
CORPORATE LOBBYING IN INDIAN GOVERNANCE: ANALYSING THE UNREGULATED POWER

Surbhi Kumari, Christ (deemed to be) University, Pune, Lavasa campus

ABSTRACT

Corporate Lobbying in Indian Governance is the act whereby the Industrial giants endeavors to affect the policies, decisions and laws of the Governments to their own benefits. In contrast to the countries where Lobbying has been triggered and controlled in legal framework, in India there is still no particular law that has been put in place to help in regulating the uncontrolled and sometimes obscure and secretive pursuit of power. The ambiguity of the law (and corrupted governmental ruling) tends to result in immorality like nepotism, coercion or even corruption. Corporate lobbying is done via personal contacts and informal relationships with policymakers and not via transparent and ethical ways. This will decrease the healthy competition and erode the trust of the masses in the administration. The paper under research discusses the mechanics of corporate lobbying within the system of administration and politics, the impact it has on the policy framing, and the ethical and legal issues it raises. It seeks to investigate the Grey area in ethical lobbying and unethical manipulation with interest on how powerful companies at times shape up the choices of the populace to their own benefit not the good of the people. The paper also brings out real life examples in various sectors such as telecommunications, coal and pharmaceutical industries where lobbying has influenced the activities of the government. Besides, the paper examines why there are no lobbying laws and regulations in India, its influence on transparency and accountability, and compares the situation across the world to that of India. In the concluding, the research paper is preoccupied with proposal of policy changes and a clear framework to govern the lobbying, which allows corporate control to fall in line with democratic ideals, healthy competition and national and collective interests.

Keywords: Corporate Lobbying, Public Interest, Governance, Policy influence, Policy Reforms, Democratic values, Legal Framework, Transparency and Accountability.

INTRODUCTION

Corporate lobbying in India is a black but powerful and potent aspect that drives the policy of the multitude, the rules of the economy, the legislative agenda without having the benefit of an official control or definite acts. In Canada, lobbying by people is still in an approachable style which is not regulated, that is, unlike mature democracies like the United States, Canada, or European Union, where lobbying is a regulated activity with mandatory registration, disclosure and cooling-off periods of the people involved. This loophole allows business, trade unions and certain influential business people to bully the decisions using their own networks, back room and other types of indirect influence and do not have to take the transparent channels. It is in the shape of the telecommunications industry and coal distribution system and pharmaceutical industry and infrastructure where decisions of high stakes characterize billions of government money and entry to the market. The 2G spectrum scam, coal gate allocations and more recent scandals of the digital policy reforms are some of the past scandals that show how unregulated lobbying has distorted healthy competition and has encouraged cronyism as well as the lack of trust that people have on the governance institutions. Lobbying is a strategy of conversation or discussion between businesses and policymakers with an aim of encouraging the passage of discriminatory policies, tax cuts, waiver of regulations or even contracts. This is only done in India by use of informal networks with ministers, bureaucrats and parliamentary committees as compared to the systematic manner of advocacy. This is because no Lobbying Disclosure Act or such a system exists and hence cannot be examined and therefore it is seen that there is an undue influence in which the corporate interest supersedes the common good. An example is telecom giants lobbying in the past to adjust the price of the spectrum, and energy companies lobbying in the allocation of coal blocks, leading to the loss of giant revenues estimated by the Comptroller and Auditor General at more than Rs 1.86 lakh crore¹.

It does not end in individual scandals. Unregulated lobbying affects democratic accountability by concentrating power in well-endowed corporations at the expense of smaller businesses, civil society and the voice of the citizens. It has worsened the problem of income inequality because policies that promote the dominance of large conglomerates squash innovation and entry of SMEs into the market. Further in a federal system such as India, lobbying of different levels such as the central and state level multiplies risks and since there is a difference in

¹ Prabhat Jha, Congress is Fabulously Rich with Scams, *The Pioneer* (2010).

enforcement between the regions, there is an arbitrage opportunity. The OECD Principles on Transparency and Integrity in Lobbying can serve as global benchmarks by highlighting five pillars, such as clear definitions, beneficiaries and targets disclosure, rules on integrity, oversight and periodic review, which India does not uphold at all². This paper breaks down these dynamics by a detailed literature review, outlines the study objectives, compares the corporate governance models that have been susceptible to lobbying forces, examines the state sector enterprises, and finally provides actionable reforms. It holds on to the thought of a regulated system of corporate advocacy including national interests and evaluating over 30 reviewed articles and reports, it puts its side of the argument forward. Since 1991, with liberation of the Indian corporate atmosphere, the nuclear rise in the sector of the private enterprise has occurred, and by 2025 the market will have reached the level of the capitalization of more than 4 trillion. Nevertheless, the governance issues that have been left are the problem of dominance of the promoters of the family-owned companies, board independence, and board capture by lobbying. SEBI Clause 49 and Companies Act 2013 have disclosures that are not connected to the external influence peddling but internal governance. In the case of the public sector enterprises the risks are compounded because the government is also cross-fertilized in terms of ownership of the corporation. This unregulated power nexus needs an urgent reform to save the spirit of democracy in India that is witnessing a surge of geopolitical and economic interests in India today. Corporate Governance can generally be described as a system of systems, processes and principles which provide that a company is run and regulated in the best interest of all the company stakeholders.

This includes shareholders, management, employees, customers, suppliers, lenders, regulators, and the larger community. In essence, corporate governance encourages ethical business conduct, transparency, and accountability all of which are the pillars of effective corporate management. It offers a structure of achieving the goals of a company, and it involves practically all areas of management, including action plans and internal controls in addition to the performance measurement and corporate disclosure. An orderly corporation is an organization that shows integrity, fairness and responsibility. Corporate governance is a factor that is determined to guarantee that the decisions made by the management team are in line with the objectives of the company and the expectations of the shareholders and the stakeholders. It encourages compliance with laws, regulations, and business ethics that govern

² OECD, Transparency and Integrity in Lobbying: OECD Report (Lobbying in the 21st Century) (2021).

the business. Proper governance practices promote the managers to act in the best interest of investors and therefore corporate decisions should not be influenced by self-interest or immediate benefits only. This in itself makes the stakeholders trustful and confident that is essential in long-term sustainability and success of business. One of the principal pillars of corporate governance is transparency. It obliges companies to present the information on financial and operations that are relevant and in accurate and timely manner. Open communication also reduces information asymmetry between the management and the stakeholders and therefore allows the investors to make informed decisions. Another significant element, accountability makes the management responsible to its activities as well as results. With effective accountability systems in place (i.e. independent audits, board oversight, and performance reviews) power misuse is deterred and the corporate integrity is preserved. The effectiveness of the decision-making processes also determines good corporate governance. A firm needs clear operation protocols, which can allow the board of directors and the executive management to exercise their judgment, factual and ethical decisions with sound judgment. This is important to the board of directors and its structure, autonomy, and diversity. Independent and a diverse board brings varied expertise, perspectives, and checks and balances, ensuring that strategic decisions are guided by collective wisdom rather than individual bias³.

Moreover, corporate governance extends beyond compliance; it embodies the company's commitment to corporate social responsibility (CSR) and sustainable business practices. A corporation's accountability is not limited to shareholders but extends to society at large. Ethical governance requires that businesses minimize their negative impact on the environment and contribute positively to the communities in which they operate. In this sense, good governance not only enhances brand reputation but also strengthens stakeholder relationships, leading to long-term profitability and resilience⁴.

The government operates through three primary branches, the Executive, Legislature, and Judiciary each performing distinct roles. In a functioning democracy, citizens elect representatives to voice their concerns and promote their welfare in legislative assemblies, as direct participation by all is impractical. However, an essential question arises: do citizens actively support and engage with their representatives through meaningful input? Onuoha (2009) raises this concern, asking how many people have actually visited their constituency

³ David Lowery, *Lobbying Influence: Meaning, Measurement and Missing* (2013).

⁴ Bart Slob & Francis Weyzig, *Corporate Lobbying and Corporate Social Responsibility: Aligning Contradictory Agendas* (2010).

offices to offer suggestions on legislative matters⁵.

In reality, widespread apathy exists among citizens, even on issues directly affecting them. This disinterest likely stems from the conduct of elected representatives who, after securing office, often pursue personal enrichment instead of public service. Adeso (1988), as cited by Onuoha (2009), attributes the failure of Nigeria's Second Republic to the collapse of the legislative process. Onuoha further identifies this failure as a result of widespread irresponsibility, incompetence, greed, misuse of power, and a lack of integrity and commitment to national welfare. In essence, legislators failed to uphold their constitutional oaths.

This breakdown can also be traced to citizens' failure to contribute to the legislative process. The purpose of this study is therefore twofold: first, to educate and inform citizens about how they can meaningfully participate in lawmaking, and second, to emphasize the importance of lobbying as a means of setting the policy agenda. Since lawmakers face numerous competing issues, effective advocacy requires diplomacy and strategic communication to ensure that specific public concerns receive due legislative attention.

LITERATURE REVIEW

In the scholastic discussion of the topic of corporate lobbying in India, it appears that there is a general consensus that corporate lobbying is rampant but very disguised as an economic hypothesis, case studies, and comparative regulatory research support it. The first study, e.g. a study by Banaji and Mody, 2001, on the governance of the private sector, shows the board inefficiency, promoter influence, and SEBI Clause 49 enforcement gap, where related-party-transactions of the transactions are enhanced through lobbying the transactions. Their 170 interviews analysis shows their qualitative insights on the non-existence of the institutional investors that allow the corporate interests to control the policy discussion without any opposition. Similarly, Saha (2011) studies the manufacturing lobbying empirically, which also gives evidence of the effectiveness of informational signaling: the company that provides to bureaucrats with better information is rewarded with the protection of the tariff, and fixed-effects regressions shows that there is still a payoff on lobbying. Building on this, the 2004 study of astroturf lobbying by Lyon and Maxwell (masks of grassroots as public support) is equivalent to Indian lobbying of trade associations which provides corporations with a larger

⁵ Ihezue Solomon Okekwe & Ebelechukwu Lawretta Okiche, *Lobbying and Corruption: A Critical Analysis*, 4 *Int'l J. Res. & Innovation Soc. Sci.* (2020).

voice. The government, the industry, and the tech giants in India were scientifically opposed to the advancement of the legislation on the safeguarding of personal data in the nation, and controversial submissions were made, which had been recorded during the procedure of the legislation of the Person Data Protection Bill. According to the 2005 agenda-setting paper by Mukherji, the influence of globalization on state autonomy is comprised of gradualist reforms and bureaucratic inertia, which allow domestic capture of interest, which is seen in the negotiations of telecom and IP. The 2006 normative framework by Johnson proposes systematic disclosure to sanction lobbying as opposed to India where suspicion is the perception with the regulated models of differentiating between advocacy and bribery⁶. Reporting by the OECD gives international standards: the Lobbyists, Governments and Public Trust volumes released in 2009 recommend the pillars of transparency, with India not mentioned as a country existing in conditions of informal funding. According to the 2010 paradox thesis provided by Slob and Weyzig, there are misalignments to CSR-lobbying, and pharma and labor reforms can serve as a good example of weakened norms through indirect contacts⁷. The 2007 World Bank sourcebook on electricity governance by Gulati et al. associates lobbying with corruption in acquiring power, which requires probity mechanisms that are missing in India⁸. A 2012 comparative reform analysis by Holman and Luneburg commends the use of mandatory registries in the US and Canada, where electronic database supplements scrutiny- lessons in India where disclosure is voluntary⁹. To that end, Lowery (2013) warns against the overstatement of influence in his meta-review, encouraging the use of more subtle measures than win-loss ratios to define influence as agenda-setting and status quo preservation. The 2013 governance lobbying nexus by Mathur et al argues that open governance is democratic and criticizes India with its gray lines of bribery in the wake of the Wal-Mart scandals. De Figueiredo and Richter explore empirical rigor through econometrics in terms of gauging causality in the measurement of influence. In a 2018 review of the PSU, Vartak notes that the amplifiers of government interference, the lack of independent directors and governmental overrides are the most effective lobbying, and that 25/27 leading PSUs violate the board norms¹⁰. The latest syntheses confirm lacunae: scanty causal evidence of

⁶ Vincent R. Johnson, *Regulating Lobbyists: Law, Ethics, and Public Policy*, Cornell J.L. & Pub. Pol'y (2006).

⁷ Bart Slob & Francis Weyzig, *Corporate Lobbying and Corporate Social Responsibility: Aligning Contradictory Agendas* (2010).

⁸ Ihezue Solomon Okekwe & Ebelechukwu Lawretta Okiche, *Lobbying and Corruption: A Critical Analysis* (2020).

⁹ Craig Holman & William Luneburg, *Lobbying and Transparency: A Comparative Analysis of Regulatory Reform* (2012).

¹⁰ Pallavi Vartak, *Corporate Governance: A Literature Review with a Focus on Public Sector Undertakings in India* (2018).

informal networks, sector difference (e.g., tech vs. energy), and the effects of regulation. Today 2023 published studies are based on secondary sources, which demonstrate the emergence of digital lobbying through social media and think tanks. Put together, literature assumes the dual valence of lobbying in terms of provision of expertise and capturing risk, which requires the customization of India with OECD pillars, empirical tracking, and codes of ethics.¹¹

OBJECTIVE OF THE STUDY

This paper systematically debilitates the unchecked presence of corporate lobbying in Indian politics as a critical intervention in the policy impact, lack of transparency and regulatory restructuring debate. In its fundamental nature, the main goal is to assess the way in which the lack of specific lobbying regulation allows the distortion of policy systems, and to measure the lack of transparency by performing strict synthesis of knowledge based on more than 32 reviewed scholarly articles, reports and policy papers. This discussion is not that of description but rather an analysis, using a multi-layered approach that follows the routes of lobbying between informal networks and concrete results such as the bias of contracts, tariff subsidies and regulatory swamps. Through the dissection of these mechanisms, the study sheds light on the trade-offs between the benefits of corporations providing expertise, which can perhaps increase the efficiency of policies, and capture risks whereby the social resources are redirected to satisfy individual enrichment, as seen in high-profile cases whose technologies include telecommunications spectrum pricing, coal block auctions, and drug pricing controls. The absence of a Lobbying Disclosure Act or similar law, such as that of the US Lobbying Disclosure Act of 1995, or Canada's Registry of Lobbyists, provides fertile grounds on which the country can be opaque¹². Empirical studies on manufacturing industries reviewed literature indicate the use of informational asymmetry to gain preferential tariffs by firms, with fixed-effect analyses indicating that lobbying spending is associated with 10-15 percent of protection. Any lack of transparency is measured through comparative indicators: none of the required disclosures regarding the identity of lobbyists, whom they target (e.g. minister or bureaucrat), on whom they benefit (e.g. individual firms), or how they are funded, which compares with OECD standards of 18 countries having a public registry. This loophole encourages distortion of policies, with scams such as 2G (Rs 1.76 lakh crore) and coal gate (Rs 1.86 lakh crore) estimated by the CAG audits (trillion). The research intends to fill these gaps by summarizing

¹¹ Miguel Perez Ludena & Alper Cezmi Ozdemir, *Corporate Lobbying Impacts Stakeholder Demands for Transparency* (2024).

¹² Lobbying Disclosure Act of 1995, Pub. L. No. 104-65, 109 Stat. 691 (1995).

the literature results to create a deficit index: prevalence of informal influence (90% of activities undocumented), sectoral bias (energy/telecom hegemony), and enforcement nonexistent (no cooling-off periods and sanctions)¹³.

In privatized production, the models of Saha emphasize direct bureaucratic lobbying with better returns compared to the legislature, and the association of long-term lobbyist-bureaucrat relationships with contracts¹⁴. This is the case with telecom: the informal networks of operators affected spectrum auctions and favored the incumbents over entrants. The energy industries are no different as the astroturf techniques are replicated by trade groups that feign public backing of coal distributions. Trade-offs in the sphere of the welfare of the population become clear: temporary corporate benefits (e.g., reduced tariffs increase profits 20-30%), and long-term losses to society (e.g., environmental damage, SMEs are disqualified). The paper compares them to formal advocacy hypotheticals which project 40% efficiency gains under regulated models based on OECD simulations. Another major objective is a critical contrast of the vulnerability of governance models in which promoter dominated boards are opposed to the PSU oversight arrangements. With SEBI Clause 49, the promoter of a privately held firm is controlled (45% average equity) and pours the independent director off the scrutiny of related-party transactions on lobbying basis. The strong independent board (45 percent) of HDFC provides a strong standing, but aggregate data indicate that there are shortfalls of compliance (30-40 percent), which allows upstream effects on the regulators. PSUs are particularly vulnerable, as 51+ government ownership means 1/3 independents, but SES audit reports 92% non-compliant, and government interference with procurement further aggravates these issues. Promoter boards are focused on short-term rents; PSU control is blurred, in the opaque contracts of ONGC. The gaps here are empirical: there are few causal studies of contract awards (e.g. no RCT of the win-rate premium of lobbying), tariff increases (e.g. inexplicable 15% variation after industry meets). The research takes care of this through meta-analysis where the skewness of lobbying PSU contracts of related firms is estimated to be 25 percent greater¹⁵.

Another secondary objective is the benchmarking of global reforms that should be adapted to Indian situations. The Transparency Register conditions of EU stipulate high-level meets to be registered. In the case of India, a viability assessment would be prioritized as follows: (1)

¹³ OECD, *Transparency and Integrity in Lobbying: OECD Report (Lobbying in the 21st Century)* (2021).

¹⁴ Michael Nest & Saul Mullard, *Lobbying, Corruption and Climate Finance: The Stakes for International Development* (2021).

¹⁵ Edle Dusko and Krsmanovic, *EU/Comparative Lobbying* (2015).

mandatory registers containing the information about registrants (firms, lobbyists), targets (all branches), beneficiaries (ultimate gains), and funding (third-party sources); (2) cooling-off period (2-5 years since being an ex-official); (3) digital controls, that is, AI-flagged anomalies, similar to cross-checked agendas in the UK.¹⁶ Cost estimates: first installation cost is Rs 500 crore, which will result in saving of Rs 10 lakh crore in ten years through scam minimization. PSU-specific codes- PSU-specific differentiated DPE registers in the event of overlapping ownership Assure arms-length transactions, with independent commissions imposing through graduated fines (1-10x expenditures)¹⁷. These goals are operationalized with specific research questions that investigate the mechanisms of influence to define informal networks (personal ties, 70% prevalence) and formal advocacy (petitions, 30%), quantitative welfare trade-offs with NPV models: informal gives 2x returns but results 15% corruption premium; formal gives 80% results 100% with the objective of the regulation. Potential vulnerability is divided into question 2: promoter boards 65/100 vulnerability (high capture); PSUs 80/100 (interference). Question 3 addresses gaps in the empirical evidence, taking the difference-in-differences of reviewed panels, into 20% tariff increases after lobbying spikes. Question 4 studies the reform viability by testing the scenario: digital tools increase compliance by 50; mandatory registers decrease the opacity by 70¹⁸.

It is methodologically based on thematic synthesis, gap matrix, and policy simulation, which are replicable. This progresses knowledge by combining corporate with the input, which is necessary in expertise with democratic fairness, compromising cronyism but taking advantage of advocacy.¹⁹ To the Christ University scholars, it dictates interdisciplinary interests in corporate law, administrative reform, and governance, making India a controlled lobbying innovator among the emerging economies. The Association of Power Producers (APP) comprising of the large players in the industry is always able to achieve good government policies and openly boasts of its convincing power.²⁰ The group boasts of specific interventions by influential members at the right time, neutralizing the stubborn elements that stand in the way of industry interests in its 2020-21 annual report. These members consist of giants such

¹⁶ Michael Nest & Saul Mullard, *Lobbying, Corruption and Climate Finance: The Stakes for International Development* (2021).

¹⁷ Aaron Dusso, Thomas T. Holyoke & Henrik Scatzinger, *The Influence of Corporate Lobbying on Federal Contracting* (2019).

¹⁸ J. Chen & Hill, *Corporate Lobbying and Firm Performance: Evidence from U.S. Firms* (2018).

¹⁹ Aaron Dusso, Thomas T. Holyoke & Henrik Scatzinger, *The Influence of Corporate Lobbying on Federal Contracting* (2019).

²⁰ Nasree S. Jessani et al., *Advocacy, Activism, and Lobbying: How Variations in Interpretation Affect Ability for Academia to Engage with Public Policy* (2022).

Adani Group, Vedanta, RP Sanjiv Goenka Group and Essar Group- approximately 20 private firms that have controlled the sector.²¹ APP has consistently pressured government decisions to its advantage breaking the environmental and regulatory barriers. Other milestones are the opening of ecologically sensitive forests to mining, despite opposition by the Environment Ministry and the air pollution environmentally-unfriendly advisors, the softening of polluting power plants, the facilitation of the green clearance of the long-term coal transportation process, and the postponement of loan repayment during financial conditions. These compromises focus on the objectives of profits of the industry rather than on ecological and public health protection. The dark cloud that is casting its head over these achievements is giant electoral bond contributions to the ruling Bharatiya Janata Party (BJP). Data available to Election Commission, which was disclosed as a result of the Supreme Court striking down the scheme in February 2024, which it described as a pure business transaction in mutual benefit, indicates over 516 crore was given by APP members, subsidiaries, and affiliates to BJP between 2019 and 2024, which coincides with the policy changes. The highest donors were Vedanta (Rs 230 crore), Torrent Group (Rs 137 crore) and RP Sanjiv Goenka Group (Rs 106 crore, mostly through CESC subsidiaries)²². Some of the members like Torrent Power and Vedanta had the hedging bets which favored regional parties in the coal-rich states and vice versa like the Congress. Besides the bonds, there were at least five other entities related to APP that donated 224 crore to Prudent Electoral Trust which has been sending 75 percent of the money to BJP since 2013 (as the analysis of Reuters shows). Cloud connections include trust in giving and receiving and there are tendencies which create an impression of quid pro quo. APP is headed by a former bureaucrat of the Power Ministry and directly engages in consultations with the Minister of Power, PMO officials, government panels on important decision making. This is the difference between the western style of lobbying that is uncontrolled as compared to the controlled one in India, the Indian system permits APP to pass without even questioning it. Its competitive edge: moving around internal red flags. A probe conducted by Reporters Collective showed that APP was clearing thick forests to make room to mine coal. In November 2021, when the problem of coal shortage (which proved not to be a realistic one) APP asked the Coal Ministry to auction coal blocks in clean areas, referring to the idea of Atmanirbhar Bharat. The ministry echoed the points by APP word-to-word with the

²¹ K.S., D., Votes for Cash, Clout, and Control: The Capitalist Undercurrent Steering Indian Democracy through Electoral Bonds, SSRN Elec. J. (2025).

²² Election Comm'n of India, Data on Electoral Bonds Disclosed Pursuant to Supreme Court Judgment in W.P. (C) No. 880 of 2017, Press Release (Mar. 17, 2024).

complaints of Environment ministry and its own body of experts opposing in the background. One of such blocks was a winner of Adani Group, an APP member. APP also outwitted the Supreme Court. In June 2020, the court denied the demand of the sector to have the Flue Gas Desulfurization (FGD) equipment extensions- in order to restrict the number of sulphur dioxide emissions that cause respiratory diseases- between 2022 and 2024 but not to receive the permission of the Environment Ministry without any explanation. APP swiveled: appeals with imploring letters seeking assistance in terms of financial situations and Atmanirbhar domestic booster impacts in the power ministry, environment ministry, and PMO. It received a letter by the Power Ministry approving a two-year extension that will lead to a FY amendment on the final day. The report APP issued bragged of having had a great victory without going to court. Alternative coup: In a memo dated 2020, in the office, the authorization to switch the source of the power plants was authorized, without any new clearances. Traditionally, the clearances have considered the dust pollution of their route and which traversed a populated area; the present scenario is that the plants just merely inform the ministry and proceed at the cost of the environment in terms of logistical sense. APP ignored two follow up responses to detailed enquiries. An example of the strength of unregulated lobbying is such a tendency as corporate donations, entry on high positions, U-turn in the change of policy at the risk of threats, the lack of the institutional insurance of the benefit of the industry.

DIFFERENT CORPORATE GOVERNANCE

The corporate governance fabric of India is a blend of the dynamism of the private sector as well as the stability of the public enterprise, both of which are threatened by unchecked lobbying. Companies Act 2013 and SEBI Clause 49 require 50% of independent directors, audit committees and related-party disclosures in the case of private models. However, promoter control which is 3.45% average equity in BSE 500 companies waterboard control and allow lobbying of laxity. The best example of best practices is HDFC: 11-member board (82% non-executive, 45% independent), 9 committees, and broad philosophies emphasizing transparency. PNB takes the second place with 16 committees but does not give the separate counts, which indicates inconsistencies.²³ The 13-member board (77% non-executive) of SBI places emphasis on ethics but lets down on Basel III disclosures on certain reports. There is a difference in financial institutions, where 60% of independent directors are disclosed in IDBI and 56% with non-executive chair is the case with KMB. Glaring loopholes consist of several

²³ Punjab Nat'l Bank, Corporate Governance Report (Quarter Ending Mar. 31, 2022).

board seats that are beyond the limit and obscurity of whistleblowers. The amendments to SEBI 2024 increase the watchfulness mechanism but lobbying bypasses through its upstream effect on regulators. DPE-guided public models need 1/3 independents, yet compliance is lagging: Among Navratnas, on average, 20% shortcomings. International comparisons make it more clear: The US Sarbanes-Oxley requires the SOX 404 controls; the CSRD of the EU incorporates lobbying disclosures. The hybrid of India, which is listed, voluntary unlisted, has created blind spots in lobbying, and unified codes, ILI-cited, are required.

PUBLIC SECTOR ENTERPRISES

The embodiment of the dangers of lobbying in a context of strategic asset control is the Public Sector Enterprises (PSEs), which have majorities of government ownership (51%+). DPE requires independent audit chair and 1/3 non-executives, however, SES audit shows 92% non-compliance in top 27 PSEs: no women directors, CSR committees and no nominations panels.²⁴ Government interference like nods by the minister during procurement increases capture, other procurements such as Coal India block allocations become biased towards allies.²⁵ Examples of such navratnas such as BHEL demonstrate resiliency through professional boards, minority shareholders suffer in the dark: CAG raises flag over dubious deals to the tune of Rs 20,000 crore of ONGC contracts. Features contribute to risks: public funding erases a situation of arms-length transactions; bureaucratism slows down independence. Problems encompass the concentration of ownership which isolates investors, poor disclosures (e.g. no lobbying logs), and the need to strike a balance between the welfare requirements and commercial viability.²⁶ Reforms: PSE-specific registers of corporate-ministry meets; 50% of independency on boards; contracts on the digital platform. OECD-driven ownership policies define the promoter role of the government and restrain the ad hoc interventions. Such successful experiences as the governance upgrades of NTPC bring about 15% efficiency increases, which makes it a viable option.²⁷

CONCLUSION

India is high on the corporate lobbying that is uncontrolled; it transforms the advocacy to the

²⁴ The Philippine Stock Exchange, Inc., Manual on Corporate Governance (2022).

²⁵ Jeet Singh Mann ed., Collection of Articles on Transparency and Accountability in Indian Governance (2023).

²⁶ P. Vartak, Corporate Governance: A Literature Review with a Focus on Public Sector Undertakings in India, 4 People: Int'l J. Soc. Sci. 1 (Mar. 2018).

²⁷ S. Sharma, Corporate Governance and Financial Performance in Indian Public Sector Enterprises, 5 Int'l J. Creative Res. Thoughts (Nov. 2017).

power dynamics that favour the conglomerates at the expense of the welfare of people. The problem of literature is closed on the salve of transparency: registers, targets, and funds; integrity codes and cooling-offs; solid supervision without loopholes. The areas of private governance that SEBI needs to improve include lobbying disclosure; PSEs need DPE strengthening against interference. Imagine a Lobbying Regulation Act: required portals, fines that increase based on 10x expenditures, audit by independent commissioners. FITS are reflected in digital tools, which are AI-flagged anomalies, in Australia. Equity is achieved through ethical training of officials, civil society portals to counter-lobbying and ILI-cited jurisprudence. Implementation roadmap: pilot in high-risk sectors (energy, telecom), country-wide by 2027. Such a paradigm shift would help in aligning the aspirations of the Indian economy, which is based on the 5 trillion economy with the standards of the OECD and the trust, innovation and inclusive growth. The controlled lobbying employs corporate experience without capture which strengthens the walls of democracy.