

Chapter 6: Results

Table No.3: Below is the summary of the research results across the three challenges:

Descrip tion	Sustainability Reporting (Result No.1)	Accounting Frauds (Result No. 2,3,4)	History of Accounting & Governance (Result No. 5)
Results	10 potential insights from IKS for 10 challenges faced in ESG reporting (Result No.1)	Through combination of Management Control questionnaire (Result No.2) , 27 financial policy statements (Result No.3) , and 28 financial metrics (Result No.4) , accounting frauds can be prevented / minimized	Through parallel study of Kauṭilya’s Arthaśāstra and Vālmīki Rāmāyaṇa and relating them to modern Corporate Governance, Indian contribution to accounting thought is established (Result No.5)
Overall Result	An integrated model called, ‘ ESG Controls Chakra¹³⁶ ’ is formulated which combines all these 5 results into one model. Adhering to ESG Controls Chakra framework would address all the three challenges		

Problem Statement No. 1: Result No.1: Sustainability Reporting: Insights from IKS:

Context Setting

The pursuit of profit steered many companies during the first and second Industrial Revolutions in the 20th century. Investment decisions were primarily guided by financial returns, shaping a capitalist mindset that adversely impacted social and environmental

¹³⁶ Diacriticals not used for the word ‘Chakra’ to be convenient wider audience.

qualities, leaving an irreversible mark on future generations. Various global interventions, such as the United Nations Environment Programme (1972), the Coalition for Environmentally Responsible Economies (CERES 1989), Sustainability Reporting initiatives, and the Triple Bottom Line (TBL or 3BL), were launched to shift capitalist thinking towards a purpose-based mindset. What was previously acknowledged through CSR¹³⁷ (Corporate Social Responsibility), gained momentum with the TBL (Elkington, John, Enter the Triple Bottomline.), received further recognition through the SDGs¹³⁸ (17 Sustainable Development Goals), and is currently being pursued through ESG (Environmental, Social and Governance) Reporting¹³⁹.

The term "Triple Bottom Line" was coined by John Elkington (Henriques & Richardson, 2004) in 1994, approximately 500 years after the apparent invention of the Double-entry system of bookkeeping by Luca Pacioli in his "*Summa de arithmetica, geometria, Proportioni et proportionalita.*" The TBL concept necessitates businesses to report on the implications for people, the planet, and financial profit (Gray & Milne, 2004).

Nevertheless, the inner journey towards sustainability is challenging, particularly when competitors prioritize quantitative financial metrics. Let's examine the twists and turns in the evolution of the TBL. A few landmark milestones include:

- (i) the 'genesis' of the word by John Elkington in 1994 (Elkington, John, 1997),
- (ii) acceptance of TBL by global conglomerates, including Unilever, Shell¹⁴⁰, DHL, Coca-

¹³⁷ Though the concept existed centuries before and responsible companies were adopting such measures, Howard Bowen, an American Economist is credited with coining the term 'Corporate Social Responsibilities' in his publication, 'Social Responsibilities of the Businessman', in 1953. Howard Bowen is recognized as the 'Father of CSR'. In his 1991 article, 'The Pyramid of CSR', Dr. Archie B Carroll, a business management author, outlined the 4 areas for CSR as, Economic, Legal, Ethical and Philanthropic responsibilities.

¹³⁸ Sustainable Development Goals, or 'global goals' were setup in 2015, by United Nations General Assembly. They contain 17 interconnected goals which are "shared blueprint for peace and prosperity for people and the planet, now and into the future". They are targeted to be achieved by 2030.

¹³⁹ United Nations made this word official in the "Who cares wins report of 2004." This report leaned in heavily, encouraging all business stakeholders to embrace ESG long-term. Click here for full report. https://www.unepfi.org/fileadmin/events/2004/stocks/who_cares_wins_global_compact_2004.pdf

¹⁴⁰ Shell-Sustainability report 1998-1997 titled "Profits and Principles- does there have to be a choice? A personal view report by John Elkington, while working with Shell Social Accountability team.

Cola, Apple, The North Face, AT&T, Dow Chemical, British Telecom, etc.,

(iii) Launch of the first version of Global Reporting Initiative¹⁴¹ reporting guidelines in 2000,

(iv) Wayne Norman and Chris MacDonald's article tried getting to the bottom of TBL and concluded that 'the rhetoric is badly misleading, and in fact provides a smokescreen behind which firms can avoid truly effective social and environmental reporting and performance' (Norman & Macdonald, 2004),

(v) Response by Moses L Pava accepting that there are a few limitations to TBL, but the critique of Norman and MacDonald is deeply flawed (Pava, 2007.), followed by their response (Macdonald & Norman, 2007)

(vi) Joseph Desjardins' presidential address to accomplish deep-global-focus on specific domains of sustainability (Desjardins, 2016) and

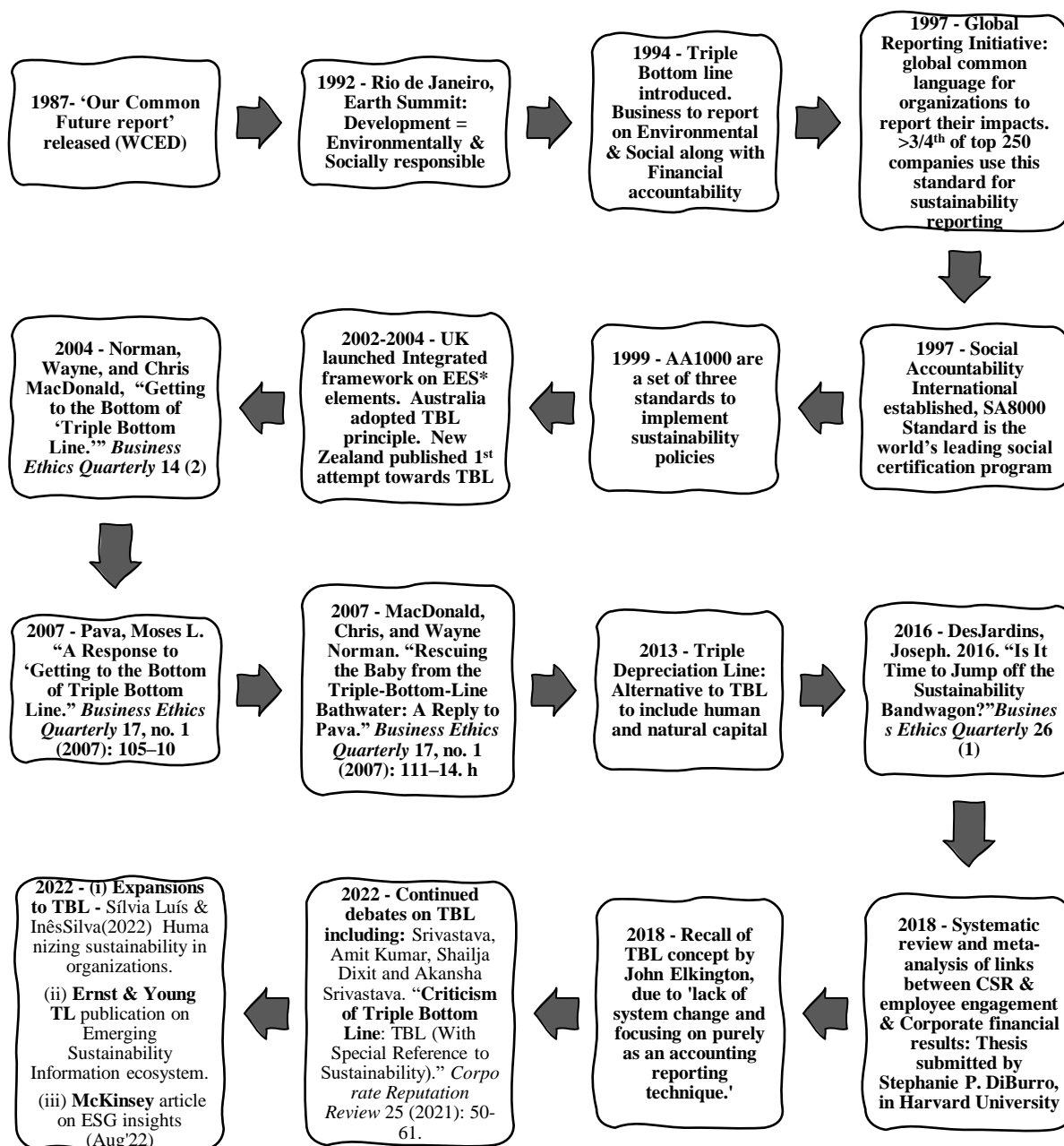
(vii) the 2018 Harvard Business Review article, by the co-creator himself, proposing a 'recall' of the concept¹⁴², imposing the need for a new wave of TBL innovation and deployment. This entire cycle of TBL from birth to recall, in a short span of less than 30 years, is intriguing.

Along with this the journey of ESG Reporting is also gaining mass.

¹⁴¹ Refer: <https://www.globalreporting.org/about-gri/mission-history/> Global common language (GRI standards) for businesses and organisations to communicate their impacts on people and the planet

¹⁴² Harvard Business Review article by John Elkington, 2018/06/25 ("25 Years Ago I Coined the Phrase 'Triple Bottom Line.' Here's Why It's Time to Rethink It_," 2018.)

Figure No. 21: Timeline depiction of significant events in Sustainability Reporting



Legend:

1. WCED = World Commission on Environment and Development.
2. SA = Social Accountability
3. AA = Accountability Assurance
4. EES = Economic, Environmental & Social
5. CSR = Corporate Social Responsibility
6. TL = Thought Leadership
7. ESG = Environmental, Social and Governance

1.1 Current Challenges in Sustainability Reporting: Through the lens of Triple Bottom

Line: A literature review

‘Climate change and Sustainability reporting’ is one of the greatest challenges¹⁴³ faced in today’s global scenario. 80% of companies worldwide published sustainability reports in 2020, as against 12% in 1993, as per the KPMG survey of sustainability reporting 2020¹⁴⁴. In another survey conducted by Sphera¹⁴⁵, on 133 leaders across industries, results showed that companies worldwide prioritise sustainability, but in many cases, ‘implementation (21%) lags behind commitment (51%)’.

1.1.1 Getting to the bottom of Triple Bottom Line: 2004

While TBL was gaining wide acceptance across companies and industries, in 2004, distinguished professors Wayne Norman and Chris MacDonald published a detailed paper with 37 notes on ‘getting to the bottom of TBL’. The authors start with an acceptance of the concept and proceed to describe the (i) lack of clarity of definition, (ii) inconsistency of understanding, (iii) deficiency of calculation and (iv) absence of comparability. They say, “TBL rhetoric is vague, diverse, and sometimes contradictory. This is an unhelpful addition to the current discussion on Corporate Social Responsibility (CSR)”. Wayne & Chris postulated five purported claims made by supporters of 3BL in the social bottom line, viz, (i) measurement claim, (ii) aggregation claim, (iii) convergence claim, (iv) strong social-obligation claim, and (v) transparency claim. They examine these claims collectively and conclude that ‘What is Sound about 3BL is not novel’ (the corporate social responsibility

¹⁴³ Refer KPMG published report, ‘Ten Key regulatory challenges of 2021. These ten challenges have been classified into (i) Relatively steady, (ii) Increasing and (iii) High increases. Of these, ‘climate change and ESG(Environmental, Social and Governance)’ is the overall third, but first in the ‘high increasing’ category. <https://advisory.kpmg.us/articles/2020/ten-key-challenges-2021.html>.

¹⁴⁴ This is the 11th edition of the KPMG Survey of Sustainability Reporting; the first edition was published in 1993. The 2020 survey was conducted through 5200 large and mid-cap firms around the world and 250 of fortune 500 companies. <https://home.kpmg/xx/en/home/insights/2020/11/the-time-has-come-survey-of-sustainability-reporting.html>

¹⁴⁵ <https://sphera.com/report/sustainability-survey-2021/> In line with Sphera Sustainability Maturity Model, survey conducted with the University of Esslingen, Germany

part) and ‘What is novel is not sound’ (absence of aggregating mechanism). They also warn that TBL may provide a smokescreen behind which firms can avoid truly effective social and environmental reporting and performance.

1.1.2 Moses.L.Pava’s response to ‘Getting to the bottom of the Triple Bottom Line’

Moses responded to the strong attack of Norman and MacDonald’s 2004 paper in **2007**, saying, while limitations to the 3BL accounting do exist, their critique is deeply flawed. The following table summarizes the 2004 claims and Pava’s response.

Table No.4: Claim Vs Response on Triple Bottom Line

Sl. No.	Claim made by supporters of 3BL as envisaged by Norman & MacDonald (2004)	Response by Moses (2007)
What does it mean to say that there are additional 2 bottom lines:		
(i)	Measurement Claim: Components of Social / Environmental impact can be measured objectively on basis of standard indicators . These can be audited and reported.	Major organizations like Global Reporting Initiative and AccountAbility have embraced 3BL but have not endorsed the Aggregation claim. Even major businesses have not endorsed it. So, the first question is who has accepted or endorsed this claim? The authors are trying to
(ii)	Aggregation claim: Net social profit or loss can be calculated using data from these indicators and a relatively uncontroversial formula can be used by any firm.	logically insist on the measurement and aggregation of social and environmental bottom lines, by themselves. When financial bottom line itself is not a single number and not aggregateable, one should not demand this of social and environmental reporting either. Net income, Operating cash flow, notes to accounts,

		risk measures and multiple parameters indicate financial performance and cannot be aggregated.
Why should firms measure, calculate and report on additional 2 bottom lines:		
(iii) Convergence claim:	Measuring improves the bottom-line and with better social & environmental parameters, the profitability improves in the long run. So, it converges.	3BL is a metaphor to remind us that corporate performance is multi-dimensional. The irony is inherent in the phrase 3BL. How can the bottom line be more than one.
(iv) Strong social-obligation claim:	Firms have an obligation to improve / maximise their social & environmental bottom-line.	An example of a tobacco company purporting to be good corporate citizenship is quite thought-provoking.
(v) Transparency claim:	Firm has obligations on transparency.	There is virtually no substantive discussion among academics on what must be disclosed , what can be disclosed and what may not be disclosed to corporate stakeholders. E.g., expectation of Walmart, to disclose its list of overseas factories. Though Walmart has subscribed to 3BL, it does not mandate these disclosures.
		Even audited income statements have been subject to manipulation, but they have not been abandoned.

Moses concludes by saying “3BL is not a panacea and it puts accountability back into accounting. It shifts the objective from profit maximization to a more ethically defensible theory”. Rejecting TBL is like throwing out the baby with the bathwater!

1.1.3 Rescuing the baby

Based on this, Norman and MacDonald, published an article titled, “Rescuing the Baby from the Triple-Bottom-Line Bathwater: A Reply to Pava”. The authors are happy that Pava took up the challenge and they continue the important debate and initially agree to Pava’s ‘thoughtful discussion’. While financial performance is also a combination of few similar parameters, the social or environmental performance is reported by ‘hundreds of interesting and relevant bits of data’ like women on Board, the existence of a Code of ethics, etc. While these are individually important, literally, they do not add up to anything. A question like, ‘What was your social bottom line last year, and how much has it increased/decreased from last year?’ would not provide a response since the question itself is absurd. They conclude that the TBL is the bathwater, rather a ‘snake oil’, which has to be removed from the baby, which is actually CSR or referred to as sustainability or ESG reporting.

1.1.4 Is it time to jump off the Sustainability bandwagon?

Another grievance against TBL sustainability reporting is that companies are either (a) asking sustainability to do too little – where organisations are using Sustainable Development for Risk Management, or (b) asking sustainability to do too much – where Sustainable Development would ensure Social Development or Environmental Ethics. Hence there is a need for focused global attention on specific topics relating to sustainability and one should not jump the sustainability bandwagon. (Desjardins, 2016)

1.1.5 Multiple reporting standards, with lack of consistency and clarity

The following diagram shows the landscape of sustainability reporting and the lack of standard parameters, consistency and clarity.

Figure No. 8: Pictorial representation of existing ESG Reporting landscape

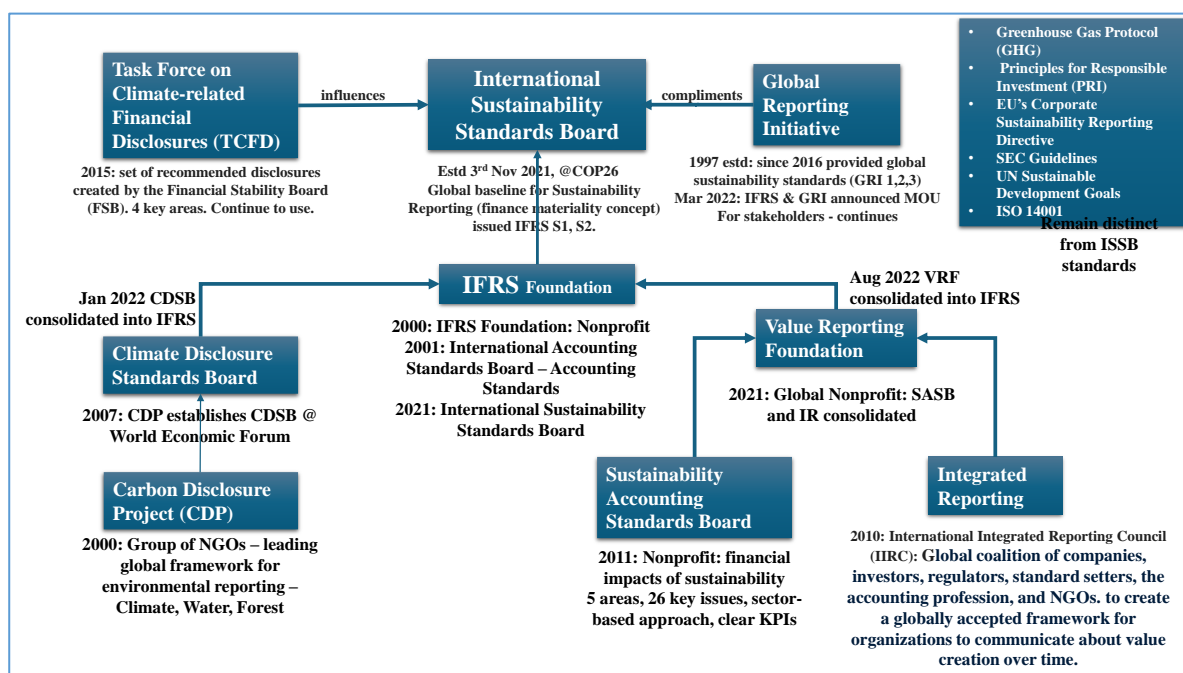


Table No. 5: Below shows the advantages and disadvantages of each of the standard:

Reporting Standard	Advantages	Disadvantages
Global Reporting Initiative (GRI)	<ul style="list-style-type: none"> - Comprehensive and globally recognized - Applicable to all organizations regardless of size, sector, or location - Encourages stakeholder engagement 	<ul style="list-style-type: none"> - Can be complex and time-consuming - May require significant resources for comprehensive reporting
Sustainability Accounting Standards Board (SASB)	<ul style="list-style-type: none"> - Industry-specific standards - Focuses on financially material issues - Useful for investor communication 	<ul style="list-style-type: none"> - Limited to financial materiality - May not cover all sustainability aspects important to stakeholders

<p>Task Force on Climate-related Financial Disclosures (TCFD)</p>	<ul style="list-style-type: none"> - Focuses on climate-related risks and opportunities - Encourages forward-looking information - Supported by investors and financial institutions 	<ul style="list-style-type: none"> - Primarily focused on climate change - Implementation can be challenging due to the need for scenario analysis
<p>Carbon Disclosure Project (CDP)</p>	<ul style="list-style-type: none"> - Widely used for environmental reporting - Provides a platform for benchmarking and comparison - Emphasizes transparency and accountability 	<ul style="list-style-type: none"> - Mainly focused on environmental issues - Responding to CDP can be resource-intensive
<p>International Integrated Reporting Council (IIRC)</p>	<ul style="list-style-type: none"> - Promotes integrated thinking and reporting - Encourages a holistic view of the organization's performance - Useful for communicating value creation 	<ul style="list-style-type: none"> - Not as widely adopted as other standards - May require a shift in organizational mindset and reporting processes
<p>European Union Non-Financial Reporting Directive (NFRD)</p>	<ul style="list-style-type: none"> - Legally binding in the EU - Requires disclosure of social and environmental information - Aims to enhance transparency and comparability 	<ul style="list-style-type: none"> - Applies only to large companies and certain entities - Reporting requirements may vary between EU member states

<p>United Nations Sustainable Development Goals (SDGs)</p>	<ul style="list-style-type: none"> - Aligns with global sustainability goals - Encourages reporting on social and environmental impact - Provides a common language for sustainability 	<ul style="list-style-type: none"> - Not a reporting standard per se - Lack of specific reporting guidelines or metrics
---	---	---

1.2 Sustainability reporting challenges and need for insights from Indian knowledge systems.

While the challenges and discussions are happening, as mentioned herewith, we don't see the Eastern narrative on people, planet, and profit in this sequence. Being one of the longest 'sustained' civilisations (Fairservis, 1983), the documentation, experimentation and knowledge dissemination of the Indic descriptions would be an invaluable addition to the world of sustainability reporting. Indic Knowledge System (IKS) contains factually documented examples of large community realms which have incorporated the principles of people, profit and planet and have been sustainable for multiple millennia (Deodhar 2018).

Eastern philosophy includes various philosophies that originated in East and South Asia, including the Chinese, Japanese, Korean, Vietnamese, and Indian philosophies. Amongst these, India and China were the leading economies (in terms of GDP and GDP per capita) in the world from start of Common Era to around 17th century CE. (Maddison 2001). The Indian economy was primarily propelled by the Indic or Indian Knowledge System¹⁴⁶ (IKS). IKS refers to an overarching phrase that covers the documented literary knowledge, archeological aspects, undocumented cultural, social, community traditions and practices, from pre-historic

¹⁴⁶ Amongst many Eastern philosophies and principles, Indian Knowledge Systems (IKS) has been taken here for research

times, in varied languages and regions. (B Mahadevan et al, 2021). A few wisdom sources which cultivate IKS are:

- In the documented repository, there are 14 structured knowledge sources¹⁴⁷
- Practical knowledge of basic and applied science, engineering, technology, finance, economics, architecture, alchemy, aesthetics, health, wellness, etc. seen through the large empires, temples, constructions, townships, pillars, etc.
- Knowledge from Buddhist, Jain, and other traditions.
- Regional literature in all major Indian languages
- Rich oral traditions, customs, and practices of art forms, culinary, folklore, life sciences, health, well-being, etc.

Noteworthy IKS texts which contain content about ‘Sustainability’ include (i) Vālmīki Rāmāyaṇa , containing one of the oldest documentations on Kingdom of Rama (Keith 1915), (ii) Kauṭilya’s Arthaśāstra, a 4th Century BCE treatise on practical economics & public finance (Choudhury 1982), (iii) Manusmṛti, the constitutional and law guide (Sivakumar, n.d.; 2009) and (iv) Pañcatantra, the value fable on statecraft, issues of diplomacy, war, peace, intelligence, security, law and political economy (Pradeep Kumar Gautam 2014), (Rajan 2000).

As we embark on the journey of review of IKS for potential insights on existing challenges in Sustainability reporting, it would be prudent to understand the geographical, social and commercial context of the post-Vedic period from which texts are being studied.

1.3.1 Understanding the Geographical Context: Introduction to Kosala & Ayodhyā:

In the Rāmāyaṇa, the capital city of Ayodhyā is described as follows:

“Ikshvāku’s sons from days of old, were ever brave and mighty-souled.

¹⁴⁷ 14 knowledge sources include the 4 vedas (and their upavedas), the six vedangas, Purāṇas (including Itihāsas), Dharmasāstras, Nyaya and Mimamsa. For details, refer page no. 10

The land their arms had made their own, was bounded by the sea alone.

Twelve measured leagues from end to end,

And three in width from side to side, with square and palace beautified.

Her gates at even distance stand; her ample roads are wisely planned,

And merchants with their precious things

With banners o'er her roofs that play, And weapons that a hundred slay,

All warlike engines framed by man, And every class of artisan.

A city rich beyond compare, with bards and minstrels gathered there” (Griffith Ralph T H, 1870).

In Chapter 5 of Bālakāṇḍa, Lava and Kuśa start telling the Rāmāyaṇa with the description of Kosala. “A great kingdom named Kosala, a joyous and vast one, well flourishing with an abundance of wealth and food (grains), is snugly situated on the riverbanks of Sarayu.¹⁴⁸”

1. The first parameter in describing a prosperous kingdom/ organisation is “happiness and joy” (muditaḥ)
2. The second aspect is the vastness (sphītaḥ) of the land area. The Ikṣvāku kings ruled the land with oceans as its boundaries. The measurement of Ayodhyā is given in the following verse: “That glorious city of Ayodhyā was with well-devised highways/ thoroughfares and measured twelve yojana-s lengthwise and three yojana-s breadth wise¹⁴⁹.” With one yojana measuring 8 to 10 miles, the total area of Ayodhyā was around 120 miles (190kms) * 30 miles (48kms) = 3600 Sq miles or 9120sqkms, which makes it one of the top 5 cities in the world, even in today’s standards.
3. The ensuing two parameters are wealth and food. Kosala was abundant in both and hence called ‘prosperous.’

¹⁴⁸ कोसलो नाम मुदितः स्फीतो जनपदो महान् । निविष्टः सरयूतीरे प्रभूतधनधान्यवान् ॥ 1.5.5

¹⁴⁹ आयता दश च द्वे च योजनानि महापुरी।श्रीमती त्रीणि विस्तीर्णा सुविभक्तमहापथा ॥1.5.7॥

4. The other aspect is the location. A place on a river's bank would have more opportunities for agriculture, trade, commerce, cultural growth, etc. Kosala was located on the banks of River Sarayu.
5. In Ayodhyā, “there was not even a single householder who did not have adequate wealth or who had not achieved Dharma, Artha and Kāma or who did not possess the wealth of foodgrains, cattle and horses.¹⁵⁰”

1.3.2 Understanding the Societal Goals & Social Context:

Human well-being and satisfaction, as highlighted in the World Happiness Report, is a multidimensional construct. In the social framework, three major domains of human activities and pursuits that prove beneficial to individuals are Dharma, Artha, and Kāma (Olivelle Patrick, 2019). These are referred to as 'Trivarga' and are also interpreted as 'societal goals' or the 'purpose of life.' They are also known as the four puruṣārthas, which include the pursuit of liberation. These goals were also pursued as individual life objectives.

1.3.3 Understanding the Commercial context:

It is essential to understand the financial and commercial context which was prevalent in the Vedic and Post Vedic age, to appreciate the canons of sustainability. In the Rāmāyaṇa, we find reference to seven components of Governance which give a glimpse of the holistic thinking. A few illustrations are as follows:

- i. Sage Viśvāmitra asks King Daśaratha about the welfare of the city (Durga), treasury (Kośa), citizens (Janapada), friends (Mitra), and family when he comes to request Rāma's help for Yajñarakṣaṇam¹⁵¹

¹⁵⁰ नाल्पसन्निचयः कश्चिदासीत्तस्मिन् पुरोत्तमे। कुटुम्बी यो ह्यसिद्धार्थोऽगवाश्वधनधान्यवान् ॥ 1.6.71॥

¹⁵¹ पुरे कोशे जनपदे बान्धवेषु सुहृत्सु च ॥1.18.44॥ कुशलं कौशिको राज्ञः पर्यपृच्छत्सुधार्मिकः। अपि ते सन्नतास्सर्वे सामन्ता रिपवो जिताः ॥1.18.45॥ दैवं च मानुषं चापि कर्म ते साध्वनुष्ठितम् । वसिष्ठं च समागम्य कुशलं मुनिपुङ्गवः ॥1.18.46॥

- ii. When King Viśvāmitra meets Sage Vasiṣṭha in his āśrama, he enquires about various aspects of Saptāṅga¹⁵²
- iii. When Rāma leaves Guha and goes to the forest, he tells him, “You must be vigilant about your army, treasury, forts and provinces. A kingdom, it is (rightly) said, is protected with great difficulty.¹⁵³”
- iv. After the killing of Khara & Dūṣaṇa by Rāma, when Śūrpaṅakhā comes to Rāvaṇa and he is unaware of their killings, Śūrpaṅakhā says, “The best among the victorious kings, who are not masters of their espionage (cāra), judicial system (nyāya) and their treasury (Kośa) is equal to the laity (uneducated).¹⁵⁴”
- v. In Kiṣkindhā-kāṇḍa, when Hanumān comes to remind Sugrīva of his duties towards Rāma he says, “He to whom the treasury, workforce-army, friends (allies) and his own self all these are equally dear, enjoys a large kingdom.¹⁵⁵”

The eight key aspects which should be managed, to ensure financial sustainability are (i) the entrepreneurial owner, (ii) the key personnel and managerial workforce, (iii) the customers and the efforts to nourish them (iv) the infrastructure, know-how, internal security (v) finance and treasury (vi) the team which is main workforce, and (vii) allies including the partners, associates, consultants, collaborators, service providers, etc. and (viii) the enemy probably representing the competitors. (Pillai, Radhakrishnan et al., 2014, p. xxvi).

¹⁵² कच्चित्ते सुभृता भृत्याः कच्चित्तिष्ठन्ति शासने । कच्चित्ते विजिताः सर्वे रिपवो रिपुसूदन ॥ 1.52.8

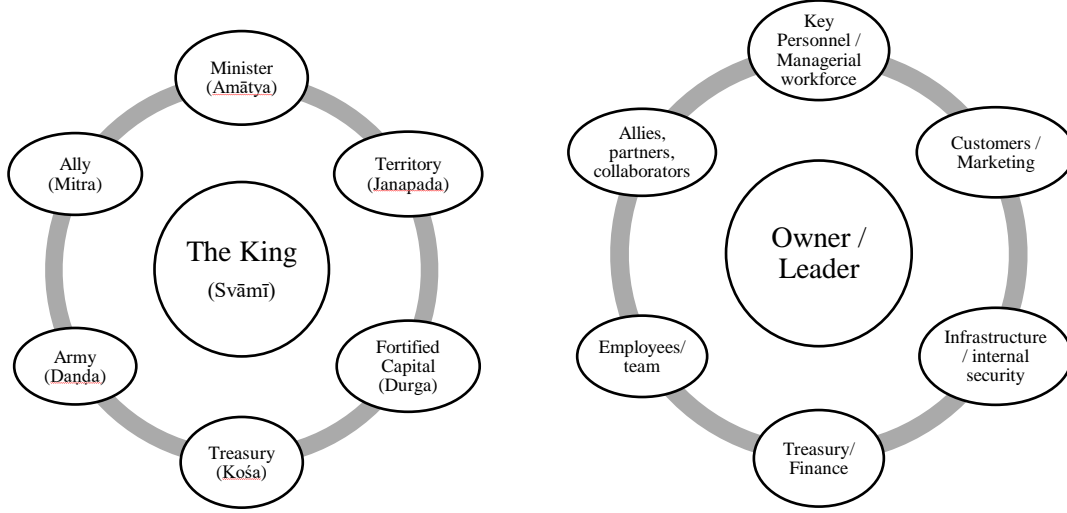
कच्चित् बले च कोशे च मित्रेषु च परन्तप । कुशलं ते नरव्याघ्र पुत्रपौत्रे तथानघ ॥ 1.52.9

¹⁵³ अप्रमत्तो बले कोशे दुर्गे जनपदे तथा । भवेथा गुह राज्यं हि दुरारक्षतमं मतम् ॥ 2.52.72 ॥

¹⁵⁴ येषां चारश्च कोशश्च नयश्च जयतां वर । अस्वाधीना नरेन्द्राणां प्राकृतैस्ते जनैस्समाः ॥ 3.33.9 ॥

¹⁵⁵ यस्य कोशश्च दण्डश्च मित्राण्यात्मा च भूमिप । 4.29.11 ॥ समवेतानि सर्वाणि स राज्यं महदश्नुते ।

Figure No. 22: Seven aspects of Governance as per IKS



Holistic governance framework for financial sustainability can be achieved through Saptāṅgaḥ or Sapta-prakṛtayaḥ. Saptāṅga refers to the seven limbs or components of the state, as described in the Arthaśāstra¹⁵⁶. The etymology for the word prakṛtayaḥ is ‘prakṛṣṭam parasparam upakurvanti iti’, i.e., these seven have a strong mutually symbiotic relationship. According to the Arthaśāstra, a well-governed state should have a solid and efficient system in these seven limbs. The king's responsibility is to ensure that each component functions appropriately and that the state can maintain its security, prosperity, and stability. However, the components of Saptāṅga were in common lingo across various types of people during the times of Rāmāyaṇa.

- i. **Svāmī (the king or the leader):** The king is the head of the country or organisation and is the ultimate decision-maker.

¹⁵⁶ "स्वाम्यमात्यजनपददुर्गकोशदण्डमित्राणि प्रकृतयः ॥ ६।१।०१ ॥"

- ii. **Amātya (minister/s or the counsellor/s or Board of Advisor/s):** The ministers are the king's companions who comprehend all aspects and help the leader make critical decisions and implement policies.
- iii. **Janapada (territory or population or the stakeholders to be served):** The territory refers to the geographical boundaries of the state and its natural resources. Janapada also refers to citizen groups and all the stakeholders managed and protected by the leader.
- iv. **Durga (fort and infrastructure):** The 'fort' represents the infrastructure and security system of the state and its ability to defend itself against external threats.
- v. **Kośa (finance and treasury):** The treasury is the state's revenue source and is used to finance various government activities.
- vi. **Daṇḍa (Army, Law, Justice, Process and Controls):** Daṇḍa has multiple connotations. It represents the legal system and the army which protects the state's law and order. It means the entire workforce which functions for the organisation's vision and mission, including the employees, paid experts, etc.
- vii. **Mitra (ally or friend):** The partner represents the state's relationships with other states and its ability to form alliances and conduct diplomacy. The corollary of this would also be to know the non-friends or the enemies (Amitra/ Śatru). There is also another constituent called enemy, which is mentioned alongside the ally. (L N Rangarajan, 1987 p. 119).

Between 2300 BCE and 1700 BCE, Saraswathi-Sindhu civilization was blooming, which has been evidenced with large number of seals, clay tablets excavated in the archeological region. (Deodhar, Satish Y, 2019). One of the earliest known brands and trademarks were found in the seals of merchants who would ship goods to Mesopotamian sites through the Persian Gulf (Moore and Reid, 2008). Precious stones, ivory, garments, armour, spices, peacocks were imported from India (Das, 1980, p. 33).

Each component of this framework was implemented deeply and successfully in the Rāmāyaṇa age and the same has been documented as established knowledge in the Arthaśāstra by Kauṭilya. The financial stewardship and commercial mindset were also evident from the trade practices, constructions, professions, art forms, materials, etc.

1.4: Summary of Sustainability reporting challenges and potential IKS insights:

10 important challenges faced in TBL and Sustainability reporting (Norman & Macdonald, 2004), along with 10 potential insights from IKS are listed in the below table.

Table No. 6: Top 10 challenges in ESG reporting and potential insights from IKS

Existing issues in Sustainability reporting		Potential Insights from IKS
1	Lack of ‘Globally agreeable list’ of sustainability parameters	List of universally applicable sustainability parameters as per IKS: i. Environmental: 5 elements of nature (pañcabhūta) ii. Social: 4 societal goals (puruṣārtha) iii. Governance: 7 elements of sovereignty (saptāṅga)
2	Non-existence of globally agreeable definitions for identified sustainability parameters	Clear definitions with epistemological references pañcabhūta - Definitions from Veda, Upanishad, Mahābhārata, Charaka Samhita, Tarkaśāstra puruṣārtha - Definitions from Veda, Rāmāyaṇa, Arthaśāstra, Kāmaśāstra, Upanishad saptāṅga - Rāmāyaṇa & Arthaśāstra

3	Lack of prioritisation / mandatory status to sustainability	<p>i. pañcabhūta - Divine status to 5 elements, Mother status to Earth, Medicinal value to water, Non-polluting instructions to water bodies and sky, father status to air, preserving natural balance - through IKS scriptures - gives topmost priority</p> <p>ii. puruṣārtha – These are aligned with every individual's mandatory life goals. Once every individual achieves these, overall society achieves the goals.</p> <p>iii. saptāṅga – Managing each component would lead to overall best Governance as per Rāmāyaṇa and Arthaśāstra</p>
4	Looking at Sustainability as a separate 'CSR' activity and not integrating into everyday lifestyle (Aggregation vs Integration)	<p>Specific practices have been integrated into every individual's everyday schedule, bringing back focus on sustainability parameters and helping implement the principles laid.</p> <p>Example - karāgre vasate lakṣmīḥ, samudravasane gaṅge ca yamune, annapūrṇe, pratyahaṃ pratyavekṣeta</p>
5	Definition of the word “profit” is surplus derived from activities which may not be planet/people conscious.	<p>As per IKS, Profit cannot be made by negatively impacting the planet or people.</p> <p>Also, Profit is not just a monetary parameter.</p> <p>Profit = fx((i) Income – Expenses + (ii) Core Values of Dharma (cannot negatively affect People or Planet) +</p>

	<p>(for Convergence and social obligation)</p>	<p>(iii) Sincere and Quick efforts + (iv) Strong capital base (no profit if capital is destroyed) + (v) Lack of greed)</p> <p>So a profit gained by unfair means is not Profit.</p> <p>So 'Artha' can never be achieved without following principles of Dharma. Same for 'Kāma' (prescribed desires)</p> <p>This removes difficulty of convergence between 3 categories</p> <p>It also removes the social obligation issue - If profit has to be achieved, it has to be within the boundaries of the planet and people's consciousness.</p>
6	<p>Lack of standard indicators & methodology for objective measurement. Lack of uniform measuring formula which can help calculate a net social or net environment profit or loss</p>	<p>Karma is divided into</p> <p>i) Prescribed activities = Vidhi/ Vihita Karma=what is to be done</p> <p>ii) Prohibited activities = Nishedha/ Avihita Karma = what is not be done</p> <p>The effect of Karma is divided into</p> <p>i) Puṇya = Virtues. Merits</p> <p>ii) Pāpa = Sin</p> <p>within these two, there are slabs and weights for different types of virtues and sins. E.g. Mahapāpas, Upapātakas, etc.</p> <p>Based on this a standard measurement mechanism can</p>

		<p>be adapted.</p> <p>Specific principles and metrics</p> <p>28 Financial Metrics from Rāmāyaṇa</p>
7	<p>Lack of technique to prevent wrong-doers from taking shelter/ protection with 'samaritan' face</p>	<p>Golden Rule in IKS: No set-offs allowed between prescribed activities and prohibited activities</p>
8	<p>Lack of implementation at all levels of organisation</p>	<p>IKS is practised across all levels of sovereignty. E.g. Ayodhyā stakeholders</p> <p>IKS is practised across various stages of life (Ashrama Dharma)</p>
9	<p>'Built-to-exit' mindset of current entrepreneurs leading to non-sustainability mind-set</p>	<p>As per IKS, Scriptures, Monuments, and Fame were all Built to 'exist'.</p> <p>Build to Exit strategy not applied for 'purpose' based prescribed activities.</p>
10	<p>Window dressing of sustainability reports</p> <p>Lack of Transparency in Reporting</p>	<p>Mandatory Trikaṛaṇa Śuddhi concept.</p> <p>Trikaṛaṇa Śuddhi also called 'Śauca' refers to Unison of Thoughts, Actions and Words, this ensures Transparency & Accuracy in Reporting</p>

A suggestive model has been provided for further feedback, discussions, research and future implementation. The following section gives full details of these 10 potential solutions derived from IKS.

1.5.1 List of Universally agree-able sustainability parameters identification and enlisting of every component of ‘sustainability’ in IKS texts and practices:

In 1987, the United Nations (UN) Brundtland Commission defined sustainability as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” The 17 Sustainable Development Goals (SDGs), adopted by UN in 2015, present an integrated roadmap for sustainable development in social, environmental, and economic spheres. The first step in the sustainability journey would be to identify and list out all the relevant components in a systematic way, so that an awareness can be created, they can be prioritised and then protected. Vedic literature, Vedic society, and its entire eco-system have identified and recognised the constituents of environmental, financial, and social progress and the methodology of achieving objective, ‘long-term-sustainability’ through the systematic nourishment of these constituents. Main components include:

(i) **From an Environmental perspective:** the five elements of nature¹⁵⁷ viz. earth, water, fire, wind, and space/ether. These are the fundamental, universal components of nature from which most animate and inanimate beings of the world have originated and would merge. While each one is recognised as a separate component, they have a cascading effect of origin¹⁵⁸ and are to be respected and protected as one unit. Protecting these five elements, as per the tenets laid down in IKS, would help ensure environmental sustainability.

¹⁵⁷ Source1: इमानि च पञ्चमहाभूतानि पृथिवी वायुराकाश आपो ज्योतीषि “imāni ca pañcamahābhūtāni pṛthivī vāyurākāśa āpo jyotiṣi” lists out– “These are the 5 main elements – Earth, Wind, Ether, Water and Fire – **Rig Veda Aranyaka 3.2.6.1, Aitareyopaniṣad 3.5. Source 2:** पृथिवी वायुराकाशमापो ज्योतिश्च पञ्चमम् । महाभूतानि भूतानां सर्वेषां प्रभवाप्ययौ ॥ ततः सृष्टानि तत्रैव तानि यान्ति पुनः पुनः । महाभूतानि भूतेषु सागरस्योर्मयो यथा ॥ महाभूतानि पञ्चैव सर्वभूतेषु भूतकृत् । अकरोत्तेषु वैषम्यं तत्तु जीवोऽनु पश्यति ॥ **Mahābhārata, Shanti Parva 12.187.4,5,7 Source 3:** महाभूतानि खं वायुरग्निरापः क्षितिस्तथा शब्दः स्पर्शश्च रूपं च रसो गन्धश्च तद्गुणाः (Charaka Samhita (Sharirasthanam Adhyaya 1 Sutra 27-28). सर्वं द्रव्यं पाञ्चभौतिकस्मिन्नर्थे (Charaka Samhita Sutrasthanam 26.10) - For the purpose of this Ayurveda science, all substances are products of the five proto-elements

¹⁵⁸ तस्माद्वा एतस्मादात्मन आकाशः संभूतः। आकाशाद्वायुः। वायोरग्निः। अग्नेरापः। अद्भ्यः पृथिवी। **tasmādvā etasmādātmana ākāśaḥ sambhūtaḥ | ākāśādvāyuh | vāyoragniḥ | agnerāpaḥ | adbhyaḥ pṛthivī |** This is the Self, and from the Self ether was born; and from the ether, air; and from the air, fire; and from the fire, the waters; and from the waters, earth. (Taittirīyopaniṣad 2.1 ब्रह्मानन्दवल्ली)

(ii) **From Social perspective** –The Four-fold societal goals¹⁵⁹ as per IKS, are Dharma, Artha, Kāma and Moksha. These can be roughly translated¹⁶⁰ as Dharma = performing duties prescribed per Sanātana Dharma principles, Artha = wealth which achieves everyone’s welfare, Kāma = prescribed desires, Moksha = Self-realization leading to liberation. A society which pursues these four goals becomes complete and orderly. These are also called as Puruṣārtha¹⁶¹. Dharma is the foundation for the existence of the entire Universe¹⁶², as proclaimed by the Vedas. A human being can achieve his prescribed desires (Kāma) through Artha, sustained in the Dharmic way.

(iii) **From Governance perspective:** The seven elements of sovereignty or governance viz. Sapta-prakṛtayaḥ¹⁶³, also called Saptāṅga, refers to the seven limbs of the state, as described in the Arthaśāstra. They are (i) King or Leader (Svāmī), (ii) Ministers or counsellors (Amātya), (iii) Country & citizens (Janapada), (iv) fort & infrastructure (Durga), (v) treasury (Kośa), (vi) Law & order (Daṇḍa) and (vii) Ally (Mitra) which includes knowing the enemy (Śatru). The etymology for the word prakṛtayaḥ signifies a mutually strong symbiotic relationship between each of the seven components. (‘prakṛṣṭam parasparam upakurvanti iti’)

¹⁵⁹ धर्मार्थकाममोक्षाख्याः पुरुषार्था उदाहृताः । चतुष्टयमिदं यस्मात् तस्मात् किं किमिदं वृथा ॥ (Viṣṇu Purāṇa 1.18.21)
 पुंसां अमायिनां सम्यक् भजतां भाववर्धनः । श्रेयो दिशत्यभिमतं यद्दर्मादिषु देहिनाम् ॥ ६० ॥ (Bhagavata Pura. 4.8.60).
 धर्मार्थकाममोक्षरूपेषु पुरुषस्य इष्टेषु (Shabdakalpadruma) । धर्मार्थकाममोक्षाश्च पुरुषार्था उदाहृताः (Agni Purāṇa)
 यो विषादं प्रसहते विक्रमे पर्युपस्थिते । तेजसा तस्य हीनस्य पुरुषार्थो न सिध्यति ॥ Vālmīki Rāmāyaṇa 4.64.12
 यदि सीतामदृष्ट्वाऽहं वानरेन्द्रपुरीमितः । गमिष्यामि ततः को मे पुरुषार्थो भविष्यति ॥ VR 5.13.20
 त्रिवर्गसाधने यत्नः कर्तव्यो गृहमधिना । तत्संसिद्धौ गृहस्थस्य सिद्धिरत्र परत्र च ॥ २२१.१० ॥ (Brahma. Pura. 221.10)

¹⁶⁰ A few Sanskrit words are non-translatable. Any attempted translation would capture one or few perspectives of the word and not provide the full, deep meaning as intended by the original word. An attempted/confined meaning is provided here only to explain the concept.

¹⁶¹ [https://dharmawiki.org/index.php/Purushartha_\(%E0%A4%AA%E0%A5%81%E0%A4%B0%E0%A5%81%E0%A4%B7%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%A5:\)](https://dharmawiki.org/index.php/Purushartha_(%E0%A4%AA%E0%A5%81%E0%A4%B0%E0%A5%81%E0%A4%B7%E0%A4%BE%E0%A4%B0%E0%A5%8D%E0%A4%A5:))

¹⁶² 3.6.31.1 of the Yajur Veda Aranyaka (Mahanarayanopanishad) states the famous Sanskrit maxim “Dharmo vishwasya jagataha pratishta” roughly translated as “Dharmic principles are the foundation on which entire Universe is established, ensuring maintenance of social order”

¹⁶³ “स्वाम्यमात्यजनपददुर्गकोशदण्डमित्राणि प्रकृतयः ॥ ६।१।०१ ॥ ” Kauṭilya’s Arthaśāstra

Table No. 7: Listing of significant components in ESG Reporting as per IKS

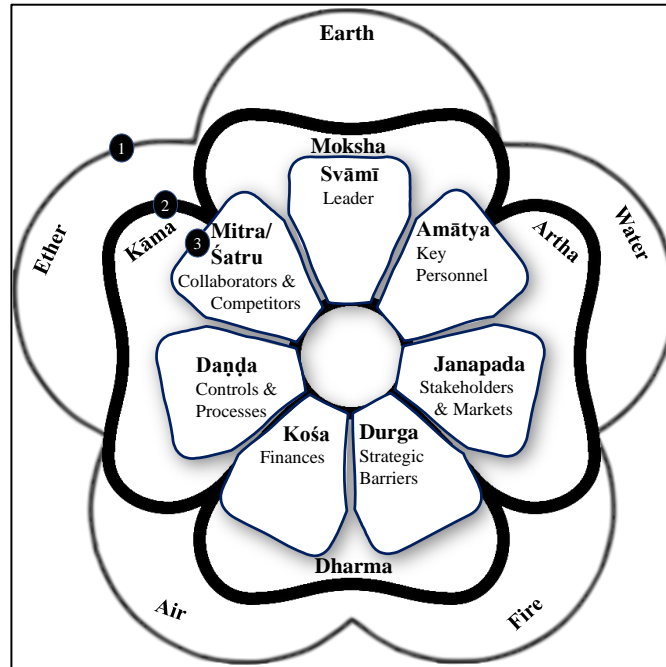
SI No.	Perspective	Elements enlisted	References
1	Environmental (Planet)	Five Elements of Nature: (In the order of gross to subtle) – pañcabhūta ¹⁶⁴ i. earth, ii. water, iii fire, iv wind, and v. ether	Ṛg Veda Āranyaka, Aitareya Upaniṣad, Mahābhārata Śānti Parva, Caraka Saṃhitā
2	Social (People)	Four Societal Goals - puruṣārtha i. Dharma = performing prescribed ii. Artha = wealth which achieves everyone’s welfare, iii. Kāma = prescribed desires, iv. Mokṣa = Self-realization leading to real happiness/ liberation	Viṣṇu Purāṇa, Bhāgavata Purāṇa, Agni Purāṇa, Vālmīki Rāmāyaṇa, Caraka Saṃhitā
3	Governance including Profit dimension	Seven components of Governance - saptāṅga (i) King or Leader (Svāmī), (ii) Ministers or counsellors (Amātya), (iii) Country & citizens (Janapada), (iv) fort & infrastructure (Durga), (v) treasury (Kośa), (vi) Law & order/ Controls & Process (Daṇḍa) and	Kauṭilya’s Arthaśāstra & Vālmīki Rāmāyaṇa

¹⁶⁴[https://dharmawiki.org/index.php/Panchamahabhutas_\(%E0%A4%AA%E0%A4%9E%E0%A5%8D%E0%A4%9A%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%AD%E0%A5%82%E0%A4%A4%E0%A4%BE%E0%A4%A8%E0%A4%BF\)](https://dharmawiki.org/index.php/Panchamahabhutas_(%E0%A4%AA%E0%A4%9E%E0%A5%8D%E0%A4%9A%E0%A4%AE%E0%A4%B9%E0%A4%BE%E0%A4%AD%E0%A5%82%E0%A4%A4%E0%A4%BE%E0%A4%A8%E0%A4%BF))

	(vii) Ally (Mitra) which includes knowing the enemy (Śatru).	
--	--	--

Based on this, the core of ‘IKS-sustainability-model’ can be framed. Each perspective involves the cumulative principles of the previous perspective.

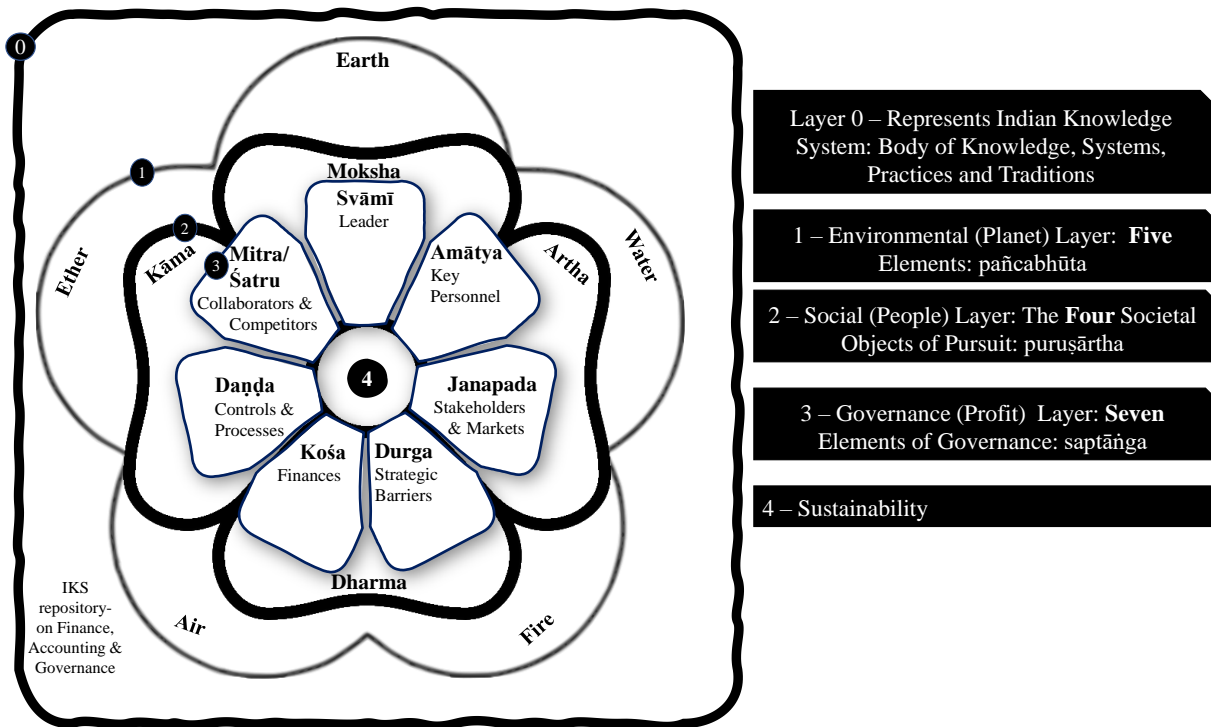
Figure No. 23: Inner core of the proposed IKS sustainability model.



This entire wisdom is contained in IKS texts which are listed in the literature reviews.

Adding these aspects, the revised model with the outer layer would look like this:

Figure No. 24: Proposed IKS sustainability model with outer layer.



Thus, the first two challenges are met by

- Having well-determined and universally agreeable components for each aspect of Sustainability namely, Environment, Social and Governance.
- Having the sub-components listed, defined, and agreed upon within each main component.

1.5.2 ‘Non-negotiable’, ‘mandatory protection’ status accorded to Sustainability components in IKS literature.

Once the components are identified, understanding the priority given to them is the second principle. Illustratively, a few portions from (A) Vedas, (B) Rāmāyaṇa and (C) Manusmṛti, related to the aspects of planet, people and profit have been enumerated herewith, to highlight that the ‘most important’, ‘mandatory protection’ status has been provided for these components.

A) Vedic significance on Planet, people, and profit (Before 3500BCE)

- Environmental Parameters and their importance:** Various hymns confer (a) divine

status to five elements¹⁶⁵, (b) mother status to Earth¹⁶⁶, (c) medicinal value to water¹⁶⁷, (d) non-pollution-instructions of water bodies or the sky¹⁶⁸, (e) father status to air¹⁶⁹ and (f) preservation of natural balance of elements. The 10,000-year-old cave paintings at Bhimbetka in central parts of India are probably the oldest visual imagery of humans, animals and birds living in harmony.(Das, n.d.) The seals of Indus Valley Civilization depict images of Rhino, bull, elephant, etc. (Fairservis 1983)

(ii) **Social:** Through (a) explanation of the golden question on the purpose of life in Upanishads, (b) technique for measuring happiness quotient¹⁷⁰, (c) elucidating the five layers of human existence¹⁷¹ and beyond, (d) life after death concepts, (e) fulfilment of all human aspirations through various propitiations, etc. the prominence given to people aspects are seen.

(iii) **Governance (Profit):** The concept of dakṣiṇā, currency through niṣka / hiraṇyapiṇḍa, barter system, detailing of various professions and how each profession is valuable to the growth of society, community-living, importance of profitable activities, respecting other's

¹⁶⁵ आपो वै सर्वा देवतां Yajur Veda Samhita:1.2.6.8.3, 1.5.7.9.3, Yajur Veda Brahmana 2.3.2.4.3, 2.3.3.4.5, 2.3.7.3.4. In water all Gods reside or Water is the form of all Gods.

¹⁶⁶ द्यौष्टे पिता पृथिवी माता जरां मृत्युं कृणुतां दीर्घमायुः। यथा जीवा अदित्या उपस्थे प्राणापानाभ्यां गुपितः शतं हिमाः ॥3 ॥ The first Sukta of the twelfth Kāṇḍa of Atharvaveda is Prithvi Sukta which has a total of 63 mantras. This Sukta is also called Prithvi Sukta, Bhumi Sukta and Matri Sukta. In this Sukta, the sage's thoughts about all the moving and non-moving objects of the earth have been expressed. Prithvi Sukta contains unique knowledge regarding nature and environment. The scientificity expressed in these mantras about the earth's environment, living world and relationships between variables and constants seems more relevant today than at the time of their creation. <https://ptvaishnavi.blogspot.com/2021/11/Prithvi-sukta.html>

¹⁶⁷ आमयावी चिन्वीत । आपो वै भेषजम् । भेषजमेवास्मै करोति । सर्वमायुरेति । Yajur Veda Aranyaka 3.1.26.5

¹⁶⁸ अमृतव्वाँ आपः । अमृतस्यानन्तरित्यै । नापसु मूत्रपुरीषङ्क्यात् । न निष्ठीवेत् । न विवसनस्त्रायात् । गुह्यो वा एषोऽग्निः । एतस्याग्नेरनन्तिदाहाय । न पुष्करपर्णानि हिरण्यं वाऽधितिष्ठेत् । एतस्याग्नेरनभ्यारोहाय । न कूर्मस्याश्रीयात् । नोदकस्याघातुं कान्येनमोदकानि भवन्ति । अघातुं कान्येनमोदकानि भवन्ति । अघातुं कान्येनमोदकानि भवन्ति । य एतमुग्निञ्चिनुते । य उँ चैनमेवव्वेदं । Yajur Veda Aranyaka 3.1.26.7

¹⁶⁹ नमस्ते वायो । त्वमेव प्रत्यक्षं ब्रह्मासि । त्वामेव प्रत्यक्षं ब्रह्मं वदिष्यामि । ऋतव्वदिष्यामि । सत्यव्वदिष्यामि । तन्मामवतु । तद्वक्तारमवतु । अवतु माम् । अवतु वक्तारम् । Yajur Veda Aranyaka 3.5.1.1

¹⁷⁰ सैषाऽऽनन्दस्य मीमांसा भवति । युवा स्यात्साधु युवाऽऽद्वयकः । आशिष्ठो दृढिष्ठो बलिष्ठः । तस्येयं पृथिवी सर्वा वित्तस्य पूर्णा स्यात् । स एको मानुष आनन्दः । Yajur Veda Aranyaka/ Taittiriyaopaniṣat 3.5.14.8

¹⁷¹ भृगुर्वै वारुणिः । वरुणं पितरमुपससार । अर्धीहि भगवो ब्रह्मेति । तस्मा एतत्रौवाच । अन्नं प्राणञ्चक्षुः श्रोत्रं मनो वाचमिति । तं हौवाच । यतो वा इमानि भूतानि जायन्ते । येन जातानि जीवन्ति । यत्प्रयन्त्यभिसंविशन्ति । तद्विजिज्ञासस्व । तद्वहति । स तपोऽतप्यत । स तपस्तप्त्वा ।

wealth, etc., confirm the value given to economic sustainability in the Vedas.

B) Rāmāyaṇa references to TBL parameters (Before 3500BCE)

(i) Profit/ Governance: In the first chapter of section two (Ayodhyākāṇḍa) of Rāmāyaṇa, while describing the qualities of Rāma, who was being discussed to be the next successor of the entire empire, the following attributes are enumerated: *Rāma knew the right means of raising revenue and expending money in the prescribed manner. (2.1.26) He obtained proficiency in scriptures and interconnected branches of learning. Only after having grasped the (philosophy of) artha (statecraft) and dharma (righteousness), he sought pleasure. 2.1.27.* Rāma was given a title by the subjects and ministers as ‘*Vijnaatartha-vibhaaga-vit*’ i.e., *one who knew the most appropriate way of spending wealth. 2.1.28.* Later, when Bharatha meets his elder brother Rāma in the Citrakūṭa forest, Rāma asks him, *I hope your income is abundant and greater than your expenditure. I hope your treasure does not reach undeserving people. 2.100.54*

(ii) People: Chapter 7 of Balakāṇḍa lists out the qualities of ministers, advisors, and councilors. Employee Value Proposition was one of the highest priorities in Rāma’s kingdom. Rāma asks Bharata, *"I hope you are regularly giving your army, the daily provisions and the suitable salary to them, without any delay."* (2.100.32). The fact that a verse has been repeated by Sage Vālmīki, shows how much Rāma was focused on protecting his way of life, his people and every living being in his kingdom. *That Rāma who annihilates enemies, is a protector of his own mode of life, a protector of his own people, a protector of every living being and a protector of righteousness. (5.31.7 & 5.35.10).* In the Citrakūṭa conversation between Rāma and his brother Lakṣmana, Rāma emphasizes the importance towards his brothers and people, over the kingdom. Lakṣmana was momentarily illusioned that Bharata maybe coming to harm them. Rāma clarifies: *O Lakṣmana, on the oath of righteousness, I wish wealth and pleasure as well as this kingdom for the sake of you all. (2.97.5).* There are

multiple references of how Daśaratha, Rāma, Sugrīva, Vibhīṣaṇa, Guha and other kings took absolute care of their people.

(iii) Planet: The entire genesis of Rāmāyaṇa has been attributed to an incident where a hunter kills the male heron, and the female is afflicted by pain. Nature, forest, rivers, ocean, flora, fauna, etc. have been a vital aspect of Rāmāyaṇa both in their direct sense and through metaphoric connotations. (Rangarajan 2009). The training period of Rāma & Lakṣmaṇa with sage Vishwamitra, the punishment of Tataka who destroyed the ecological balance, the 14 years exile in forest, Hanumān's search for Sañjīvanī herb, Sītā's joyful maternity at sage Vālmīki's Āśrama, the creation of this Rāmāyaṇa in the āśrama, and many key incidents provide multiple examples of the 'Planet' importance. In Ayodhyākāṇḍa, sage Bharadvāja shows the direction to Citrakūṭa mountain and tells Rāma, *as long as a man observes the peaks of Citrakūṭa mountain, he will perform virtuous deeds and will never set his mind on a sin* (2.54.30). In his research work, 'City, forest, and cosmos: ecological perspectives from the Sanskrit epics', Lutgendorf, Philip describes the four types of forests viz. shanta (calm), madhura (sweet), raudra (anger), and bhīḥṭsa (fearful), which reflect the four sentiments which dominate the entire forest environment. In the 94th chapter of Ayodhyākāṇḍa, when Rāma is enjoying the nature at Citrakūṭa mountain, he tells Sītā, *O gentle one, when I behold this lovely mountain, neither the expulsion from the kingdom nor being away from friends pains my mind.* (2.94.3). Mr. Maragathalingam's article titled Plant diversity in the Vālmīki Rāmāyaṇa lists over 180 names of plants mentioned by sage Vālmīki. Thus, we can see the utmost importance of social well-being, economic performance, and environmental protection implemented and documented in Vālmīki's Rāmāyaṇa.

C) Importance to TBL parameters in Manusmṛti (3000BCE to 500CE)

(i) Planet: In 2.177, while describing the rules for an initiated student, *“Let him abstain from any injury to any living creatures, including abstinence from meat.”* Of the nine types of

sins described by Manu, killing of animals or insects, injuring plants, and trees, is listed in specific categories in the 11th chapter and punishments are listed for such acts.

(ii) People: The entire Manusmṛti is a people's manual which clarifies the various aspects of life, the importance of women, the duties of householder, the division of skills, the stages of life and other important portions. A sample legal quote which establishes societal order and is also mentioned in Rāmāyaṇa translates as – *“The thief becomes absolved from the theft either through punishment or through acquittal. By not punishing the thief, the ruler imbibes the guilt of the thief. (8.316). People who, having committed crimes, have been punished by rulers, become freed from guilt, and go to svarga just like well-behaved good people. (8.318)*

(iii) Profit: The best example often quoted, in 5.106, *“Amongst all modes of purification, purity in wealth matters is declared to be best, for he is pure who handles wealth in the clean hands, not he who purifies himself with Earth and water.”* Chapter 7 entirely deals with duties of Rules and ministers, including taxation aspects. Chapter 8 deals with law and justice. It contains laws for the proper conduct of justice and includes ways and means of settling disputes and handling cases of debts, breach of contract, fraudulent sale, sale without right, partnership, duels, theft, prostitution, boundary disputes and all such matters as are to be decided by a court of law. Chapter 9 contains portions dealing with property rights, partitions etc.

Similar references are found in many Indic Knowledge repositories and practices which show the mandatory conservation of social, economic, and environmental components.

Note: Calling out specifically these aspects in primary texts and making them mandatory in multiple places demonstrates the **social obligation and transparency claim** mentioned by Norman and MacDonald.

1.5.3 Integration into everyday living, rather than aggregation:

After listing the components and making them mandatory, Indic system interweaves these components into daily lifestyle. A few examples include:

4.3.1 As soon as one wakes up every day, there is a practice, to rub our hands, see them and chant the verse, which means, *“On the tip of your palm dwells Goddess Lakṣmi; in the middle of your palm is Goddess Sarasvatī; on the base of your palm is Goddess Pārvatī. In this manner, look at your palm in the morning¹⁷²”*. These three Goddess represent the 3 parameters of Profit (Lakshmi), Planet (Saraswati) and People (Gauri). With this everyday prioritisation, first thing in the morning, TBL gets ingrained into our DNA, rather than as a reporting or window-dressing requirement in our annual report.

4.3.2 After chanting the above verse, before stepping on to Mother Earth, there is a verse which requests for permission to step on Her, who has the oceans as her drapes and mountains as her bosoms¹⁷³. This reverence integrates the concept of respect towards planet and its people.

4.3.3 During brushing the teeth¹⁷⁴ and during bathing¹⁷⁵ there are chants which constantly remind us of the significance of water, the medicinal plants and how it must be protected for future generations.

4.3.4 Before having the first morsel of food, an expression of gratitude is shown to all those who contribute to bringing that food to our table. Again, here we see the TBL parameters being thanked.

4.3.5 As we retire to sleep every day, Indian wisdom mandates us to reflect on our activities for the day and check, if we have acted like beasts or like good citizens.

¹⁷² कराग्रे वसते लक्ष्मीः करमध्ये सरस्वती । करमूले स्तिथा गौरी प्रभाते करदर्शनम् ॥

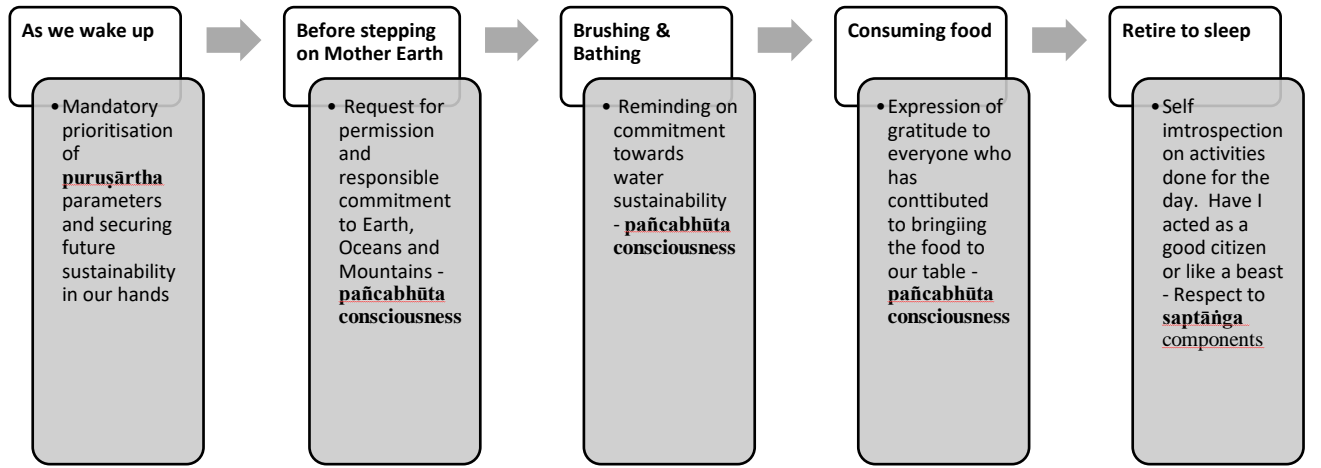
¹⁷³ समुद्रवसने देवि पर्वतस्तनमण्डले । विष्णुपत्नि नमस्तुभ्यं पादस्पर्शं क्षमस्व मे ॥

¹⁷⁴ आयुर्बलं यशो वर्चः प्रजाः पशुवसूनि च । ब्रह्म प्रज्ञां च मेधां च त्वं नो देहि वनस्पते ॥

¹⁷⁵ गङ्गे च यमुने चैव गोदावरी सरस्वति । कावेरी नर्मदे सिन्धो जलेऽस्मिन् सन्निधिं कुरु ॥

Thus, in every activity of day-to-day living there are conscious, gentle, inter-woven reminders to re-ignite and keep the spirit of sustainable development totally integrated. Sustainability was not a forced activity or event to be performed, to be reported, but it was an integrated way of daily-life.

Figure No. 25: Integrating sustainability thoughts into everyday living



1.5.4.1 Precise, holistic definitions which inherently cover convergence claim:

This is one of the most important principles amongst the ten enumerated concepts. Arthaśāstra (economics) can never exist without following the tenets of Dharmāśāstra (rough translation: rules of sustainable co-existence).

As per Manusmṛti (MS),

धर्मार्थावुच्यते श्रेयः कामार्थो धर्म एव च । अर्थ एवेह वा श्रेयस्त्रिवर्ग इति तु स्थितिः ॥ (MS. 2.224)

परित्यजेदर्थकामौ यौ स्यातां धर्मवर्जितौ । (MS. 4.176)

dharmārthāvucyate śreyaḥ kāmārthau dharmā eva ca ।

artha eveha vā śreyastrivarga iti tu sthitiḥ ॥ (MS. 2.224)

parityajedarthakāmau yau syātāṃ dharmavarjitaḥ | (MS. 4.176)

Meaning: To achieve welfare and happiness some declare Dharma and Artha are good. Others declare that Artha and Kāma are better. Still others declare that Dharma is the best. There are also persons who declare Artha alone secures happiness.

But the correct view is that the aggregate of Dharma, Artha and Kāma (Trivarga) secures welfare and happiness. However, the desire (Kāma) and material wealth (Artha) must be rejected if contrary to Dharma. In this single verse Manu Smṛti has considered the merits of pure materialism (Artha and Kāma) and of mere spiritualism (Dharma without Artha) and concluded that it is the combination of Dharma, Artha and Kāma which secures welfare and happiness with an overriding principle that desire (Kāma) and material wealth (Artha) should be rejected if they are inconsistent with Dharma and calls this doctrine Trivarga. There can be no better rule or philosophy than Trivarga, for the welfare of the individual and society. It strikes a harmonious balance between the interests of the individual and society¹⁷⁶

As said in Rāmāyaṇa, ***Rāma knew the right means of raising revenue and expending money in the prescribed manner. 2.1.26. He obtained proficiency in scriptures and interconnected branches of learning. Only after having grasped the (philosophy of) artha (statecraft) and dharma (righteousness), he sought pleasure. 2.1.27***

In ŚrīmadBhāgavatham¹⁷⁷, Vedavyāsa clarifies the relationship very beautifully as follows:

¹⁷⁶ Jois, Rama. *DHARMA - The Global Ethic*, Bombay: Bharatiya Vidya Bhavan. (Page 18-19)

¹⁷⁷ First Skanda, Chapter 2, Shlokas 9-10 <https://bhaagavatam-firststep.org/chapter/8>

Table No. 7: Inter-relationship between four societal goals

Name	SrimadBhagavatham by Veda Vyasa	What it is not (but commonly misunderstood as)	What it is in actual intention of :
Dharma	धर्मस्य ह्यापवर्ग्यस्य नार्थोऽर्थयोपकल्पते	Not for material gain, which incidentally comes when we follow Dharma	To culminate in absolution/ultimate liberation
Artha	नार्थस्य धर्मेकान्तस्य कामो लाभाय हि स्मृतः	Not for sense gratification	To fulfill and beget Dharma
Kama	कामस्य नेन्द्रियप्रीतिर्लाभो जीवेत यावता	Not for sense gratification	For self-preservation and conservation
Jeeva	जीवस्य तत्त्वजिज्ञासा नार्थो यश्चेह कर्मभिः	Not attainment of temporary gains (heaven) through doing Karma	Enquiry into Truth

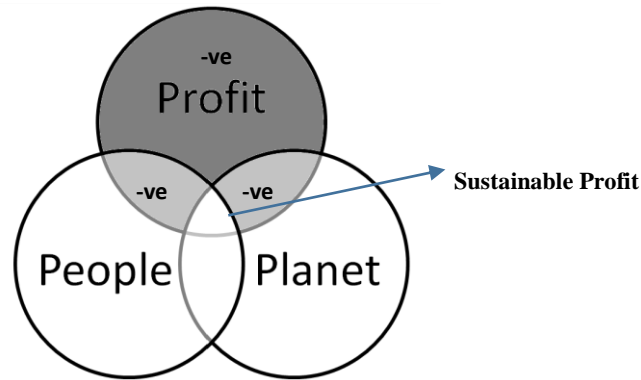
Dharma is the substratum of the Trivarga model. Artha should always be pursued as per the principles of Dharma only. Artha cannot exist without Dharma or outside the boundaries of Dharma. Such Artha which is obtained in the Dharmic way should be used to fulfill Dharmic Kāma and Dharmic activities.

What kind of Kāma should be pursued? Kāma which is prescribed per the Dharmic rules should be pursued. Kāma cannot be outside the principles of Dharma. When the above interlinkage is maintained, it becomes a virtuous circle. Effect of Dharma increases when Artha and Kāma are pursued as per Dharmic principles, and more Artha and Kāma is obtained. Artha and Kāma are again invested into Dharma, and the cycle continues.

1.5.4.2 Clear definition of profit. Today's Profit definition vs Real sustainable Profit

The 'How' of profit was more important than 'How much' of profit. Example: A profit earned by killing someone, or destroying natural resources was only considered theft or sin and never considered a profit. Thus, the problem of convergence (i.e., How can we merge Social & environmental bottom line with the Financial bottom line) seems void ab initio.

Figure No. 26: Existing TBL representation, shaded as per Eastern principles



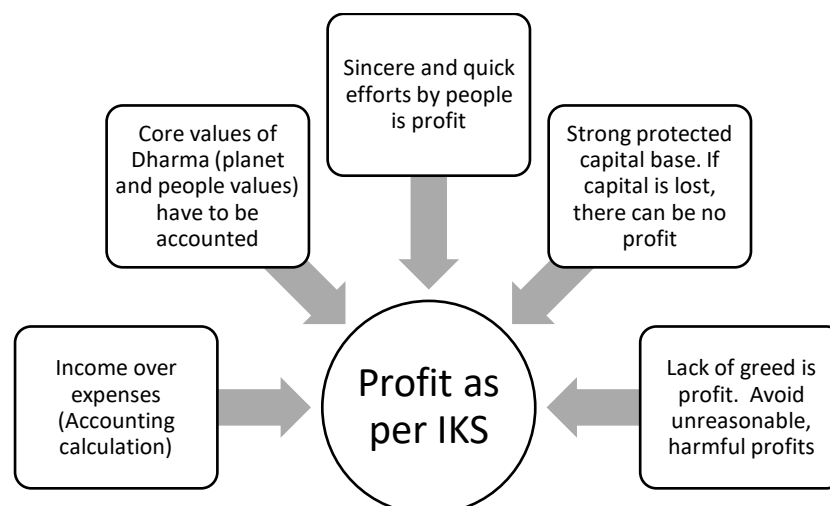
Existing TBL model considers that profit, people, and planet can be 3 mutually exclusive dimensions, and their interjection-point brings sustainability. As we see in exhibit 5, the shaded portions represent ‘profit which maybe earned without fulfilling the people or planet considerations.’ As per eastern principles, they do not qualify to be called ‘profit’ itself. They may be termed ‘negative profit’, which is worse than a ‘loss’. The center-white portion where all 3 aspects conjoin, where a profit is earned while carefully adhering to planet and people principles, is ‘real-sustainable profit’ as per Eastern principles.

Holistic definition of Profit

Across Indic texts, the concept of profit has never been seen in pure monetary terms. Wealth was always seen as a function of multiple variables, one of which was based on pecuniary calculations. In 2.109.12 to 13, Rama tells, *truth is God and wealth/profit always follows truth. All are rooted in truth, there is nothing higher than truth. Truth is the highest virtue and is stated to be the origin of heaven, which is the final aspiration of any materialistic individual.* So ‘truth’ is profit and profit earned by telling untruth, cannot be considered profit. In 3-43-34, Rāma tells Lakṣmaṇa, *the financial experts say that, with which aspirational activity an aspirant unhesitatingly scurries and achieves it, that achieved target alone is lauded to be worthwhile, or as real wealth.* These two verses bring a paradigm shift in the concept of wealth/profit. In Kauṭilya’s Arthaśāstra, 9.4.26, Cāṇakya says, “*wealth would slip*

away from people who believe in astrology (stars). The only guiding star for wealth is wealth itself, what can stars of the sky do?”. Then in his aphorisms (sutras), in 1.96-97, he confirms, “with high inspiration and effort, work becomes a mission and results are achieved. Luck always follows the inspired and efforted people.” Even when profit is seen in monetary terms, there are cautionary statements like, “Do not be greedy even in the least, with desire for wealth.”, (7.93.12) as told by sage Vālmīki to Lava and Kuśa while sending them from his hermitage to Ayodhyā. In Kauṭilya’s Arthaśāstra, book 2, chapter 16, which deals with powers of Superintendent of Commerce, rule 6 says, “Large profits should be avoided, which would harm the citizens” Further in financial management, utmost priority was always given to protect the capital base and shareholder’s wealth. In the fourth section called Kishkindākāṇḍa, when the question of going to the enemy location arises, Jāmbavān, the eldest of the Southern battalion, tells Aṅgada, the son of Vāli: *The best of people would always protect the base capital. If the capital is safeguarded all endowments are achievable that yield fruits (4-65-25)*. Hence, profit is a function of core-values, people’s sincere efforts, protecting the capital base, lack of greed, and accounting calculations of income & expenditure. So, the current definition of profit as per accounting terms in Profit & Loss account is one minor component in the overall ‘Empire Financial Statements’.

Figure No. 27: Holistic definition of the term ‘Profit’



Important note: The interesting part about this formula is that a negative score in one, results in ‘overall profit’ becoming negative and thereby not fit to be called ‘profit’. This leads to a question should we then call TBL as ‘multi-dimensional-single-bottom-line’, rather than triple bottom line?

1.5.5 Can the Eastern measurement logic be adapted or modified and used for TBL reporting?

Financial and Accounting performance is measurable today due to existing of a globally accepted common valuation mechanism/ currency and Globally Accepted Accounting Practices. An ancient measurement methodology exists in Indic KTP (knowledge, tradition & practices) for measuring all acts of an individual or institution. These are referred as ‘Puṇya’ (prescribed deeds as per Indic rules) and ‘Pāpa’ (prohibited deeds).¹⁷⁸

The simplest definition of Puṇya and Pāpa is as follows:

“अष्टादश-पुराणेषु व्यासस्य वचनद्वयम् । परोपकारः पुण्याय पापाय परपीडनम्॥¹⁷⁹”

“aṣṭādaśa-purāṇeṣu vyāsasya vacanadvayam | paropakāraḥ puṇyāya pāpāya parapīḍanam ||”

That which helps others in need is Puṇya and that which hurts others is Pāpa.

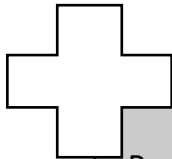

For example, activities such as polluting the water bodies, hurting any living being, destroying trees, causing any imbalance to the five elements of nature, bad kingship, infidelity, etc. are all considered under the negative or prohibited bucket. Within this there are categorizations called Mahāpāpa, Upapātaka, etc. and weights are assigned based on certain logic. Helping the needy, creating sustainable water bodies, feeding hungry people, educating, etc. were considered in the positive or prescribed bucket. Here also there are weightages assigned based on category, location, time, and beneficiary. Majorly the

¹⁷⁸[https://dharmawiki.org/index.php/Papa_and_Punya_\(पाप_एवं_पुण्य\)](https://dharmawiki.org/index.php/Papa_and_Punya_(पाप_एवं_पुण्य))

¹⁷⁹https://sa.wikisource.org/wiki/सुभाषितानि_संस्कृते

definitions are quite analogous to contemporary definitions of social and environmental performance. Would it be possible to define such universal measurement criteria and attempt piloting them for some volunteering organizations?

Table No.9: Illustrative table of prescribed and prohibited activities

	
<p>Prescribed activities</p> <ul style="list-style-type: none"> • Purposeful sustainable business (Profit+Purpose) • Good governance, maintaining social law & order • Creating & supporting sustainable environment • Food support & elimination of poverty • Education support • Employee and stakeholder welfare 	<p>Prohibited activities</p> <ul style="list-style-type: none"> • Profit mind-set without sustainability purpose • Creating imbalance in elements of nature, affecting environment • Disturbing social order • Polluting water bodies • Hurting any living being • Bad governance and kingship

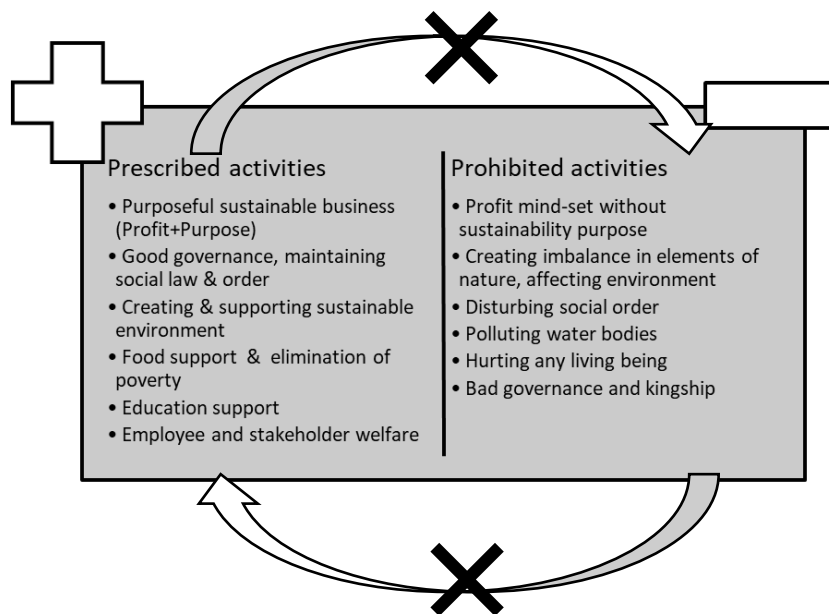
1.5.6 Interesting rule in above measurement: No setoffs allowed!

A very important rule which helps enforce the above measurement logic, is the absence of set-off capability between Puṇya and Pāpa. They must be separately enjoyed or suffered separately. This ensures that organizations or individuals do not misuse the logic and try to cover their Pāpa by doing some additional Puṇya. There are certain puṇya activities which may reduce the impact of certain Pāpa activities. Also, there are some condonation principles on an exceptional, case-to-case basis, but the same cannot be taken for granted for all Pāpas. Examples include the impact of lie told by King Yudhiṣṭhira was not set-off through his entire life of Puṇya. He had to experience the fruits of his apparent untrue statement. Other example is given of a prick by a sharp object and then caressing the skin by a flower. As the caressing does not reduce the pain inflicted by the sharp object, the same way the wrong doings cannot be adjusted towards a charity or other prescribed activities. However, scriptures do state that

the punya activities or true repentance are told to give enough mental strength to bear the sorrows effected due to any pāpa activity.

This may be the most important rule which can really help in enforcing TBL or sustainability activity in actual reality.

Table No.10: Set-offs not allowed



1.5.7 ‘Three-level measurement’ system, touching the transparency claim.

One of the problems in sustainability reporting was that organizations were focused on the reporting, and not entirely in their intentions or actions. This was also fear expressed by Norman and Macdonald. Indic knowledge has a tested solution for this problem. Any activity is taken complete only when it fulfills the test of 3-level, called as Trikarana-shuddhi, i.e., Purity or Unity of thoughts, words, and action.

Bharatiya Dharma comprises of two main aspects of Dharma.

- i. Saamanya Dharma – Universal ethical principles like truth, non-injury, non-stealing, purity, compassion, charity, absence of jealousy, forgiveness, etc.
- ii. Vishesha Dharma – Specific duties which are unique to every individual based on the stage of life, role being played, time, purpose of action, etc.

Within the Universal ethical principles, purity of thoughts, actions and words, is called as ‘Shaucha’ or Trikarana Shuddhi. This is an essential component of Vyavasaya Dharma¹⁸⁰.

This is substantiated by a famous Sanskrit proverb: "Great people are those who have unison in thoughts, speech and action¹⁸¹."

This is an important principle when it comes to real implementation of Sustainability principles and not let it to become a smokescreen. When organizations have real actions complementing the reports and supporting the management thoughts (vision, mission and goal statement), then the purpose of ‘Sustainability reporting’ would be met.

Figure No. 28: 3-level testing of each action of every individual

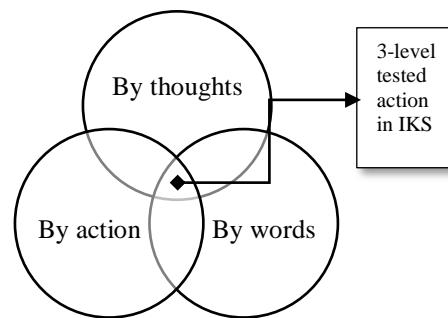
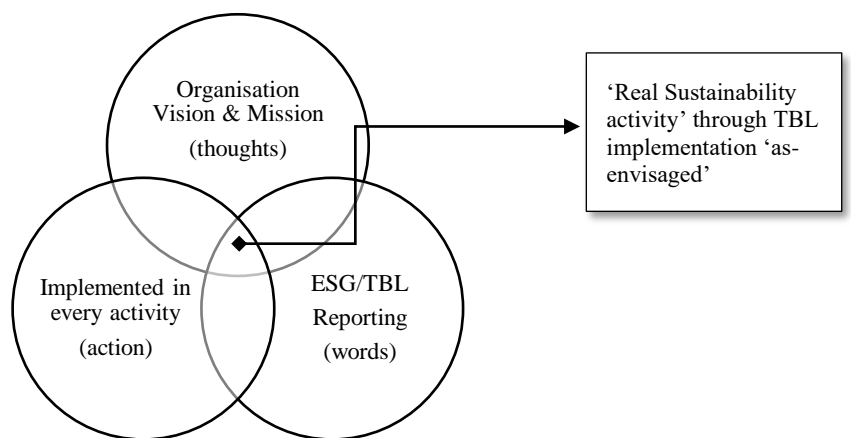


Figure No. 29: 3-level alignment for ‘Real TBL/ESG implementation’



Introducing this 3-level transparency, the adjusted overall model may look like this (with the transparency triangle in the core)

¹⁸⁰ [https://dharmawiki.org/index.php/Dharma_of_Employment_\(व्यवसायधर्मः\)](https://dharmawiki.org/index.php/Dharma_of_Employment_(व्यवसायधर्मः))

¹⁸¹ मनस्यन्यत् वचस्यन्यत् कर्मण्यन्यत् दुरात्मनाम् । मनस्येकं वचस्येकं कर्मण्येकं महात्मनाम् । Hitopadesha 1.102

1.5.8 Built to exist vs built to exit

Indian Accounting Standard 1, and Standards of Auditing 570, prominently mention about ‘going-concern’ concept. Going concern is an important concept in IFRS (International Financial Reporting Standards) also, which checks if the company has enough resources and capability to continue in the foreseeable future, until it provides evidence to the contrary¹⁸². While protection of shareholder investment is an important objective for ‘going-concern’, sustainable-mindset towards social and environmental responsibilities can also be fathomed, through the ‘long-term-perspective’ concept. The reverse is also applied by accountants, where the sustainability reports are used to judge ‘going-concern’ assumption. (Bashatweh and AlMomani 2020)

Generally speaking, the word Veda signifies highest, sacred, eternal and divine knowledge as well as the texts embodying that knowledge¹⁸³ (Narayanacharya K S, 2011). The Vedic benediction in 3.8.15.3 in *Yajur Veda Brahmana*, ‘*Ayur vai sahasram, aparitmitameva avarundhe*¹⁸⁴’ also blesses one with hundreds of years and sometimes unlimited energy and life. As per Manu Smṛti, Veda is the eternal eye¹⁸⁵. (Patel Gautam. 1999). Further Manu says, VedaŚāstra is Sanātana.¹⁸⁶

1.2.36¹⁸⁷ in Rāmāyaṇa says, “*As long as the mountains and rivers exist on this earth, the values of Rāmāyaṇa will continue to inspire.*” When Bharata returns the kingdom to Rāma, he requests, “*As long as the stellar sphere goes round, and as long as the earth revolves*

¹⁸² International Accounting Standards 1 ‘Presentation of Financial Statements’. Para 26 of IAS 1 states that, factors that management may need to consider when assessing whether the going concern basis of preparation is appropriate.

¹⁸³ Narayanacharya, K. S. (2011). *Veda Sanskritiya Parichaya*. Hubli:Sahitya Prakashana.

¹⁸⁴ शृताय स्वाहेत्याह । शृतायुर्वे पुरुषश्शृतवीर्यः । आयुरेव वीर्यमवर्तुन्धे । सहस्राय स्वाहेत्याह । आयुर्वे सहस्रम् । आयुरेवावर्तुन्धे । सर्वस्मै स्वाहेत्याह । अपरिमितमेवावर्तुन्धे ॥58॥ Yajur Veda Bramhana. 2.3.8.15.3 To gain a hundred years with energy, to gain thousand years, to gain infinitely.

¹⁸⁵ पितृदेवमनुष्याणां वेदश्चक्षुः सनातनम् । अशक्यं चाप्रमेयं च वेदशास्त्रं इति स्थितिः । । Manu Smṛti. 12.94 Patel, Gautam. (1999). *Traditional Vedic Interpretations*. New Delhi : Rashtriya Sanskrit Sansthan.

¹⁸⁶ विभर्ति सर्वभूतानि वेदशास्त्रं सनातनम् । तस्मादेतत्परं मन्ये यज्जन्तोरस्य साधनम् । Manu Smṛti 12.99

¹⁸⁷ यावत् स्थास्यन्ति गिरयस्सरितश्च महीतले । तावद्भामायणकथा लोकेषु प्रचरिष्यति ॥1.2.36॥

around that long you enjoy the rulership of the world.” 6.131.11¹⁸⁸

Couples are blessed with, ‘*May your clan continue as long as Sun and Moon are there.*’ In ancient India, Nations, society, organizations, educational institutions, literary works, etc. were always ‘built to exist’ forever into the foreseeable future and individuals strived to be ‘built to exit’ and endeavor for liberation.

In the current generation, an apparent reversal seems to be developing where organizations are asked about ‘exit-strategy’ in their first funding meeting and individuals are asking for magical potions to become ‘built to exist’ forever. This ‘**exist vs exit test**’ can determine the actual ‘Sustainability consciousness’ imbibed in the organization and its stakeholders. A well-developed questionnaire with strategic, operational, financial, social, ethical and psychological parameters would help us determine the ‘sustainability consciousness score’ of an organization.

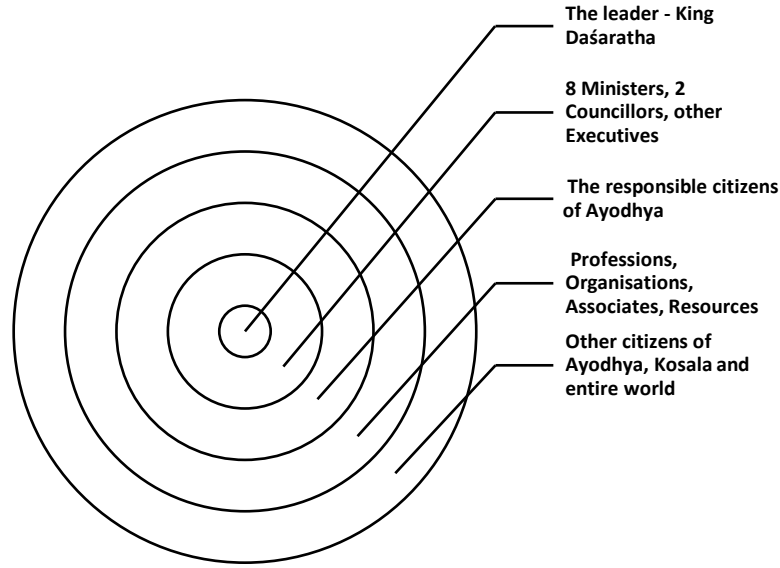
1.5.9 Bottoms up implementation vs top-down approach

Shared responsibility of sustainability parameters

In Rāmāyaṇa, we see the description of King Daśaratha and his people at 5 levels - the individual leader, his ministers/chief executives, the citizens/customers, friends & associates and finally the kingdom/nation. Conversations on sustainability cannot rest only with the Board, they must be internalized in every individual and his circles.

¹⁸⁸ यावदावर्ततेचक्रंयावती च वसुन्धरा । तावत्त्वमिहलोकस्यस्वामित्वमनुवर्तय ॥6.131.11॥

Figure No. 30: Shared responsibility for sustainability



TBL is being discussed in corporate boardrooms, accounting firms and is impacting through stock markets. However, any idea becomes successful when every individual part of the whole, contributes to the implementation of the idea. As Luke quotes Jesus saying, “*What good is it for a man to gain the whole world, and yet lose or forfeit his very self?*” (Luke 9:25). The Gītā (6.5) says, “*One should raise oneself by one's Self alone; let not one lower oneself; for the Self alone is the friend of oneself, and the Self alone is the enemy of oneself.*¹⁸⁹” The entire Eastern philosophy has constantly provided knowledge, techniques, tools, case-studies for the sustainable development of every individual. Principles of Bhagavad-Gītā (K Parthasarathi, et al, 2018) and Rāmāyaṇa (Muniapan, 2007) are the beam-light when it comes to individual development. IKS literature shows that a single work can provide simultaneously ideas on three streams seamlessly: Spiritual, Religious and Material. (IKS: Concepts and Applications by B Mahadevan et al, 2022)

¹⁸⁹ उद्धरेदात्मनाऽऽत्मानं नात्मानमवसादयेत्। आत्मैव ह्यात्मनो बन्धुरात्मैव रिपुरात्मनः॥BhagavadGītā 6.5॥

Sustainability across stages of life:

As per the Eastern philosophy, every individual is expected to fulfill four obligations, known as Devaruna (देवऋणम् | towards God), Pituruna (पितृऋणम् | towards parents), Rishiruna (ऋषिऋणम् | towards teachers), and Samaaja (समाजऋणम् | towards humanity)¹⁹⁰.

These sacred duties are meant to be upheld by an individual throughout their lifetime.

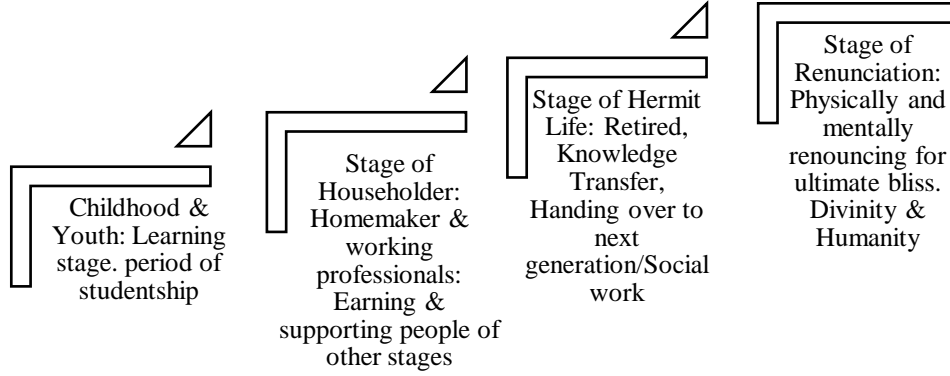
However, it is recognized that not all obligations can be fully discharged or given equal importance at every stage of life. Consequently, the lifespan of an individual is divided into four distinct stages, known as Āśramas. Fulfilling these also helps develop sustainability goals from early stages of life. One of the important success factors for implementation of Eastern principles has been its interweaving through 'stages of life concept' (Āśrama-dharma) for every individual i.e., from:

- (i) childhood & youth stage, where learning is the important goal
- (ii) householder life – where earning, sustaining others becomes important
- (iii) retirement stage where, the knowledge and experiences gained is handed over to next generation and then
- (iv) renouncement stage, where one strives for self-abnegation & ultimate bliss

This Āśrama-dharma concept has graded lessons, practices which are interwoven into everyday life, and which ripen along with the individual. Once every individual becomes sustainable, the society, organizations, countries and the whole world we live in, would become 'truly sustainable'.

¹⁹⁰ Dharma – The Global Ethic by Justice M. Rama Jois, Chapter 1.5.5

Figure No.31: Stages of life concept – for Bottoms-up implementation of TBL in every individual



In each stage¹⁹¹, some form of obligation is fulfilled¹⁹².

Table No. 11: Stages of Life Vs Obligations

Stage of Life	Obligations Fulfilled
1. Studentship	Obligation to Sages & teachers to acquire and disseminate the knowledge. Develop moral character and be useful to self, family and society. Rishiruna (ऋषिक्रमम् towards teachers)
2. Householdship ¹⁹³	Pitruruna (पितृक्रमम् towards parents), by leading a moral life, continuing the lineage with noble citizens,

¹⁹¹ आश्राम्यन्ति स्वं स्वं तपश्चरन्त्यत्र । कल्पद्रुमः

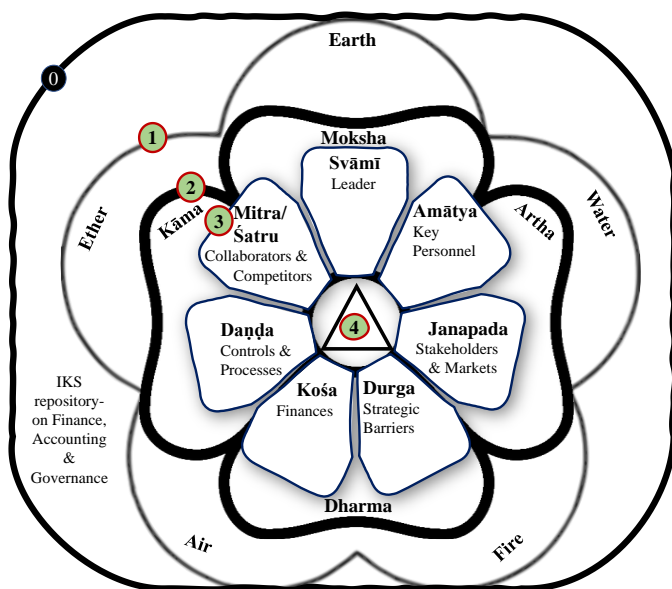
¹⁹² Radhakrishnan, S. (1926). Hindu view of life. George Allen And Unwin Ltd, London.

¹⁹³ यथा वायुं समाश्रित्य वर्तन्ते सर्वजन्तवः । तथा गृहस्थं आश्रित्य वर्तन्ते सर्व आश्रमाः । Manusmṛti । ३.७७[६७] As all living creatures subsist by receiving support from air, even so (the members of) all orders subsist by receiving support from the householder

यस्मात्त्रयोऽप्याश्रमिणो ज्ञानेनान्नेन चान्वहम् । गृहस्थेनैव धार्यन्ते तस्माज्ज्येष्ठाश्रमो गृही । Manusmṛti । ३.७८[६८] 3.78. Because men of the three (other) orders are daily supported by the householder with (gifts of) sacred knowledge and food, therefore (the order of) householders is the most excellent order. ऋषयः पितरो देवा भूतान्यतिथयस्तथा । आशासते कुटुम्बिभ्यस्तेभ्यः कार्यं विजानता । । Manusmṛti ३.८०[७०] 3.80. The sages, the manes, the Gods, the Bhutas, and guests ask the householders (for offerings and gifts); hence he who knows (the law), must give to them (what is due to each)

	<p>Support society and people of other 3 stages: Samaaja (समाजकरणम् towards humanity)</p> <p>Also support education causes: Rishiruna (ऋषिकरणम् towards teachers)</p> <p>Continue divine activities: Devaruna (देवकरणम् towards God)</p> <p>Hence this is considered the Golden stage which can fulfill all obligations and lead a wholesome life</p>
3. Retirement	<p>More involved in society activities: Samaaja (समाजकरणम् towards humanity). Guiding people of Studentship and Householdship</p>
4. Renunciation	<p>Continue divine activities in any form: Devaruna (देवकरणम् towards God)</p>

Figure No. 32: Proposed Sustainability framework as per Eastern IKS



ESG Controls Chakra: Legend:

Layer 0 – IKS repository on Finance, Accounting & Governance

Layer 1 – Environmental (Planet): Five Elements of nature: pañcabhūta
 Layer 2 – Social (People) Layer: The Four Societal Objects of Pursuit: puruṣārtha

Layer 3 – Governance (Profit) Layer: Seven Elements of Governance: saptāṅga
 Triangle represents Trikaranaśuddhi - Consistency & Transparency in Vision, Actions and Reporting
 4 represents the core: Sustainability.

Conclusion to Result No. 1:

IKS has insights which can potentially address the challenges faced in ESG reporting. By combining these concepts with contemporary ESG reporting standards a robust mechanism can be developed for ensuring the right parameters, with right definitions, measured and reported consistently. This would ensure compatibility and real contribution to climate change and sustainability.

Chapter 6: Result No. 2: Design of ‘Management-Level Control

Questionnaire’ based on insights from ‘Kaccit sarga’ of Vālmīki

Rāmāyaṇa

1.0 Context and Introduction:

The Indian banking system has been hit with four major corporate fraud cases, viz., the ABG Shipyard's INR 22,842 crore loan fraud, the INR 11,400 crore Nirav Modi scam, Vijay Mallya's INR 9000 crore money laundering scandal, and the IL&FS group fiasco, which cost INR 9900 crore. The collapse of cryptocurrency exchange FTX and the falsification of sales report up to \$310 million by Luckin Coffee showcase international accounting frauds. As per the ‘Occupational Fraud 2022: A Report to the Nations’ by the Association of Certified Fraud Examiners, organisations lose 5% of their revenue to fraud yearly, projecting a global loss of \$ 4.7 trillion. With technological advancements, accounting and auditing have become more complex, making it challenging to detect anomalies.

The Foreign Corrupt Practices Act (FCPA) of 1977 was introduced in response to a wave of corporate scandals in 1970 in which many US companies were found to have been engaged in bribery and corruption overseas. The 2008 financial crisis led to the enactment of the comprehensive economic reform law called the Dodd-Frank Act¹⁹⁴ of 2010. The Sarbanes-Oxley Act (SOX) of 2002 was enacted to improve the reliability of financial reporting through more robust internal controls and auditing procedures. To ensure compliance with Section 404 of the SOX Act, organisations adopt the COSO¹⁹⁵ (Committee of Sponsoring

¹⁹⁴ Dodd-Frank Wall Street Reform & Consumer Protection Act (Dodd-Frank Act) of 2010

¹⁹⁵ COSO was formed as a collaboration between five sponsoring organizations: the American Institute of Certified Public Accountants, the Financial Executives Institute, the Institute of Management Accountants, the Institute of Internal Auditors, and the National Association of Accountants. The goal of COSO is to provide organisations with a framework for managing and controlling risk to enhance the reliability of financial reporting and help restore public trust in the financial reporting system. To enforce this goal, COSO has introduced the (i) Internal Control-Integrated Framework (in 1992 and updated in 2013) and the (ii) Enterprise Risk Management Framework (in 2004 and updated in 2017. The Internal Control- Integrated framework got further authority based on the reference in the Auditing Standard No. 2 introduced by the Public Company Accounting Oversight Board (PCAOB) in 2004. Auditing Standard No. 2 was superseded by Auditing Standard No. 5. For audits of financial statements ending on or after December 15, 2024, AS2201,

Organizations of the Treadway Commission) integrated internal control framework.

Within the gamut of Internal Controls, the 'Management Controls' are significant since they represent the top-level controls. Strong entity-level controls can mitigate downstream inherent risks ([Premuroso, R.F.](#) and [Houmes, R.](#) 2012). Weak entity-level controls can lead to material misstatements in the company's financial statements (Controller's Report, 2015). Existing auditing questionnaires do not extensively cover well-being, happiness quotient, respect, Dharma, personal practice, personal traits, scriptural knowledge, confidentiality, etc. Hence, there is a need to supplement existing questionnaires with insights from time-tested civilisations which took pride in successful empires and large organisations.

Vālmīki Rāmāyaṇa contains the wisdom and evidence of Rāmarājya, which was considered the benchmark of good governance based on social justice, non-violence, and self-reliance. (Desai Meghnad, 2011). As Vālmīki records, Ayodhyā was a benchmark for any aspiring state with maximum literacy¹⁹⁶, high-net-worth individuals¹⁹⁷ and citizens with a high dharma quotient¹⁹⁸. Hence, insights from such governance may be helpful to existing knowledge and practices. In this study, the authors explore the conversation between Rāma and Bharata in Vālmīki's Rāmāyaṇa, where Rāma discussed Management Governance aspects through 70+verses. Around 158 questions are derived from these verses, which would be helpful for the Management Control discussion between auditors and chief executives. These are coded into various functions and categories. Compared to current questionnaires, these questions use simple language, explore new topics, and are appropriate for a thorough conversation.

An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements, would be applicable.

¹⁹⁶ तस्मिन्पुरवरे हृष्टा धर्मात्मानो बहुश्रुताः। नरास्तुष्टा धनैस्सवैस्सवैरलुब्धास्सत्यवादिनः ॥ VR 1.6.6॥

Unless mentioned otherwise, the Sanskrit shloka in footnotes are from Vālmīki Rāmāyaṇa. The referencing notation is: Vālmīki Rāmāyaṇa, Kāṇḍa number, followed by chapter (sarga) and verse (shloka) number as per recession used in www.valmik.iitk.ac.in

¹⁹⁷ नाल्पसन्निचयः कश्चिदासीत्तस्मिन् पुरोत्तमे। कुटुम्बी यो ह्यसिद्धार्थोऽगवाश्चधनधान्यवान् ॥ VR 1.6.7॥

¹⁹⁸ सर्वे नराश्च नार्यश्च धर्मशीलास्सुसंयताः। उदिताश्शीलवृत्ताभ्यां महर्षय इवामलाः ॥ VR 1.6.9॥

Such conversations would help the auditor to qualitatively assess the ‘tone at the top’ and determine the nature, timing and extent of audit procedures.

Result 2.0 Importance of Management Controls (a.k.a Entity-Level Controls-ELC):

The US Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB) directed companies to follow a top-down, risk-based approach to compliance with a strong emphasis on entity-level controls rather than transactional controls. (Gerkes J et al, 2007). As per paragraph 22 of the Auditing Standard 2201 issued by PCAOB, ‘an auditor must test those Entity-Level Controls that are important to the auditor's conclusion about whether the company has effective internal control over financial reporting. The auditor's evaluation of ELC can result in increasing or decreasing the testing that the auditor otherwise would have performed on other controls.’

Para 23 of Auditing Standard, 2201 of PCAOB mentions that ELCs vary in nature and precision and categories them into three types:

- (i) ELCs which are part of the Control Environment, have a significant but indirect effect on the likelihood that a misstatement will be detected or prevented on a timely basis.
- (ii) Some ELCs monitor the effectiveness of other controls. When these controls operate effectively, auditors may reduce the testing of other controls.
- (iii) Some ELCs are designed to prevent or detect misstatements to one or more relevant assertions on a timely basis. Auditors may decide on additional control testing based on the effectiveness of these.

Para 24 gives examples of ELCs which include,

- i. Controls related to the control environment;
- ii. Controls over management override;
- iii. The company's risk assessment process;
- iv. Centralized processing and controls, including shared service environments;

- v. Controls to monitor results of operations;
- vi. Controls to monitor other controls, including activities of the internal audit function, the audit committee, and self-assessment programs;
- vii. Controls over the period-end financial reporting process; and
- viii. Policies that address significant business control and risk management practices.

In 2007, the IIA-Netherlands Sarbanes Oxley platform formed a task force to develop a common standard for entity-level controls, and they came up with 29 ‘Key controls’ that management and internal auditors can easily use to assess these controls. (Ronald R Bouman, 2007).

3.0 Problem & Research Gap:

Existing ELC checklists are prepared based on risk management and control frameworks like COSO Frameworks, ISO 31000¹⁹⁹, NIST Cybersecurity Framework²⁰⁰, OCEG GRC Capability Framework²⁰¹, PMI Risk Management Framework²⁰² or other Enterprise Risk Management frameworks. These questionnaires are systemic in their approach and are less human-oriented in their methodology. They do not cover the cultural setting in which the Indian Businesses operate. Hence, the existing questionnaire must be supplemented with aspects of the Indian Knowledge System. Within the vast IKS landscape, Vālmīki Rāmāyaṇa contains the wisdom and evidence of Rāmarājya, considered the benchmark of good governance based on social justice, non-violence and self-reliance. (Desai Meghnad, 2011). Hence, this study involves providing a questionnaire based on insights from Vālmīki’s Rāmāyaṇa to test the entity-level controls.

¹⁹⁹ ISO 31000: ISO 31000 is a risk management standard developed by the International Organization for Standardization (ISO). It provides a framework for managing risks in organizations of all types and sizes.

²⁰⁰ NIST Cybersecurity Framework: The NIST Cybersecurity Framework is a risk management framework developed by the National Institute of Standards and Technology (NIST) to help organizations manage cybersecurity risks.

²⁰¹ OCEG GRC Capability Model: The OCEG (Open Compliance and Ethics Group) GRC (Governance, Risk, and Compliance) Capability Model is a framework for managing risks related to governance, risk, and compliance.

²⁰² PMI Risk Management Framework: The Project Management Institute (PMI) Risk Management Framework is a framework for managing risks in project management. It guides risk planning, risk identification, risk analysis, risk response, and risk monitoring.

4.0 Research Methodology and Approach:

Within the vast IKS landscape, Vālmīki Rāmāyaṇa contains the wisdom and evidence of Rāmarājya, considered the benchmark of good governance based on social justice, non-violence and self-reliance. (Desai Meghnad, 2011). The first step in this qualitative inductive study involves a ‘textual analysis’ of Vālmīki’s Rāmāyaṇa to identify the incidents, conversations, verses, and characters which contain knowledge on finance, accounting, governance, internal controls and related areas. Through textual analysis, the 100th chapter of the second section (Ayodhyā Kāṇḍa) is selected, which involves questioning of Bharata’s governance system by Rāma. This chapter has around 76 verses which are converted into 158 questions based on authentic commentaries and translations. This avoids any translation or interpretation bias by the authors. In the second step, these questions are conceptually abstracted through open, axial, and selective coding using the Grounded Theory technique. At the end of this task, the 158 questions are scaled into 8 functions (open coding) consisting of 21 categories with 49 overlapping, interrelated sub-categories (axial coding). The third step involves applying principles of hermeneutics. In this stage, the questions and the categories are tailored for ELC assessment by following the principles of the ‘hermeneutic circle’ and ‘fusion of horizons’ methods.

Table No.12: Main categories and number of questions abstracted from the verses of Chapter 100 of Ayodhyā Kāṇḍa of Vālmīki’s Rāmāyaṇa

Function	Main Category	Total Questions
1. Finance	Finance	25
Finance Total		25
2. Human Resources	Respect	9
	Happiness	6

	Workforce comfort	5
	Deep Competency	5
	Well-being	3
	Workplace Comfort	3
	Whistleblower Facility	3
	Staffing	3
Human Resources		
Total		37
3. Leadership	Board Of Advisors	10
	Leadership presence	4
	Character of Leader	3
	Independence	2
Leadership Total		19
4. Legal	Justice-Legality	12
Legal Total		12
5. Operations	Operations	2
Operations Total		2
6. Security	Security	18
	Confidentiality	14
	Beware of Mischief	7
Security Total		39
7. Sustainability	Sustainability	12
Sustainability Total		12
8. Vision & Mission	Dharma	9

	Balancing the Puruṣārthas	3
Vision & Mission Total		12
Grand Total		158

4.1 Illustration of finance-related questions extracted from verses of Chapter 100 of Ayodhyā Kāṇḍa of Vālmiki's Rāmāyaṇa

In the 14th verse, Rāma enquires Bharata about one of the teacher named Sudhanvā. He asks, *“Oh dear Bharata, I hope you respect Sudhanvā, who is our teacher and who has: (a) deep theoretical and practical application knowledge of iṣu, i.e. weapons used without any mantras or codes, and astra, i.e. weapons or missiles which require special training of mantras or codes, and who has (b) profound knowledge in all areas of political statecraft (finance, accounts, economics, administration, ethics, governance, etc.)”*

The combined knowledge of defense and finance (known as ‘hardpower of a nation’ in today’s parlance) was considered critical for the entire kingdom, since not having one of the two would either result in unwanted wars or getting defeated by others, leading to poverty and anarchy. In contemporary organisations, where the viewpoints are unaligned between the Chief Information/ Technological Officer and the Head of the Business Line, it may potentially harm the decision to fund cybersecurity measures. (Kissoon.T, 2020). This is an important aspect with respect to the quantum of internal controls implementation, where the combined knowledge helps optimum levels.

In the next verse, Rāma asks, *“Oh dear brother, I hope you have earned and acquired advisors who are most trusted as oneself, are extra-ordinarily brave and not influenced by external perturbation, know the Arthaśāstra / Nītiśāstra and who can connect all related knowledge, cannot be tempted by others (incorruptibility) and have controlled their senses (jīendriyas), are born in a lineage of honest & loyal supporters of the organisation, and*

can understand the situation without usage of words, either through gestures or expressions or situational behaviour.

The rare combination of having cross-functional knowledge, skills, a high level of ethics and smartness to understand the totality of a situation through others' gestures has been emphasised by Rāma.

In verse 17, Rāma asks Bharata, *“I hope you are not controlled by sleep or falling prey to excess sleep and you awake at an appropriate time. I hope you are contemplating ways of earning and managing all types of wealth of the organisation (nation), about political science aspects and related areas, during the early morning hours i.e., around 3am to 6am, (when your mind is fresh after a complete deep sleep).*

This verse echoes the motto of the Institute of Chartered Accountants of India²⁰³, *“Ya eṣa supteṣu jāgati”* as taken from Kaṭhōpaniṣad, meaning “That person who is awake in those that sleep.”. By prioritising ‘finance stewardship thinking’ as the first activity in the morning, the importance to finance mindset is clearly displayed. Even in Kauṭilya’s Arthaśāstra, Kauṭilya prioritises Kośa (treasury) and says, “All enterprises or activities depend on finance. Hence a leader must devote his utmost attention to all matters related to the treasury.” (Kauṭilya’s Arthaśāstra 2.8.1). On similar analysis of relevant verses, a draft questionnaire for the main category of ‘Finance’ can be abstracted as follows. Out of 25 questions relating to Finance, 14 are given below as a sample.

²⁰³ https://www.icai.org/new_post.html?post_id=163&c_id=192

Table No. 13: Sample Questionnaire for Finance

Sl No	Question	Verse Ref:	Overlapping Category	Extremely Unlikely	Unlikely	Neutral	Likely	Very Likely
52	Does the finance team have Finance, Accounts, Audit, and economics experts? (viśārada)	VR.2.100.14 ²⁰⁴	Competency					
53	Do these experts also have good knowledge about defence, international affairs, foreign policies, global matters of concern, etc.? (astrasampanna)	VR.2.100.14	Knowledge, Competency					
54	Does the Senior advisory team or the finance leadership necessarily know multiple, inter-connected śāstras and not pure money matters only? For example, knowledge of Dharmaśāstra (law), Nītiśāstra (ethics, values) and Arthaśāstra (finance, economics) - (śrutavantah)	VR.2.100.15 ²⁰⁵	Knowledge, Competency, Dharma					
55	Is the finance workforce equipped	VR.2	Dharma,					

²⁰⁴ इष्वस्त्रवरसम्पन्नम् अर्थशास्त्र-विशारदम्। सुधन्वानमुपाध्यायं कश्चित्त्वं तात मन्यसे॥ VR.2.100.14

²⁰⁵ कश्चिदात्मसमाश्रूराः श्रुतवन्तो जितेन्द्रियाः। कुलीनाश्चेङ्गितज्ञाश्च कृतास्ते तात मन्त्रिणः॥ VR.2.100.15

	with high values, ethics, and integrity with absolute incorruptibility? (jitendriyas)	.100. 15	Attributes, Code of Conduct					
57	Does the finance leader prioritise strategic finance stewardship during the early hours of the day? (aparakātri)	VR.2 .100. 17 ²⁰⁶	Timetable, Discipline					
59	Isn't the organisation practising the 'Minimum investment or efforts, with Maximum benefits or returns' principle in all aspects? (Cost Benefit Analysis, Return on Investment analysis: laghumūlam mahodayam)	VR.2 .100. 19 ²⁰⁷	Decision Making					
61	Hope there are no project cost overrun charges due to delay in implementation?	VR.2 .100. 19	Non- Procrastination					
62	Hope the salary is paid on time every time to the workforce.	VR.2 .100. 32 ²⁰⁸	Non- Procrastination , Salary Management					
67	Does the company have multiple	VR.2	Business					

²⁰⁶ कश्चिन्निद्रावशं नैषीः कश्चित् कालेऽवबुध्यसे। कश्चिन्नापररात्रेषु चिन्तियस्यर्थनैपुणम्। VR.2.100.17

²⁰⁷ कश्चिदर्थं विनिश्चित्य लघुमूलं महोदयम्। क्षिप्रमारभसे कर्तुं न दीर्घयसि राघव।। VR.2.100.19

²⁰⁸ कश्चिद्भूलस्य भक्तं च वेतनं च यथोचितम्। सम्प्राप्तकालं दातव्यं ददासि न विलम्बसे।। VR.2.100.32

	sources of funds/capital and is not just dependent on unpredictable sources? (Rain-water vs Sarayū river water)	.100. 45- 46 ²⁰⁹	Continuity Planning, Going-concern					
69	Are the income always multiple times more than expenditure? (āya > vyaya)	VR.2 .100. 54 ²¹⁰	Operations					
70	Is there a list of approved spending and prohibited spending? (satpātra)	VR.2 .100. 54- 55 ²¹¹	Operations					
71	Does the finance team ensure there is no amount spent on prohibited spending? (apātra)	VR.2 .100. 54	Operations					
74	Is the organisation aware of 20 types of leaders/ organisations with whom they may not have associations, amalgamations, etc.?	VR.2 .100. 68- 70 ²¹²	Beware of mischief					
76	Are portions of profits distributed to all stakeholders and well-wishers and not enjoyed by the	VR.2 .100.	Distribution of wealth					

²⁰⁹ अदेवमातृको रम्य इक्षापदैः परिवर्जितः। परित्यक्तो भयैस्सर्वैः खनिभिश्चोपशोभितः॥ VR.2.100.45। अदेवमातृकः देवमातृकदेशरहितः, वृष्ट्येकनिष्पाद्यसस्यकदेशरहित इत्यर्थः। सरयूतीरस्थत्वेन सर्वतो नदीमातृक इति यावत्। "नद्यम्बुजीवनो देशो नदीमातृक उच्यते। वृष्टिनिष्पाद्यसस्यस्तु विज्ञेयो देवमातृकः ॥" इति हलायुधः ।

²¹⁰ आयस्ते विपुलः कश्चित्कश्चिदल्पतरो व्ययः। अपात्रेषु न ते कश्चित्कोशो गच्छति राघव॥ VR.2.100.54

²¹¹ देवतार्थे च पित्रर्थेब्राह्मणाभ्यागतेषु च। योधेषु मित्रवर्गेषु कश्चिद्रच्छति ते व्ययः॥ VR.2.100.55

²¹² इन्द्रियाणां जयं बुद्ध्या षाङ्गण्यं दैवमानुषम्। कृत्यं विंशतिवर्गं च तथा प्रकृतिमण्डलम्॥VR.2.100.69

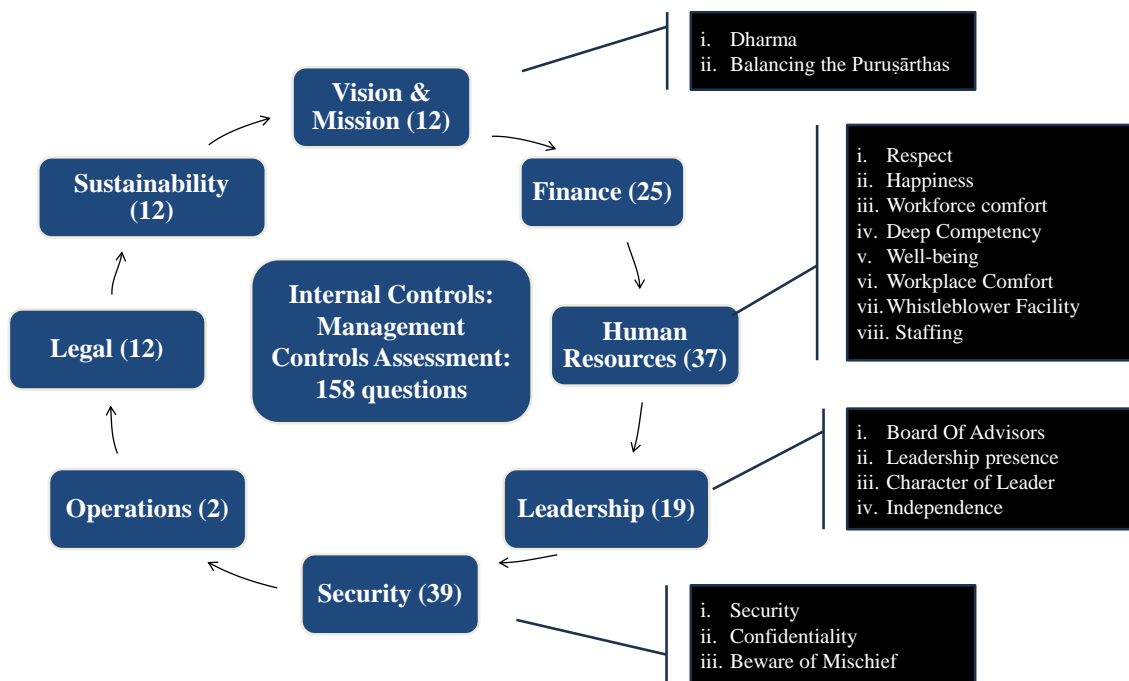
management alone? (Dividend distribution)	75 ²¹³								
---	-------------------	--	--	--	--	--	--	--	--

Note: The entire questionnaire for 21 main categories with 158 questions is available in the Appendix no. 2.

5.0 Discussion Points:

The Rāmarājya Management-Level Control (RMLC) framework contains 8 functions, with 21 primary and 49 overlapping categories. There are 158 questions that the auditor can discuss with the Chief Executives. **Figure No. 33** shows the schematic diagram of the Rāmarājya Management Level Controls Framework:

Figure No. 33 Rāmarājya Management Level Controls Framework



The various advantages of the RMLC questionnaire over existing Management questionnaires are summarised below:

- (i) **Simple language – Ease of implementation:** The language in this questionnaire is simple without ‘technical risk management or control framework jargon.’

²¹³ कच्चित्त्वादु कृतं भोज्यमेको नाश्रासि राघव। कच्चिदाशंसमानेभ्यो मित्रेभ्य स्सम्प्रयच्छसि॥ VR.2.100.69

- (ii) Suggestive vs Prescriptive:** The questions in the RMLC questionnaire are suggestive rather than imposing, which can create anxiety and dislike. The above two features help reduce potential Socially Desirable Responding (SDR) bias while answering the questions.
- (iii) Ownership Assignment:** The questionnaire is organised by the departments, which helps assign ownership of control activities to individual teams like Finance, Human Resources, Legal, Operations, etc.
- (iv) ‘Part of work’ and not an additional job:** Employees would comply with these controls as part of their routine jobs by assigning the underlying activities to the functional roles. They would not complain about additional work faced with existing frameworks.
- (v) Metrics:** These questions can also be converted to metrics and tracked over a longer period. For example, based on the sample finance questions, the following metrics may be derived and measured:
- a. Income > expenditure by multiple times. i.e., $\text{Income} = \text{Expenditure} * X$ ($X \geq 2$). (VR 2.100.54)
 - b. Returns > Investment. i.e., $\text{Returns} = \text{Effort} * X$ times. ($X \geq 2$). (VR 2.100.19)
 - c. 100% on-time disbursement of wages and distribution of food provisions. (VR.2.100.32,33)
 - d. 100% satpātraṃ spending (prescribed). (VR.2.100.54,55)
- (vi) Potential solution for existing auditing challenges:** Through these conversation-based questions, auditors can perform corroborative enquiry with multiple stakeholders to address contemporary challenges like (i) identifying potential collusion and (ii) ascertaining any management overrides.
- (vii) Value-centric & people-oriented framework:** Dharma is the core principle of this framework. For example, Rāma asks, ‘Do you share the profits with friends and well-

wishers? So, it is not just the investors and shareholders who get dividends. Recognising the role of friends and well-wishers who pray for the organisation's success is not envisaged in current business models. Rāma also lists 20 leaders with whom prudent businesses don't associate. Similarly, human values, ethics, confidentiality, happiness quotient, and well-being are also assessed. Focusing on these areas helps meet the profit (Artha and Kāma) motive and ensures compliance.

With the above advantages, the RMLC questionnaire presents a compelling case to be included in existing knowledge, methods, and practices of auditing internal controls.

Chapter 6: Result No. 3 and 4: Augmenting the changing landscape of finance organisation through Practical insights (27 policy statements) & metrics (28 financial metrics) from Vālmīki Rāmāyaṇa

1.0 Context:

The Global Risks Report 2023, published by the World Economic Forum, lists corporations' challenges. Termed a 'polycrisis' by experts, it includes COVID-19 aftermath, economic recession, a war between nations, supply chain disruptions, inflation, and climate change repercussions. The finance organisation is the pivot department which fortifies the organisation from such challenges. Finance leaders are looking for practical insights from civilisations which have been economically prosperous over an extended timeframe. Based on Angus Maddison's estimates, before the 18th century, India and China were the two largest economies by Gross Domestic Product (GDP) output. In Indian history, Rāmarājya has always been envisaged as the ideal of governance based on social justice, non-violence, and self-reliance. (Desai Meghnad, 2011). Vālmīki records in Rāmāyaṇa that Ayodhyā was a benchmark for any aspiring state with maximum literacy, High Net-worth Individuals and citizens with a high dharma-quotient (VR 1.6.6,7 and 9). Hence there is a need to study the financial principles of Rāmarājya and derive practical insights useful for contemporary organisations. Through this study, the authors have deduced finance policy statements from specific incidents, conversations and verses from Rāmāyaṇa. These statements have been converted to Key performance indicators, which can be assigned to finance team members and tracked on a regular basis. The impact of adherence to such principles can be measured.

2.0 Problem & Research Gap:

If Rāmarājya is to be emulated, we need documented evidence of the governance, statecraft, compliance, finance, talent management, infrastructure, legal and other principles which were

the basis of Rāma’s ruling methodology. The first problem is that the ‘Arthaveda’ which was conscientiously followed in Rāmarājya is unavailable today. The second issue is that while managerial effectiveness (B. Muniapan & Satpathy, 2010), leadership qualities (B. A. / L. Muniapan, 2007), modern management lessons (Vutukuru & Naga Pawan Yallapragada, 2012), strategic management approach (Singh, Prof, & Singh, 2015) and similar areas have been studied from Vālmīki Rāmāyaṇa, there is no study on finance, accounting, internal control, and auditing based on Rāmāyaṇa principles. The third concern is the need for academic researchers to have a stronger technical core (Scapens, 2006) and to provide relevant and valuable insights which can be practically implemented (Baldvinsdottir, Mitchell, & Nørreklit, 2010) in today’s workspace.

2.1 Typical Finance Organisation Model:

Table No. 14: Finance Organisation Model

Accountant	Controller	Business Partner	Chief Finance Leader
Typical Designations: Financial or Management or Cost or Tax accountant or Treasury Officer	Finance or Cost or Compliance or Business or Treasury Controller	Finance or Management Business Partner	Chief Finance Officer or Finance Director or General Manager: Finance
Role: Transactional	Managerial Oversight	Trusteeship	Stewardship
Core Responsibility: Preparing, analysing and interpreting financial and	Review of financial & management statements, ensuring accurate & timely	Interfacing between finance & business, analysing data,	Getting market perspective, providing financial-business strategy to C-suite

accounting information, complying with applicable standards	reporting, overall financial management and control	and providing the right decision inputs to increase the business throughput	organisation, ensuring effective use of financial resources & Risk Management
Reports to: Controller	Chief Finance Leader	Chief Finance Leader	Chief Executive or/and Board
Core Objective: Accuracy, Compliance	Completeness, Timeliness, Transparency, Ethics	To support partner department's goals & decision making	Overall financial governance supporting the entire Company
Timing: Past & Present	Past, present and immediate future	Past, present and immediate future	Long term future
Main Challenges: • Ensuring accuracy • Not bowing to pressure for collusion	• Ensuring transparent & accurate reporting • Ethical conduct and fraud prevention	• Understanding overall business and partner's goals • Analysis & giving the right information for decision-making.	• Strategic thinking • Risk Management • Getting external perspective • Managing stakeholders • Meeting business goals

Note: This is only an archetypal representation, and there may be sub-categories or variations in the above structure. Roles like internal auditor have not been included due to independent reporting to the audit committee.

3.0 Research Methodology and Approach:

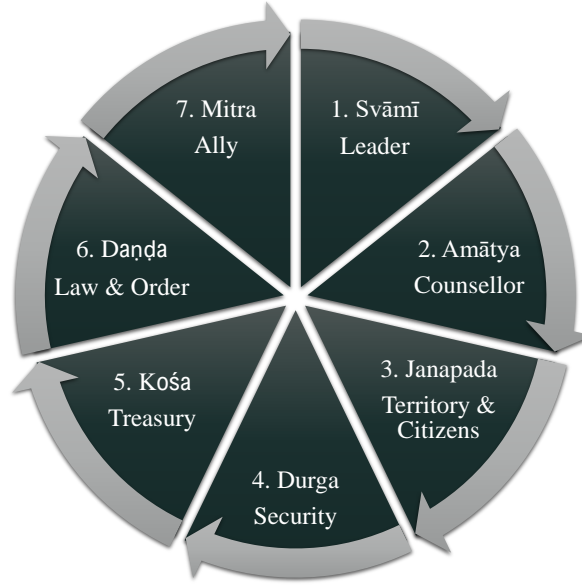
Principles of textual analysis, grounded theory, and hermeneutics have been applied in this qualitative inductive research. The Finance Governance model is being researched through the concept of Kośa in the ‘Sapta-prakṛtayaḥ²¹⁴’ or ‘Saptāṅgaḥ’ or the 7 elements of sovereignty, in this paper. Specific verses, incidents, conversations, and characters in Vālmīki Rāmāyaṇa are selected through textual analysis and coded through grounded theory. Applying principles of interpretation in hermeneutics, the financial aspects are unearthed and converted to policy statements. These are transformed into Key Performance Indicators, which can be pursued.

4.0 Introduction to Kauṭilya’s Saptāṅga:

Kauṭilya defined the ‘Saptāṅga’ as the seven components of sovereignty viz. King or Leader (Svāmī), Minister/s or the advisors/ counsellors (Amātya), Country & citizens (Janapada), fort & infrastructure (Durga), treasury (Kośa), Workforce/Army (Daṇḍa) and Ally (Mitra) which includes knowing the enemy (Śatru). The etymology for the word prakṛtayaḥ is ‘prakṛṣṭam parasparam upakurvanti iti’, i.e., these seven have a mutually symbiotic relationship.

²¹⁴ स्वाम्यमात्यजनपददुर्गकोशदण्डमित्राणि प्रकृतयः ||6.1.1|| (Kauṭilya’s Arthaśāstra)

Figure No. 34: Seven Components of Governance as per KA



Saptāṅga references in Rāmāyaṇa:

There are multiple references to these components of Saptāṅga in the Rāmāyaṇa. A few illustrations are:

- vi. Sage Viśvāmitra asks King Daśaratha about the welfare of the city (Durga), treasury (Kośa), citizens (Janapada), friends (Mitra), and family when he comes to request Rāma's help for Yajñarakṣaṇam²¹⁵
- vii. When Rāma leaves Guha and goes to the deeper forest, he tells him, "You must be vigilant about your army, treasury, forts and provinces. A kingdom, it is (rightly) said, is protected with great difficulty."²¹⁶
- viii. After the killing of Khara & Dūṣaṇa by Rāma, when Śūrpaṅakhā comes to Rāvaṇa and he is unaware of their killings, Śūrpaṅakhā says, "The best among the victorious kings,

²¹⁵ पुरे कोशे जनपदे बान्धवेषु सुहृत्सु च ।।1.18.44।। कुशलं कौशिको राज्ञः पर्यपृच्छत्सुधार्मिकः। अपि ते सन्नतास्सर्वे सामन्ता रिपवो जिताः।।1.18.45।। दैवं च मानुषं चापि कर्म ते साध्वनुष्ठितम्। वसिष्ठं च समागम्य कुशलं मुनिपुङ्गवः।।1.18.46।।

²¹⁶ अप्रमत्तो बले कोशे दुर्गे जनपदे तथा। भवेथा गुह राज्यं हि दुरारक्षतमं मतम्।।2.52.72।।

who are not masters of their espionage (cāra), judicial system (nyāya) and their treasury(Kośa) is equal to the laity (uneducated).²¹⁷”

- ix. In Kiṣkindhākāṇḍa, when Hanumān comes to remind Sugrīva of his duties towards Rāma he says,“ He to whom the treasury, workforce-army, friends (allies) and his own self all these are equally dear, enjoys a large kingdom.²¹⁸”

So, the components of Saptāṅga were in common lingo across various types of people during the times of Rāmāyaṇa.

Table No. 15: Saptāṅgas as enumerated in Kauṭilya’s Arthaśāstra with practical examples from Śrīmad Vālmīki Rāmāyaṇa and their contemporary connotations.

As per Arthaśāstra	Meaning	Practical examples in Rāmāyaṇa	Current Administrative connotation	Current Corporate connotation
1. Svāmī 16 ābhigāmikā 8 prajñāguṇa 4 utsāhaguṇa 22 ātmasampat 40 leadership qualities	The King	Qualities of Daśaratha, Rama, Seetha, Paduka, Bharata have been described in detail with incidents to practically understand the guṇas described in Arthaśāstra	President / Prime Minister	Founder or Owner or Chief Officers, Managing Director or Leader

²¹⁷ येषां चारश्च कोशश्च नयश्च जयतां वर । अस्वाधीना नरेन्द्राणां प्राकृतैस्ते जनैस्समाः ॥ 3.33.9 ॥ यस्मात्पश्यन्ति दूरस्थान् सर्वानर्थान्नराधिपाः । चारेण तस्मादुच्यन्ते राजानो दीर्घचक्षुषः ॥ 3.33.10 ॥

²¹⁸ यस्य कोशश्च दण्डश्च मित्राण्यात्मा च भूमिप । 4.29.11 ॥ समवेतानि सर्वाणि स राज्यं महदश्नुते ।

2. Amātya (including Mantri, Purohita and similar advisors)	Minister (King's advisors, councillors, family priests)	A detailed description of 8 ministers of Ayodhyā, 2 Purohitas, Amātyas of Daśaratha, and Hanumān (as minister of Sugrīva), help in understanding the role of an 'Amātya'	Cabinet Ministers, Ministers of State, Secretaries	Key Personnel, Board of Directors, Management team, Leadership team,
3. Janapada	The country & citizens	Kosala Mithilā Lañkā	Geographical location, population	Stakeholders, Customers
4. Durga	Fort	Ayodhyā, Kiṣkindhā, Lañkā forts	Country infrastructure / Strategic Barriers	IT infrastructure, physical workspaces
5. Kośa	Treasury	Money at Kosala, finance at Lañkā	Finance Ministry	Finance, accounts, legal, compliances
6. Daṇḍa	Army	Army of humans, Army of Vānaras, Bears, Army of birds, Army of demons,	Armed forces, Law & order	Workforce: Team, employees, freelancers,

				volunteers
7. Mitra	Ally (friend)	Guha, Sugrīva, Vibhīshaṇa, Garuḍa, Jaṭāyu	Friendly countries, allies,	Consultants, Associates, Subject Matter experts
7b. Śatru	Enemy	Rāvaṇa, Vāli, Khara, Dūṣaṇa, Indrajit, Akṣayakumāra, Kumbhakarṇa, etc.	Enemy nations, warring countries	Competitors, Imposters,

4.1.1 Kośa: Treasury (Sources of Revenue, Budget, Accounts, Audit and Finance), as per Kauṭilya's Arthaśāstra:

Kauṭilya prioritises Kośa and says “All enterprises or activities depend on finance. Hence a leader must devote his utmost attention to all matters related to the treasury.²¹⁹” He further enlists the nine factors which positively impact the treasury (2.8.3) and eight factors which contribute to the depletion of the treasury (2.8.4).

4.1.2 Nine factors which have a positive impact on treasury

There are nine factors which have a positive impact on the treasury. They are:

- i. Prosperity of the people and state activities in general (pracārasamṛddhiḥ)
- ii. Administration without flouting the tradition, continuing successful policies (caritrānugrahaḥ)
- iii. Arrest of thieves and confiscation of wealth (coranigrahaḥ)

²¹⁹ कोशपूर्वाः सर्वाभ्याः । तस्मात्पूर्वं कोशमवेक्षेत । प्रचारसमृद्धिश्चरित्रानुग्रहश्चोरनिग्रहो युक्तप्रतिषेधः सस्यसम्पत्पण्यबाहुल्यमुपसर्गप्रमोक्षः परिहारक्षयो हिरण्योपायनमिति कोशवृद्धिः । प्रतिबन्धः प्रयोगो व्यवहारोऽवस्तारः परिहापणमुपभोगः परिवर्तनमपहारश्चेति कोशक्षयः ॥ 2.8.1 to 4 (Kauṭilya's Arthaśāstra)

- iv. Prevention of corruption by officers concerned (yuktapratishedhaḥ)
- v. Prosperity by agricultural activities (sasyasampat)
- vi. Promotion of trade and commerce (pañyabāhulyam)
- vii. Absence of troubles and natural calamities (upasargapramokṣaḥ)
- viii. Reducing of remission or exemptions of taxes (parihāraḥ)
- ix. Income in the form of liquid cash or gold (hiraṇyopāyanam) (2.8.3)

4.1.3 Eight factors which contribute to depletion of treasury

The factors which contribute to the depletion of treasury are eightfold. They are:

- i. Obstruction i.e. failure to collect taxes, tax amount falling into wrong hands or not depositing tax collections to treasury (pratibandhaḥ)
- ii. Lending treasury money and using treasury float to earn interest for self (prayogaḥ)
- iii. Doing personal business through float money from treasury (vyavahāraḥ)
- iv. Fabrication of accounts by employees or delaying receiving things into treasury (avastāraḥ)
- v. Causing the loss of income (parihāṇam)
- vi. Self-enjoyment (upabhogaḥ)
- vii. Barter (parivartanam)
- viii. Defalcation of wealth (apahāraḥ) (2.8.4)

While describing about Janapada, Kauṭilya says. “Any favours and reductions given to cultivators should never cause depletion to the treasury, but should increase the revenue. No action should be initiated by way of grant or subsidy which would drain the treasury of wealth” 2.1.14-15.

“A king with depleted treasury is likely to tax the citizens and eat into the vitality of the country” 2.1.16

4.1.4 Treasury (Sources of Revenue, Budget, Accounts, Audit and Finance) as per Vālmīki Rāmāyaṇa:

Introduction to Kosala & Ayodhyā:

In Chapter 5 of Bālakāṇḍa, Lava and Kuśa start telling the Rāmāyaṇa with the description of Kosala. “A great kingdom named Kosala, a joyous and vast one, well flourishing with an abundance of wealth and food (grains), is snugly situated on the riverbanks of Sarayu.²²⁰”

Understanding the Societal, Geographical Context and Economy

1. The first parameter in describing a prosperous kingdom/ organisation is “happiness and joy” (muditaḥ)
2. The second aspect is the vastness (sphītaḥ) of the land area. The Ikṣvāku kings ruled the land with oceans as its boundaries. The measurement of Ayodhyā is given in the following verse: “That glorious city of Ayodhyā was with well-devised highways/ thoroughfares and measured twelve yojana-s lengthwise and three yojana-s breadth wise²²¹.” With one yojana measuring 8 to 10 miles, the total area of Ayodhyā was around 120 miles (190kms) * 30 miles (48kms) = 3600 Sq miles or 9120sqkms, which makes it one of the top 5 cities in the world, even in today’s standards.
3. The ensuing two parameters are wealth and food. Kosala was abundant in both and hence called ‘prosperous.’
4. The other aspect is the location. A place on a river's bank would have more opportunities for agriculture, trade, commerce, cultural growth, etc. Kosala was located on the banks of River Sarayu.

²²⁰ कोसलो नाम मुदितः स्फीतो जनपदो महान् । निविष्टः सरयूतीरे प्रभूतधनधान्यवान् ॥ 1.5.5

²²¹ आयता दश च द्वे च योजनानि महापुरी।श्रीमती त्रीणि विस्तीर्णा सुविभक्तमहापथा ॥1.5.7॥

5. In Ayodhyā, “there was not even a single householder who did not have adequate wealth or who had not achieved Dharma, Artha and Kāma or who did not possess the wealth of foodgrains, cattle and horses.²²²”

Similarly, relevant verses, conversations, incidents and characters are studied and analysed to unearth the finance, accounts and audit-related principles. These principles are mapped to respective sub-function of Finance Governance. A few illustrative principles and the respective finance department where these can be applied are given herewith. Unless specifically mentioned otherwise, the verses are mainly from the conversation between Rāma and Bharat, popularly called as ‘Kaccit sarga.’

4.1.5 War is the greatest reason for depletion of treasury

Reference: After major losses in the war, Rāvaṇa wakes up his brother Kumbhakarna

Description: Rāvaṇa requests “My treasury and all my resources have been fully depleted. These children and aged are only left in Laṅkā city, I am sure you will save the city of Laṅkā.²²³”

Few financial points to note:

1. War is one of the greatest reasons for depletion of treasury. War diminishes all kinds of resources, which even greatest of nations have. Laṅkā was the richest country in the world, at that time. However, due to this war, their entire finance was destroyed.
2. Once treasury is depleted, even the greatest of warriors have to ask for help from others. Rāvaṇa who never bowed to anybody, here is requesting for protection from his younger brother Kumbhakarna.

²²² नाल्पसन्निचयः कश्चिदासीत्तस्मिन् पुरोत्तमे। कुटुम्बी यो ह्यसिद्धार्थोऽगवाश्वधनधान्यवान् ॥ 1.6.71॥

²²³ सर्वक्षपितकोशं च स त्वमभ्यवपद्यमाम् । त्रायस्वेमांपुरीलङ्कांबालवृद्धावरोषिताम् ॥6.62.19॥

4.2 Guiding Principles, Metrics, and Auditing Techniques for the Four Members of the Finance Organisation Model

4.2.1a Illustrative Guiding Principles for an Accountant or Officer or equivalent role:

Incident reference: Daśaratha instructs an officer who has ‘Trikaṇaśuddhi’ (pure at three levels) and who is ‘Niścitaṃ’ (staunch), to get the ornaments and clothes for Sītā, as exactly required for the fourteen years to be spent in the forest²²⁴. Also, he instructs the Kośa support to be provided for Rāma when he goes to the forest. From this incident, we can deduce the following financial principles:

- i. Two essential attributes in the competency matrix for an accountant or treasury office should include ‘Sarvataśśucim or Trikaṇaśuddhi’ and ‘Niścitaṃ’. ‘Sarvataśśucim’ refers to absolute honesty, evidenced by unison in thoughts, words, and actions. Niścitaṃ refers to a solid resolute not to be pressurised by anyone for any unwarranted acts.
- ii. All spending should be approved and based on accurate calculations(saṅkhyāya). The expenditure should neither be less nor more than the approved calculated amount.²²⁵
- iii. Inventories and Assets must be classified and safeguarded appropriately. For example, dhānyakośa (grains), dhanakośa (wealth), vastrakośa (clothes), ābharaṇakośa (jewellery) etc. are mentioned in various incidents.²²⁶

During the conversation between Rāma and Bharata, the following principles are inferred.

²²⁴ राजा सत्वरमाहूय व्यापृतं वित्तसंज्ञये। उवाच देशकालज्ञो निश्चितं सर्वतश्शुचिम्॥2.39.14॥

²²⁵ वासांसि च महार्हाणि भूषणानि वराणि च। वर्षाण्येतानि सङ्ख्याय वैदेह्याः क्षिप्रमानय॥2.39.15॥ नरेन्द्रेणैवमुक्तस्तु गत्वा कोशगृहं ततः। प्रायच्छत्सर्वमाहत्य सीतायै सममेव तत्॥2.39.16॥

²²⁶ धान्यकोशश्च यः कश्चिद्धनकोशश्च मामकः। तौ राममनुगच्छेतां वसन्तं निर्जने वने॥2.36.7॥

- iv. There are two expense categories: ‘satpātram’ (appropriate, prescribed spending) and apātram (inappropriate, prohibited spending). A financial accountant must adhere to this approved list and ensure proper spending²²⁷.
- v. Special importance has been given to the timely disbursement of food provisions and salaries to the workforce. Any delay in the disbursement of wages can cause severe problems for the organisation and country.²²⁸

Hence, the accountant or officer would have a complete operational view of the Kośa aspects of the organisation and an awareness of the other aspects of Saptāṅga.

4.2.1b Sample metrics for Accountant / Officer based on above Rāmāyaṇa principles:

Based on the above ‘Finance policy statements’, a few metrics may be derived and assigned as Key Performance Indicators for an employee in the role of an Accountant or equivalent position.

- i. ‘Zero’ Trikarāṇa conflicts (conflicting instances between thoughts-words and actions)
- ii. ‘Zero’ instances of bowing to pressure and performing inappropriate activities.

The above two can be measured through self-assessment questionnaires, peer reviews, managers’ feedback and stakeholders’ surveys. These can be corroborated and analysed for actual scores.

- iii. Zero issues in stock management - categorisation of stocks, inventorying, matching of physical with accounting documents on regular basis.

This can be measured through periodical or perpetual stock audits, tracking issues in classifying items and storing them under appropriate categories with accurate counts.

²²⁷ अपान्रेषु न ते कच्चित्कोशो गच्छति राघव॥ 2.100.54॥ देवतार्थे च पित्रर्थे ब्राह्मणाभ्यागतेषु च। योधेषु मित्रवर्गेषु कच्चिद्गच्छति ते व्ययः॥2.100.55॥

²²⁸ कच्चिद्बलस्य भक्तं च वेतनं च यथोचितम्। सम्प्राप्तकालं दातव्यं ददासि न विलम्बसे॥2.100.32॥ कालातिक्रमणाच्चैव भक्तवेतनयोर्भृताः। भर्तुः कुप्यन्ति दुष्यन्ति सोऽनर्थं स्सुमहान् स्मृतः॥2.100.33॥

- iv. 100% of expenses should have supporting calculations
- v. 100% of expenses should be based on approvals.
- vi. 100% on-time disbursement of wages and distribution of food provisions.

These three can be measured through documentary evidence like calculation worksheets, approved payment files, invoices, bank statements and acknowledgements from beneficiaries.

- vii. 100% satpātraṃ spending (prescribed)
- viii. 0% apātraṃ spending (prohibited)

These two can be measured by taking the approved list of prescribed and prohibited spending (satpātraṃ and apātraṃ lists) and comparing it with the detailed list of expenses dump taken from the accounting system and performing a sample vouching of invoices. The comparison can be automated and performed for 100% of expenses.

4.2.2a Illustrative Guiding Principles for a Controller or equivalent role:

Incident reference: Rāma questioning Bharata on various aspects of Rājanīti (Polity, administration and economics)

- i. A Controller must understand treasury (finance) and defense (security). An example of Sudhanvā as the expert in Arthaveda and Dhanurveda is given by Rāma to Bharata.²²⁹ In contemporary organisations, where the viewpoints are unaligned between the CIO and the Head of the Business Line, it may potentially harm the decision to fund cybersecurity measures. (Kissoon.T, 2020). Hence one of the suggestions was to have decision-makers who could deeply understand both domains and ensure alignment.

²²⁹ इष्वस्त्रवरसम्पन्नमर्थशास्त्र विशारदम्। सुधन्वानमुपाध्यायं कञ्चित् तत मन्यसे॥2.100.14॥

- ii. The most vital principle for a Controller is to ensure that income is always many times greater than expenditure.²³⁰
- iii. In any project, the returns should always be greater than the effort or investment. This is also referred to as Cost-Benefit analysis. Once such a project is decided, there should be no procrastination in implementing the same.²³¹
- iv. In any endowment, the principal should always be protected, and fruits should be used for initiatives. At any point in time, the principal amount should not be depleted.²³²
- v. In the case of taxation, an appropriate amount should be charged, and citizens should not scorn the leader for unjust duties.²³³

The Finance or Business controller would have an expert view of Kośa, Durga and Daṇḍa components of the Saptāṅga of the organisation along with awareness of other components.

4.2.2b Sample metrics for a Controller based on Rāmāyaṇa principles:

Based on these policy statements, the following KPIs are derived. These can be assigned to the Controller or equivalent employee.

- i. 100% Optimum funding on security and controls. (Through knowledge of both finance and security, optimum spending has to be achieved)

The average industry spending on security & controls can be compared with the company's spending. Additionally, this can be measured by comparing the total spending on security & control activities versus the business benefits achieved by the company.

- ii. Income > expenditure by multiple times. i.e., Income = Expenditure * X (X>=2)
- iii. Returns > Investment. i.e., Returns = Effort * X times. (X>=2)

²³⁰ आयस्ते विपुलः कञ्चित्कञ्चिदल्पतरो व्ययः। अपान्नेषु न ते कञ्चित्कोशो गच्छति राघव॥2.100.54॥

²³¹ कञ्चिदर्थं विनिश्चित्य लघुमूलं महोदयम्। क्षिप्रमारभसे कर्तुं न दीर्घयसि राघव॥2.100.19॥

²³² मूलमर्थस्य संरक्ष्यमेष कार्यविदां नयः। मूले सति हि सिद्ध्यन्ति गुणाः पुष्पफलोदयाः॥4.65.25॥

²³³ कञ्चित्त्वां नावजानन्ति याजकाः पतितं यथा। उग्रप्रतिग्रहीतारं कामयानमिव स्त्रियः॥2.100.28॥

- iv. 'Zero'% cost overrun on projects (due to delay in implementation)

These can be measured through 100% of data taken from the accounting system and compared through various analytical tools.

- v. 100% accurate pricing of products & services (including taxes & duties)

This can be measured by comparing the pricing conditions with market prices.

- vi. Principal endowment = K (constant)+X. There should only be additions to the principal amount and no withdrawals for operational purposes.

A list of all endowments can be collected and reviewed for additions to the principal and spending of interest amount for every year.

4.2.3a Illustrative guiding principles for a Finance or Management Business Partner (FBP or MBP)

- i. The company should have a maximum spread of customers across various geographies. (VR 1.5.5). The finance team should ensure the organisation's 'formidability' (Ayodhyā).
- ii. The main index for measuring the prosperity of a country or organisation is happiness along with geographical spread, location, population (or customers)
- iii. Achieving the three-fold goal of Dharma-Artha and Kāma is the 'true north' for any organisation. Incidentally, the objective of Rāmāyaṇa is also the same, as articulated by Lava Kuśa in the Bala Kāṇḍa.²³⁴

²³⁴ तदिदं वर्तयिष्यामि सर्वं निखिलमादितः । धर्मकामार्थसहितं श्रोतव्यमनसूयया ॥1.5.4॥

- iv. Business Partner should ensure timely and accurate collection to the treasury²³⁵. The due amount is collected based on the capability of the payer without causing distress to citizens.²³⁶
- v. Business Partner should understand the value of Dakṣiṇā and pay the right amount to rightly deserving experts and associates.²³⁷
- vi. Dividends must be distributed to all stakeholders including well-wishers and permanent shareholders.²³⁸

The Business Partner must have expert knowledge about the Kośa, Janapada and Mitra components of the Saptāṅga and awareness of other components. This helps in understanding the impact of business on customers and stakeholders.

4.2.3b Sample Metrics for a Finance Business Partner or equivalent role

- i. The highest number of customers (in comparison to competitors)
- ii. > 99% happy customers and stakeholders, including employees.
- iii. 0% reduction in market share,
- iv. ‘Zero’ number of times, losing the market leadership position. (Kosala was the most prominent kingdom with citizens being happy)

These can be measured through standard measurement techniques of competitor analysis, happiness surveys, interviews, corroborative enquires, trend analysis, and other methods.

- v. 100% accurate and timely ‘dividend distribution’ to all stakeholders and well-wishers (not only to shareholders)

Obtain the list of stakeholders and well-wishers. Obtain the dividend declaration policy with

²³⁵ कोशसङ्ग्रहणे युक्ता बलस्य च परिग्रहे। अहितं चापि पुरुषं न विहिंस्युरदूषकम्॥1.7.9॥

²³⁶ ब्रह्म क्षत्रमहिंसन्तस्ते कोशं समपूरयन्। सुतीक्ष्णदण्डास्संप्रेक्ष्य पुरुषस्य बलाबलम् ॥1.7.11॥

²³⁷ गवां शतसहस्राणि दश तेभ्यो ददौ नृपः। शतकोटीस्सुवर्णस्य रजतस्य चतुर्गुणम् ॥1.14.48॥

²³⁸ कच्चित्त्वादु कृतं भोज्यमेको नाश्रासि राघव। कच्चिदाशंसमानेभ्यो मित्रेभ्यस्सम्रायच्छसि॥2.100.75॥

Board resolution. Review the bank statements of the sender and beneficiary for accurate and timely compliance.

- vi. 100% accurate and timely ‘Dakṣiṇā’ distribution to experts and service providers.

All consultant payments can be reviewed and ensured for appropriateness, accuracy, and timeliness.

4.2.4a Illustrative Guiding Principles for a Chief Finance Leader

- i. A finance leader’s priority would be to ensure the well-being of all including the king, queen, kula-purohit, ministers, citizens, advisors, elders, teachers, etc.²³⁹
- ii. The leader should ensure that the advisory team consists of the most trusted, knowledgeable, skilled experts who cannot be tempted by others, who come from a trustworthy lineage and who can understand gestures & situations.²⁴⁰
- iii. The leader should not fall prey to sleep and should wake up at the appropriate time. Also, he should think about financial strategies and wealth management around the early morning hours (approx. 3 am to 6 am).²⁴¹
- iv. Confidentiality of discussions and decisions taken is paramount, and the king and his ministers should ensure the same. Classified information belonging to the state should not even be disclosed to one’s spouse.²⁴²
- v. The leader should never forget and appropriately balance the Trivarga goals.²⁴³ The finance leader should adopt the virtuous cycle of Trivarga in all decisions.

239 सा तात कच्चित्कौसल्या सुमित्रा च प्रजावती। सुखिनी कच्चिदार्या च देवी नन्दति कैकयी॥2.100.10॥

240 कच्चिदात्मसमा शूरा शूतवन्तो जितेन्द्रियाः। कुलीनाश्चेङ्गितज्ञाश्च कृतास्ते तात मन्त्रिणः॥2.100.15॥

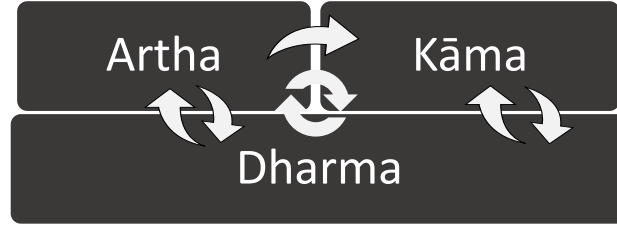
241 कच्चिन्निद्रावशं नैषीः कच्चित् कालेऽवबुध्यसे। कच्चिच्चापररात्रेषु चिन्तियस्यर्थनेपुणम्॥2.100.17॥

242 मन्त्रो विजयमूलं हि राज्ञां भवति राघवा। सुसंवृतो मन्त्रधरैरमात्यैः शशास्त्रकोविदैः॥2.100.16॥ कच्चिन्मन्त्रयसे नैकः कच्चिन्न बहुभिस्सह। कच्चित्ते मन्त्रितो मन्त्रो राष्ट्रं न परिधावति॥2.100.18॥ कच्चित्तु सुकृतान्येव कृतरूपाणि वा पुनः। विदुस्ते सर्वकार्याणि न कर्तव्यानि पार्थिवाः॥2.100.20॥ कच्चिन्नतर्कैर्युक्त्या वा ये चाप्यपरिकीर्तिताः। त्वया वा तवामात्यैर्बुध्यते तात मन्त्रितम्॥2.100.21॥ कच्चिन्त्रियस्सान्त्वयसि कच्चित्ताश्च सुरक्षिताः। कच्चिन्न श्रद्धास्यासां कच्चिद्गह्यं न भाषसे॥2.100.49॥

243 कच्चिदर्शेन वा धर्ममर्थं धर्मेण वा पुनः। उभौ वा प्रीतिलोभेन कामेन च न बाधसे॥2.100.62॥

Incidentally, the objective of Rāmāyaṇa is also the same, as articulated by Lava Kuśa in the Bala Kāṇḍa.²⁴⁴

Figure No. 35: Virtuous circle of finance management



Explanatory Note: ‘Trivarga’ refers to the goals of Dharma, Artha and Kāma. By pursuing Dharma, merit (puṇya) and wealth are earned. Such wealth is used for fulfilling Dhārmic desires. This again creates merit and wealth, which is ploughed back for Dhārmic activities. This creates a virtuous cycle.

- vi. The finance leader should monitor the performance of other departments and competitor companies.²⁴⁵
- vii. The vision established by the forefathers and founders should be pursued.²⁴⁶

4.2.4b Sample Metrics for the Chief Finance Leader

- i. 100% well-being of all
- ii. 100% recruitment based on a defined ‘competency matrix’
- iii. 100% adherence to an activity-based timetable.
- iv. 100% alignment to trivarga goals.
- v. 0% leakage of confidential information
- vi. 0% non-dharmic activities or decisions

²⁴⁴ तदिदं वर्तयिष्यामि सर्वं निखिलमादितः । धर्मकामार्थसहितं श्रोतव्यमनसूयया ॥1.5.4॥

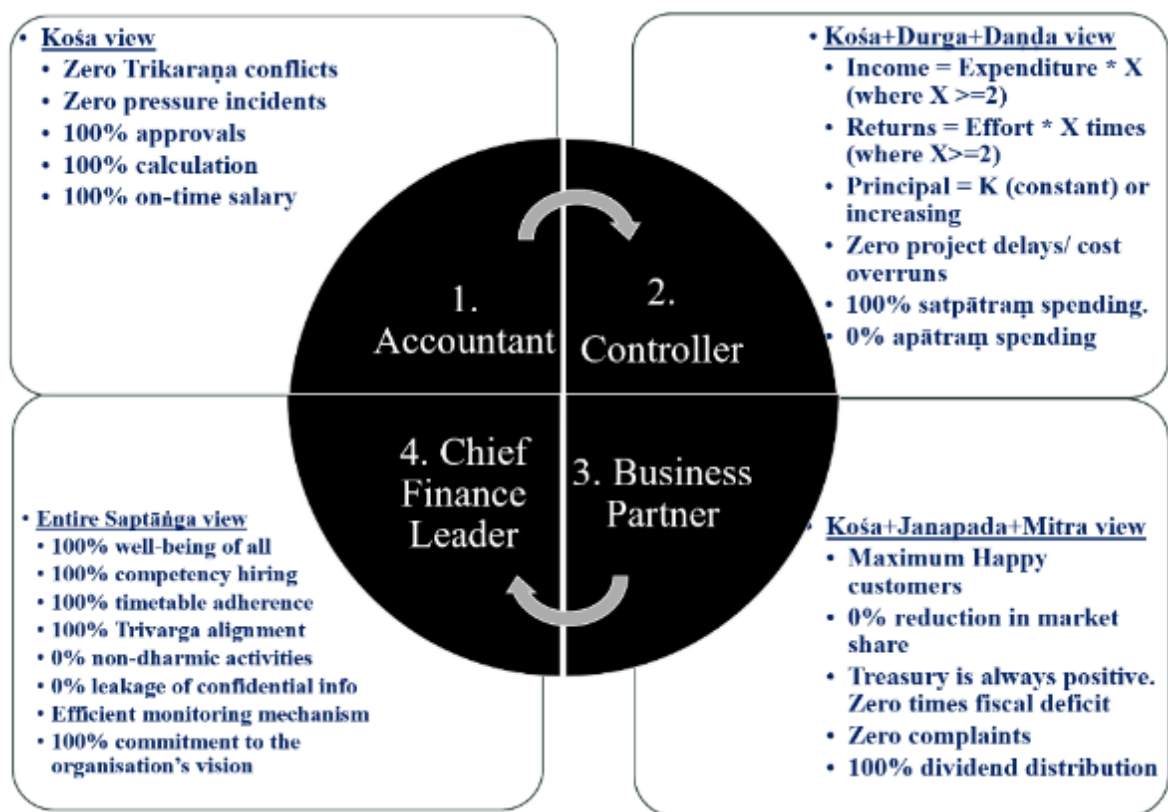
²⁴⁵ कञ्चिदष्टादशान्येषु स्वपक्षे दश पञ्च च। त्रिभिस्त्रिभिरविज्ञातैर्वेत्सि तीर्थानि चारकैः॥2.100.36॥

²⁴⁶ यां वृत्तिं वर्तते तातो यां च नः प्रपितामहाः। तां वृत्तिं वर्तसे कञ्चिद्याच सत्पथगा शुभा॥2.100.74॥

- vii. Efficient monitoring mechanism of internal and external forces
- viii. 100% Commitment to the vision of the organisation

Through a combination of self-assessment questionnaires, assessment scales, stakeholder interviews, multi-level feedbacks, surveys, time-sheet & activity log monitoring, HR process audit and other mechanisms, the above metrics can be measured.

Figure No. 36 Four aspects of finance department with their Saptāṅga-view and the illustrative metrics:



5.0 Overall Discussion Points:

1. Saptāṅga is a popular concept for corporate governance and has been derived from Kauṭilya's Arthaśāstra (Pillai, Radhakrishna, 2010). However, it is not a new paradigm that Kauṭilya has introduced in his Arthaśāstra. Evidence herewith shows that Saptāṅga has been in practice since the times of Rāmāyaṇa. This exploratory study shows that

Saptāᅅga has been an essential component of the Vedic-Arthaśāstra (Arthaveda), which is unavailable today.

2. The Kośa aspect of Saptāᅅga has been studied through incidents, conversations, and verses from Vālmiki Rāmāyaᅅa. 22 policy statements with 22 key performance indicators for finance organisations have been extracted, which can be piloted in a few companies.
3. Rāmāyaᅅa reinforces the concept that ‘Dharma’ is the foundation for Artha and Kāma. Without Dharma, Artha or Kāma cannot sustain. Current crises like the US credit crisis, Stock Market, and cryptocurrency crash, etc. prove that the Dharma concept is more valid in today’s economic scenario.
4. Rāmāyaᅅa provides practical examples, incidents, conversations, and case studies to understand the concepts enumerated in Kauᅅilya’s Arthaśāstra. Hence, studying these texts together would help gather more profound insights into Indian accounting, finance, and economics.

6.0 Next Steps & Conclusion:

1. An in-depth study of all other components of Saptāᅅga must be carried out to gather insights to enhance contemporary finance & accounting practices. This would also help recover the concepts of Arthaveda.
2. An indigenous framework for Finance based on Saptāᅅga that aligns with the mindset and ethos of Indian companies and their customers must be developed and implemented.
3. Study of other similar texts like Mahābhārata, Purāᅅa, Paᅅcatantra, Hitopadeśa, Kāmandaka-nītisāra, Manusmᅅti, etc. would help develop the entire curriculum for studying Indian Financial Management.
4. Combining the time-tested, large-cohort-tested, multiple-scenario-tested knowledge of the East with the modern structured presentation of the West would enable better insights for organisations to make this world a better place to live for every individual.

Chapter 6: Result No. 5: Ancient Indian Antecedents to Corporate Governance: Evidence from a Parallel Study of Kauṭilya's Arthaśāstra and Vālmīki's Rāmāyaṇa

Abstract:

Corporate Governance is a diverse subject with extensive research on Western and Eastern antecedents. As we trace the ancient Indian origins to Governance, Kauṭilya's Arthaśāstra provides significant evidence of Indian statecraft, finance, and administration. Kauṭilya created the Arthaśāstra by collecting information from various ancient sources. Studies tracing this evolution of past compositions are limited. Recognising this need, the authors study the seven limbs of Governance called 'Sapta-prakṛtayaḥ', parallelly between Kauṭilya's Arthaśāstra and Vālmīki's Rāmāyaṇa. Qualitative research techniques of textual analysis, grounded theory, and hermeneutics are used in this study.

The study reveals that Rāmāyaṇa has practical case studies supplementing the Arthaśāstra concepts. Hence, the authors conclude that Kauṭilya compiled the Arthaśāstra, drawing upon the Vālmīki Rāmāyaṇa as a fundamental source. Thus, studying Rāmāyaṇa and Arthaśāstra in conjunction provides critical evidence for extending the antecedency of 'Indian origins to Corporate Governance'.

1.0 Context:

To be effective, a management system has to be rooted in the cultural soil of the country where it is practised. (Sharma, 2005). Therefore, it is crucial to have a solid understanding of regional cultural practices and governance theories to effectively manage corporations over the long term. Modern debates over Corporate Governance are dated to 1932 with the publication of Adolf A. Berle and Gardiner Means's 'The Modern Corporation and Private Property' (Wells Harwell, 2010). Sir Adrian Cadbury, the author of the first Corporate

Governance Code (UK, 1992), regards Bob Ticker as the Father of Corporate Governance, based on a book by the same name in 1984. However, multiple civilisations in the Eastern and Western worlds have thrived with solid governance principles for several millennia. With a population of more than 50 million people, the Mauryan Empire (governed by Kauṭilya's Arthaśāstra) was more significant than the Mughal Empire 2000 years later and even larger than the British Empire in India. (Muniapan, B. and Shaikh, J.M. (2007). Previous to this is the 'Rāmarājya (10th to 5th century BCE) which has been envisaged as the ideal of governance based on social justice, non-violence, and self-reliance. (Desai Meghnad, 2011). By Rāmarājya, Gandhi also meant a form of government which involves the empowerment of people at grassroots, equality of opportunity, decentralisation of administration, cooperative participation of people, and democratic self-governance. (Rao Koneru Rāmakrishna, 2017, pages 206–220). The concept of Śreṇī (professional guilds or corporations) can be seen in Rāmāyaṇa when Bharata commands the business leaders (heads of traders and artisans) to be part of the reception committee during the coronation of Rāma²⁴⁷ (Shastri Srinivasa, 2020). Hence, it is imperative to analyse Kauṭilya's Arthaśāstra and Vālmīki's Rāmāyaṇa parallelly to track the roots of Governance in Indian Knowledge Systems (IKS). Through the research, the authors have discovered noteworthy connections between Arthaśāstra and Rāmāyaṇa. This helps conclusively establish the critical missing link in tracing the Indian Antecedents to Corporate Governance.

2.0 Problem & Research Gap:

Many scholars are researching Corporate Governance and its ancient Indian origins. Previous research includes tracing the evolution through Ṛg Veda, the Dharma Śāstras, Rāmāyaṇa, Mahābhārata, Bhagavadgītā, Manusmṛti, Kauṭilya's Arthaśāstra, and Tiruvalluvar's

²⁴⁷ ब्राह्मणाश्चसराजन्याश्चेणिमुख्यास्तथागणाः ॥6.130.4॥ अभिनिर्यान्तुरामस्यद्रष्टुंशशिनिभंमुखम् ।

द्विजातिमुख्यैर्धर्मात्माश्रेणीमुख्यैस्सनैगमैः ॥6.130.16॥ माल्यमोदकहस्तैश्चमन्त्रिभिर्भरतोवृतः ।

Tirukkural. (Balasubramanian,N, 2005) and (Muniapan, B. and Shaikh, J.M. (2007) In the post-Vedic period, as per the Viṣṇu Purāṇa, corporate activities had become a fact that even soldiers and priests carried on their function on principles of partnership. (Dayal, Harendra, 1983). Sabhas, Samitis, and Nigams are frequently referred to in multiple Purāṇas, and these Purāṇas are records of past events. (Buch, 1979). However, there is no structured linking of Indian Knowledge texts to establish the ‘evolution of corporate governance principles.’ This research gap needs to be addressed.

3.0 Research Methodology and approach:

This qualitative study has applied principles of textual analysis, grounded theory and hermeneutics. The study involves the parallel analysis of each component of the Saptāṅga between Kauṭilya’s Arthaśāstra and Vālmīki Rāmāyaṇa. This establishes the critical linkage between the two pieces of historical evidence to trace the Indian antecedence to Governance.

Translation Bias: The established Sanskrit commentaries and English translations are taken to remove any translation bias by the authors.

3.1 Limitation of the study:

These principles have not been compared to contemporary principles of Corporate Governance and they would be areas for future research.

4.0 Introduction to Kauṭilya’s Arthaśāstra, Vālmīki Rāmāyaṇa and the seven elements of governance and sovereignty (Sapta-prakṛtayaḥ):

The Arthaśāstra is one of the popular Indian treatises on the science of statecraft, economic policies, and administration written by the famous philosopher, Viṣṇu Gupta (also known as Kauṭilya or Cāṇakya). The text is divided into 15 sections (known as *adhikaranas*), 150 chapters and 180 topics. It covers a wide range of topics, including the qualities and duties of a ruler, the seven limbs of the state, various government departments, bureaucracy, diplomacy, foreign policy, espionage, and war.

The Vālmīki Rāmāyaṇa is an ancient Indian epic poem composed by the sage Vālmīki. In Vālmīki Rāmāyaṇa, the ideal kingdom of Ayodhyā, ruled by Lord Rāma, serves as a model for governance. The epic showcases the principles of a just and equitable society where the welfare of all citizens is prioritised. It emphasises policies to ensure that necessities such as food, clothing, and shelter are provided to everyone, irrespective of their social status.

Additionally, the epic emphasises the qualities of an ideal ruler. Lord Rāma exemplifies wise and compassionate leadership, addressing the grievances of his subjects and ruling per dharma (righteousness). The Rāmāyaṇa stresses the importance of accountability, integrity, and governance based on moral principles.

Sapta-prakṛtayaḥ, also called Saptāṅga²⁴⁸ refers to the seven limbs or components of the state, as described in the Arthaśāstra. The etymology for the word prakṛtayaḥ is ‘prakṛṣṭam parasparam upakurvanti iti’, i.e., these seven have a strong mutually symbiotic relationship.

These limbs represent the different aspects of a well-governed state and include:

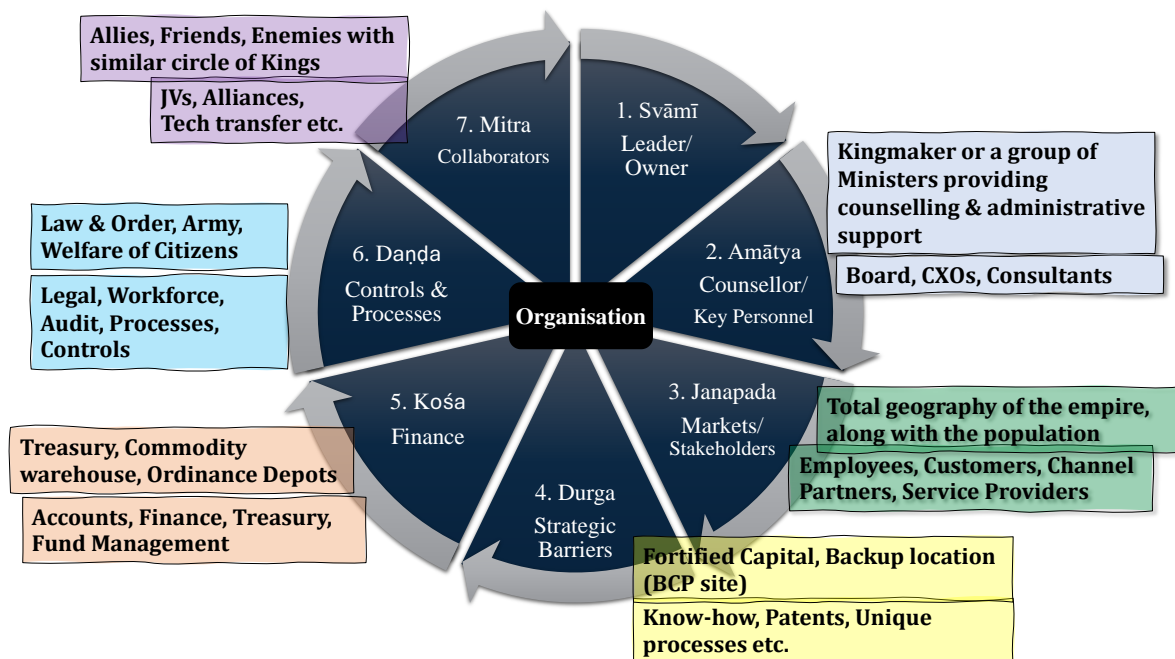
- i. **Svāmī (the king or the leader):** The king is the head of the country or organisation and is the ultimate decision-maker.
- ii. **Amātya (minister/s or the counsellor/s or Board of Advisor/s):** The ministers are the king's companions who comprehend all aspects and help the leader make critical decisions and implement policies.
- iii. **Janapada (territory or population or the stakeholders to be served):** The territory refers to the geographical boundaries of the state and its natural resources. Janapada also refers to citizen groups and all the stakeholders managed and protected by the leader.
- iv. **Durga (fort and infrastructure):** The ‘fort’ represents the infrastructure and security system of the state and its ability to defend itself against external threats.

²⁴⁸ "स्वाम्यमात्यजनपददुर्गकोशदण्डमित्राणि प्रकृतयः ॥ ६।१।०१ ॥"

- v. **Kośa (finance and treasury):** The treasury is the state's revenue source and is used to finance various government activities.
- vi. **Daṇḍa (Law & Order):** Daṇḍa represents the legal system and the army which protects the state's law and order.
- vii. **Mitra (ally or friend):** The partner represents the state's relationships with other states and its ability to form alliances and conduct diplomacy. The corollary of this would also be to know the non-friends or the enemies (Amitra/ Śatru).

According to the Arthaśāstra, a well-governed state should have a solid and efficient system in these seven limbs. The king's responsibility is to ensure that each component functions appropriately and that the state can maintain its security, prosperity, and stability.

Figure No. 37: Seven components of Governance as described in Indian Knowledge with suggestive parallel in today's corporate and administrative domains Systems



Order is essential since each limb is related to the preceding and succeeding limb. Further, another interpretation proposes that Kośa (treasury) and Daṇḍa (defence) are the two 'hard powers' managed effectively to protect the other 5 limbs.

Saptāṅga references in Rāmāyaṇa:

There are multiple references to each of the components of Saptāṅga in the Rāmāyaṇa. A few illustrations are:

- i. Sage Viśvāmitra asks King Daśaratha about the welfare of the city(Durga), treasury(Kośa), citizens(Janapada), friends(Mitra), and family when he comes to request Rāma's help for Yajñarakṣaṇam²⁴⁹
- ii. When King Viśvāmitra meets Sage Vasiṣṭha in his āśram, he enquires about various aspects of Saptāṅga²⁵⁰
- iii. When Rāma leaves Guha and goes to the forest, he tells him, “You must be vigilant about your army, treasury, forts and provinces. A kingdom, it is (rightly) said, is protected with great difficulty.²⁵¹”
- iv. After the killing of Khara & Dūṣaṇa by Rāma, when Śūrpaṅkhā comes to Rāvaṇa and he is unaware of their killings, Śūrpaṅkhā says,“ The best among the victorious kings, who are not masters of their espionage (cāra), judicial system (nyāya) and their treasury (Kośa) is equal to the laity (uneducated).”
- v. In Kiṣkindhā-kāṇḍa, when Hanumān comes to remind Sugrīva of his duties towards Rāma he says,“He to whom the treasury, workforce-army, friends (allies) and his own self all these are equally dear, enjoys a large kingdom.²⁵²”

So, the components of Saptāṅga were in common lingo across various types of people during the times of Rāmāyaṇa.

²⁴⁹ पुरे कोशे जनपदे बान्धवेषु सुहृत्सु च ॥1.18.44॥ कुशलं कौशिको राज्ञः पर्यपृच्छत्सुधार्मिकः। अपि ते सन्नतास्सर्वे सामन्ता रिपवो जिताः॥1.18.45॥ दैवं च मानुषं चापि कर्म ते साध्वनुष्ठितम्। वसिष्ठं च समागम्य कुशलं मुनिपुङ्गवः॥1.18.46॥

²⁵⁰ कच्चित्ते सुभृता भृत्याः कच्चित्तिच्छन्ति शासने । कच्चित्ते विजिताः सर्वे रिपवो रिपुसूदन ॥ 1.52.8

कच्चित् बले च कोशे च मित्रेषु च परंतप । कुशलं ते नरव्याघ्र पुत्रपौत्रे तथानघ ॥ 1.52.9

²⁵¹ अप्रमत्तो बले कोशे दुर्गे जनपदे तथा। भवेथा गुह राज्यं हि दुरारक्षतमं मतम्॥2.52.72॥

²⁵² यस्य कोशश्च दण्डश्च मित्राण्यात्मा च भूमिप । 4.29.11॥ समवेतानि सर्वाणि स राज्यं महदश्रुते।

5.1 Svāmī-Sampat: The King or the Leader

5.1.1 Arthaśāstra definition of Svāmī:

Arthaśāstra lists 16 leadership²⁵³ qualities which make others follow a leader (called Ābhigāmikāguṇa-s), 8 intellectual qualities (Prajñāguṇa-s), 4 qualities of energy & enthusiasm (Utsāhaguṇa-s) and 22 personal attributes (Ātmasampat) qualities, totaling to 50 virtues of an exemplary leader.

5.1.2 Practical examples from Rāmāyaṇa to comprehend the qualities of a leader:

The Rāmāyaṇa presents pragmatic illustrations and case studies of the qualities of a leader ("Svāmī") as demonstrated by Daśaratha, Rāma, Sugrīva, Bharata, and even Sītā. Further, during the study of Rāmāyaṇa, we learn what qualities should be avoided or prohibited for a leader through examples of Rāvaṇa and Vāli. A few qualities as mentioned in KA have been compared with verses, incidents, conversations and characters from VR.

i) **Mahākulīnaḥ:** Born of a noble lineage, which includes being native of the sūryavaṃśa or somavaṃśa²⁵⁴ or similar ancestry and endowed with knowledge, character and great qualities. (Sastri Ganapati, 1925). In the 70th and 71st chapter of Bālakāṇḍa, there is a detailed description of the entire lineage of Daśaratha and Janaka, in the context of Sītā's marriage. This level of detailing shows the importance given for the noble ancestry and the qualities they held in close esteem.

²⁵³ 16 Leadership qualities (called Ābhigāmikā Guṇas – which attract the followers) – These include being born of noble lineage, respecting the supreme power, being valorous, foresighted, having a Dharmic mindset, truthful, unison in thoughts-words and action, grateful, having lofty ambitions, not addicted to procrastination, having control over subordinate kings, having firm resolute, having ministers of high talent, having good culture and humility. महाकुलीनो दैवबुद्धिरसत्त्वसम्पन्नो वृद्धदर्शी धार्मिकः सत्यवागविसंवादकः कृतज्ञः स्थूललक्षो महोत्साहोऽदीर्घसूत्रः शक्यसामन्तो दृढबुद्धिरक्षुद्रपरिषत्को विनयकाम इत्याभिमामिका गुणाः ॥ KA 6.1.03

²⁵⁴ महाकुलीनः सूर्य-सोमादि-वंशोत्पन्नः, श्रुतशीलैश्वर्ययुक्तश्च | म म टी गणपतिशास्त्रिकृत श्रीमूला-व्याख्यानम् | 1925

Figure No. 38: Ancestry lineage of Sūryavaṃśa

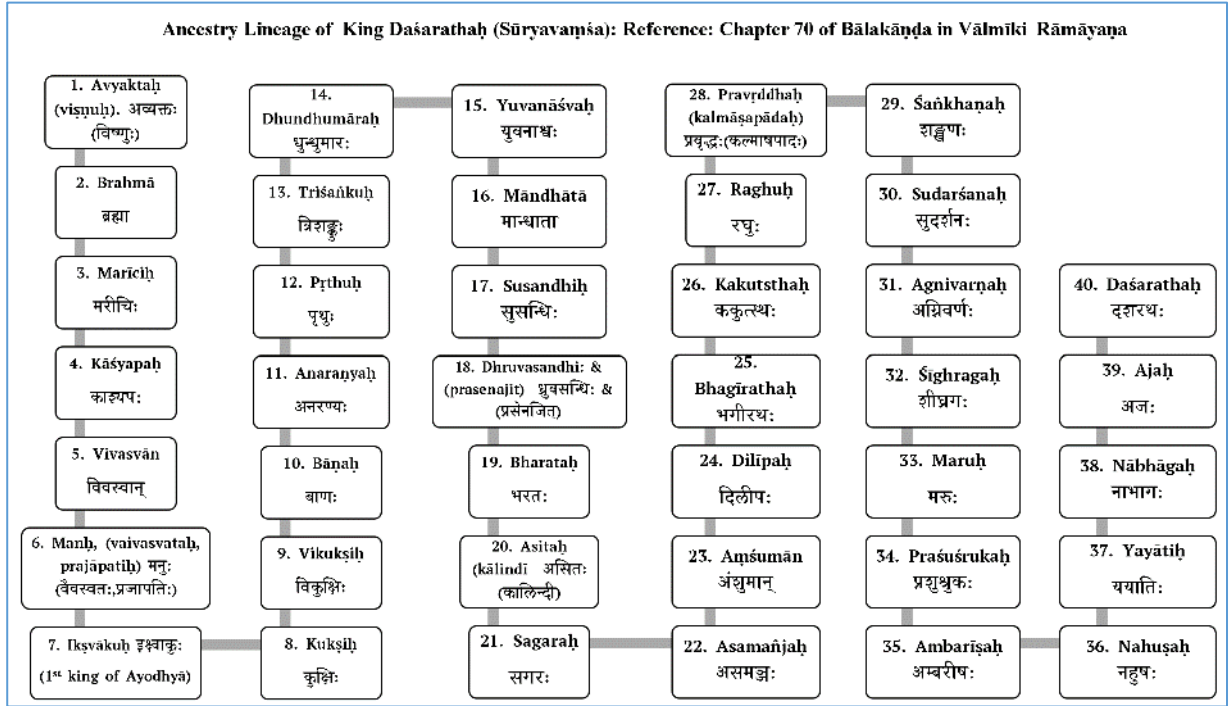
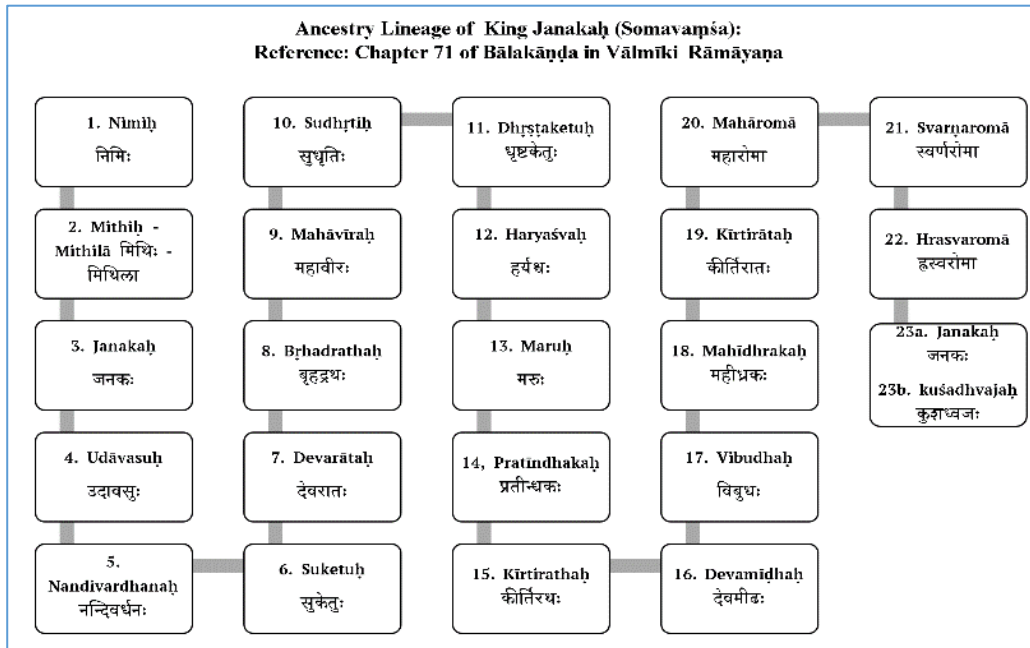


Figure No. 39: Ancestry Lineage of Somavaṃśa



Similarly, when the demonesses convince Sītā to marry Rāvaṇa, they describe his lineage.

That out of the six mind-born prajāpatis of Brahmā, the fourth one was ‘Pulastya’ and he son

was Sage Viśravas. Through Kaikasi, Sage Viśravas had 3 sons Rāvaṇa, Kumbhakarṇa and Vibhīṣaṇa and one daughter Śūrpaṅkhā. Through Devavarṇini, Sage Viśravas had Kubera as a son. So, Rāvaṇa was the great grand son of Lord Brahma.

Similarly, when we see the lineage of Vāli and Sugrīva, their origin traces to Lord Brahmā. The strong monkey Rkṣarāja was born out of the tilaka of Lord Brahma and he once entered a lake and was transformed to an enchanted lady. Lord Indra and Lord Sūrya respectively begot Vāli and Sugrīva through this lady.

In the 14th chapter of Araṇya Kāṇḍa, the ancestry of all birds, animals and serpents is described by Jaṭāyu in detail. Thus, we can see that there is a great importance in knowing our ancestry. However, we also learn that this noble lineage is one of the supportive qualities of other qualities like knowledge, skills, and character.

(ii) Daiva-buddhi-sattva-sampannaḥ: This constitutes three qualities²⁵⁵ of (i) belief in Supreme power and ability to complete magnanimous tasks with minimal efforts, (ii) deep interest to listen and gain knowledge, and (iii) courage to stay undismayed in calamities and prosperities.

Rama's ability to single-handedly kill 14,000 ferocious demons led by Khara Dūṣana at Janasthana²⁵⁶, or his proficiency to construct a bridge of 100 yojanas across the ocean in just five days with the help of Vānara Sena²⁵⁷, or his capability to punish Vāli with a single arrow, show the quality of Rāma to complete daunting tasks easily and prove his Daivasampannatvam. Throughout the training period with Sage Vishwamitra where Rāma asks innumerable questions about each place on the way we can understand his genuine

²⁵⁵ दैवबुद्धिसत्त्वसम्पन्नः, दैवं पौर्वदेहिकं शुभकर्म अल्पप्रयत्नमात्र-कार्यसिद्धयनुमेयं तत्संपन्नः, बुद्धिसंपन्नः शुश्रूषा-श्रवणादि-बुद्धि-गुण-युक्तः, सत्त्वसम्पन्नः सत्त्वं धैर्यं व्यसन-अभ्युदयोः-निर्विकारता तद्युक्तश्च | म म टी गणपतिशास्त्रिकृत श्रीमूला-व्याख्यानम् | 1925

²⁵⁶ यदैव च जनस्थानेराक्षसैर्भहुनिर्वृतः! खरस्तवहतोभ्रातातदैवासौ न मानुषः ||6.114.9||

²⁵⁷ यदैववानरैर्घोरैर्बद्धस्सेतुर्महार्णवे | तदैवहृदयेनाहंशङ्करामममानुषम् ||6.114.11||

inquisitiveness to learn.²⁵⁸ Rama's balanced personality is evident in his demeanour, which remains stoic whether he receives news of his coronation to a great kingdom or his expulsion to the forest²⁵⁹.

(iii) Dhārmikaḥ: 'Dharmākūtam' is a commentary on Rāmāyaṇa by where important verses, incidents, conversations are commented with Dharma perspective. In Bālakāṇḍa, when Vālmīki asks who is a 'Dharmajña', knower of Dharma, Nārada describes the sixty-six qualities of Rama's which are built on the strong foundation of Dharma.

In Aranya Kāṇḍa, the antagonist of Dharma, Mārīca says, "Rāma is Dharma incarnate²⁶⁰". The word 'Dharmātmā' has been used at multiple instances for kings like Daśaratha, Sagara, Kuśanābha, Sugrīva, Vibhīshaṇa, Samudra-rāja, and for the kings of Sūrya and Somavaṃśa. This word is also used to describe the minister Sumantha, sage Vishwamitra, sage Śarabhaṅga, Bharata, and Śatrughna.

The illustrious lineage of the Sūryavaṃśa kings, established by their founder Ikṣvāku, gave rise to the renowned epic known as the 'Rāmāyaṇa'. As a later poet Kālidāsa describes, by guiding the subjects in the right path, by protecting them, and by nurturing them in all ways, the Ikṣvāku kings were the real fathers and their biological fathers were only for giving birth²⁶¹. This signifies the greatness and exceptional qualities exhibited by the kings of the Ikṣvāku dynasty, which ultimately inspired the creation of this celebrated epic²⁶².

Similarly, when Hanumān sees Rāvaṇa's palace and Rāvaṇa he exclaims, "If only this lord of demons was not unrighteous, he could have become even the lord (protector) of gods

²⁵⁸ बुद्धिमात्रीतिमान् वाग्मी श्रीमाञ्जत्रुनिबर्हणः ॥१.१९॥

²⁵⁹ तदप्रियममित्रघ्नो वचनं मरणोपमम्। श्रुत्वा न विव्यथे रामः कैकेयीं चेदमब्रवीत्॥२.१९.१॥ नाहमर्थपरो देवि लोकमावस्तुमुत्सहे।
विद्धिमामृषिभिस्तुल्यं केवलं धर्ममास्थितम्॥२.१९.२०॥

²⁶⁰ रामो विग्रहवान् धर्मस्साधुस्सत्यपराक्रमः। राजा सर्वस्य लोकस्य देवानां मघवानिव॥३.३७.१३॥

²⁶¹ प्रजानां विनयाधानाद् रक्षणाद् भ्रणादपि । स पिता पितरस्तासां केवलं जन्महेतवः ॥ Kalidasa's Raghuvamsha 1.24

²⁶² इक्ष्वाकूणामिदं तेषां राज्ञां वंशो महात्मनाम् । महदुत्पन्नमाख्यानं रामायणमिति श्रुतम् ॥१.५.३॥

including Indra²⁶³.” Hence the only differentiating factor between a successful leader like Rāma and an unsuccessful leader like Rāvaṇa was ‘Dharma’.

(iv) Satyavādī:

One of the cornerstones of Rāmarājya was ‘Truth’. Even today, in the national emblem of India, the national motto reads, Satyameva Jayate, i.e. Truth alone triumphs, as sourced from the Muṇḍaka Upaniṣad. In Rāmāyaṇa, we can see various example of how each of the characters gave utmost importance to Truth. In the 6th chapter of Bālakāṇḍa where the city of Ayodhyā is described, Vālmīki says, “Daśaratha, the truth-abiding king, who adheres to the three-fold virtues (Dharma, Artha, Kāma), rules the kingdom of Ayodhyā as Indira rules the city of Amaravatī.²⁶⁴” When it comes to the citizens, “they are exuberant yet virtuous ones, and scholars are variously learned ones, people are satisfied with their own riches, they have no greed, and they speak the truth alone²⁶⁵.”

Similarly, we can see examples for all the 50 qualities listed in Arthaśāstra through leaders in Rāmāyaṇa. A few examples of leaders and their qualities are as follows:

(i) Leadership qualities demonstrated by Rāma:

The entire life-motto of Rāma was establishment of Dharma and following the path of Truth. In the first chapter when Nārada describes Rāma in the executive summary, he describes Rāma as one who steadfast in Truth²⁶⁶ and one who is like the embodiment of Dharma in following Truth²⁶⁷. When Rama establishes the reasons for Vāli’s punishment, he describes Bharata as “This land belongs to Ikṣvāku kings and it is being ruled by Bharata who is righteous, truth-adhereing and plain-speaking, knower of Dharma-Artha-Kāma, and

²⁶³ यद्यधर्मो न बलवान् स्यादयं राक्षसेश्वरः। स्यादयं सुरलोकस्य सशक्रस्यापि रक्षिता॥5.49.18॥

²⁶⁴ तेन सत्याभिसन्धेन त्रिवर्गमनुतिष्ठता । पालिता सा पुरी श्रेष्ठा इन्द्रेणेवामरावती ॥1.6.5॥

²⁶⁵ तस्मिन्पुरवरे हृष्टा धर्मात्मानो बहुश्रुताः । नरास्तुष्टा धनैस्सवैस्सवैरलुब्धास्सत्यवादिनः ॥1.6.6॥

²⁶⁶ धर्मज्ञस्सत्यसन्धश्च प्रजानां च हिते रतः । 1.1.12 ॥

²⁶⁷ सत्ये धर्म इवापरः । 1.1.19 ॥

appropriate dispenser of punishment and rewards²⁶⁸.”

Sage Vasiṣṭha who had seen many of the Kings of Ikṣvāku clan describes to Janaka that this is an ancestry which is pure from the beginning, who are steadfast in Dharma, who are valorous and Truthful always²⁶⁹.”

In the first chapter of Bālakāṇḍa, Vālmīki asks Nārada about a contemporary leader with **16** qualities, including **physical attributes** like being valourous, handsome, effulgent & brave; **behaviour values** like gratefulness, steadfast, truthful, & self-controlled; **emotional values** like anger management, free from envy, suitable to all living beings; and having **intellectual qualities** like knowing Dharma, being a scholar and skillful in worldly transactions.

Nārada answers that though these are rare qualities to find in a single person, there is an exemplary leader with **66** qualities, with a few illustrated below:

Table No.16: List of qualities of Rāma as described by Nārada to Vālmīki

Physical Attributes	Behaviour Values	Emotional Values	Intellectual Qualities
Valourous	Mind-controlled	Famous	Great intelligence
Lustrous	Mental & Physical Strength	Subduer of internal enemies	Tactful, expert at tasks
Broad Shoulders	Controlled-senses	Obedient	Power of speech
Long arms	Truthful	Protector of all	Knower of Dharma
Broad Chest	Dharma-protector	Nourisher	Abundant knowledge
Conch-Neck	Worshipped by all	Loved by all	Rich in all respects
Well-developed Jaw	Kubera in charity	Straight forward	Knower of Veda
Majestic Gait	Yama in Truth	Sweet personality	Dhanurveda expert
Terror-striking	Earth in fortitude	Equal in pain &	Great memory

²⁶⁸ तां पालयति धर्मात्मा भरतस्सत्यवागृजुः। धर्मकामार्थतत्त्वज्ञो निग्रहानुग्रहे रतः ॥ 4.18.7॥

²⁶⁹ आदिवंशविशुद्धानां राज्ञां परमधर्मिणाम्। इक्ष्वाकुकुलजातानां वीराणां सत्यवादिनाम्॥1.70.44॥

		pleasure	
Pleasing to look	Kala in Anger	Shelter to all	Comprehension

These qualities are demonstrated in various incidents by Rāma. In the first and second chapters of Ayodhyā Kāṇḍa, the citizens of Ayodhyā enumerate the qualities of Rāma and happily agree to Daśaratha's proposal to coronate Rāma as the next successor.

(ii) Illustrative qualities of Daśaratha as a Svāmī:

As described in the initial chapters of Bālakāṇḍa, Daśaratha displays valour, wisdom, fairness, equity and responsibility in his governance. He discusses essential decisions with his wise advisors. His love for his subjects and commitment to upholding righteousness are evident throughout his reign.

(iii) Illustrative virtues of Sītā as a Svāmini

Sītā's exceptional devotion, loyalty, strength, resilience, purity, and virtue make her the central pole of Rāmāyaṇa. (VR 1.4.7) In Sundarakāṇḍa, Hanumān describes, "In character, age, conduct, pedigree, lineage, and characteristics, Sītā is perfectly matched to Rāma, and they both are suited to each other." (VR 5.16.5) Her character serves as a timeless example of the virtues and ideals that are highly valued and admired.

(iv) Qualities of Bharata/ Rāma-Paduka as a Svāmī

When Rāma establishes the reasons for Vāli's punishment, he describes Bharata as "This land belongs to Ikṣvāku kings, and it is being ruled by Bharata who is righteous, truth-adhering and plain-speaking, knower of Dharma-Artha-Kāma, and appropriate dispenser of punishment and rewards." (VR 4.18.7)

In Rāmāyaṇa, we can see that Rāma-Pāduka was nominated as Svāmī for 14 years, and in that period, the treasury, granary, palaces and army multiplied ten times. (VR 6.130.55)

(v) Quality of Rāvaṇa which we should avoid:

When Hanumān sees Rāvaṇa's palace and Rāvaṇa, he exclaims, "If only this lord of demons was not unrighteous, he could have become even the lord (protector) of Gods, including Indra." (VR 5.49.18) Hence the only differentiating factor between a successful leader like Rāma and an unsuccessful leader like Rāvaṇa was 'Dharma'.

The Rāmāyaṇa goes beyond mere storytelling and offers detailed and practical examples of how a king or ruler, often referred to as a "Svāmī," possesses and manifests various virtues and qualities. Through the character of Lord Rāma, the epic illustrates the ideals of righteousness, compassion, integrity, and wisdom that a ruler should embody.

Similar examples exist in Vālmiki Rāmāyaṇa for 8 intellectual qualities (Prajñā²⁷⁰ Guṇas), 4 qualities of energy & enthusiasm (Utsāha²⁷¹ Guṇas) and 22 personal attributes (Ātmasampat²⁷²) qualities.

5.2 Amātya-sampat (Mantri):

5.2.1 Councillor, advisor, minister as per KA (1.8,1.9 and 1.10 of KA)

Kauṭilya expounds the process of appointing ministers thus. 'A counsellor of the highest rank should be a native of the state, born into a noble family, and controllable by the king.

He should be proficient in all skills and have the logical ability to foresee things. He should

²⁷⁰ 8 Prajñā Guṇas are the intellectual qualities which include desire to keenly listen, grasp & understand, retain in memory, reflecting on the subject, deliberating, inferring, rejecting false views and steadfast adherence to the concluded truth. शुश्रूषा-श्रवण-ग्रहण-धारण-विज्ञानोहापोहतत्त्वाभिवेशः प्रज्ञागुणाः ॥ KA 6.1.04

²⁷¹ Utsāha Guṇas are enthusiastic / energy-based qualities. They are valour, determined, quickness and dexterity. शौर्यममर्षः शीघ्रता दाक्ष्यं चोत्साहगुणाः ॥ KA 6.1.05

²⁷² Ātmasampat Guṇas are 22 personal attributes. They are: eloquent, bold, endowed with a sharp memory, keen mind, intellect, energetic, confident, amenable to guidance, trained in arts, capable of taking actions on occasions of trouble from enemies and protecting own people, averse to wrong habits, uphold justice, foresighted, capable of managing in crisis, show know nuances of foreign relationships like when to fight, when to make treaty, when to wait, etc. Collect revenue without troubling people, maintain secrecy, To maintain dignity and not laugh in undignified manner, and not frown at people, free from passion-anger-avarice-obstinacy-fickleness-haste and slander, sweet and proactive in speech, and act as per advise of elders. वाग्मी प्रगल्भः स्मृतिमतिबलवानुदग्रः स्ववग्रहः कृतशिल्पोऽव्यसनो दण्डनाय्युपकारापकारयोर्दृष्टप्रतीकारी ह्रीमानापत्प्रकृत्योर्विनियोक्ता दीर्घदूरदर्शी देशकालपुरुषकारकार्यप्रधानः संधिविक्रमत्यागसम्यमपणपरच्छिद्रविभागी संवृतोऽदीनाभिहास्यजिह्वभ्रुकुटीक्षणः कामक्रोधलोभस्तभचापलोपतापपैशुन्यहीनः शक्नुः स्मितोद्ग्राभिभाषी वृद्धोपदेशाचार इत्यात्मसम्पत् ॥ KA 6.1.06

be intellectual, persevering, dexterous, eloquent, energetic, bold, brave, capable of withstanding adversity, and loyal. He should not be arrogant or changeable. He should be friendly and avoid inciting anger or rivalry in others²⁷³.

He further elucidates that the king should pick counsellors at various levels of the hierarchy based on how many of the attributes stated above they possess. Those with all the attributes will be appointed to the highest grade (as Councillors), those with a quarter will be appointed to the intermediate grades, and those with half of the quarter will be appointed to the lower working classes²⁷⁴.

In the Arthaśāstra, ministers are chosen based on four important assessments known as the "four upadhās²⁷⁵" - dharma²⁷⁶ (ethical conduct), artha²⁷⁷ (economic prosperity), kāma²⁷⁸ (desires and aspirations), and bhaya²⁷⁹ (security and protection). These tests serve to determine if someone is qualified to be appointed as a mantri (minister). They act as criteria to evaluate the candidate's capabilities, expertise, and character before granting them a position of authority and responsibility in the government. Those who clear all the 4 tests can be appointed as Prime Ministers. Those who are impure in or more tests, can be deputed to mines, timber, elephant forests and manufacturing places²⁸⁰.

Teachers have decided that, in accordance with ascertained purity, the king shall employ in

²⁷³ जानपदो अभिजातः स्ववग्रहः कृतशिल्पश्चक्षुष्मान्नाज्ञो धारयिष्णुर्दक्षो वाग्मी प्रगल्भः प्रतिपत्तिमानुत्साहप्रभावयुक्तः क्लेशसहः शुचिर्मेत्रोदृढभक्तिः शीलबलारोग्यसत्त्वयुक्तः स्तम्भचापलहीनः सम्प्रियो वैराणामकर्तेत्यमात्यसम्पत् ॥ KA 01.09.01

²⁷⁴ अतः पादार्यगुणहीनौ मध्यमावरौ ॥ KA 01.09.02

²⁷⁵ उपधाभिः शौचाशौचज्ञानममात्यानाम् KA 1.10

²⁷⁶ स सन्निभिः शपथपूर्वमेकैकममात्यमुपजापयेत् अधार्मिको अयं राजा साधु धार्मिकमन्यमस्य तत्कुलीनमपरुद्धं कुल्यमेकप्रग्रहं सामन्तमाटविकमौपपादिकं वा प्रतिपादयामः सर्वेषामेतद् रोचते कथं वा तव इति ॥ KA 01.10.03

²⁷⁷ सेनापतिरसत्प्रहेणावक्षिप्तः सन्निभिरेकैकममात्यमुपजापयेत् लोभनीयेनार्थेन राजविनाशाय सर्वेषामेतद् रोचते कथं वा तव इति ॥ KA 01.10.05

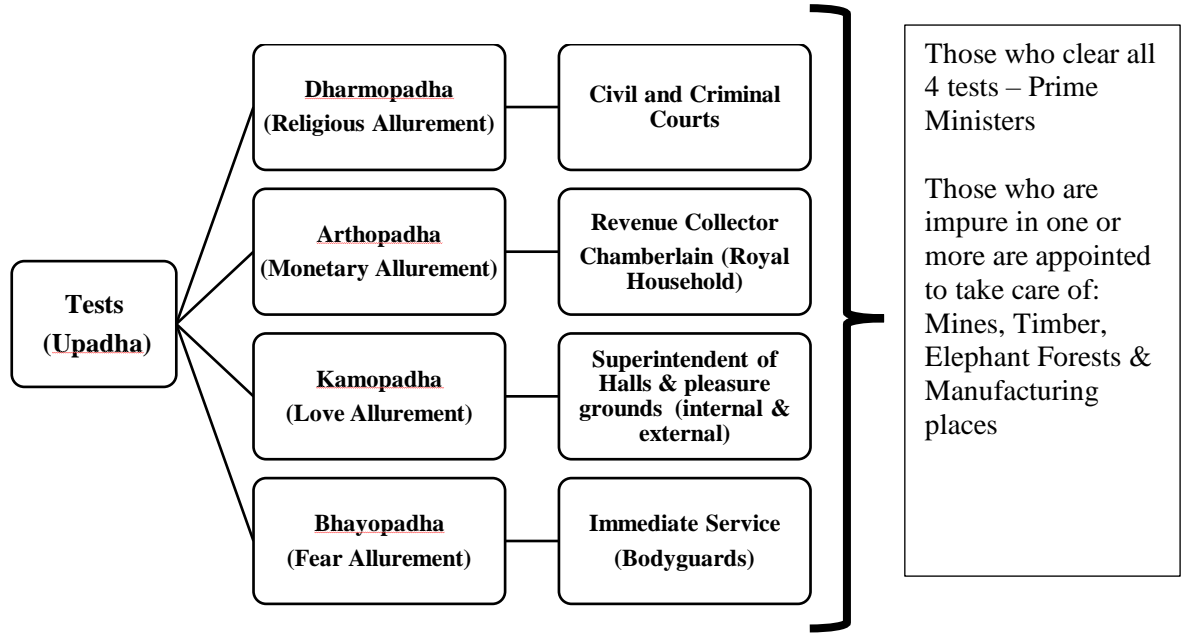
²⁷⁸ परित्राजिका लब्धविश्वासान्तःपुरे कृतसत्कारा महामात्रमेकैकमुपजापेत् राजमहिषी त्वां कामयते कृतसमागमोपाया महानर्थश्च ते भविष्यति इति ॥ KA 01.10.07

²⁷⁹ कापटिकश्चात्र पूर्ववरुद्धस्तेषामर्थमानावक्षिप्तमेकैकममात्यमुपजापेत् असत्प्रवृत्तो अयं राजा साध्वेनं हत्वान्यं प्रतिपादयामः सर्वेषामेतद् रोचते कथं वा तव इति ॥ KA 01.10.11

²⁸⁰ सर्वोपधाशुद्धान्मन्त्रिणः कुर्यात् ॥ KA०११०११४ ॥ सर्वत्राशुचीन् खनिद्रव्यहस्तिवनकर्मान्तेषु उपयोजयेत् ॥ KA०११०११५ ॥

corresponding works those ministers whose character has been tested under the three pursuits of life, religion, wealth and love, and under fear²⁸¹.

Figure No. 40: 4 tests for ministers and positions appointed based on the results.



5.2.2 Practical examples from Vālmiki Rāmāyaṇa for Councillor, advisor, minister

(i) Daśaratha's ministers

The 8 eminent ministers of the descendent of Ikṣvāku were Dhṛṣṭi, Jayanta, Vijaya, Siddhārtha, Arthasādhaka, Aśoka, Mantrapāla and Sumantra²⁸². They were competent counsellors, skilled in judging motives from facial features and were always intent on doing good and all that was dear and helpful to the king²⁸³. A deeper study into the names of the eight ministers explains the qualities which ministers should possess.

²⁸¹ त्रिवर्गभयसंशुद्धानमात्यान् स्वेषु कर्मसु । अधिकुर्याद् यथा शौचमित्याचार्या व्यवस्थिताः ॥ ०१।१०।१६

²⁸² धृष्टिर्जयन्तो विजयस्सिद्धार्थो हार्थसाधकः । अशोको मन्त्रपालश्च सुमन्त्रश्चाष्टमोऽभवत् ॥१.७.३॥

²⁸³ मन्त्रज्ञाश्चेङ्गितज्ञाश्च नित्यं प्रियहिते रताः ॥१.७.१॥

- **Dhr̥ṣṭi** is derived from the root verb ‘धृषँ प्रसहने’ which refers to conquer, to win. In the Sāyana Bhāṣya of Yajurveda, the word Dhr̥ṣṭi is used for courage (Dhairya)²⁸⁴. Courage with a winning spirit is seen as an important quality for a minister.
- **Jayanta** can be derived from the root ‘जि जये, जि अभिभवे च’ which also refers to conquer, to overcome, to surpass, to proper, to flourish or to win²⁸⁵. Conquering the internal and external enemies is an important trait for a minister.
- **Vijaya:** one of the derivations can be derived from prefix वि + root जि भाषायाम्, suggesting one with whom the king can speak and share his thoughts, and whose suggestions lead to victory. One who can speak the truth with the king fearlessly. (Satyameva Jayate)
- **Siddhārtha** refers to a counsellor who can help the King achieve (siddha) all his aspirations (Artha). Those aspirations which are built on the foundation of Dharma would be successful. (अर्थं उपयाच्चायाम् -to request)
- **Arthasādhaka** – The word Artha is used in the meaning of wealth, reason, money, (अर्थ + घञ् - याच्चा | धनं | कारणं | वस्तु | शब्दप्रतिपाद्यः | निवृत्तिः | प्रयोजनं). Such a minister with the knowledge of Arthasāstra, DharmaŚāstra and Nitishashtra would help the king achieve real wealth.
- **Aśoka** - नास्ति शोको यस्मात् | or नास्ति शोको यस्येति | A minister whose advise would not result in sorrow, who is happy always and helps in King being happy.
- **Mantrapāla** - मन्त्र्यते गुप्तं परिभाष्यते इति | मन्त्रिं गुप्तपरिभाषणे (to consult, to advise, to discuss privately). As Rāma says in the Kaccit sarga, a well-protected advise is the root cause of victory²⁸⁶, maintaining confidentiality is one of the greatest requirement of a minister.

²⁸⁴ धृष्टिरसि ब्रह्मं | Yajurveda Samhita 1.1.1.7.1 | धृष्टिशब्दो धैर्यद्योतनायेत्याह | Sayana Bhashya 1.1.1.7. “धृष्टिरसि ब्रह्म यच्छेत्वाह धृत्यै”. Taittareeya Bramhana 3.2.7

²⁸⁵ जयतीति जयन्तः | Kalpadruma – need to put full reference

²⁸⁶ मन्त्रो विजयमूलं हि राज्ञां भवति राघव। सुसंवृतो मन्त्रधरैरमात्यैः शशास्त्रकोविदैः॥2.100.16॥

- **Sumantra** - The two possible roots are मनुं ज्ञाने (to believe, to know, to understand, to consider, to think) and मनुं अवबोधने (to understand, to regard, to think, to believe, to assume). Proper consideration, thinking from multiple perspectives and providing appropriate advise to the king is an important quality, which may be why Sumantra was considered as the chief of all ministers.

When Rāma asks Bharata about ministers, he asks, “I hope that you do not deliberate alone nor indeed with numerous men. I hope your decision arrived at by you through such deliberation does not flow to the public (even before it is carried out)²⁸⁷.”

(ii) Ikṣvāku Purohitas (Family priests)

The king had two well-chosen excellent rishis, Vasiṣṭha and Vāmadeva, as family priests besides some other counsellors.²⁸⁸ They were well-known, skilled, well-versed in Śāstras, affluent, and benevolent. They had control in their senses, and their actions matched their words. They took decisive action. They were intelligent, forgiving, well-known and always spoke with a smile²⁸⁹.

(iii) Hanumān (as Sugrīva’s minister)

Famously portrayed as one of the greatest counsellors, Hanumān was the foremost among the ministers of Sugrīva²⁹⁰. An efficient follower not only executes what is required of him, but also does the king's favoured tasks. One who does not do so is considered mediocre²⁹¹. In Sundara Kāṇḍa, the sky-travelling cāraṇas describe Hanumān as, “He is a role model, who showcases the necessary abilities to successfully fulfill a mission through the demonstration

²⁸⁷ कश्चिन्मन्त्रयसे नैकः कश्चिन्न बहुभिस्सह। कश्चित्ते मन्त्रितो मन्त्रो राष्ट्रं न परिधावति॥2.100.18॥

²⁸⁸ वसिष्ठो वामदेवश्च मन्त्रिणश्च तथापरे ॥1.7.4॥

²⁸⁹ श्रीमन्तश्च महात्मानश्शास्त्रज्ञा दृढविक्रमाः॥1.7.5॥कीर्तिमन्तः प्रणिहिताः यथावचनकारिणः।तेजः क्षमायशःप्राप्ता स्मितपूर्वाभिभाषिणः ॥1.7.6॥

²⁹⁰ सचिवोऽयं कपीन्द्रस्य सुग्रीवस्य महात्मनः। 4.3.26॥

²⁹¹ नियुक्तो यः परं कार्यं न कुर्यान्नृपतेः प्रियम् । भृत्योऽभृत्यस्समर्थोऽपि तमाहुर्मध्यमं नरम् ॥6.1.8॥

of determination, vision, intellect, and agility²⁹².

(iv) Vibhīṣaṇa (Rāvaṇa)

Vibhīṣaṇa advises Rāvaṇa against slaying of an emissary and elaborates on the code of conduct of a king²⁹³.

(v) Prahasta and others (ministers of Rāvaṇa)

There are also instances which highlight the effects of wrong assurance of ministers²⁹⁴.

Thus, Rāmāyaṇa provides practical illustrations of how ministers are appointed. In the Kaccit Sarga section, the verses emphasize the qualities sought in appointed individuals, such as bravery, knowledge, self-control, noble lineage, and the ability to infer meaning from subtle cues²⁹⁵. The text stresses the importance of having well-guarded advice from ministers individually and in groups in secrecy²⁹⁶. Additionally, the Rāmāyaṇa suggests appointing ministers who cannot be swayed by bribery or other temptations, who hold positions based on their abilities rather than inheritance, and who are known for their integrity and excellence, entrusting them with significant responsibilities²⁹⁷. These examples highlight the significance of selecting ministers who possess virtuous qualities and ensuring their trustworthiness in assisting the ruler, ultimately leading to the king's triumph.

Accordingly, the Rāmāyaṇa provides a tangible illustration of ministers possessing exceptional qualities and also offers instances of what ministers should avoid, serving as a valuable practical demonstration.

²⁹² धृतिर्दृष्टिर्मतिर्दाक्ष्यं सः कर्मसु न सीदति। 5.1.198।।

²⁹³ राजधर्मविरुद्धं च लोकवृत्तेश्च गर्हितम्।5.52.6।।

²⁹⁴ अन्नवीत्प्राञ्जलिर्वाक्यं शूरस्सेनापतिस्तदा ।।6.8.1।। देवदानवगन्धर्वाः पिशाचपतगोरगाः ।
न त्वां धर्षयितुं शक्याः किं पुनर्वानरा रणे ।।6.8.2।।

²⁹⁵ कच्चिदात्मसमाशूराश्श्रुतवन्तो जितेन्द्रियाः। कुलीनाश्चेङ्गितज्ञाश्च कृतास्ते तात मन्त्रिणः।।2.100.15।।

²⁹⁶ मन्त्रिभिस्त्वं यथोद्दिष्टैश्चतुर्भिस्त्रिभिरेव वा। कच्चित्समस्तैर्व्यस्तैश्च मन्त्रं मन्त्रयसे मिथः।।2.100.71।।

²⁹⁷ अमात्यानुपधातीतान्मितृपैतामहाञ्छुचीन्। श्रेष्ठांश्छ्रेष्ठेषुकच्चित्वं नियोजयसि कर्मसु।।2.100.26।।

5.3 Janapada: Region/country and citizens/population

5.3.1 Janapada as per Arthasāstra

As per Arthasāstra, the countryside is the source of all economic operations (related to fortified cities, the Treasury, the Army, waterworks, and trade)²⁹⁸.

This includes the country as well as the citizens which is evident from the following definition. The kingdom will be fortified by reinforcing the capital and border towns, capable of supporting both locals and outsiders during calamities. It should be easily defended against enemies and have the power to govern neighboring kingdoms. The land should be fertile and free from marshes, rocks, salinity, uneven terrain, deserts, and wild populations. It should be magnificent, with arable land, mines, wood forests, elephant forests, and suitable pastures for cattle. Water sources should not rely solely on rain. The people would primarily focus on agriculture and be devoted to their master²⁹⁹.

4.5.3.2 Practical information for Janapada from Rāmāyaṇa

(i) Kosala

In Chapter 5 of Bālakāṇḍa, Lava and Kuśa start telling the Rāmāyaṇa with the description of Kosala. “A great kingdom named Kosala, a joyous and vast one, well flourishing with an abundance of wealth and food (grains), with contented people, is snugly situated on the riverbanks of Sarayu.³⁰⁰”

(ii) Malada-Karusha

While explaining the history of the forest, Vishwamitra tells Rāma and Lakṣmaṇa about the two great kingdoms. Malada and Karusha, two huge and rich Janapadas created by celestial

²⁹⁸ जनपदमूला दुर्गकोशदण्डसेतुवार्त्तारम्भाः ॥ KA०८।१।२९ ॥

²⁹⁹ मध्ये चान्ते च स्थानवानात्मधारणः परधारणश्चापदि स्वारक्षः स्वाजीवः शत्रुद्वेषी शक्यसामन्तः पङ्कपाषाणोषरविषमकण्टकश्रेणीव्यालमृगाटवीहीनः कान्तः सीताखनिद्रव्यहस्तिवनवान् गव्यः पौरुषेयो गुप्तगोचरः पशुमानदेवमातृको वारिस्थलपथाभ्यामुपेतः सारचित्रबहुपण्यो दण्डकरसहः कर्मशीलकर्षकोऽबालिशस्वाम्यवरवर्णप्रायो भक्तशुचिमुनुष्य इति जनपदसम्पत् ॥ KA०६।१।०८ ॥

³⁰⁰ कोसलो नाम मुदितः स्फीतो जनपदो महान् । निविष्टः सरयूतीरे प्रभूतधनधान्यवान् ॥ 1.5.5

architects, once existed³⁰¹.

(iii) Mithilā

Upon beholding the prosperous city of Janaka, all the ascetics were filled with reverence and admiration, expressing their appreciation for Mithilā by exclaiming, "Remarkable, truly remarkable."³⁰²

(iv) Other janapadas (in accordance with Mahājanapadas)

The 16 Mahājanapadas were the sixteen powerful and prominent ancient kingdoms that existed in the northern part of the Indian subcontinent. These kingdoms played a significant role in shaping the political and cultural landscape of ancient India. In Rāmāyaṇa, there are numerous examples of such janapadas which demonstrate the people as essential components of the countries³⁰³. These were traversed by the monkeys while searching for Sītā³⁰⁴ in the east³⁰⁵, west, north³⁰⁶ and south³⁰⁷.

(iv) Citizens as an integral part of Janapada: Rāmāyaṇa

During that period, the people in the countryside experienced a remarkable abundance of cow's milk, satisfying their desires to a great extent. The rulers of the land undertook an expedition in pursuit of victory, while the people flourished³⁰⁸. The voice of citizens was also given due recognition³⁰⁹.

Therefore, Rāmāyaṇa recognizes that the citizens are an inseparable part of the country, and their significance is further emphasized by the additional value given to their needs and

³⁰¹ एतौ जनपदौ स्फीतौ पूर्वमास्तां नरोत्तम। मलदाश्च करूशाश्च देवनिर्माणनिर्मितौ।।1.24.17।।

³⁰² तान् दृष्ट्वा मुनयस्सर्वे जनकस्य पुरीं शुभाम्।।1.48.10।। साधु साध्विति शंसन्तो मिथिलां समपूजयन्।

³⁰³ प्रजाश्चबहुसाहस्रीःस्फीतान्जनपदानपि । 6.128.27।।

³⁰⁴ निम्नगास्सागरान्ताश्च सर्वे जनपदाश्च ये।।4.47.11।।

³⁰⁵ ब्रह्ममालान्विदेहांश्च मालवान्काशिकोसलान्।।4.40.22।।

³⁰⁶ बाह्लीकानृषिकांश्चैव पौरवानथ टङ्कणान्।।4.43.12।।

³⁰⁷ तथैवान्द्रांश्च पुण्ड्रांश्च चोलान्पाण्ड्यान्तस्य केरलान्। 4.41.13।।

³⁰⁸ प्राज्यकामा जनपदास्सम्पन्नतरगोरसाः। विचरन्ति महीपाला यात्रास्था विजिगीषवः।।3.16.7।।

³⁰⁹ गुहं च सुहदंचैवपौरान्जनपदैस्सह ।।6.124.20।।

voices. From this broader view, it becomes evident that a thriving nation cannot function without the active participation and well-being of its citizens.

4.5.4. Durga: Fort, security, infrastructure

4.5.4.1 Fortification and Governance Strategies for National Security and Efficient

Administration from Arthaśāstra:

(i) Four important types of Forts:

To ensure protection against enemy attacks, fortifications should be constructed on all four sides of the country, utilizing natural features³¹⁰. Different types of fortifications are mentioned: Audaka, which involves surrounding a place with natural lakes or a difficult-to-reach hollow area; Pārvata, where stones, pebbles, or caves in mountains are utilized; Dhānvana, suitable for areas without water or overgrown with thorny bushes in barren soil; and Vanadurga, a forest fortification where marshy or densely vegetated terrain makes movement challenging. River and forest fortifications are particularly beneficial for securing villages, while Dhānvana and Vanadurga are recommended for emergency situations. In the central part of the kingdom, the king should establish a cluster of villages with revenue collection offices. This arrangement helps in efficient governance and revenue management.

(ii) Roads³¹¹ as described in Arthaśāstra:

The prescribed dimensions for different types of roads can be summarized as follows³¹²:

Royal Highways, roads to divisional or provincial headquarters, countryside and pasture roads, roads in port towns and cantonments, and roads leading to villages or cremation grounds should have a width of fifty-four feet. Forest roads, roads on reservoir embankments, and roads within cities should have a width of twenty-seven feet. Roads in elephant forests

³¹⁰ चतुर्दिशं जनपदान्ते साम्प्रायिकं दैवकृतं दुर्गं कारयेत् अन्तर्द्वीपं स्थलं वा निम्नावरुद्धमौदकम् प्रास्तरं गुहां वा पार्वतं

³¹¹ चतुर्दण्डान्तरा रथ्याः ॥ KA 2.4.3

³¹² चतुर्दण्डः सेतुवनपथः द्विदण्डो हस्तिक्षेत्रपथः पञ्जारत्नयो रथपथः चत्वारः पशुपथः द्वौ क्षुद्रपशुमनुष्यपथः ॥ KA 2.4.5

should have a width of thirteen and a half feet. Chariot roads should be seven and a half feet wide, cattle paths three and three-quarters of a foot wide, while footpaths and paths for small animals should be half that width.

(iii) Building a fort³¹³:

The ruler should establish his capital at the heart of the country, designating it as the location for the treasury. The selection of the capital should be made by knowledgeable experts in the field of architecture, considering factors that naturally suit the purpose. For instance, the capital may be situated at the confluence of rivers or in proximity to a perennial lake. It could also be near an artificial tank, which can take various shapes (round, rectangular, or square) based on the characteristics of the land and equipped with canals to supply water. Additionally, the chosen site should have good accessibility through both land and water trade routes, making it conducive to being a thriving market town.

(iv) Moats

The fortification should be encompassed by three moats, which can be filled either by natural springs or by bringing in water from external sources. These moats should be properly designed with effective drainage systems and maintained with the presence of lotus plants and crocodiles³¹⁴.

(v) The Capital City:

According to Kautilya, the capital city's layout should adhere to the following plan:

1. The area inside the fort should be divided by six main roads, with three running from east to west and three from north to south. The city should have a total of twelve gates³¹⁵.

³¹³ जनपदमध्ये समुदयस्थानं स्थानीयं निवेशयेत् वास्तुकप्रशस्ते देशे नदीसङ्गमे हृदस्याविशोषस्याङ्के सरसस्तटाकस्य वा वृत्तं दीर्घं चतुरश्रं वा वास्तुवशेन वा प्रदक्षिणोदकं पण्यपुटभेदनमंसपथवारिपथाभ्यामुपेतम् ॥ KA 2.3.3

³¹⁴ तस्य परिखास्तिस्रो दण्डान्तराः कारयेत् चतुर्दश द्वादश दशेति दण्डान्विस्तीर्णाः विस्तारादवगाढाः पादोनमर्धं वा त्रिभागमूलाः मूलचतुरश्रा वा पाषाणोपहिताः पाषाणेष्टकाबद्धपार्श्वा वा तोयान्तिकीरागन्तुतोयपूर्णा वा सपरिवाहाः पद्मग्राहवतीश्च ॥ KA 2.3.4

³¹⁵ त्रयः प्राचीना राजमार्गास्त्रय उदीचीना इति वास्तुविभागः ॥ KA०२।४।०१ ॥

2. Adequate provisions for water supply, drainage, and covered passages should be made within the city³¹⁶.

3. The royal buildings should be constructed on a suitable site, facing either north or east. They should be situated in the middle of residential areas belonging to the four varnas (social classes). Specifically, these buildings should be located to the north of the fortified city's center and cover one-ninth of the total residential area.

To ensure the welfare and security of the capital city, the following measures should be taken:

a. Ample quantities of various commodities should be stored to meet the city's needs for several years. These include oils, grains, sugar, salt, perfumes, medicines, dried vegetables, fodder, dried meat, hay, firewood, metals, hides, charcoal, gut, poisons, horns, bamboo, yarn, sturdy timber, weapons, shields, and stones. It is important to replace old items in storage with new ones regularly³¹⁷.

b. The armed forces, comprising elephants, chariots, cavalry, and infantry, should be divided under the leadership of multiple chiefs. This arrangement prevents any one chief from succumbing to the temptations of the enemy due to the mutual fear and accountability created by having multiple chiefs overseeing different segments of the armed forces³¹⁸.

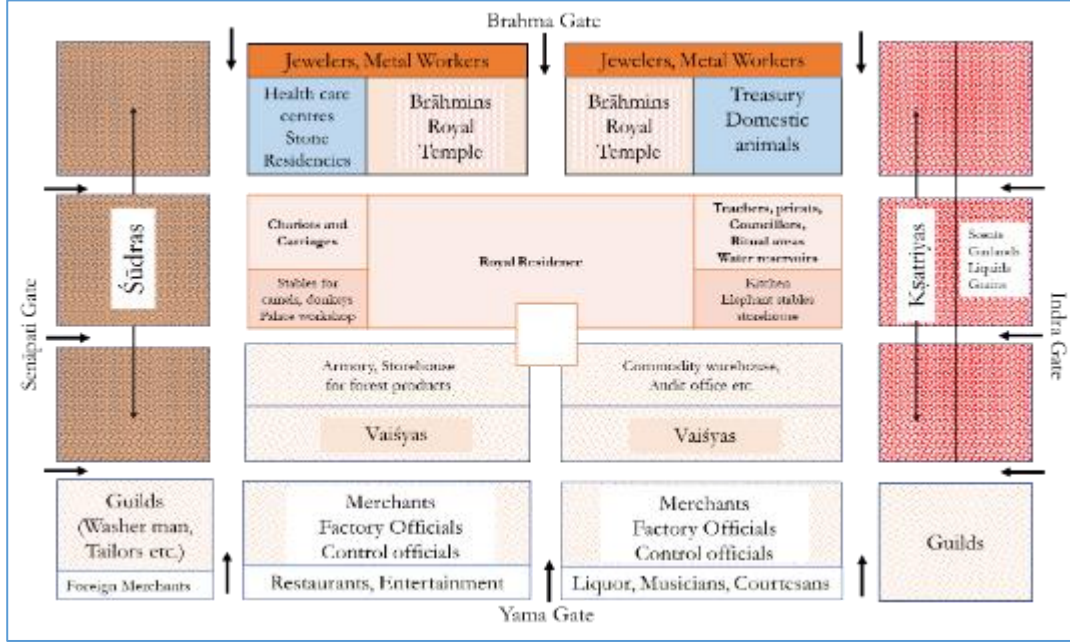
By implementing these measures, the capital city can ensure its self-sufficiency, preparedness, and defense against potential threats.

³¹⁶ स द्वादशद्वारो युक्तोदकभ्रमच्छन्नपथः ॥ KA०२।४।०२ ॥

³¹⁷ सर्वस्नेहधान्यक्षारलवणगन्धभैषज्यशुष्कशाक्यवसवद्धरतृणकाष्ठलोहचर्माङ्गारस्त्रायुविषविषाणवेणुवल्कलसारदारुप्रहरणावरणाश्मनिचयानने कवर्षोपभोगसहान् कारयेत् ॥ KA०२।४।२७ ॥

³¹⁸ हस्त्यश्वरथपादातमनेकमुख्यमवस्थापयेत् ॥ KA०२।४।२९ ॥

Figure No. 41: Pictorial representation of constituents of a fort³¹⁹ as per Arthaśāstra



(pic courtesy: L N Rangarajan, Penguin Classics, 1992)

4.5.2.2. Durga as per Rāmāyaṇa

Examples of Durga include description of Ayodhyā and Laṅkā in detailed covering aspects as discussed in Arthaśāstra.

(i) Ayodhyā

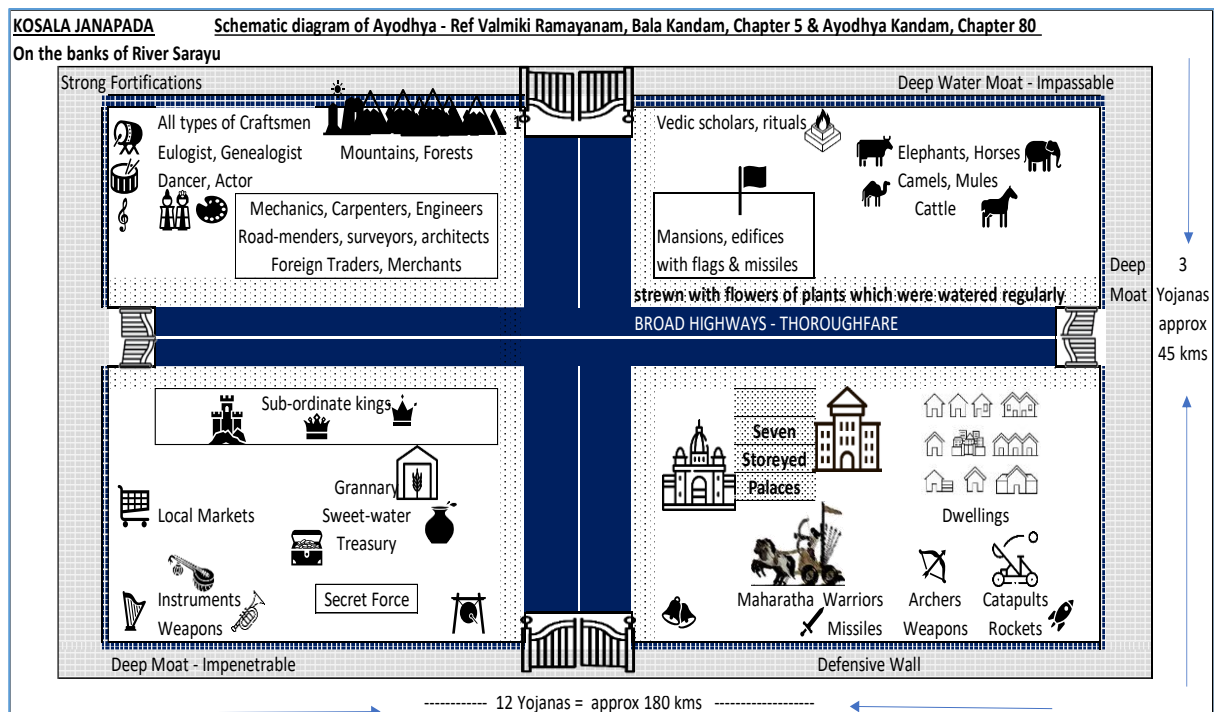
The Ikṣvāku kings ruled the land with oceans as its boundaries. The measurement of Ayodhyā is given in the following verse: “That glorious city of Ayodhyā was with well-devised highways/ thoroughfares and measured twelve yojana-s lengthwise and three yojana-s breadth wise³²⁰.” With one yojana measuring 8 to 10 miles, the total area of Ayodhyā was around 120 miles (190kms) * 30 miles (48kms) = 3600 Sq miles or 9120sqkms, which makes

³¹⁹ दुर्गेषु वणिजः संस्था दुर्गान्ते सिद्धतापसाः ॥ KA०१।१२।२२अब् ॥

³²⁰ आयता दश च द्वे च योजनानि महापुरी।श्रीमती त्रीणि विस्तीर्णा सुविभक्तमहापथा ॥1.5.71॥

it one of the top 5 cities in the world, even in today’s standards. The ensuing two parameters are wealth and food. Kosala was abundant in both and hence called ‘prosperous.’ The other aspect is the location. A place on a river's bank would have more opportunities for agriculture, trade, commerce, cultural growth, etc. Kosala was located on the banks of River Sarayu. In Ayodhyā, “there was not even a single householder who did not have adequate wealth or who had not achieved Dharma, Artha and Kāma or who did not possess the wealth of foodgrains, cattle and horses.³²¹”

Figure No. 42: Pictorial representation of Ayodhyā



(ii) Lankā

The formidable city of Lankā³²², as described in Vālmīki Rāmāyaṇa, is an impregnable fortress ruled by the demon king Rāvaṇa. Situated on the island of Lankā (modern-day Sri

³²¹ नालयसन्निचयः कश्चिदासीत्स्मिन् पुरात्तमे। कुटुम्बी यो ह्यसिद्धार्थोऽगवाश्वधनधान्यवान् ॥ 1.6.71।

³²² इमां तु विषमां दुर्गां लङ्कां रावणपालिताम्। 5.2.28।।

Lañkā), the city is depicted as a magnificent and technologically advanced stronghold. It is fortified with high walls, moats, and guarded entrances, making it virtually inaccessible to enemies. The city is adorned with grand palaces, splendid gardens, and opulent structures, showcasing Rāvaṇa's wealth and power. It is also described as a hub of cultural and intellectual activities, with numerous sages, scholars, and artists residing within its boundaries.

Lañkā³²³ is not only challenging to reach for mortal beings but even for celestial beings located on the lofty peaks of mountains. It is described as a formidable sight that instills fear in those who gaze upon it. The city is encircled by four types of formidable fortifications resembling natural elements—rivers, mountains, forests, and man-made fortresses. These fortifications act as formidable barriers, making it exceedingly difficult for anyone to breach the defenses of Lañkā. With expansive and elevated courtyards that offer grand views, the entrances to the city are fortified with sturdy doors equipped with metal fixtures and large iron bars, providing enhanced security and strength³²⁴. The combination of these natural and artificial fortifications enhances the city's impenetrability and further reinforces Rāvaṇa's authority and dominance over his kingdom.

In Yuddha Kāṇḍa, when Hanumān describes the fort of Lañkā to Rāma, during their defense strategy planning discussions, he provides details through all four directions. He says, “Ten thousand ogres all carrying darts in their hands and warriors contending with swords, who are difficult to assail, are positioned at the eastern gate³²⁵.” “One hundred thousand of ogres, with an army of four limbs (viz. horses, foot soldiers, elephants and chariots) are positioned at the southern gate³²⁶ of the city. Warriors unsurpassed by others constitute that army.” “One

³²³ नादेयं पार्वतं बान्यं कृत्रिमं च चतुर्विधम् ॥6.3.20॥

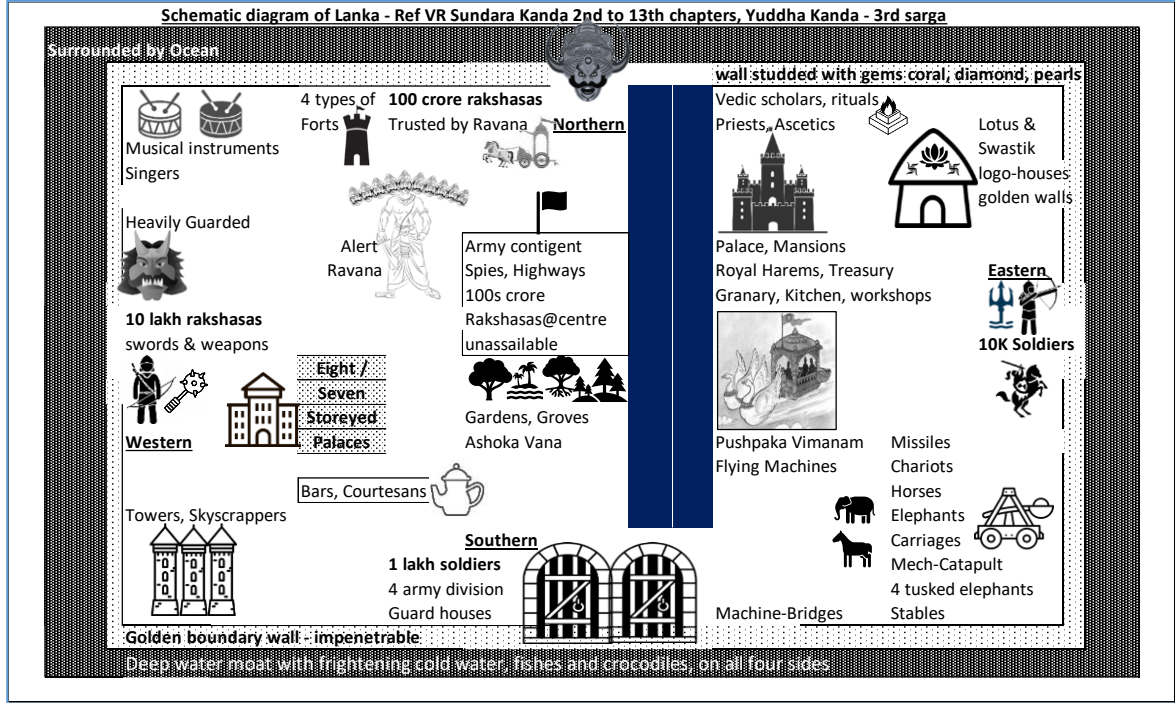
³²⁴ दृढबद्धकवाटानि महापरिघवन्ति च । द्वाराणि विपुलान्यस्याश्चत्वारि सुमहान्ति च ॥6.3.11॥

³²⁵ अयुतम् रक्षसाम् अत्र पश्चिम द्वारम् आश्रितम् । शूल हस्ता दुराधर्षाः सर्वे खड्ग अग्र योधिनाः ॥ 6.3.24

³²⁶ नियुतम् रक्षसाम् अत्र दक्षिण द्वारम् आश्रितम् । चतुर् अन्वोण सैन्येन योधास् तत्र अपि अनुत्तमाः ॥ 6.3.25

million troops arrived with shields and swords as well as proficient in the use of all mystic missiles, are positioned at the western gate³²⁷.” “A hundred million of ogres, who are mounted in chariots or who ride on hoses, sons of distinguished families and greatly honored, are positioned there at the northern gate³²⁸.”

Figure No. 43: Pictorial representation of Lañkā from various sources in Vālmiki Rāmāyaṇa



There were smaller durgas like Kiṣkindhā and Sāñkāśya with some components of these. King Janaka, while introducing his brother describes thus, “My younger brother renowned thus as Kuśadhvaja, a highly self-righteous one and a highly brilliant one is ruling from the auspicious and holy city named Sāñkāśya, which city is surrounded by River Ikṣumatī as a natural moat, in which moat bastions of tridents are staked all around, and my brother presides over that city as if he is sitting in the Puṣpaka aircraft of richly-rich god Kubera, and as though supping the sugarcane juice-like waters of River Ikṣumatī³²⁹”

³²⁷ प्रयुतम् रक्षसाम् अत्र पूर्व द्वारम् समाश्रितम् । चर्म खड्ग धराः सर्वे तथा सर्व अस्त्र कोविदाः ॥ 6.3.26

³²⁸ न्यर्बुदम् रक्षसाम् अत्र उत्तर द्वारम् आश्रितम् । रथिनः च अश्व वाहाः च कुल पुत्राः सुपूजिताः ॥ 6.3.27

³²⁹ भ्राता मम महातेजा यवीयानतिधार्मिकः । कुशध्वज इति ख्यातः पुरीमध्यवसच्छुभाम् ॥ 9-७०-२

In the Kaccit Sarga, it is mentioned by the king whether all the forts are adequately provided with wealth, food grains, weapons, and water, along with machines of war and craftsmen and archers³³⁰.

Thus, the Rāmāyaṇa provides comprehensive and practical examples that delve into the intricate details of forts, covering various aspects related to their construction, defense, and strategic considerations. Through vivid descriptions and narratives, the epic offers valuable insights into fortifications, highlighting their significance in ensuring security, resilience, and effective governance.

4.5.5 Kośa: Treasury (Sources of Revenue, Budget, Accounts, Audit and Finance),

4.5.5.1 Treasury as per Kauṭilya's Arthaśāstra:

Kauṭilya prioritises Kośa and says “All enterprises or activities depend on finance. Hence a leader must devote his utmost attention to all matters related to the treasury.³³¹” He further enlists the nine factors which positively impact the treasury³³² (2.8.3) and eight factors which contribute to the depletion of the treasury³³³ (2.8.4).

(i) Nine factors which have a positive impact on treasury

There are nine factors which have a positive impact on the treasury. They are:

- a. Prosperity of the people and state activities in general (pracārasamrddhiḥ)
- b. Administration without flouting the tradition, continuing successful policies (caritrānugrahaḥ)
- c. Arrest of thieves and confiscation of wealth (coranigrahaḥ)

वार्या फलकपर्यन्तां पिबन्निक्षुमतीं नदीम् । सांकाश्यां पुण्यसंकाशां विमानमिव पुष्पकम् ॥ १-७०-३

³³⁰ कच्चित्सर्वाणि दुर्गाणि धनधान्यायुधोदकैः । यन्त्रैश्च परिपूर्णानि तथा शिल्पिधनुर्धरैः ॥ 2.100.53 ॥

³³¹ कोशपूर्वाः सर्वारम्भाः । तस्मात्पूर्वं कोशमवेक्षेत । 2.8.1 to 4 (Kauṭilya's Arthaśāstra)

³³² प्रचारसमुद्भिश्चरित्रानुग्रहश्चोरनिग्रहो युक्तप्रतिषेधः सस्यसम्पत्पण्यबाहुल्यमुपसर्गप्रमोक्षः परिहारक्षयो हिरण्योपायनमिति कोशवृद्धिः । 2.8.3

³³³ प्रतिबन्धः प्रयोगो व्यवहारोऽवस्तारः परिहापणमुपभोगः परिवर्तनमपहारश्चेति कोशक्षयः ॥ 2.8.4

- d. Prevention of corruption by officers concerned (yuktapratishedhaḥ)
- e. Prosperity by agricultural activities (sasyasampat)
- f. Promotion of trade and commerce (paṇyabāhulyam)
- g. Absence of troubles and natural calamities (upasargapramokṣaḥ)
- h. Reducing of remission or exemptions of taxes (parihāraḥ)
- i. Income in the form of liquid cash or gold (hiraṇyopāyanam)

(ii) Eight factors which contribute to depletion of treasury

The factors which contribute to the depletion of treasury are eightfold. They are:

- a. Obstruction i.e. failure to collect taxes, tax amount falling into wrong hands or not depositing tax collections to treasury (pratibandhaḥ)
- b. Lending treasury money and using treasury float to earn interest for self (prayogaḥ)
- c. Doing personal business through float money from treasury (vyavahāraḥ)
- d. Fabrication of accounts by employees or delaying receiving things into treasury (avastāraḥ)
- e. Causing the loss of income (parihāṇam)
- f. Self-enjoyment (upabhogaḥ)
- g. Barter (parivartanam)
- h. Defalcation of wealth (apahāraḥ)

While describing Janapada, Kauṭilya says. “Any favours and reductions given to cultivators should never cause depletion to the treasury, but should increase the revenue. No action should be initiated by way of grant or subsidy which would drain the treasury of wealth”

2.1.14-15.

“A king with depleted treasury is likely to tax the citizens and eat into the vitality of the country” 2.1.16

4.5.5.2 Treasury (Sources of Revenue, Budget, Accounts, Audit and Finance) as per Vālmīki Rāmāyaṇa:

A few incidents and financial principles inferred from them are as follows:

(i) Giving suitable Dakṣiṇā/ fees to eligible people

Reference: Aśvamedha Yajña by Daśaratha in Bālakāṇḍa

Description:

During the preparations of Aśvamedha Yajña, Vasiṣṭha ‘summoned the construction supervisors, brick-makers, carpenters, earth-diggers, accountants, and sculptors³³⁴.’ During Dakṣiṇā, “As the promoter of his own dynasty that king Daśaratha donated eastern side to hotā, western to adhvaryu, and southern to brahmā. And to udgātā northern side is given in donation. These were the donations stipulated in that great ritual, Aśvamedha, by the Self-Created Brahma from earlier times.³³⁵” However, the priests, said that they couldn’t rule the kingdom requested for alternate Dakṣiṇā. Then, “Lord of men, the king having been thus addressed by brahmins who were well-versed in the Vedas, bestowed on them ten hundred thousand (million) cows, a hundred crore of gold coins and four times as much in silver coins.³³⁶” Then all those officiating priests collectively gave that wealth to sage Ṛṣyaśṛṅga and to the enlightened sage Vasiṣṭha.” Then all of those Brāhmaṇas are well satisfied at heart and distributed among themselves the wealth passed on by Ṛṣyaśṛṅga and Vashishta, and then they said, "We are highly gladdened."” Then to the other Brāhmaṇas who arrived there to see the ritual, King Daśaratha sincerely donated ten million gold coins.

Similarly at the time of Rāma-jananam in Bālakāṇḍa, Daśaratha gives Dakṣiṇā.

³³⁴ कर्मान्तिकान् शिल्पकरान् वर्धकीन् खनकानपि । गणकान् शिल्पिनश्चैव तथैव नटनर्तकान् ॥ १-१३-७

³³⁵ प्राचीं होत्रे ददौ राजा दिशं स्वकुलवर्धनः। अध्वर्यवे प्रतीचीं तु ब्रह्मणे दक्षिणां दिशम्॥1.14.41॥
उद्गात्रे च तथोदीचीं दक्षिणैषा विनिर्मिता। हयमेधे महायज्ञे स्वयंभूविहिते पुरा॥1.14.42॥

³³⁶ एवमुक्तो नरपतिर्ब्राह्मणैर्वेदपारगैः॥1.14.47॥ गवां शतसहस्राणि दश तेभ्यो ददौ नृपः। शतकोटीस्सुवर्णस्य रजतस्य चतुर्गुणम्
॥1.14.48॥

“The king gave worthy gifts to eulogisers, bard singers, and panegyrists, and to Brāhmaṇas he gave funds and wealth in the form of thousands of cows.³³⁷”

Few financial points to note from above:

1. There was a concept of Dakṣiṇā which was prevalent from the Vedic times, which indicated a compensation, expression of gratitude and a means of begetting puṇyam.
2. Gurudakṣiṇā was paid to priests who conducted the rituals.
3. There were specific ‘quantum’ and ‘item’ of dakṣiṇā prescribed for each type of Yajña.
4. Priests took those which were useful to them.
5. The descending order of valuables were – Gold coins, silver coins and cows
6. The Yajamāna gave Dakṣiṇā to the conducting priests, who gave it to the chief priests and they in turn divided the same appropriately
7. Dakṣiṇā made the yajña complete

(ii) The golden principle of Investment: Minimum efforts, Maximum returns

Description: Oh Rāghava (Bharata), I hope you contemplate deeply from all perspectives and decide on the activity to be taken up, which would yield multiple times returns by putting minimum effort/cost/ investment. Once such a decision is taken, I hope you do not procrastinate to start the project and initiate the same at the earliest.³³⁸”

(iii) For more aspects of Kośa in Vālmīki Rāmāyaṇa, refer paper published by the author and guides.

Panchukrishnan , V., B , M., & Parthasarathi , S. K. (2024). Augmenting the Changing Landscape of Finance Organisation through Practical Insights and Metrics from Vālmīki’s Rāmāyaṇa. *The Management Accountant Journal*, 59(1), 96–99. <https://publuu.com/flip->

³³⁷ प्रदेशांश्च ददौ राजा सूतमागधवन्दिनाम्। ब्राह्मणेभ्यो ददौ वित्तं गोधनानि सहस्रशः॥1.18.19॥

³³⁸ कच्चिदर्थं विनिश्चित्य लघुमूलं महोदयम्। क्षिप्रमारभसे कर्तुं न दीर्घयसि राघव॥2.100.19॥

book/404268/915014/page/96 (Refer Figure No. 36 in this thesis: page no. 144)

Similarly, relevant verses, conversations, incidents and characters are studied and analysed to unearth the finance, accounts and audit-related principles. These principles are mapped to respective sub-function of Finance Governance along with few Finance metrics. The following picture summarises the various financial metrics which are derived from Vālmīki Rāmāyaṇa for the finance organisation

4.5.6 Daṇḍa: Armed Forces (Law and Order)

4.5.6.1 Army, Law, and Justice as per Arthaśāstra

The word Daṇḍa is referred to the army which protects the nation and its borders, or to the laws which provide rules & punishments and the judiciary which enforces the law.

According to Arthaśāstra, the army shall be composed primarily of men of proven loyalty, kshatriyas descended from the king's father and grandfather. Soldiers must be strong, obedient, and not afraid of a long expedition, with endurance, skill in handling all weapons, and battle experience. They must keep their wives and sons contented. They should have no other interests than the king's and should share in his prosperity and adversity³³⁹.

A ruler who accomplishes his responsibility of safeguarding his people in a right and lawful manner will go to heaven, whereas one who does not protect them or inflicts unjust punishment will not³⁴⁰. The power of punishment is further emphasized by mentioning that discipline alone that protects this world and the next, when exercised impartially in proportion to the guilt, and regardless of whether the person punished is the King's son or an enemy³⁴¹.

Sources of Law:

³³⁹ पितृपैतामहो नित्यो वश्यस्तुष्टभृतपुत्रदारः प्रवासेष्वविसंवादितः सर्वत्राप्रतिहतो दुःखसहो बहुयुद्धः सर्वयुद्धप्रहरणविद्याविशारदः सहवृद्धिक्षयिकत्वादद्वैध्यः क्षत्रप्राय इति दण्डसम्पत् ॥ KA०६।१।११ ॥

³⁴⁰ राज्ञः स्वधर्मः स्वर्गाय प्रजा धर्मेण रक्षितुः ॥ ०३।१।४१ ॥

³⁴¹ दण्डो हि केवलो लोकं परं चेमं च रक्षति ॥ KA०३।१।४२अब् ॥

Any disputed matter shall be decided using the four bases of justice. These, in their increasing order of importance are (i) Dharma, which is based on truth; (ii) Evidence, which is based on witnesses; (iii) Custom, which is the recognised tradition of the people; and (iv) Royal Edicts, which is law as promulgated³⁴².

1.5.2 Army, law, justice & workforce examples from Vālmīki Rāmāyaṇa

There are different types of armies in Rāmāyaṇa that include the army of Ayodhyā, the army of Khara and Dūṣana, the army of monkeys, the army of bears, the army of birds, the army of demons which have played vital roles.

(i) Ikṣvāku Sena (Ayodhyā)

Accompanied by the army Daśaratha reaches Mithilā. The four divisions of the army proceed at the command of the king.³⁴³ The four divisions of army include the chariots (ratha), elephants (gaja) and horses (turaga) and infantry (padāti). This army was a highly trained, structured, strategy-driven army which made Ayodhyā as ‘A-yodhyā’ i.e. undefeatable by anyone.

(ii) Rakshasa Sena

- a. In Janasthana, Khara claims to have fourteen thousand demons at his command, ready to act on his order. They are swift warriors who do not withdraw from a fight³⁴⁴.
- b. The army of Rāvaṇa³⁴⁵ which came to fight with Hanumān, comprised of more than eighty thousand formidable kiṅkaras (a clan of demons) who were large bellied, with huge teeth and a horrible aspect, swift in action, and armed with hammers and clubs. This army was only one portion of the huge Rāvaṇa army, as described in the Durga section. (Refer p. 202 & 203)

³⁴² धर्मश्च व्यवहारश्च चरित्रं राजशासनम् ॥ KA०३।१।३९अब् ॥

³⁴³ वचनात्तु नरेन्द्रस्य सा सेना चतुरङ्गिणी। राजानमृषिभिस्सार्धं व्रजन्तं पृष्ठतोऽन्वगात्॥1.69.6॥

³⁴⁴ चतुर्दश सहस्राणि मम चित्तानुवर्तिनाम्। रक्षसां भीमवेगानां समरेष्वनिवर्तिनाम्॥3.22.8॥

³⁴⁵ महोदरा महादंष्ट्रा घोररूपा महाबलाः। युद्धाभिमनसस्सर्वे हनुमद्गहणोद्यताः॥5.42.26॥

(iii) Vānara Sena

The battle of Rāmāyaṇa would have never been fought if Rāma and his Vānara sena (monkey army) had not crossed the sea and arrived in Laṅkā. Rāma's army of Vānaras settled there gleamed like the autumnal full moon with auspicious stars³⁴⁶. Spies sent by the enemy could not comprehend the strength of the army of monkeys.

Additionally, Law and order were upheld at every step by the Kings of Ikṣvāku. The killing of Vāli is an instance where this is powerfully portrayed. While explaining the righteous duties of kings, Rāma tells Vāli “He who administers punishment to the punishable, and he who is punishable and gets punished, both will achieve the results of cause and effect, where punishment is the effect from the cause of wrongdoing, and they both thereby will not be condemned”³⁴⁷.

Thus, Rāmāyaṇa stands as a practical testament to maintaining and reinforcing law and order along with well-equipped armed forces.

4.5.7 Mitra: Ally (Friend)

4.5.7.1 Definition of ally/ friend as in Arthaśāstra

In Arthaśāstra, Kauṭilya says that the perfect ally is one who has been a family friend for a long time, is consistent, amenable to control, strong in his support, shares a common goal, can mobilize (his forces) fast, and is not a man who double-crosses [his friends]³⁴⁸.

4.5.7.2 Practical examples of friends and friendship from Rāmāyaṇa

(i) Guha

There lived the mighty king Guha who was born in the race of nishadas (hunters) and rose to become their lord. He was a friend of Rāma, who was akin to him in all ways³⁴⁹. Guha, joined

³⁴⁶ शशिनाशुभनक्षत्राणामासीवशारदी ॥6.24.1॥

³⁴⁷ दण्ड्ये यः पातयेद्दण्डं दण्ड्यो यश्चापि दण्ड्यते। कार्यकारणसिद्धार्थावुभौ तौ नावसीदतः॥4.18.63॥

³⁴⁸ पितृपैतामहं नित्यं वश्यमद्वैधं महल्लघुसमुत्थमिति मित्रसम्पत् ॥ ०६।१।१२ ॥

³⁴⁹ तत्र राजा गुहो नाम रामस्यात्मसमस्सखा । 2.50.33

by senior ministers and the members of his clan, came to greet Rāma, after learning that he had arrived in his kingdom and arranged for a powerful, excellent boat equipped with rowing rods and helmsmen to cross the sacred river, Gaṅgā.

(ii) Sugrīva

Sugrīva and Rāma circumambulated the sacred fire to mark their friendship³⁵⁰. By appointing his Vānara army, Sugrīva aided Rāma in his quest to rescue his wife Sītā from the clutches of the rakshasa king Rāvaṇa.

(iii) Vibhīṣaṇa

Rāma accepts Vibhīṣaṇa as a friend after consulting Sugrīva and his ministers³⁵¹. Vibhīṣaṇa's knowledge of Laṅkā's secrets proved invaluable to Rāma. As an ally, he readily revealed many secrets that were crucial for Rāma's victory, including the hidden route to the temple of Nikumbhila, the family deity of the Pulastya clan.

(iv) Garuḍa

As a dear companion, Garuḍa came to Rāma and Lakṣmaṇa's rescue during the war³⁵². The serpents, mortal enemies of the celestial Garuḍa, loosened their grip on the two warriors and slithered away, terrified. Garuḍa then gently touched the brothers' wounds, which were instantly healed, and their strength and valour restored.

(v) Jaṭāyu

On the way to Panchavati, Rāma prostrated before Jaṭāyu and embraced him. He continuously heard from him about various events relating to Jaṭāyu's friendship with his father³⁵³. Furthermore, Jaṭāyu was the first person to try to save Sītā from Rāvaṇa's clutches while he was hauling her to Laṅkā. Having fought valiantly, he succumbed to the injuries inflicted by

³⁵⁰ सुग्रीवो राघवश्चैव वयस्यत्वमुपागतौ । 4.5.16

³⁵¹ विभीषणो महाप्राज्ञः सखित्वं चाभ्युपैतुनः । 6.18.37

³⁵² अहं सखा ते काकुत्स्थ प्रियःप्राणो बहिश्चरः । 6.50.46

³⁵³ पितृर्हि शुश्राव सखित्वमात्मवाङ्मटायुषा संकथितं पुनः पुनः ।

Rāvaṇa. Although Jaṭāyu was fighting for his life, he managed to inform Rāma about Sītā's kidnapping.

Therefore, Vālmīki Rāmāyaṇa provides detailed and practical instances that offer valuable insights into the art of building alliances and fostering friendships. Through its narrative, the epic explores various aspects related to forming and maintaining alliances, including diplomacy, mutual respect, trust-building, and strategic decision-making. The Rāmāyaṇa's portrayal of these instances showcases the importance of strong alliances and friendships in achieving common goals, resolving conflicts, and ensuring collective prosperity. By emphasizing the intricacies and nuances of building relationships, the Rāmāyaṇa offers valuable lessons and guidance on the art of cultivating and nurturing alliances and friendships in various contexts.

4.5.7b Amitra³⁵⁴

As a corollary of Mitra, Amitra or enemy is also described in Arthaśāstra. In Vālmīki Rāmāyaṇa, through the examples of demons starting from Tāṭaka to Khara & Dūṣana, to Vāli and to Rāvaṇa and his entire army, examples of enemies and their nature are described. Through this we get to know the exact nature, qualities and character of an enemy and we can try to have a suitable strategy to protect ourselves from enemies.

³⁵⁴ अराजबीजी लुब्धः क्षुद्रपरिषत्को विरक्तप्रकृतिरन्यायवृत्तिरयुक्तो व्यसनी निरुत्साहो दैवप्रमाणो यत्किंचनकार्यगतिरननुबन्धः क्लीबो नित्यापकारी चेत्यमित्रसम्पत् ॥ KA०६।१।१३ ॥

Table No. 17 of Saptāṅgas as enumerated in Kauṭilya’s Arthaśāstra with practical examples from Śrīmad Vālmiki Rāmāyaṇa and the practical insight obtained by studying both texts together.

As per Artha-Śāstra	Practical examples in Rāmāyaṇa
<p>1. Svāmī = King, Leader</p> <p>In Total, 50 leadership qualities are given for an ideal Leader.</p> <p>They are:</p> <p>16 ābhigāmikā (qualities which attract followers)</p> <p>8 prajñā qualities (intellectual qualities)</p> <p>4 utsāha qualities (energy / enthusiasm)</p> <p>22 ātmasampat (self-governance qualities)</p>	<p>For each quality, Rāmāyaṇa has practical examples in characters like King Daśaratha and other Ikṣvāku kings, King Janaka, Sugrīva, Vibhīṣaṇa, Bharata, and Rāma.</p> <p>In the first chapter of Bala Kāṇḍa we get a list of 16 qualities of Rāma, by Vālmiki, 66 qualities of Rāma enumerated by Nārada</p> <p>In the 1st and 2nd chapter of Ayodhyākāṇḍa, we get innumerable qualities of Rāma, as described by the citizens of Ayodhyā.</p> <p>Sītā’s qualities as a queen and having are example of a Svamini as a leader.</p> <p>Additionally, what a king should not be, is given through the characters of:</p> <ul style="list-style-type: none"> • Rāvaṇa and • Vāli <p>Hence reading both texts together gives a master list of all leadership qualities and also the prohibited behaviour for a King or leader.</p>

<p>2. Amātyas or Mantris (including Purohita and similar advisors)</p>	<p>Through the qualities of the 8 ministers of Ayodhyā, 2 Purohitas and various Amātyas of Daśaratha, the detailed qualities, roles and responsibilities of ministers, advisors and councillors become clear. Hanumān who was the minister of Sugrīva, shows how to protect and support a king who is in grave danger and bring back his prosperity through right alliances. Vibhīṣhaṇa’s example shows what a minister should do when the king or leader is not following the path of Dharma. Ministers of Rāvaṇa like Prahasta show how a minister should not function.</p>
<p>3. Janapada Refers to the countryside and to citizens</p>	<p>Descriptions of Kosala, Malada-Karūṣa, Mithilā, and reference to janapadas by Sugrīva while sending the army in four directions, give a strong geographical context during Rāmāyaṇa. Description of Ayodhyā citizens, people of Laṅkā give the social context of Rāmāyaṇa.</p>
<p>4. Durga Water, Mountain, Barren, & Forest based</p>	<p>Detailed description of Ayodhyā and Laṅkā forts with all components within help visualise the security and infrastructure.</p>
<p>5. Kośa Treasury</p>	<p>Concepts of Dakṣiṇā, taxation rules, Kaccit sarga and other incidents give detailed description of Finance,</p>

	treasury and economics during Rāmarājya
6. Daṇḍa Army, Law, Justice	Qualities of soldiers, army-chiefs and presence of chaturanga-sena help understand a structured trained army. Army of Vānaras, Bears, Birds give additional qualities of security. Details of Rakṣasa army show what should be avoided and how an army shouldn't be
7. Mitra	Rāma was known for his friendship across all living beings. His friends included the tribal chieftain Guha, Vānara-king Sugrīva, Demon-king Vibhīṣhaṇa, King of birds Garuḍa, Jaṭāyu amongst others. This explain the value of true friendship without any stature, class, qualification or eligibility.
7b. Śatru	Examples of enemies like Tāṭaka, Khara, Dūṣaṇa, Vāli, Indrajit, Akṣayakumāra, Kumbhakarna and Rāvaṇa help us to protect ourselves from similar adversaries.

Figure No. 44: Saptānga components and practical case-studies from Rāmāyaṇa

Swami (Leader)	Amatya	Janapada	Durga	Kosa	Danda	Mitra	Amitra
Dasharatha	8 Ministers	Kosala	Ayodhya	Income & Expenditure	Ikshvaku Sena	Guha	Tataka
Ikshvaku Kings	2 Purohitas	Malada-Karusha	Kishkinda	Return on Income	Vanara Sena	Sugreeva	Khara-Doshana
Rama	Mantris	Mithila	Lanka	Principal protection	Rakshasa Sena	Vibhishana	Ravana
Sita	Hanuman	Other Janapadas		Attributes		Garuda	
Bharata/Paduka	Vibhishana	Citizens		10X		Jatayu	
Ravana	<i>Prahasta & others</i>						
Vali							

Saptanga as enumerated in Kautilya's Arthashastra
Practical examples of saptanga as detailed in VR

5.0 Discussion Points:

- i. This concurrent, line-by-line study of Saptānga as enumerated in Kautilya's Arthasāstra, with incidents, conversations and case studies from Vālmīki Rāmāyaṇa, provides evidence that Rāmāyaṇa has been one of the source texts for Kautilya in compiling the Arthasāstra.
- ii. Further, the practical application of principles of Artha-Śāstra in Rāmarājya, shows that there was a commonly known and studied 'Artha-veda' which may be the Upaveda of Atharvaveda, as enumerated in the Charaṇavyuha of Śaunaka.

- iii. This study also provides vital support to the compiling effort of Kauṭilya in being true to the spirit of the original Arthaveda and gives a strong impetus to the Arthaśāstra to be a Vedic thought and not just an individual's intellectual effort.
- iv. This study shows the sophistication of thinking which existed in the Indian Knowledge Systems and acts as a proof of concept to develop the concepts further.
- v. This study also contributes to the existing literature on Corporate Governance and its Indian antecedents.
- vi. With Rāmāyaṇa's vision-word being Dharma, and with its application of principles of 'Artha', as seen in this study, the concept that 'dharma' is the foundation for Artha gets reinforced.
- vii. Rāmāyaṇa provides practical examples, incidents, conversations, and case studies to understand the concepts enumerated in Kauṭilya's Arthaśāstra. Hence, studying these texts together would help gather more profound insights into Indian Governance.

Result No. 5: Tracing of Contemporary Governance elements in Public

Administration and Corporate workplace to Arthaśāstra and further to Rāmāyaṇa:

Table No. 18: Contemporary Governance from IKS

Public Administration	Corporate	Arthaśāstra Terms	Case Studies from Rāmāyaṇa
President / Prime Minister	Founder - MD - CXOs	Svāmī	Daśaratha-Ikṣvāku Kings-Rāma-Sītā-Bharata/ Pāduka. Anti-kings: Rāvaṇa & Vāli
Cabinet Ministers, Ministers of State	BoDs, Management team - Managers - LT	Amātya	8 ministers, 2 Purohitas, councillors, Mantrī-s, Hanumān, Vibhīṣaṇa Anti-Ministers: Prahasta & others
Population, Geographical boundaries	Customers - Learners	Janapada	Kosala, Malada Karūṣa, Mithila, Sāṅkāśya, Other Janapadas, Citizens
Country Infrastructure	Infrastructure - IT, physical, etc	Durga	Ayodhyā, Kiṣkindha, Laṅkā
Treasury, Finance	Finance, Accounts, Legal, compliance,	Kośa	Income & Expenditure, Return on Income, Principal protection, Other Finance Metrics, 10X growth
Armed Forces, Law & Order	Employees, Volunteers, Vendors	Daṇḍa/Sena	Ikṣvāku, Vānara Sena, Anti-Army: Rākṣasa Sena
Friendly countries, Allies	Consultants, Associates, SMEs,	Mitra	Guha, Sugrīva, Vibhīṣaṇa , Garuda, Jatāyu
Enemy states, War nations	Competitors, Counterfeits	Amitra/ Śatru	Rāvaṇa, Vāli, Khara Dūṣaṇa, Tātakā,

6.0 Next steps and Conclusion:

- Concurrent study of other concepts in Corporate Governance like foreign policy (Śāḍguṇya), Mandala theory, negotiation strategies (Caturupāya), espionage (Gūḍhapuruṣa) and administration framework (Adhyakṣapracāra), between Kauṭilya's Arthaśāstra and Vālmīki's Rāmāyaṇa and establishing the link between these two important milestone texts.
- Comparing these concepts with contemporary issues in Corporate Governance and providing insights for potential solutions.

- iii. Structured sequential study of such Indic Knowledge texts containing governance and economic thoughts can be done. Examples include Vedas, Upanishads, Mahābhārata, Purāṇas, DharmaŚāstras, Pañcatantra, Manusmṛti, Yājñavalkyasmṛti, etc.

6.1 RECAPITULATION

Through this research, five results have emerged out which are:

1. 10 potential insights from IKS for 10 challenges faced in ESG reporting (**Result No. 1**)
2. Through a combination of Management Control questionnaire (**Result No. 2**), 27 financial policy statements (**Result No. 3**) and 28 financial metrics (**Result No. 4**), accounting frauds can be prevented / minimized
3. Through parallel study of Kauṭilya's Arthaśāstra and Vālmīki Rāmāyaṇa and relating them to modern Corporate Governance, Indian contribution to accounting thought is established. (**Result No.5**)

Overall result: An integrated model called, 'ESG Controls Chakra' is formulated which combines all these 5 results into one model. Adhering to 'ESG Controls Chakra' framework would potentially address the three challenges taken for this research.

Conclusion for chapter 6.0

The overall research proposition is that there are potential insights from Indian Knowledge Systems to address contemporary challenges in accounting, auditing and corporate governance areas. These insights must be empirically tested for various parameters like effectiveness, relevance, validity etc. To implement the proposition three instruments have been developed viz. the Management Control Questionnaire, Finance policy statements and Finance metrics. These can be implemented along with the overall ESG Controls Chakra model and tested for results in subsequent research.