
PREFACE TO SECOND EDITION

The focus on governance towards the end of the last century has widened the scope of corporate governance today. Now we talk of business sustainability encompassing corporate governance, business ethics and CSR. While corporate governance is a system by which power is exercised over the corporate entities, corporations should be run ethically for creating long-term value to all of the stakeholders. This is how corporate governance, business ethics and CSR may be synthesized.

It is our pleasure to present a basic text on governance, ethics and social responsibility of business. Our endeavour is that the readers especially the students should find it useful and should be able to understand the basics of the subject.

This book contains ten chapters. The first chapter contains conceptual aspect of politics - liberty, equality, justice and rights. The subject of moral reasoning is interesting as it involves contradictory views on morality. Chapter two of the book discusses different approaches to moral reasoning. The basic concept of ethics is laid down in chapter three which also contains discussions on corporate code of ethics. Chapter four extends the concept of ethics to include principles and theories of business ethics.

Chapter five lays down the theoretical aspects of corporate governance including the models of corporate governance prevalent in most countries of the world. Board of directors and board committee are the important mechanism of corporate governance. Chapter six is devoted exclusively to corporate governance in India - the reforms undertaken, the initiatives of

the SEBI, Government of India and CII in the direction of better governance of companies. The issues of insider trading, whistle blowing and credit rating are discussed in the next chapter.

Corporate scams leading to the collapse of big corporations is an area of concern worldwide. Chapter eight presents major scams taken place in different parts of the world including Enron, WorldCom, Parmalat, Tyco, Vivendi, BCCI, Kirch Media, Arthur Andersen, Maxwell Communications and Satyam. Chapter nine contains the standards and codes of corporate governance as developed in the UK, USA and also the international codes like OECD Principles on corporate governance. The last chapter of the book is most contemporary. It addresses the buzz word "Corporate Social Responsibility". This chapter discusses various views on CSR and also highlights the internal processes besides external standards relating to CSR.

We are thankful to our teachers, colleagues, friends and the students who have been the driving force for writing this book. The publisher TAXMANN and its executives deserve appreciation for their efforts in bringing out this volume in time.

We would welcome suggestions from our colleagues and the students to make improvements in the subsequent edition of this book.

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