

CREAM Report  
**M** Management Quality - The  
Board of Directors - Committees -  
SEBI - LODR 17-27  
Vigil Mechanism - M&M CoC

Corporate Governance Rating  
System

**CREAM Report**

**C** Corporate Governance - M&M  
Analytics

**R** Risk Management & Internal  
Controls - M&M Analytics

**E** Earnings - M&M Analytics

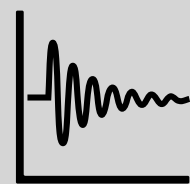
**A** Accounting Quality - Material  
Accounting Policies - M&M  
Analytics

**M** Management Quality - The Board  
of Directors - Committees - SEBI -  
LODR 17-27  
Vigil Mechanism - M&M CoC

# CorporateMOM

Corporate Management Orbiter Mission

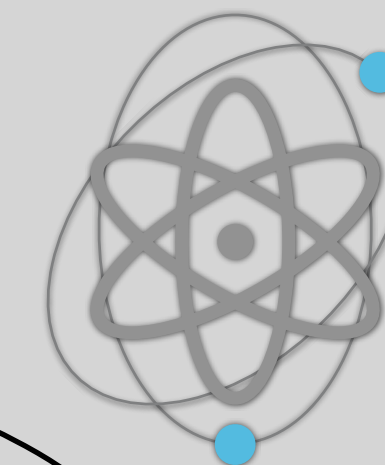




Whistle  
Blower Policy

VIGIL MECHANISM

# Knowledge Database - Roadmap India 2047



Agriculture Sector

Industry Sector

Services Sector

Fiscal & Ethical-cum-co-Responsibility Framework -  
Troika of Entanglement - [Subject -Object - Self-] SOS -Governance

For pdf:  
Transcript  
next page

Entity Name

Fiscal Responsibility

Corporate Sustainability CREAM Report

Ethical Responsibility

1. Profits/Growth

The Board of Directors

1. Establishing Corporate Culture  
2. Policies / Regulatory and Compliance/ IPRs

CEO & Workforce

CREAM Report

3. E - Earnings

1. C - Corporate Governance  
2. R - Risk Management

4. A - Accounting Quality  
5. M - Management Quality

Sustainability of Efficiency

Sustainability of Profits

Sustainability of Growth

Sustainability of Value System

Return on Efficiency

Matter

Energy

Return on Intangible

Team.Work

5: 4 from Fiscal Responsibility : 1 Ethical-cum-co- Responsibility

Women Empowerment

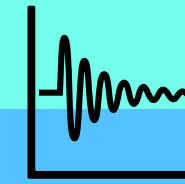
Men + Women Equity

Gender Equality:  
 $X \text{ Teams} \times 5 = 5X \text{ Workforce}$

Women Equity

OBJECT

SUBJECT



Vigil mechanism. Transcript —>>

22. (1) The listed entity shall formulate a vigil mechanism [/whistle blower policy] for directors and employees to report genuine concerns.

(2) The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

Now let me explain how I look at it from the knowledge database - Roadmap India 2047 - Ethical responsibility, etcetera. There are three types of interests. One is Conflict of Interest. Number two, Conflict of Personal Interest. And number three is Conflict of Conscience. Conflict of interest, one can say a director is discussing and one of his relatives or known person is competing for a contract. He can recuse himself. The judges do recuse themselves when there is a conflict of interest. It is very simple. Conflict of personal interest is pretty difficult. For example, this Piramal Capital Ex-MD Khushru Jijina was fined about 45 crores. Was doing the insider trading. When a person does the insider trading within a particular company, and that too who is going to be very big person like MD and all that, the insider trading part of it is very difficult to catch that. But what happens during that particular insider trading, of they think that they have come out of the any conflicts, because nobody else knows. It's not the case. Invariably they spell out, when they are, could be a personal assistant or somebody discussing with like in Enron, The Enron's top bosses who had done the insider trading, did a lot of this thing. So there is a whistleblower policy comes. Where does the whistleblower comes into being? That is conflict of conscience. There are people who could be a personal assistant. Or could be one of your friends, whom you had trusted for years. They have a conscience. That conflict of conscience reveals where the particular person is doing something, thinking that nobody else knows. [3.11]

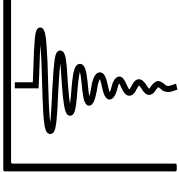
My analytics in terms of Fiscal, Ethical-cum-co-Responsibility Framework -

Troika of Entanglement - [Subject -Object - Self-] SOS -Governance, I'm looking into the ethical responsibility - which there are two areas. Policies, regulatory and compliance which we have discussed so far. And number one is establishing corporate culture. That is the most important thing that I like to stress. You cannot give a protection to a guy, with a whistleblowing policy, by telling that you can be protected if you go to the chairperson of the audit committee. It will not happen. And it had not happened, for example, in the case, long after Enron had been caught red handed. That lady came very late. So this is a major problem with every company. So what is very important is establishing corporate culture. That's what this FEC report brings into which is the part and parcel of the management quality.

So in the vigil mechanism, number 22 of LODR of Sebi I am bringing the concept of establishing corporate culture by bringing in COC, that is how M&M Code of Conduct is being brought into picture. You have to have a complete corporate culture. [4.52]

You cannot protect one or two people with one or two areas of misgovernance. So let us be very clear about it. So we will discuss that and how I brought it.





A. Maintaining ethical business standards

Vigil Mechanism LODR 17 - 27-1-1

Vigil Mechanism LODR 17 - 27-1

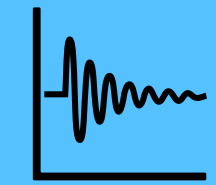
3.0.1. Vigil Mechanism – Code of Business Principles [CoBP] – [Code of Conduct – Mahindra]

INDEX OF INACTIVITY: By Process Area		Ratings
3.0.2 A. Maintaining ethical business standards [4]	Active	100
	Inactive	0
	Inactivity %	0
3.0.2.1. I. Anti-bribery and anti-corruption [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.2.2. II. Gifts and entertainment [1]	Active	25
	Inactive	0
	Inactivity %	0
3.0.2.3. III. Involvement in political activities / industry forums [4]	Active	100
	Inactive	0
	Inactivity %	0
3.0.2.4. IV. Conflicts of interest [3]	Active	75
	Inactive	0
	Inactivity %	0

3.0.2.5. a. Dealings with Relatives & close associates. [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.2.6. b. Outside employment [2]	Active	50
	Inactive	0
	Inactivity %	0
3.0.2.7. c. Delivering lectures [4]	Active	100
	Inactive	0
	Inactivity %	0
3.0.2.8. d. Engaging vendors, customers or any other business partners for personal [1]	Active	25
	Inactive	0
	Inactivity %	0
3.0.2.9. e. Outside investments [1]	Active	25
	Inactive	0
	Inactivity %	0
3.0.2.10. f. Directorship in external companies [2]	Active	50
	Inactive	0
	Inactivity %	0
3.0.2.11. g. Other appointments [2]	Active	50
	Inactive	0
	Inactivity %	0
SUMMARY Vigil Mechanism – Code of Business Principles [CoBP] [30] Process Blocks	Active	750
	Inactive	0
	Inactivity %	0
checksum: Resource area ~ Process Area		0

INDEX OF INACTIVITY: By Resource Area		Ratings
3.0.1. Vigil Mechanism – Code of Business Principles [CoBP] – [Code of Conduct – Mahindra]		
3.0.2 A. Maintaining ethical business standards [4]		
1. ER Management:	Active	150
	Inactive	0
	Inactivity %	0
2. FR: Managerial Force:	Active	150
	Inactive	0
	Inactivity %	0
3. FR: Operating Force:	Active	150
	Inactive	0
	Inactivity %	0
4. FR: Technology:	Active	150
	Inactive	0
	Inactivity %	0
5. FR: Finance: Active	Active	150
	Inactive	0
	Inactivity %	0
ER+ FR: Resource Area	Active	750
	Inactive	0
	Inactivity %	0
Net Rating		5
STAGE REACHED		Substance of Quality
checksum		0





Let us look into the code of conduct of Mahindra and Mahindra on which I have indicated here for Vigil Mechanism. There are two portions which is being marked. 1. A is, maintaining ethical business standards and B. Commitment to business associates, suppliers, customers and the environment. If you take the first one, A is self governance within the organization one works for what you owe yourself. You create ethical assets for your company that stay with you forever. Ethical assets belong to you. Some of the points which had been raised in this first one, A gifts and entertainment. It's a very clear cut policy is being created. Involvement in political activities, industry forums, conflicts of interest, dealings with relatives and close associates, outside employment, delivering lectures, engaging vendors, customers or any other business partners for personal use. Outside investments. You don't start another company similar to that of your, Directorship in external companies and other appointments. These are the things which are being indicated, which are self governance, provides you with the self discipline, how you conduct yourself. This is nothing to do with anybody else. It's your own.

There's a point in which when a company like say, Mahindra and Mahindra has established an excellent corporate culture it is not the name of the company that is very important. It is an institution becomes an institution. I am a proud member of the Institute of Chartered Accountants of India. It is an institution is there, but it is what I do. I mean, when said about Ronaldo or Pele or something, they become very important. Any number of Chartered Accountants who have done extremely good or renown. So is the case with a company. The company's individuals have to become very important what they do in a company. And that is where the CoC code of conduct comes into the being. We are not measuring how the individuals do within a company. It's easy to see 38 people in Tata Steel have been sacked because CoC they did not comply with. I don't think it is correct. What is very important, even in the football analogy there is a whistleblower that is the coach or the referee blows the whistle and shows the red card. No, I don't agree with that. This is what is very important the individuals, any number of individuals who are very good, doing extremely well, and the other guys. I created a team of five. One for ethical and four for fiscal responsibility, People. These people help each other to come to get the optimum level of performance. That can come by knowing, it's my principle of Return on Intangible where a numerator is action or inaction and the denominator is intangible. Intangible is a powerhouse each person, a potter to the nuclear scientist. If you go through the synapses and neurons that work in any ordinary human being I mean the mathematics is not available. That's what neuro experts say which is more than that of the stars in the galaxy. Each person, each janitor. Our capability, what we can do for anybody is something very great. [9.32]

We are not doing that in a company. What happens in a company so far it is a hierarchical One-Man call center. In a company like about 200,000 or 700,000 people, we got stuck with about CEO's and a few directors and a few vice presidents. That can never, such companies will fade away at a point of time. But companies that recognize the capability of each and every individual within a company, and bring them up and show them up to the world. It could be in any number of areas. Like for example, the customers service. Or in terms of some of the very critical area of operation within a company. Like you know, IS audit and IS departments. These are all the people who have to be brought to the fore. So what happens?

I am trying to inform here three areas of responsibility. One is a fiscal responsibility. What you owe your company. You create the fiscal assets for your company. These assets stay with the company forever. That is object governance. Everybody does it. Without which the company cannot make profits. Profits are very important, when we say in this chart if you see this is sustainability of efficiency. We make a lot of like TQM or I mean six sigma.

And so many things we utilize to have the profits. The profits will continue. But if you look at the 'establish the corporate culture' with a sustainability of value system being brought in, that gives you the sustainability of profits. That's the difference which also pays for the sustainability of growth which comes from ethical responsibility. There cannot be a single person out of the 700,000 people of Volkswagen whose what they call to integrity. The integrity is very important for each and every person. So what does the ethical responsibility undertaking comes what you owe yourself. You create ethical assets for your company that stay with you forever. Ethical assets belongs to you. What you create for one company you can carry to another company. And that is this is a subject governance. You have to identify a Pele or a Ronaldo or Mbappe within your company who can be taken by another company also. But is ethically strong people, they are not going to be just, I mean taken over by another company because they have done very well in the company. So the company where they work for at the moment, the ethical response is being undertaken. Ethical assets being created. One has to know, it belongs to you and not to Mahindra & Mahindra or Tatas. Let us be very clear about it then. [12.39]

The co-responsibility what you society an identity with ethical responsibility, that by which corporate infers and society teaches is Self Governance. A lot of good things when we are talking about Ratan Tata, it is on the co-responsibility he had undertaken. Everybody was crying all over India. Why? that is his co-responsibility. His identity with ethical response with that which he inferred and how the society took care of. [13.12]





Vigil Mechanism LODR 17 - 27

INDEX OF INACTIVITY: By Resource Area:		Ratings
3.0.3.B. Commitment to business associates, suppliers, customers and the environment		
1. ER Management:	Active	465
	Inactive	0
	Inactivity %	0
2. FR: Managerial Force:	Active	465
	Inactive	0
	Inactivity %	0
3. FR: Operating Force:	Active	465
	Inactive	0
	Inactivity %	0
4. FR: Technology:	Active	465
	Inactive	0
	Inactivity %	0
5. FR: Finance: Active	Active	465
	Inactive	0
	Inactivity %	0
ER+ FR: Resource Area	Active	2325
	Inactive	0
	Inactivity %	0
Net Rating		5
STAGE REACHED		Substance of Quality
checksum		0

Process Identifier: CREAM - M Management Quality  
Value Chain - POLICIES - VIGIL Mechanism

Vigil Mechanism LODR 17 - 27-1

3.0.1. Vigil Mechanism – Code of Business Principles [CoBP] – [Code of Conduct – Mahindra]		
INDEX OF INACTIVITY: By Process Area		
3.0.3.B. Commitment to business associates, suppliers, customers and the environment		
3.0.3.1. I. Ensuring product quality [2]	Active	50
	Inactive	0
	Inactivity %	0
3.0.3.2. II. Responsible marketing [2]	Active	50
	Inactive	0
	Inactivity %	0
3.0.3.3. III. Commitment to our customers [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.3.4. IV. Commitment to ethical sourcing [4]	Active	100
	Inactive	0
	Inactivity %	0
3.0.3.5. V. Fair competition [4]	Active	100
	Inactive	0
	Inactivity %	0
3.0.3.6. VI. Commitment to sustainability [2]	Active	50
	Inactive	0
	Inactivity %	0
3.0.3.7. C. Commitment to stakeholders [4]	Active	100
	Inactive	0
	Inactivity %	0

3.0.3.8. I. Books, records and disclosures [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.3.9. II. Insider trading and corporate confidentiality [2]	Active	50
	Inactive	0
	Inactivity %	0
3.0.3.10. III. Audit and investigation [2]	Active	50
	Inactive	0
	Inactivity %	0
3.0.3.11. IV. Fraud and misconduct [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.3.12. V. External communication [7]	Active	175
	Inactive	0
	Inactivity %	0
3.0.3.13. VI. Investor relations [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.3.14. D. Behaviour at workplace [4]	Active	100
	Inactive	0
	Inactivity %	0
3.0.3.15. I. Equal employment opportunity and respecting diversity and human rights [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.3.16. II. Conduct at the workplace [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.3.17. III. Freedom from harassment [3]	Active	75
	Inactive	0
	Inactivity %	0
3.0.3.18. IV. Health and safety [2]	Active	50
	Inactive	0
	Inactivity %	0

Cont'd



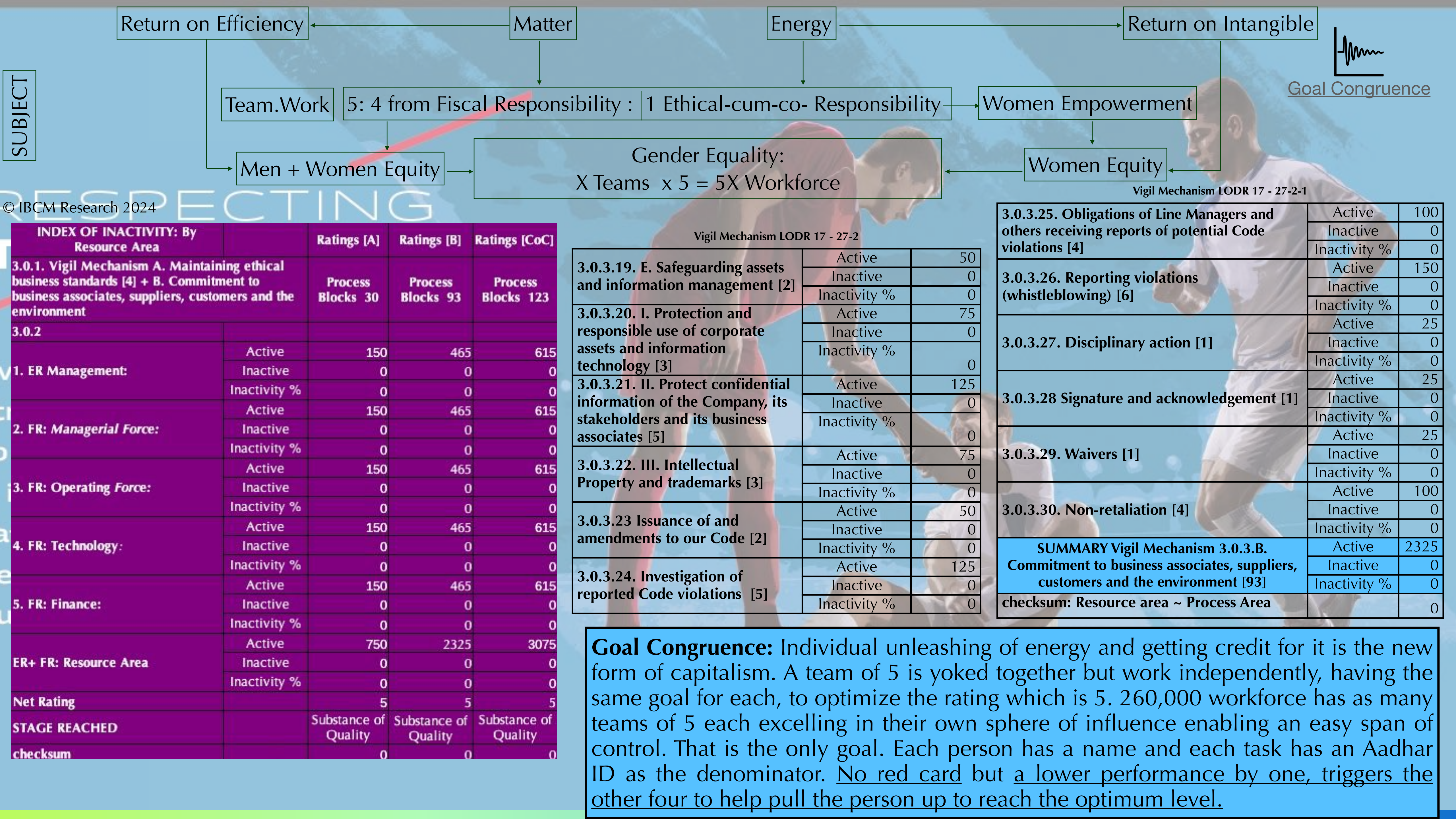
Vigil mechanism. Transcript

CoBP B 

#### **B. Commitment to business associates, suppliers, customers and the environment**

B is Object Governance, which is commitment to business associates, suppliers, customers and the environment. What you owe your company. You create the fiscal assets for your company. These assets stay with the company forever. You are helping the company, that's what you are paid for ensuring product quality, responsible marketing, commitment to our customers, Commitment to ethical sourcing, Fair competition, Commitment to sustainability, Commitment to stakeholders. This is an outside involvement. The first one we saw is self governance and so on. That is a foundation. That is a foundation which helps you to deal with outsiders in the same pattern as your company would like you to do.







Vigil Mechanism. CoC - A + B: Transcript



Vision Mechanism two areas we discuss. A. Maintaining ethical business standards. About 30 process blocks. B. Commitment to business associates, suppliers, customers and the environment. 93 process blocks totaling 123 were given. Index of an activity by resource area totaling 3075 points. 123 multiplied by five. Multiplied by five. This five is optimum level since it has been created for the purpose of as a standard by the company is CoC of Mahindra & Mahindra. Full marks are being given. Full optimum marks are being given which has to be taken into account at the time of corporate governance area. Each and every area, each and every 123 process blocks have to be measured when it comes, that rating is the one which is going to judge how it is well done by in this particular case is Mahindra & Mahindra. 15.24

Topping the list: is Anti-bribery and anti-corruption.

Kofi Annan: Foreward: UNCAC: Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish.

Accountability remains a daydream. ex-post-facto punishment is too late. Piramal Capital Ex-MD Khushru Jijina, pays 45 crores and walks away coolly. Piramal Capital, Siemens, GE, VW, IL&FS, Toshiba, Satyam Computers have all walked away. These companies even after the exit must have created this Vigil Mechanism and should have assured the society that everything is ok now. They have not done it. GE just changed the Auditors and VW has sacked Dr. Herbert Diess who had done a great job in bringing back VW from the abyss they were in by introducing t4i - Together for Integrity. This attitude from Corporate is unacceptable.19.44

I recall the famous Ameen Sayani of Binaca Geet Mala from Radio Ceylon telling the audience in a speech at Worli - if there is an atom bomb explodes in Bombay one place that is safe is Worli where there would be no radio activity - Worli is where All India Radio is situated.

Corporate is like that none of them bother. It is imperative every company institutes this Vigil Mechanism in toto and be tracked.

e.g. one of 30 PBs in A says: Dealings with Relatives & close associates. PM Modi has set a great benchmark. Corporate must follow some principles, otherwise what Kofi Annan stated cannot be avoided.

To conclude: Goal Congruence: Individual unleashing of energy and getting credit for it is the new form of capitalism. A team of 5 is yoked together but work independently, having the same goal for each, to optimize the rating which is 5. 260,000 workforce has as many teams of 5 each excelling in their own sphere of influence enabling an easy span of control. That is the only goal. Each person has a name and each task has an Aadhar ID as the denominator. No red card but a lower performance by one, triggers the other four to help pull the person up to reach the optimum level.

Peter Drucker, said that the purpose of an organization is to enable ordinary people to do extraordinary things.

One Postscript: Please see the chart above. I said in Corporate Atomic Structure there is a second electron passes through that orbits around the corporate nucleus what I called CorporateMOM - Corporate Management Orbiter Mission. As the chart states empower Ethical-cum-co-Responsibility work entirely to Women as what PM Modi says: Nari Shakthi.



CorporateMOM  
Corporate Management Orbiter Mission

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