers from reprisal in cases of reporting wrong-doing. It enhances mechanisms of review by the Merit Systems Protection Board and also provides security from unlawful employer retaliation.

In light of the massive failures of large companies, such as Enron and WorldCom, the Sarbanes–Oxley Act of 2002 was enacted. It attempts to increase financial responsibility. Section 806 of the law shields personnel in publicly traded firms who blow the whistle on fraud against the federal government. Section 301 requires an efficient audit committee. Section 1107 provides criminal sanctions for obstruction of justice in whistleblower complaints.

Within U.S. laws, there are remedies such as reinstatement, compensation, and protection from demotion or adverse action related to employment for whistleblowers. There are penalties if an individual makes a knowingly false or intentionally misleading report, which ensures a level of accountability (Boles, Eisenstadt, & Pacella, 2025).

Australia

Australia boasts a strong whistleblower protection framework in place at both federal and state levels. While the Public Interest Disclosure Act, 1994 was primarily the driving force behind whistleblower protection in public bodies, it has since then been expanded to cover private bodies under the Treasury Laws Amendment (Enhancing Whistleblower Protections) Act, 2019 to protect employees, officers, and suppliers. The Australian system provides anonymity with protection from demotion or harassment for whistleblowers, along with severe penalties of up to AUD 1.05 million for individuals and AUD 10.5 million or 10% of a firm's turnover for a company for breach of confidentiality related with a whistleblower disclosure. There are no restrictions concerning the intention of a whistleblower either, so long as there is some rational thought behind a disclosure made by that person. This is because of a broader future outlook concerning the protection of whistleblowers (Smith, 2019).

New Zealand

The government of New Zealand has formulated and implemented a comprehensive system to protect whistleblowers through the "Protected Disclosures Act, 2000," but it has been replaced by "The Protected Disclosures (Protection of Whistleblowers) Act, 2022," effective from 1st July, 2022. The new law safeguards workers who disclose wrongful conduct both within public and private entities. This is because section 17 of the new law helps whistleblowers seek compensation.

The Act provides immunity from civil, criminal, and administrative proceedings for protected disclosures and allows for anonymity in reporting or disclosing identity to concerned authorities. The Reforms in 2022 broadened the protection to private companies, clarified the definition of 'serious wrongdoing,' and simplified the process for reporting internally. The system gives priority to confidentiality to ensure the safety of whistleblowers, hence leading to accountability and transparency in the workplace environments (McKenzie, 2025).

White-Collar Crime Landscape

Definition and Categories of White-Collar Crimes

White-collar crimes in India are known as crimes that are non-violent and are committed by people for monetary gain, often while in a position of trust, such as business and government employees. The idea of white-collar crime was first introduced by Edwin Sutherland in 1939 and was intended

to describe crimes committed by people of "high socioeconomic status." In India, white-collar crimes are largely related to deception, concealment, and breach of trust and are not physical crimes.

The white-collar crimes usually involve fraud, embezzlement, insider trading, corruption, and bribery. New forms of white-collar crimes such as cybercrime, money laundering, and tax evasion have expanded the limits of economic crimes. Corporate frauds, as revealed by the manipulation of accounts and representation of assets, are very alarming and have been manifested in the recent Satyam scam of 2009. Insider trading, which is based on the abuse of unpublished price-sensitive information to make any kind of gainful profit, is constantly raising regulatory worries.

The "Occupational Fraud 2024: Report to the Nations" issued by the Association of Certified Fraud Examiners (ACFE) examines 1,900+ cases from 138 countries and points out the financial and organizational effects of occupational fraud. The main point of this report is that tips from anonymous whistleblowers remain the most frequent method of occupational fraud detection.

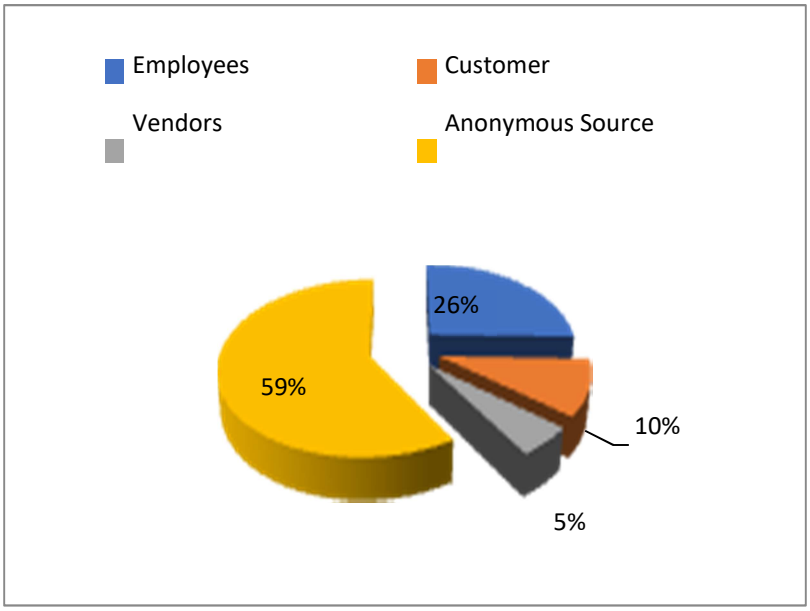

Figure 1.1 Sources of Whistleblower Tips

Some main findings in the ACFE 2024 Report are:

- Asset misappropriation: 89% of incidents (median loss of 120,000
- Bribery: 48% with cases of proven loss of more than 200,000
- Financial statement fraud: 5% of cases (median loss of dollars 766,000; highest per case)

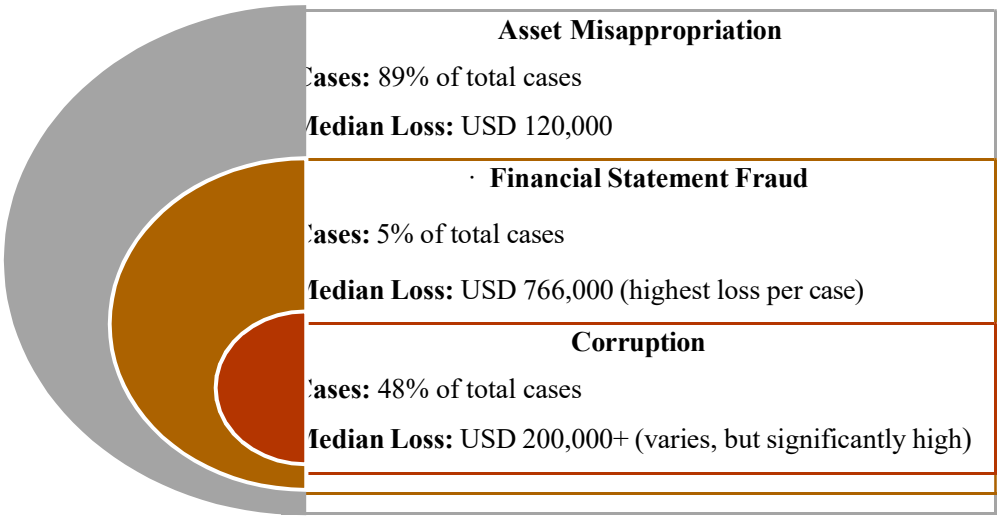

Figure 1.2 Distribution of Occupational Fraud Cases and Associated Median Losses

- **Prevalence and Economic Impact:** White-collar crimes have assumed serious dimensions in India, depleting economic stability and investors' confidence. Accurate measurement, due to its latent nature, poses little success. It ranked 78 in the Corruption Perception Index out of 180 countries in the list prepared by Transparency International in 2018, which shows that corruption-related offences still persist. The incidence of banking fraud has risen sharply, reported to have grown by 159% at INR 1.85 trillion in absolute terms during 2019-2020 by the Reserve Bank of India. But for white-collar crimes, the losses cannot be contained in simply direct financial terms. Beyond direct financial losses, white-collar crimes erode investor confidence and deter foreign direct investment. According to estimates made by the World Bank, corruption and other economic crimes are costing India close to nearly 1% annually of its GDP growth. (Singh & Kuar, 2022)

- **Role of Regulatory and Enforcement Agencies:** India follows a multi-agency approach in regulating, investigating, and prosecuting white-collar crimes. The financial sector is regulated by the Reserve Bank of India, which at regular intervals issues specific guidelines aimed at controlling banking fraud and money laundering. SEBI has been actively regulating the securities markets and addressing various offences, such as insider trading and market manipulation. The Central Bureau of Investigation deals with corruption and serious economic offenses, while the Enforcement Directorate deals with money laundering and foreign exchange offenses. This has

meant that an inefficient structure is coupled with a range of problems, including a lack of coordination, overlapping jurisdictions, a lack of autonomy, and political interference, which together make it difficult to ensure enforcement efficiency. (ATMANAND & BANSAL, 2024)

Challenges Faced by Whistleblowers in India: Barriers to Effective Accountability

Whistle-blowers in India still have significant, if not insurmountable, obstacles in their way. Retaliation, in some cases, may be direct and can include harassment, demotion, termination, and even violence. Societal attitudes towards whistle-blowing are more likely to view it as a breach of loyalty rather than a matter of public interest. Legal constraints make the protection even weaker. The Whistle Blowers Protection Act, 2014 is widely applicable in the public sector and does not provide a comprehensive remedy for anonymous complaints. Also, delays in procedure for investigation and adjudication give way to increased financial and psychological distress for whistleblowers, thus discouraging further disclosures.

Reporting structures are very underdeveloped or poorly implemented in the corporate sector. A majority of organizations may not have any incentives, security in reporting channels, or even independent oversight. Media exposure and social stigma may also shift attention from the wrongdoing to the whistleblower, compounding personal risks. Besides, the technical and hidden nature of white-collar crimes makes evidence collection difficult, further burdening the whistleblowers.

Corporate Responsibility and Ethical Leadership: Do They Influence Whistleblowing?

Corporate social responsibility and ethical governance have a role to play in acts of whistleblowing as facilitators and amplifiers of such practices. In the Indian corporate environment, such a function is realized through their compliance with their duties as defined in the Companies Act of 2013 and SEBI. Section 177 of the Companies Act, 2013 stipulates that certain types of companies have to establish vigil mechanisms, of which the oversight lies with the audit committee. For listed companies, under Clause 49 of the SEBI Listing agreement, there is a necessity to design a whistleblower mechanism that is confidential, protects against intimidation, and gives direct access to the chairperson of the audit committee.

Ethical leadership corridors decide how this will be implemented. When leadership is keen on monitoring the board, using resources effectively, and demanding independence for investigations, then whistleblower programs stop being a mere formality. Leadership practices also encompass

some of the issues that could act as barriers that have been identified within this paper earlier. Fear of retaliation could be dealt with by implementing a no-tolerance policy towards retaliation and ensuring that there are punishments for such actions. Delayed investigation could also be avoided by ensuring that senior management makes whistleblower issues a priority and deals with them by using independent internal or external investigators.

Lack of a reporting structure could also be dealt with by ensuring that a mechanism for anonymous reporting is supported by leadership and that vigile mechanisms are audited periodically. Codes of conduct, compliance programs, and ethics-training activities strengthen whistleblower reporting systems. In a way, if employees have been made aware of misconduct and how to report it, more cases would be reported internally. Confidentiality and a low level of disclosure of a whistleblower's identity would help build confidence in such reporting systems. Hence, the process of ethical leadership becomes the linkage between law and practice in their application. By ensuring proper implementation of the whistleblower provisions under the statute, leadership is capable of turning law into an operational instrument that hampers white-collar crimes.

Suggestions and Recommendations

Despite legislative milestones, there are some gaps in coverage, protection, and support that hinder the development of whistleblower protection legislation in India. This paper urges the need for proper legal changes and improved organizational practices to bridge such gaps, and not just the articulation of lofty ideals. The Whistle Blowers Protection Act, 2014 is a huge positive move towards overcoming dishonest actions.

Key recommendations include:

- **Coverage under the Act:** More categories of misconduct to be included in the definition of disclosure, based on international best practices.
- **Applicability to Private Sector:** Coverage of private companies and multinational corporations, with handsome penalties and fines in case of non-compliance.
- **Anonymity in Reporting:** The Whistle Blowers Protection Act, 2014 needs to be amended to permit anonymous reporting, especially during the initial inquiry phase. A secure and audited reporting system needs to be developed through the audit committee, and anonymity may be waived under the shield of the regulatory or judicial authority.

- **Incentives or Compensation:** An interim regulated incentive scheme may be provided for those whose disclosures have been found to be true. Such schemes may include compensation for legal expenses, or even job security, with monetary incentives awarded judiciously and in measure, based on the model of the U.S. False Claims Act
- **Expenditure in litigation:** Providing legal and financial assistance to whistleblowers in successful cases.
- **Stronger Sentences for Identity Crimes:** Impose stricter sentences for illegal unmasking or disclosure of whistleblower identity.

Conclusion

The role of the whistle-blower is of utmost significance in achieving greater transparency and integrity in public life in the fight against white-collar crime. Although India has made several significant moves in this direction through various legislations, the law that is in place is, on the whole, poorly enforced. An effective whistleblower protection regime is not only about good legislation but also requires proper implementation, leadership, and accountability in this regard. A strong protection regime for whistle-blowers in legislation, better whistleblower regimes within companies, and learning from best practices in the international arena would certainly make a difference in the outcome of good corporate governance. A system that protects whistleblowers not only serves as a deterrent against wrongdoing but also enhances public confidence in corporations or institutions.

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Building Resilient Leadership through Legal Accountability: Corporate Governance Lessons From the Adani – Hindenburg Controversy

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BUILDING RESILIENT LEADERSHIP THROUGH LEGAL ACCOUNTABILITY: CORPORATE GOVERNANCE LESSONS FROM THE ADANI–HINDENBURG CONTROVERSY

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ABSTRACT

Adani-Hindenburg controversy that took place in 2023, reignited the issue of good corporate governance in India (Hindenburg Research, 2023). It dealt with the problem of how companies function in India and how important it has become for the companies to be transparent and accountable for the decisions they make. The case showed that how important it is to have laws for companies and how implementation of these laws also plays a crucial role (Companies Act, 2013; SEBI, 2015). The results show that non-implementation of rules and regulations can certainly lead to such controversies. It also make us thrive deeper into a thought that how resilient leadership is essential in today's contemporary world. Leaders need to be hold accountable for their decisions they make and how ethically they handle such situations in times of crises (Healy & Palepu, 2003). The research study ends with certain suggestions that are certainly important for the good corporate governance in India and as well as for building resilient leadership.

Keywords: Adani–Hindenburg Controversy, Corporate Governance, Legal Accountability, Ethical Leadership, Leadership Resilience

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Introduction

India is a developing nation holding 5th position as a world's largest economy. Companies play a major role in the economy. Adani Group is an Indian multinational conglomerate founded by Gautam Adani in 1988. Today, Gautam Adani is one of the top richest person in world with a leading company in the national and international market. In 2023, Hindenburg research, a US based research firm published a report that alleged certain things against the Adani Group (Hindenburg Research, 2023). The allegations were regarding the stock price manipulations, undisclosed debts, offshore structures and many more. These claims swiftly led to chaos in both Indian and International financial markets, resulting in significant valuation declines and drawing regulatory attention following them (Reuters, 2023).

In the world we live in today, everyone is watching what companies do, which means that leaders need to be more accountable for their work and be strong enough to handle all kind of situations. This is what meant by leadership. A leadership is resilient when the leaders can see the problems beforehand and do the necessary things to resolve it. A resilient leadership is very important for the companies that want to stay longer in the market. A resilient leader is the one who handles the crises while being honest and following the rules and laws. Adani-Hindenburg case is not the first time when such corporate failure occurred, there were other scandals before such as Satyam and IL&FS (CBI v. B. Ramalinga Raju & Ors., 2015). These scandals show that when leaders of a company do not do a job and when there is no one to hold them responsible it can cause a lot of problems. Corporate scandals can lead to financial losses and damage to the company's reputation. (Healy & Palepu, 2003; Kölbel, 2020)

It is crucial to understand the present controversy because it helps us understand how corporate governance, legal frameworks and ethical leadership are interconnected. India already has strong laws such as the Companies act, 2013 and the SEBI regulations that include provisions regarding auditing, disclosures and fiduciary duties. Although we do have legal framework, but still such scandals keep , which raises question whether these laws are actually getting enforced (Companies Act, 2013; Securities and Exchange Board of India [SEBI], 2015). This research study is focused to examine how legal systems of different countries that hold people accountable can help leaders be stronger and make sure that corporate leader like those in India work ethically and keep the trust of

people who have a stake in the company even in critical situations. It is essential for any company to have leaders that work ethically while following the rules and regulations.

To understand the importance of a leader who is resilient, we need to look at the major scandals around the world such as the Enron scandal (2001) and the Lehman brothers (2008). The Enron scandal was one of the biggest corporate frauds in history of United States which occurred due to accounting malpractice that led to the bankruptcy (Healy & Palepu, 2003; U.S. Senate Permanent Subcommittee on Investigations, 2002). After this scandal, the U.S. Congress passed the landmark legislation known as Sarbanes-Oxley Act (2002) to improve corporate transparency, protect whistleblowers, and impose harsher penalties for financial record manipulation (Sarbanes–Oxley Act, 2002). The Lehman Brothers crisis in 2008 was another major scandal that led to the collapse of the major U.S. investment bank on September 15, leading to the largest bankruptcy in U.S. history (Valukas, 2010). These crises highlight the importance of having laws and legal accountability for building resilient leadership in the corporate world (Valukas, 2010; OECD, 2015). In India, Satyam scandal that took place in 2009 led to the changes in the Companies act. The Companies Act of 2013 was also updated to make companies share information and be transparent (Companies Act, 2013; SEBI, 2015). New rules were added to the SEBIs LODR Regulations. The goal is to make sure everything is clear and fair for all shareholders. However, with the current case it can be understood that having laws on paper is not enough, their implementation is the key to good corporate governance.

This research study is not focused at finding the problems that have happened or finding the guilt of the Adani Group or Hindenburg Research. It is about leadership can handle such crises and how a leadership when resilient can prevent such situations that may happen in future. The research is focused on making things better in two ways. First, that it wants to help us understand things better and also make changes. The research puts together ideas about how companies run, what makes a good leader and how laws work to show how leaders can make their companies stronger. This will help people who make rules, boards of companies and top executives make better systems to watch over things be more open and make choices that are fair and right for their companies. Second, the research is really about leadership i.e., how it can be made stronger.

Identification of the research problem

The main problem in the present research study is how legal accountability and corporate governance structures and leadership resilience are all interconnected in big Indian companies. With the current controversy, it can be understood that having laws on paper is not enough for the good corporate governance, it need to be enforced as well. In India we lack legal accountability of the leaders of big corporate structures. This is important for the current legal framework in India to be effective and to ensure that executives are responsible, for their financial choices and decisions.

In India, when companies grow faster and bigger into complex structures, it lacks the oversight and scrutiny. They do not have plans to deal with risks and they do not always act in a fair and honest way. This creates problems that people notice when things go wrong. When that happen people start to lose trust, in the companies and the leaders of these companies have a lot of stress. Indian companies and their corporate governance have these weaknesses. The Adani–Hindenburg controversy illustrates that even with statutory protections in the Companies Act, 2013 (India) and SEBI's LODR Regulations, weaknesses in disclosure, related-party dealings, debt disclosures, and board operations can still arise because of inadequate enforcement and cultural or behavioral limitations within corporate entities (Companies Act, 2013; SEBI, 2015).

The research questions listed below, within this wider framework, steer the investigation of this study:

• In what ways did the Adani Group's structural and procedural shortcomings in corporate governance lead to the governance failures pointed out in the Hindenburg report (Hindenburg Research, 2023)?

• How effectively do the current legal accountability frameworks in India, such as the Companies Act, 2013 and the SEBI LODR Regulations, promote transparency, board supervision, and accountable leadership in large corporations?

• How does legal accountability enhance resilient leadership within corporate organizations, particularly during crises such as the Adani–Hindenburg situation?

• What insights does the Adani-Hindenburg incident offer for enhancing corporate governance and leadership responsibility in Indian conglomerates?

Research methodology

This study is based on doctrinal research, i.e., what the law says and what people think about it. It will carefully look at the laws, what the courts have decided, how companies are and what experts have written. By looking at the laws we can see what the Companies Act of 2013 in India and the rules made by SEBI say about what directors are supposed to do and how they can be held responsible for doing their job (Companies Act, 2013; SEBI, 2015). The study primarily relies on Companies act, 2013 and SEBI LODR along with certain judicial decisions. The research study also referred secondary sources such as the journals, articles and reports. We have also studied and compared the legislation of other countries such as that of US, to find out what may work more beneficially for India (OECD, 2015; Financial Reporting Council [FRC], 2018; Sarbanes–Oxley Act, 2002).

One problem with this study is that we can only use information that's available to the public. This means we do not have access to what people are talking about inside the company or, to secret corporate information. Nonetheless, the approach facilitates a comprehensive case study analysis of governance failures, leadership dynamics, and legal accountability mechanisms as examined through the Adani–Hindenburg controversy perspective.

Analysis and Findings of the Research

Factual Background of the Adani–Hindenburg Controversy

In January 2023 Hindenburg Research came out with a report that alleged certain things about the Adani Group (Hindenburg Research, 2023). They alleged that the Adani Group was messing with stock prices and using way much borrowed money through complicated companies in other countries. The Adani Group was also not telling people about all the deals they were making with companies they own. Hindenburg Research claimed that they made this report after speaking with dozens of individuals, including former senior executives of the Adani Group, reviewing thousands of documents, and conducting diligence site visits in almost half a dozen countries (Hindenburg Research, 2023). When this report came out the value of the Adani Group companies on the market went down a lot. This made a lot of people including investors in India and other countries take a look at the Adani Group. Now, the Securities and Exchange Board of India, which is like a watchdog for the stock market is also looking into the Adani Group (SEBI, 2023).

The dispute was regarding three main things:

i. accusations that the company was not organized well and had too much debt
ii. people saying the company did not tell everyone everything they needed to know about securities
iii. panic among the stakeholders after the report came out.

The study is focused on learning how Indian corporate governance and leadership react in such crises. It helps us realize how crucial it is to have legal accountability for the resilient leadership that will eventually lead to sustainable growth. This research study is a stress test on governance and not about finding guilt.

Corporate Governance Failures: A Legal Evaluation

Hindenburg Research alleged Adani Group of the governance concerns, so it is important to understand what exactly went wrong in the current legal framework. India already has strong laws such as the Companies act, 2013 and the SEBI regulations which deal with transparency, board independence, audit committees and disclosures. Despite having strong legal framework, happening of such scandals raises question on their enforcement. Mere formal compliance is not enough in today's time. The controversy gives us a lesson that just because a company has directors on paper it does not mean they are really independent when it comes to making decisions. This happens especially in big companies where one person or family has a lot of control. Moreover, claims regarding transactions between related parties bring up issues under Section 188 of the Companies Act and Regulation 23 of the SEBI LODR Regulations (Companies Act, 2013, S 188; SEBI, 2015, Reg. 23). This indicates a fundamental flaw in governance structure when utilized in complex corporate groups.

The current controversy is similar to what happened in the Satyam case back in 2009. The issue in the Satyam case was not the rules it was that nobody was really checking to make sure everything was okay. They trusted the people in charge too much. The Supreme Court said that the people on the board who are supposed to be need to really pay attention and make sure everything is fair not just go along with what the management wants the independent directors, in Satyam Computer case need to be more careful (CBI v. B. Ramalinga Raju & Ors., 2015).

There was another court case between Tata Consultancy Services Ltd. and Cyrus Investments Pvt. Ltd (Tata Sons Ltd. v. Cyrus Investments Pvt. Ltd., 2021). The Supreme Court made a decision in 2021. They said that just because someone is in control of a company it does not mean it is against the law. The people in charge of the company and the big shareholders have to make sure they are making decisions that are good for the company not just to help the people in charge get more power.

Legal Accountability and Enforcement Gaps

India's legal framework is well structured; however, it lacks the enforcement as we have discussed earlier. The Companies Act, 2013 states that it is the duty of the director to do what is right for the company while being honest and making truthful disclosures. These sections, together with the SEBI (LODR) Regulations, make a complete regulatory framework that ensures transparency, investor protection, and ethical corporate governance. The Companies Act, 2013 and the SEBI LODR Regulations are important for making sure that companies in India are run in an honest and ethical way (Companies Act, 2013; SEBI, 2015).

However, after analysing the Adani-Hindenburg controversy, it can be understood that there is a significant gap between the established legal framework and it's enforcement. Another setback that India has is that there is reactive regulation rather than preventive. Along with these setbacks, complexity created by large conglomerates causes challenges in investigation and accountability. Judicial decision also shapes the accountability and regulatory framework. In Sahara India Real Estate Corp. Ltd. case the Supreme Court affirmed SEBI's regulatory authority and emphasized the importance of institutional independence (Sahara India Real Estate Corp. Ltd. v. SEBI, 2013). This decision by the Supreme Court of India shows that regulators should be independent while being accountable in a transparent way.

Investigation in such corporate controversies takes years which lead to the lack of trust among the investors and stakeholders. Overlapping of various regulatory authorities like SEBI, Ministry of Corporate Affairs may also lead to shattered accountability. Thus, the controversy brings out the absence of effective enforcement rather than the absence of corporate governance laws. Legal accountability not only encompasses mere statutory laws but also effective implementation of the same. In the absence of effective implementation, the governance laws become symbolic rather than transformative.

Fiduciary Duties and Leadership Resilience

The link between responsibilities and leadership resilience is very significant. Leadership resilience and fiduciary responsibilities are interlinked. Under Section 166 of the Companies Act, it is stated that the directors should be honest and hardworking. They should also not indulge in activities that are not in the interest of the company (Companies Act, 2013, s.166). These responsibilities are not only limited to the legal requirements but also include the moral performance of the leaders during times of crises.

Resilient leadership refers to the capacity of the leaders to foresee risk before it happens and ensure transparency and the trust of the stakeholders during times of crises. Resilient leadership is not only confined to the management of crisis situations. Fiduciary-driven leadership encourages foresight, institutional accountability, and organizational stability.

Accountability is an important element in the development of resilient leadership. Resilient leadership is strengthened when the people in charge, or the leaders, are made accountable for their actions. When leaders work within strong accountability structures, they are likely to work in an ethical manner and will also ensure that there is transparency. However, if the leaders are not made accountable, they are likely to be reckless and will only work towards making money, which might prove to be detrimental to the organization in the long run.

The Tata Sons Ltd. Case of 2021 of the Supreme Court explains this feature (Tata Sons Ltd. v. Cyrus Investments Pvt. Ltd., 2021). The Court has recognized the autonomy of corporate decision-making but has also clarified that this autonomy is not unlimited but is governed by the fiduciary duty of fairness, transparency, and good faith. The most important thing that can be learned from this decision is that the persons in charge of a company such as Tata Sons Ltd. have autonomy to make their own decisions but only if they comply with the rules that are formulated to protect the company. If one examines the US law such as the Sarbanes-Oxley Act, which makes executives personally liable, one can understand how legal liability increases accountability (Sarbanes-Oxley Act, 2002). The Indian law system, although similar, requires stronger enforcement to achieve similar outcomes. Hence, the need for stronger fiduciary accountability will serve as a preventive tool that is presently absent in the Indian system.

Lessons for Indian Corporate Governance

The most valuable lesson that can be derived from the Adani-Hindenburg controversy is that effective corporate governance is not just a function of effective laws, but also effective enforcement. Thus, in order to enhance corporate governance in India, there is a need to shift from compliance regulation to more active forms of regulation. "Regulatory bodies must employ technology-enabled surveillance systems and risk-oriented monitoring approaches, particularly in the case of large conglomerates whose activities have systemically significant market impacts." (OECD, 2015; FRC, 2018)

We need to look at the level of independence the board has. The board members who are not part of the company should be able to make their own decisions, and there should be no influence from anyone. We would like to see companies pay attention to the content and not just the compliance. It would be a big help if there was an explanation of what is going on at the top of the company.

Finally, the building of leadership should encompass an understanding of the law and accountability. Things can go wrong with the running of the company because of the people who are in charge, not because of the structure of the company.

Conclusion

The Adani-Hindenburg scandal is the major case study that helps in understanding the relationship between resilient leadership, legal accountability, and good corporate governance (Hindenburg Research, 2023). From this study, it is clear that resilient leadership cannot be effective without being made accountable by the law. The leaders have to take care of the money and resources they have to tell people what is going on and there have to be systems in place to make sure they are doing things right. These things are not about following the rules they are also important for leaders to make good decisions and do the right thing. When the law is not enforced or it is enforced in a way the leaders usually just react to problems and that can cause big problems for everyone. Resilient leadership needs to have these systems in place to work properly and, without them resilient leadership will not be effective.

Relying on public reports and media sources has its limitations. We need to separate accusations from facts that have been proven. The information we gather should be shown as a way to improve governance and not as a way to place blame. This shows that it is an idea to use a method that looks

at specific cases and laws which allow us to critically evaluate things without confusing legal responsibility with problems in the way things are governed. This method is useful for governance like the kind of governance that the government uses. It helps us to make good decisions about governance and the law.

In the end, the debate acts as both a caution and a chance to make changes. Corporate resilience can be enhanced by boosting enforcement, improving board effectiveness, and integrating fiduciary duty into leadership culture. Subsequent studies ought to investigate sector-focused enforcement strategies and the changing significance of ESG adherence in influencing leadership responsibility in Indian corporate governance.

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