

## Strong corporate governance crucial for sustainable success of startups: Nandan Nilekani

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### Synopsis

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Nandan Nilekani, chairman and cofounder of Infosys and founding chairman of UIDAI (Aadhaar)

**Corporate governance** is critical and a commitment to strong governance is not just a matter of compliance, it's a strategic imperative for sustainable success in the dynamic world of **startups**, cofounder and chairman of **Infosys** Limited Nandan M **Nilekani** has said.

Speaking at a startup conclave on governance hosted by Endiya Partners and Qapita in partnership with Startup India here, he shared his insights on the crucial role of governance within the startup ecosystem.

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Nilekani, who had served as the chairman of the [Unique Identification Authority of India](#) (UIDAI), emphasised the relevance of governance for startup founders, highlighting that it should be a top priority. He pointed out that governance, often viewed as a non-financial aspect, has a direct and substantial impact on financial performance.

He said the need for responsible governance is growing and that there has been an increase in investor demands on governance over the past decade.

Citing that 70 per cent of the investor demands are on governance, Nilekani said governance has multiple dimensions for the board, for the CEOs and other CXOs and individuals.

He said good governance is about being fair, having a long-term vision. This can be done by maximising shareholder value, creating symmetry in information dissemination across stakeholder groups and by building a culture and value system.

Modern governance also embeds sustainability. Nilekani emphasised ethical governance that fosters entrepreneurship and sets benchmarks for corporate behavior.

He also spoke about the significance of transparency in operations, as it not only builds trust but also elevates brand value, not just for individual companies but for the entire country and industry.

"A commitment to strong governance is not just a matter of compliance; it's a strategic imperative for sustainable success in the dynamic world of startups," Nilekani said.

Stating that governance has become much more important in the analysis of companies, he said: "Today governance also goes beyond governance in the sense of how you run a company. It also involves environmental issues, sustainability is a big issue. Your social role, social consciousness is a big issue and that's why we call it ESG -Environment, Social and Governance - all these matters for companies."

He said Infosys has strived to create the "next opportunity" for everyone, and strong views on governance has enabled an inevitable growth story with zero debt.

"Governance is not a legal or ethical obligation, it is a strategic advantage. It is not an individual journey, but a collective achievement. Corporate programs must set an agenda for long-term growth and sustenance of the organisation," he stressed.

Addressing the gathering last evening, he also said: "You are in a more competitive and technologically superior world and your governance policies should ensure integrity, attract investments, and foster sustainable growth."

The Indian entrepreneurial ecosystem, Nilekani said, has seen a great transformation. However, there are challenges too like "patchy risk controls, no succession planning, lack of sound value system, lack of standards on transparency and disclosures, due-diligence is not deemed as important as the deal, long term growth and sustainability gets little focus".

Managing Director of Endiya Partners, Sateesh Andra observed that corporate governance remains the bedrock of thriving startups in this ever-evolving landscape. Amid challenges and triumphs, India's startup ecosystem has displayed resilience and adaptability.