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**Masked Corporates: A Jittery Nightmare**

**Gabriela Michael**

## ABSTRACT

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*Sexual Harassment has been so common in the corporate world that it has almost become “common”. Corporate Governance and Corporate Social Responsibility are two topics which are being assessed together with increasing frequency. A good and successful business always combines both efficient governance and ethical responsibilities towards its shareholders and employees. Corporate Governance started from the roots of management and went up to governance and then to effective governance and so, the bigger the industry, the broader the interpretation given to corporate governance and many the sexual harassment cases. During the initial stages there was a conflict between Corporate Governance and Corporate Social Responsibility (CSR) for the matter that one focussed on profit maximization and the latter was against it. The main intention of CSR is to represent the ethical expectations that society has for business which includes healthy working conditions and ethics for the employees which contradicts the increasing sexual harassment in the corporate sector.*

*This paper aims to bring together these two bi polar aspects under the same umbrella along with the fact that CSR has a social obligation and an untold responsibility to prevent any kind of harm and to develop and enforce policies against sexual harassment in the workplace. Further it will also bring out the effect that sexual harassment has on the corporate governance of a company and its overall outlook.*

Keywords: Corporate Governance, Corporate Social Responsibility, Sexual Harassment, social obligation.

## INTRODUCTION

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Corporate Governance is ensuring that an organization is run in a responsible manner by ensuring accountability, transparency and compliance with due regard to its key stakeholders. Relationships with employees, customers, suppliers, creditors, etc. create contractual obligations. Legal obligations also exist to avoid negligence, fraud, and other liabilities under tort law.<sup>1</sup> To make a company eco-friendly and socio-friendly it must adhere to the social norms and adopt ethical responsibilities and must fulfil its obligations despite the fact that ethics does not get paid. CSR and Corporate Governance are complementary in nature and so for good and proper governance, companies must adopt CSR, irrespective of the profits.

Sexual harassment is an aspect of CSR which is within the ambit of Corporate Governance. The ratio of women to men in the corporate world is still very less which highlights the increasingly unwanted sexual advances made by male colleagues and their bosses. One reason might be because of the long hours of work and pressure due to which they resort to such activities for temporary satisfaction and relief and as a stress buster. The damages of such activities can be seen in headlines almost daily: first and foremost, injured/impacted employees; in addition, negative publicity, the loss of high-profile employees, reputational damage, the inability to attract top talent, the possibility of false accusations, the defections of clients and customers, an immediate impact on the company's stock price, and of course, the cost and disruption of defending burdensome lawsuits. It would be a healthy environment if there were more or less equal number of male and female employees working together which will also promote gender equality within the sector.

From an oversight perspective, sexual harassment in the workplace is a management and governance issue like many others.<sup>2</sup> It takes a very long time and hard work to build a good reputation for a company and the saddest truth is that it can get tarnished in a moment because of the social and ethical image of the individual and the collective societal views. A single sexual harassment suit can create havoc in the firm. It creates a sense of insecurity and doubt among other employees about the governance and working environment of the company and so the Board of Directors must take strict actions and enforce policies and procedures to curb such corporate harm.

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<sup>1</sup><http://www.ethicssage.com/2018/01/what-are-corporate-social-responsibilities.html>

<sup>2</sup>David A. Katz. Et, *Corporate Governance Update: Boards, Sexual Harassment and Gender Diversity*, (January 26, 2018), <https://corpgov.law.harvard.edu/2018/01/26/corporate-governance-update-boards-sexual-harassment-and-gender-diversity/>



## THE COMMON MISCONCEPTION

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The relationship between CSR and Corporate Governance is a very delicate issue, to the point that many find it vague and often end up misunderstanding the relationship itself. A clear and definite meaning will be brought forth further, eradicating any such vagueness and grey areas.

The conceptualization of CSR was, initially, purely in terms of philanthropy or charity.<sup>3</sup> But soon enough this concept got improvised over the years and post liberalization period. It is often said that CSR and Corporate governance are two sides of the same coin but it is very vital to understand that they are not the same things nor two different things nor the other side of the same coin. Rather, they are overlapping; inter-related; potentially mutually tempering or reinforcing.<sup>4</sup> The imperative for a conspicuous governance of outsourcing, employment, sales, waste management and so forth is increased by CSR commitments. The challenge here is however sizable considering the fact that MNC business unit in various places operate under very different Corporate Governance systems including the integration of CSR measures.

Corporate Governance focuses more on the external regulation and the internal control of the firm through legal means rather than the social norms and also shoulders the monitoring function of the Board of Directors and the senior managers. And CSR on the other hand regulates the firm's behaviour with regard to the stipulated social norms including the external aspects. It seems that there is some amount of misinterpretation to the fact that the sole purpose of companies is to increase the shareholders returns and to serve for their interests alone. But there's plenty of evidence to prove that shareholders are not only motivated by increased returns but many prize for long-term stability, stable profits, CSR investments and not least in the face of social and environmental danger.

However the situation differs according to different countries. CSR in emerging and developing economies are often community oriented and so tend to reflect features of high inter personal trust and low institutional trust, thus highlighting the Corporate Governance arrangement. But CSR does not only reflect Corporate Governance arrangements but it also shapes them. The repercussion of both CSR and Corporate Governance is to form a better image of a company and directly affects the shareholders and the other employees of the firm.

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<sup>3</sup> Dr. D.P.Verma& Raj Kumar, *Relationship between Corporate Social Responsibility and Corporate Governance*, Vol. 2 Issue 3, IOSR, 24, 24-26 (2012).

<sup>4</sup> Jeremy Moon, *Corporate Governance and Corporate Social Responsibility*, THE BUSINESS OF SOCIETY, (Jan 13, 2015), <http://www.bos-cbscsr.dk/2015/01/13/corporate-governance-and-corporate-social-responsibility/>

## CONFLICT OF INTEREST

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Previously, there had been a great amount of conflict between Corporate governance and CSR and companies did not follow it either due to the incurring of extra costs or because it was time consuming and a wastage of resources. Corporate Social Responsibility (CSR) is a concept that suggests that it is the responsibility of the corporations operating within society to contribute towards economic, social and environmental development that creates positive impact on society at large.<sup>5</sup>

CSR has evolved to a great extent over the past few decades. Before 1947 this concept was carried out by businessmen with religious sentiments through acts of charity and alms. Post 1947 the scenario changed by adopting Gandhian philosophy of trusteeship and the importance of Public Sector Undertakings (PSU's) emerged. Post 1991 era saw the market pave its way through international arena and the global standards of CSR motivated the companies to increase the brand value by meeting the consumer needs and satisfaction. The Companies Act 2013 made a complete overhaul in the functioning of the companies by making CSR as a mandatory aspect of the company's governance.

It is a landmark legislation that made India the first country to mandate and quantify CSR expenditure. The details on corporate social responsibility are mentioned in the Section 135 of the Companies Act, 2013.<sup>6</sup>

Section 135 of the Companies Act, 2013, inter alia, provides for companies having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more in a financial year to spend at least 2% of the average net profits of last 3 years for the company's Corporate Social Responsibility (CSR) policy. In case the said amount is not spent, the reasons for not doing so are to be disclosed in the Board's Report. Activities which may be included in the CSR policy by the companies are specified in schedule VII of the Companies Act, 2013.<sup>7</sup> Schedule VII item (iii) talks about promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

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<sup>5</sup> Corporate Social Responsibility <http://www.fiinnovation.co.in/corporate-social-responsibility/>

<sup>6</sup> *Ibid.*

<sup>7</sup> Press Information Bureau Government of India Ministry of Corporate Affairs, Notification of Section 135 of the Companies Act,

When CSR expenditure is low, it has a positive contribution to firm value, for example by increasing productivity of employees or avoiding costs such as bad reputation and pollution fines. But at some point, the marginal effect of an additional dollar of CSR expenditure decreases shareholders wealth as there is no limit to the amount that a firm can donate to society. If firms decision-making were done solely by value maximizing individuals then the chosen level of CSR expenditure would have been consistent with that objective<sup>8</sup>. A good social rating enhances their reputation as being decent individuals who respect their employees, communities and the environment and care about society. While insiders may benefit from CSR, other shareholders may not approve of a high CSR expenditure if it reduces firm value. Therefore, CSR may be the source of a conflict between different shareholders.

The CSR conflict is somewhat different than typical agency conflicts since all insiders and not only managers may gain personal benefits from a high CSR rating. However, it is very common to link CSR with corporate governance. Arguably, this link is due to the perception that a high CSR expenditure and good corporate governance mechanisms are both to be found in so called ethical firms. We therefore examine whether the CSR conflict is related to the presence of standard corporate governance mechanisms.

Yet another important aspect of this conflict is the difference between the shareholders and stakeholders and how it is important to keep both their interests at bay. Shareholders are the largest type of stakeholders who simply may be customers who may rely on the company to provide a particular good or service suppliers or vendors who may rely on the company to provide a consistent revenue stream. Companies have been encouraged to take into account the interests of both the shareholders as well as the stakeholders during decision making process rather than making choices based solely upon the interests of either of them. Hence CSR governance covers even the general public as an external stakeholder.

## **SEXUAL HARASSMENT UNDER THE AMBIT OF CSR**

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From an oversight perspective, sexual harassment in the workplace is a management and governance issue like many others.<sup>9</sup>The term sexual harassment in workplace itself is still very unclear in India and women try enduring it considering the social status and the norms and try

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<sup>8</sup> Archie B. Carroll, *Corporate Social Responsibility: Evolution of a Definitional Construct*, BUSINESS & SOCIETY, Vol. 38 No. 3 Page: 268-295, September 1999

<sup>9</sup>David A. Katz. Et, *Corporate Governance Update: Boards, Sexual Harassment, and Gender Diversity*, (Jan 26, 2018), <https://corpgov.law.harvard.edu/2018/01/26/corporate-governance-update-boards-sexual-harassment-and-gender-diversity/>

making it a part of their work lives. But the real question is for how long? In any circumstance a human brain will function clearly and with utmost efficiency only when it is not troubled by any other external problems or worries but what with the constant nagging behind one's head about when the boss might ask out merely for a cup of coffee or might start making improper gestures. Such constant naggings will at some point of time start having an impact in the working condition of a woman.

In many cases, unfortunate incidents, media reports and people's heightened awareness have brought to the fore the dark side of the corporate coin. This led to the enactment of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013. The Government's intent is to put a brake on such cases. However, recent data generated by the Government indicates that there has been a rise in sexual harassment and the number of complaints relating to it at the workplace has seen an upsurge.<sup>10</sup> It is true that a company is not made up of only the Board of Directors or the shareholders but it is also made up of the people working there, the other employees.

Harassment is a form of employment discrimination that violates several federal and state laws. Sexual harassment is persistent, unwanted sexual advances, verbal abuse, and/or demands for sexual favours. Behaviour becomes illegal when enduring the harassment is a condition of continued employment and creates an environment that is hostile or intimidating.<sup>11</sup>

Considering the fact that India is still under the developing process and the corporate world has taken deep roots only in the recent past decade, a culture of proper behaviour and governance must be inculcated at this level itself rather than turning a blind eye to it and letting it poison and infest its tentacles through each sector. It is quite evident from the fact that sexual harassment has emerged from the dark confines of the corporate world itself and it is almost every day that global as well as national news channels highlight a number of cases leading it all to corporations. An out of court settlement is a double edged sword to the effect that on the one hand it benefits the firm by not being dragged into a lengthy and tedious litigation process and giving air to the media and on the other hand, people will confirm the fact that sexual harassment has taken place and to quieten the publicity and the firm's name being sprawled as headlines in the newspapers such settlement has taken place.

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<sup>10</sup>Reining in sexual harassment at the workplace in India, A survey by Fraud Investigation & Dispute Services, <https://www.ey.com/Publication/vwLUAssets/ey-reining-in-sexual-harassment-at-the-workplace-fids-survey-2015/%24FILE/ey-reining-in-sexual-harassment-at-the-workplace-fids-survey-2015.pdf>

<sup>11</sup> Matt Luman, *Effects of Sexual Harassment in the Workplace*, (JANUARY 18, 2018), <http://www.360training.com/blog/effects-of-workplace-sexual-harassment/>

Apart from the various legislations laid down, one of the most important provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 laid under the Act aims to protect the interest of all women employees and fuel the adoption of good governance practices and mandate employers' to provide a safe working environment to women employees. The Act also mandates to constitute the Internal Complaints Committee (ICC) to display the penal consequences of sexual harassment, organise orientation programs for the members of the ICC and arranging awareness programs for employees.<sup>12</sup>

If the employer fails to constitute an ICC, or does not abide by any other provision, the Act envisages a fine of up to Rs 50,000. The fine is doubled for repeat offences. If the employer has been previously convicted of an offence under the Act, he shall be convicted for twice the punishment, and the second offence can also lead to cancellation or non-renewal of his licence.<sup>13</sup>

But despite all the efforts a very sombre picture of the state of affairs when it comes down to corporations actually curbing and managing the evil of sexual harassment in the workplace is painted. And this sombre picture becomes the reason for unwanted losses to the firm through out of the court settlements with the plaintiffs rather than being dragged to a painfully long litigation process and to minimise the damage already done to the firm's reputation.

## **EFFECT ON CORPORATE GOVERNANCE**

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While sexual harassment has many causes, it tends to flourish when workplace culture is poor and corporate governance, weak. A dearth of women in the workplace, particularly in board and executive positions, and a lack of gender parity in opportunity and pay, are also contributing factors that have begun to attract investors' attention.<sup>14</sup>

It doesn't matter a great deal if a person is highly intelligent or contributes the maximum to the company, if his social conduct is at question, especially his relationship with his female counterparts. Any kind of misconduct or misdemeanour by any member of the firm affects the firm as a whole. Even at the mere speculation of a sexual harassment case, the media jumps in to shred the company's reputation to pieces. Through the continuous media lynching and with the upsurge of social media, the damage to the reputation of a company has increased manifold. One such example would be the case of Mr. Phaneesh Murthy, wherein he was allegedly caught in the

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<sup>12</sup>PiyushPandey, *Sexual harassment cases at workplace more than double in 2014*, THE HINDU, Nov 27, 2015.

<sup>13</sup> Sexual Harassment Act: The mind-set must change, <http://www.indialegallive.com/cover-story-articles/focus/sexual-harassment-act-mindset-must-change-24157>

<sup>14</sup>Rystal Kim, Leslie P. Norton, and Lauren R. Rublin, *Sexual Harassment Is Becoming a Serious Investment Risk*, Nov 4, 2017.

sexual harassment frenzy and it cost him his reputation for life. Though the cases were settled out of court with an aim to evade the media, yet somehow the media got wind about it and the rest became history. One of the disadvantages of the cyber world is that once something defamatory or injurious to reputation is posted, it can never be deleted and even after many years the story still lives on.

One of the many effects that employees face is the ripple effect in which the employees that observe harassment in the workplace were more likely to experience lower psychological and physical well-being. The driving factors of this mental and physical toll were empathy for the victim, concerns about a hostile workplace, and even fears of becoming the next target of harassment.<sup>15</sup>

Lesser work production is yet another added disadvantage as it wreaks havoc on the victim's work performance and career trajectory. Fear and decreased confidence can cause some people to withdraw from the workplace and disengage from co-workers. They are more likely to be tardy, absent, distracted, and neglect duties. If victims of sexual harassment report the harassment, they may suffer advancement setbacks such as being passed over for promotions, being left out of key meetings, retaliation, and being labelled a troublemaker. Financial problems like lost wages and unpaid leave are also possible.

Sexual harassment is also becoming a reason for serious investment risks due to which investors are focussing more on the composition of Board meetings. The Kotak Committee Report also contains certain provisions relating to the number of women directors in the Board of Directors which was included with an aim to measure the gender diversity which in turn will help in getting a good read on the corporate culture of a company.

## **CORPORATE SEXUAL HARASSMENT CASES**

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In the recent times, many companies have taken to settling the disputes rather than going to court, in a failed attempt to save their reputation. It is a failed attempt because ours is the world of technology and the golden era of media. And companies which tolerate and cover up sexual harassment case through out of court settlement look evermore guilty and thus fail to provide

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<sup>15</sup>Josh Young, *The Effects of Sexual Harassment in the Workplace*, WORKPLACE ANSWERS AN EVERFI COMPANY (Dec 01, 2016), <http://www.workplaceanswers.com/resources/blog/the-effects-of-sexual-harassment-in-the-workplace/>

proper avenues for employees to report incidents and cases thus paying a huge price through ruined business deals, loss of long term clients, loss of motivated and talented workforce, etc.

Many of us are still unaware about the compulsory provision for each company to constitute an ICC (Internal Complaints Committee). According to the Ministry of Women and Child Development “The constitution of Internal Complaints Committee (ICC) for receiving complaints of sexual harassment of women is mandatory in all Ministries/Departments of Union as well as State Governments and in the private sector too.”

The very root of the laws related to sexual harassment cropped up after the famous Supreme Court case **Vishaka&Ors v. State of Rajasthan &Ors.** It is after this incident that sexual harassment in workplace came to light and the Supreme Court brought out certain guidelines to safeguard the interests and protect the rights of working women because right to life also include right to a dignified life. Thus the Supreme Court passed its judgement concluding that sexual harassment in the workplace is a violation of women’s human rights with the following explanation-

“Each such incident ends up in violation of the basic rights of ‘Gender Equality’ and therefore the ‘Right of Life and Liberty’... A legal document of writ in such a scenario, if it’s to be effective, must be in the midst of directions for prevention; because the violation of basic rights of this sort could be a revenant development. The basic right to hold on any occupation, trade or profession depends on the supply of secure operating surroundings. Right to life suggests that life with dignity. The first responsibility for guaranteeing such “safety” and dignity through appropriate legislation, and therefore the creation of a mechanism for its social control, is of the general assembly and therefore the executive...”<sup>16</sup>

One of the classic examples of sexual harassment case would be that of Mr. Phaneesh Murthy, an extremely intelligent person with an aggressive knack for the business world and a workaholic but the one thing that brought down all the years of hard work is his social behaviour with his female colleagues. Previously the CEO of Infosys, Phaneesh Murthy has an established and a promising career ahead but he had faced his first sexual harassment lawsuit at Infosys when his former executive secretary RekaMaximovitch complained of sexual harassment. He faced a second charge around the same time when another employee, Jennifer Griffith levelled similar complaints resulting in a \$ 800,000 settlement. Infosys subsequently settled the lawsuit out of court for \$3 million & fired him in 2002. In 2013, Araceli Roiz, an employee at iGate claimed of

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<sup>16</sup> SCC 241; AIR 1997 SC. 3011

sexual harassment. An investigation by outside legal counsel found him guilty and Murthy was subsequently sacked.<sup>17</sup>

### **Novasoft Technologies**

Gayathri Balaswamy the then Vice-President of the company within a few months resigned and lodged a criminal complaint against two officers of the company on the grounds of sexual assault. In an arbitration award dated March 21, 2012, a total sum of Rs 2 crore was awarded to her together with an interest of 18 percent per annum. Aggrieved by this decision of the arbitrator, the petitioner went to court and was awarded Rs 1.68 crore in addition to the earlier mentioned award for non-constitution of the ICC.

### **The Viral Fever**

Arunabh Kumar, CEO of entertainment website, The Viral Fever (TVF) was arrested and later granted anticipatory bail for sexual harassment by the Dindoshi Sessions Court, Mumbai. During the employment with the company, several women were subjected to sexually harassment and sexual intimidation by Kumar. Advocate Rizwan Siddiqui filed a third party complaint against Kumar because he claimed the women complainants are reluctant to set the law into motion for fear of inviting stigma, social isolation, loss of their reputation and procedural hassles.

These are only few cases among the many which are still hidden behind the veil of the corporate curtain. Companies generally try to hush it up by paying the victim behind the doors and repeatedly reminding her about the social stigma and about the disadvantages of being a victim of sexual harassment. Only the bold and the determined turn on the legal mechanism and watch justice being done but eventually due to the lack of faith in the judicial system of our country even the bold and the determined lose hope.

## **WAYS TO CURB THE CORPORATE EVIL**

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Even after various legislations being brought into the forum, it is clearly due to the lack of proper implementation that still many women end up being harassed on a daily basis in their workplace thus, hindering their progress in their work life. And so it becomes the company's

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<sup>17</sup>Suhita Roy, *Sexual harassment: Companies in the line of fire*, ET RISE, (Apr, 12, 2017), <https://economictimes.indiatimes.com/small-biz/startups/sexual-harassment-companies-in-the-line-of-fire/no-respect-for-women/slideshow/58145694.cms>



duty to ensure that women have a right to dignified life with equal work opportunity especially in a place where women are a minority and struggle a lot to reach where they are.

It is a known fact that the reputation of a company is not necessarily destroyed by an outside factor but it is seldom destroyed by their own actions. And one of the easiest ways of destroying even a sterling reputation is through sexual harassment which confers in the mind-set of laymen a truly immature and highly gross attitude of the colleagues. What with the growing world of media, there is nothing which goes unnoticed and each and every step which the company takes is highlighted and brought to the knowledge of the public. More so often companies turn a blind eye to such incidents and try to cover the matter by paying the victim with compensation.

Companies in a country like India must be extremely cautious in dealing with sexual harassment cases because, to start with, it is an emerging economy wherein being socialist, adherence of the social norms and inter personal trust is given a higher stance. According to the Ministry of Women and Child Development “The constitution of Internal Complaints Committee (ICC) for receiving complaints of sexual harassment of women is mandatory in all Ministries/Departments of Union as well as State Governments and in the private sector too.” Companies must also take steps and measures to encourage women to come out of their shells and complain immediately against any such incidents.

The Government of India has brought out legislation after the increased sexual harassment cases in the corporate world. One of the legislation is the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act") to be read in consonance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 ("Rules") which has provision to constitute an ICC. The Act includes several provisions of the Vishakha Guidelines, that 1st required the formulation of “a code of conduct for work place”. Building on the Vishakha Guidelines, the Act implies the formation of an interior complaints committee and an area complaints committee at the district level.<sup>18</sup>

However it is unable to ignore the fact that during the past decade there have been an increasing number of sexual harassment cases, especially in the top tier of the firms and yet again the question of why it occurs is raised. The answer is simple. Women took to the top tier only in the recent few years and still, the ratio of men to women is very low in the case that there are

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<sup>18</sup>Kavisha Gupta, *Supreme Court Case Analysis: Vishaka and Ors v. State of Rajasthan and Ors*, (May 28, 2018), <https://www.latestlaws.com/articles/supreme-court-case-analysis-vishaka-and-ors-v-state-of-rajasthan-and-ors-by-kavisha-gupta/>

probably one or two female members in the board meetings. Following are few steps among many, which the companies can and must implement to eradicate this corporate evil which stemmed from the very confines and depths of the corporate world itself.

- First and foremost an ICC (Internal Complaints Committee) must be constituted.
- The board should review the company's policies and procedures regarding sexual harassment or assault allegations.
- Company's employee training and protocols for preventing, reporting, and addressing sexual misconduct must be briefed.
- Participation from human resources, public relations and legal counsel must also be considered by the management during the development of crisis response plan.
- The board should consider its oversight role in the process and be briefed on the factors used by management in determining which claims are reported to the board.
- The board may want to hear from counsel as to litigation risk, disclosure requirements, and the importance of maintaining attorney-client privilege in this context.

With the proper steps and procedures established, it becomes easy for the company to tackle such problems in case they arise, and without wasting any time and resources. It is better to plan in advance for such unfortunate events rather than wait for it to happen. Stringent rules, efficient management and proper execution are all that it takes to cut this corporate evil at its stem.

With an effort to militate against a mind-set which does not shun wrongful sexual behaviour, bias, prejudice and unequal treatment of women at the work place, laws prohibiting sexual harassment are brought in.

## CONCLUSION

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For many years, the approach of companies on the role of business in society could be summarized with the following words of Milton Friedman: "there is one and only one social responsibility of business to increase its profits" and "Business of business is business".<sup>19</sup> However, it is pertinent to mention here that the world has moved miles ahead of his statement and both Corporate Governance and CSR have become an integral part of a firm. Thus, it is firmly hoped that after such measures and steps taken by the companies against cases related to

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<sup>19</sup>Dr. D.P.Verma& Raj Kumar, *Relationship between Corporate Social Responsibility and Corporate Governance*, Vol. 2 Issue 3, IOSR, 24, 24-26 (2012).

sexual harassment, there would be proper and good governance in the corporate sector and also minimal damage to the reputation of the company.

Apart from the many conflicts that CSR and Corporate Governance have faced over the years, it has become clear that both these aspects are a part and parcel of each other and are inter related and complementary in many ways. Though CSR is not mandatory, the inter relation with Corporate Governance has made companies accept it as an untold duty and an obligation to its employees. And so by incorporating CSR provisions into the mainframe of the governance, it proves as much beneficial as yielding profits to the firm because not all shareholders are concerned only with the heightened profits in India but they also look into the social aspects of the firm which is a criterion for a long standing relationship between them.

The legal regime for combating sexual harassment at the work place is aimed at exploding the dichotomy between the private realm and public one as far as sexual behaviour is concerned.<sup>20</sup> Another important fact which must be considered is that it is not only the governance of the company which is disrupted but it is also the victim who is harassed doubly due to the continuing investigation and battle for justice.

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<sup>20</sup>*Sexual Harassment Act: The mind-set must change*(April 27, 2017), <http://www.indialegallive.com/cover-story-articles/focus/sexual-harassment-act-mindset-must-change-24157>