3

RESEARCH
CORNER

- The Significance of AI for Governance Professionals and its Importance for Company Secretaries: A Perspective

The Significance of AI for Governance Professionals and its Importance for Company Secretaries: A Perspective

The role of Company Secretaries as governance professionals globally has undergone a drastic change and in the Indian context, with the emergence of AI tools and technologies, and start-up eco-system, it is moving at a fast pace. The regulatory landscape has been transforming in the recent times, which throws a challenge for governance professionals, to ensure regular and timely compliance with regulations, standards and much more. Being an advisor to the Board as also a custodian of compliance process, it is left to the Company Secretary to find a way out of the maze of regulations in an effective manner. It is here that AI can play a key role in the governance process, providing timely inputs, increased efficiency and high value-added services to the concerned stakeholders. This paper examines the extent to which AI tools can help in effective governance for corporate professionals and proposes an operational framework for the same.

CS (Dr.) R. Ravichandran, ACS

Chief Manager - Kirtane & Pandit, LLP
Bengaluru
rchandrain@yahoo.com

Dr. Laxmana Rao

Associate Professor
Dayananda Sagar University
Bengaluru
drlaxmanrao-scms@dsu.edu.in

INTRODUCTION

The role of AI in corporate governance is very critical today as entities have to adhere to various compliances under multiple Acts, rules and regulations, all of which have to be effectively monitored for timely compliance, filing and responses, in order to avoid penalties imposed on the corporates. The role of Company Secretary (CS) as a governance professional in the decision-making process is critical. They have started applying AI tools in governance, for conducting various meetings with stakeholders, regulators, and responsible reporting on compliance issues.

OBJECTIVES OF STUDY

a) To understand the concept and significance of AI and its influence on Governance.

b) To study how Governance professionals can deploy AI in their work processes to better manage compliances.

c) To suggest a framework for effective implementation of AI in Corporate Governance.

REVIEW OF RELATED LITERATURE

Kamruddin, S., & Chary, D. T. (2024) examine that the primary goal of e-government is to empower government agencies to provide high-quality services to their stakeholders in the most effective and transparent way possible. AI tools have been used by governments' recently to deploy e-government more successfully. The use of Internet of Things (IOT) and AI tools to enhance e-government services for all stakeholders is the main topic of this study.

Wirtz, B. W., Weyerer, J. C.et al (2019) postulates the advantages of application of Artificial intelligence (AI) in the public sector. Considering this, there is a growing need for a comprehensive understanding of the scope, significance, and related difficulties of AI-based applications. This conceptual study examines and gathers pertinent ideas from scientific literature to present an integrated picture of AI applications and related difficulties, as there is currently a dearth of a thorough overview of AI-based applications and challenges for the public sector. The findings of the study suggest, ten AI application fields together with detailed description of their value creation, operation, and particular public use cases, offers recommendations for further study.

Veale, M., & Brass, I. (2019) emphasise that in order to deliver "better public services," public organizations and agencies are increasingly looking to employ innovative data analysis techniques. These reforms have included changes in the digital services that are typically intended to improve the citizen's experience, make government more efficient, and boost business and the wider economy. Instead of offering broad policy evidence, there has been a movement in the recent years to use administrative data to develop algorithmic models, frequently utilizing machine learning, to assist in daily operational choices for efficient management and provision of public services. The paper observes that these efforts raise a number of concerns regarding the abilities, processes, and practices that governments' are currently deploying.

Kroll, J. A. (2015) explicates that Algorithms are increasingly being used to make important choices about people, such as counting votes, purging voter rolls, deciding who is eligible for financial aid, selecting taxpayers for audits, searching travellers, and determining credit worthiness. The public and society at large are interested in increasing the transparency of these procedures. However, those who are impacted rarely have access to the complete reasoning behind these choices since the algorithm or some inputs may be confidential, the implementation may be confidential, or the procedure may not be fully explained. There are not many options in case someone experiences that the procedure has gone awry.

Castilla Barraza, J. G., & Romero-Rubio, S. A. (2024, October) postulates that over the past ten years, artificial intelligence (AI) has started to significantly impact various facets of human activity, including public management. This article reviews the latest developments in the use of AI in public management, looks at the problems that have arisen, and assesses the technologies potential going forward. Using the VOSviewer program, bibliometric networks were constructed, and a thorough assessment of the literature was conducted. Particular use cases are investigated in domains including resource management, public service delivery, and decision making. It is determined that once these issues are resolved, the application of AI will increase effectiveness, transparency, and citizen participation in public administration.

Mittelstadt, B. D., Allo, P. et al.(2016) assesses that Algorithms are increasingly being used in information societies to perform tasks, make decisions, and make choices that were previously left to people. These algorithms may advise—if not make—about how data should be evaluated and what should be done as a result.

> The entire edifice of implementation of AI for governance professionals' rests on three pillars – Trust, Certification, Legislation & Obligations. In the first pillar related to trust defines stakeholders requirements are mapped with their expectations. The second pillar describes the institutional mechanism for certification, accreditation by the professional body while the third pillar, is on dissemination of validated information to the stakeholders as per requirements mandated under legislation.

Algorithms increasingly mediate social processes, corporate transactions, governmental choices, and people's perceptions, understandings, and interactions with the environment and each other. Disparities between how algorithms are built and how we perceive their ethical implications can have serious repercussions for individuals, communities, and entire nations. This paper clarifies the ethical significance of algorithmic mediation in three ways.

Engin, Z., & Treleaven, P. (2019) discusses that Big data and behavioral/predictive analytics, blockchain, the Internet of Things (IoT), and artificial intelligence (AI) are data science technologies that have the potential to transform government and give rise to a new wave of GovTech start-ups. Given the role of government and its significance to all institutions and individuals, the effects of the "smartification" of public services and the nation's infrastructure will be far more profound than those of any other sector. This research article gives an overview of data science automation being used by governments worldwide using a straightforward taxonomy of government services. The objective of this review paper is to persuade the computer science community to collaborate with the government in order to create these new technologies that will revolutionize public services and facilitate civil servants' work.

Rahwan, I. (2018) focuses on recent swift developments in machine learning and artificial intelligence that have sparked numerous inquiries concerning the governance and regulation of self-governing machines. In recent times, many academicians, and decision-makers demand that the algorithms that control our life be open, equitable, and responsible. This paper offers a theoretical framework for regulating algorithmic systems and artificial intelligence, by adapting the human-in-the-loop (HITL) paradigm from interactive machine learning to modeling and simulation.

Cath, C. (2018) describes that every element of the society is being more and more impacted by artificial intelligence (AI), from the essential—such as banking, law enforcement, urban infrastructure, healthcare, and humanitarian aid—to the something banal—such as dating. AI may enhance societal welfare, the economy, and the enjoyment of human rights. This includes embodied AI in robotics and methods like machine learning. The need to develop and regulate AI in a way that is transparent, equitable, and accountable is growing as a result of its widespread use in high-risk fields, where eight writers provide in-depth evaluations of the technological, ethical, and legal-regulatory difficulties associated with creating governance frameworks for AI systems. Due of its extensive use in high-risk industries, there is an increasing

need to develop and govern AI in a transparent, egalitarian, and accountable manner. It additionally gives a succinct overview of recent developments in AI governance, describes the degree to which the agenda for establishing AI laws, moral standards, and technical methods has been set, and makes some specific suggestions to advance the conversation on AI governance.

METHODOLOGY

The article is an exploratory study, conducted by reviewing the existing related literature, on the practices being identified in regard to adoption and usage of AI applications in government both at central and state level. The article explores the key issues involved in application of AI models in governance addressing issues such as bias, data-privacy, confidentiality of business information and proposes a framework for use of AI in implementing governance practices.
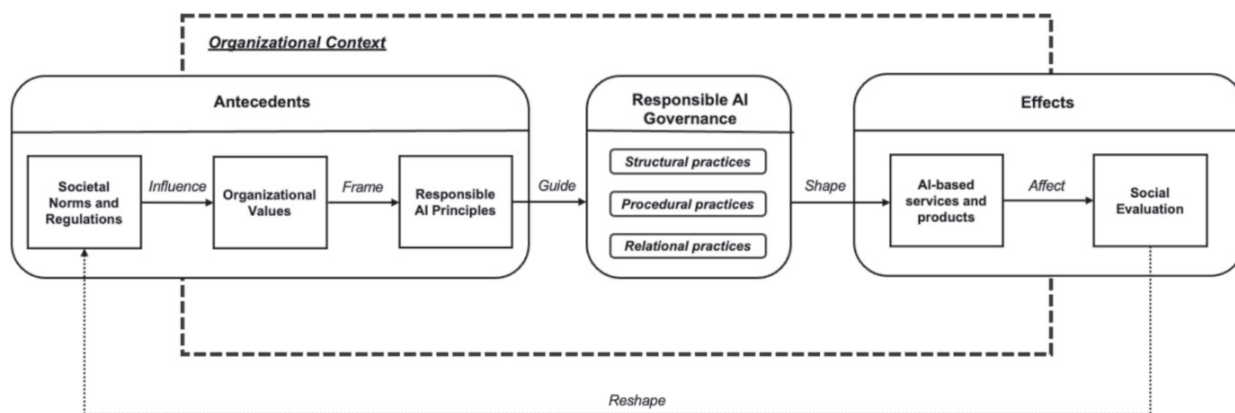
DISCUSSION

a) To understand the concept and significance of AI and its influence on Governance.

In order to arrive at a comprehensive governance framework, India has approached AI governance by integrating existing expertise, creating communities of practice, and attempting to simplify and address sectoral objectives. The nation has approached innovation thoughtfully, unlike many rising countries, without rushing to regulate or ignoring unchecked innovation. The professionalisation of the AI governance is one of the issues that must be addressed, nonetheless, considering the proposed standards' dual emphasis on legal and technological approaches to AI governance should be given. This

procedures, together with the publishing of pertinent or applicable criteria by international organizations like ISO 42001, could reinforce the adoption of this standard. In accordance with national legislative and governance priorities, such oversight would assist both public and private enterprises in creating and using AI in a suitable manner. The necessity of increasing institutional capacity at the federal and state levels is highlighted by the development of AI governance skills. This might entail putting into practice the suggested inter-ministerial coordination committee with the technical secretariat to comprehend the scope of AI risks and ways to mitigate them, whether through standards of practice, accountability mechanisms, or technical means (compliance by design), as suggested in the 2025 AI governance guidelines. This emphasizes the significance of comprehending the multifaceted nature of AI risks, putting in place governance mechanisms that can foster confidence in systems that may result in subsequent adoption, and assigning accountability to different actors based on the degree and type of their involvement. India's AI governance framework must complement the India AI mission to build fundamental AI innovation capabilities in order to achieve this institutionalisation process. To facilitate downstream innovation and adoption, governance methods must be clearly operationalised. This will legitimise technical modalities of governance and streamline and clarify compliance procedures. All things considered, the development of India's AI strategy and governance approach shows a strong dedication to promoting innovation and creating governance frameworks that can assist an AI-driven economy.

Diagram-1

Source – Papagiannidis, E., Mikalef, P., & Conboy, K. (2025). Responsible artificial intelligence governance: A review and research framework. *The Journal of Strategic Information Systems*, *34*(2), 101885.

is due to the fact that existing laws will need to be rationalised in order to apply AI at a certain level, whilst technical alternatives require a network of standardised procedures, abilities, and experience in order to be legitimate. To do this, it would be necessary to define risk management and auditing standards, create audits and audit systems, and specify the legal liability of auditors. Harmonisation and simplification into standard compliance and auditing
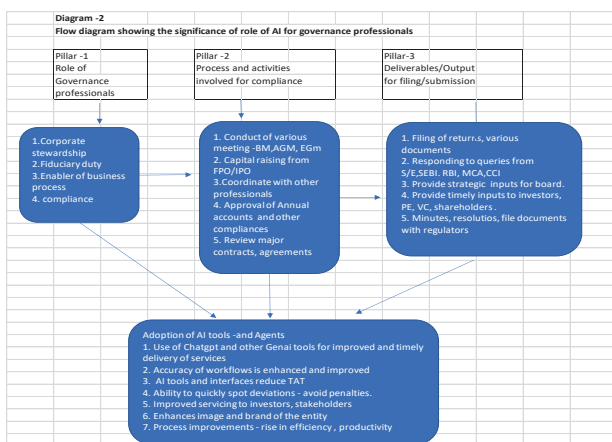
In the context of AI application in governance, it is important to understand that certain antecedents are governing the application and use of AI like Societal norms and regulations that influence the entity values and this

leads to framing of responsible AI principles. These shall serve as a guide to responsible AI governance involving structural, procedural, and relational practices that will shape the delivery of AI based services and products and in turn influence evaluation of society.
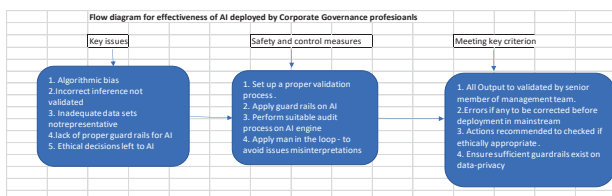
b) **To study how Governance professionals can deploy AI in their work processes to better manage compliances.**

With increased emphasis on Compliance and related processes, the role of Company Secretary as a governance professional in the last few decades has undergone a drastic change driven by legislation, regulation and strict monitoring. The deviation of which will invite penalty or loss of licenses to do business, bar on operations (e.g., banking), and possible prosecution. This forces the corporates and professionals engaged in governance to suitably equip themselves, in the process and it is here that AI can help greatly in bringing out effectiveness, enhance productivity, and improve compliance processes in a timely and cost-effective manner. Further deployment of AI agents or Agentic AI adoption can improve process and efficiencies, in addition to being scalable.

Diagram -2
Flow diagram showing the significance of role of AI for governance professionals

AI ethical standards, and 32% say it is addressing the concerns in data privacy, and bias in AI deployment. Interestingly as regards AI risks, 60% are worried that Gen AI will be misused, while 81% believe disinformation and misinformation is greater risk of AI. While 20% are confident of their ability to detect AI based misinformation, 35% only contend addressing AI risk is the immediate priority, and more than 85% say training is a top priority. The governance professional would do well by using GenAI tools, e.g., Co-pilot, ChatGPT with caution, by validating their results before adoption into live system.
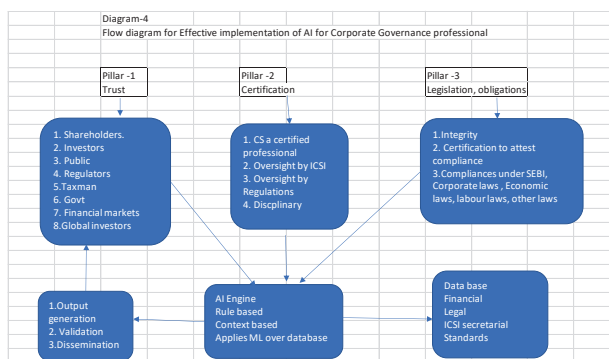
Diagram -3

The effectiveness of AI applications in corporate governance will also have to be tested based on certain key factors to ensure that the output is relevant, valid and not suffer from mistake, misinterpretation and bias. The above flowchart presents a conceptual framework on the effectiveness of AI deployment by corporate governance professionals, when integrating to their daily tasks and work flows. Going forward it is likely that agents will be deployed in the compliance domain helping entities with quicker turnaround solutions, increased effectiveness and improved performance.

c) **To suggest a framework for effective implementation of AI in Corporate Governance.**

In the above flowchart diagram the entire edifice of implementation of AI for governance professionals' rests on three pillars – Trust, Certification, Legislation & Obligations. In the first pillar related to trust all stakeholders requirements should be defined and crystallised keeping in mind their expectations.

The second pillar describing the institutional mechanism for certification, accreditation by the professional body gives the confidence to the professional to perform the task and effectively aid in strengthening the trust placed on the corporate governance professional. The certification leads to increased responsibilities often challenging in terms of compliances in ever changing dynamic scenario. The deployment of AI module using rule based, context based framework and adopting AI tools, ML, algorithms specifically designed to link and extract the required data from the database of financial, legal, and specific standard related compliances or violations which are transferred to output that needs validation from a senior governance professional. In the third pillar, once the validation process is complete the same is disseminated to the stakeholders as per requirements mandated under legislation. With AI tools being adopted rapidly, governance professionals need to be upskilled in the application of AI in a fair and balanced manner. Working with large databases involving contracts, agreements, legal documents and host of other activities which the governance professional has to perform on day to day basis all will be greatly aided by the deployment of AI.

Diagram-4
Flow diagram for Effective implementation of AI for Corporate Governance professional

RESEARCH CORNER

LIMITATIONS OF STUDY

This study is exploratory and is based on secondary research. This study does not consider any empirical data for analysis.

CONCLUSION

As a result of tightening of compliances and regulations, fines, penalties, and fear of loss of reputation, the importance of AI has gained significance for governance professionals and is become a necessity. Both public and private sector can be more benefited by relying on automation tools, AI tools, low code and no-code platforms which can be cost effective in addressing the compliance issues in a corporate entity across states and help him focus more in contributing to board decisions by assisting with strategic inputs, business planning for growth and acquisition and not merely getting restricted to compliance. As the economy grows and entities scale up, it is likely that governance professionals such as Company Secretaries are more likely to use AI tools to streamline their workflow, processes and decision making, thus giving a high level of value added insights into decisions taken by the board. The first wave of differences is already being visible in professionals using prompt engineering, AI tools and GPT tools like ChatGPT, Gemini, Co-Pilot, Perplexity, Manus etc each with its own advantages capable of being integrated with the existing work flow processes within the entities, and governance professionals would do well to adopt the same and upskill their learning. This will help provide better services for clients at market place. Increasing capacity, nurturing young talent and building tools will be of immense help in moving to the next phase in the value chain for services by professionals. The Government of India is also creating necessary ecosystem to ensure that the capacity building happens at government level in various departments, under the framework prepared by Niti-Aayog, while the players in private sector are looking at scaling in a rapid way. As the nation moves in the direction of becoming USD 5 Trillion economy, the deployment of AI for smooth functioning of corporate governance is likely to bring a drastic change in the way of working.

REFERENCES:

i. *Castilla Barraza, J. G., & Romero-Rubio, S. A. (2024, October). The Use of Artificial Intelligence in Governance: A Systematic Review. In International Conference on Advanced Research in Technologies, Information, Innovation and Sustainability (pp. 110-125). Cham: Springer Nature Switzerland.*

ii. *Cath, C. (2018). Governing artificial intelligence: ethical, legal and technical opportunities and challenges. Philosophical Transactions of the Royal Society A: Mathematical, Physical and Engineering Sciences, 376(2133), 20180080.*

iii. *Engin, Z., & Treleaven, P. (2019). Algorithmic government: Automating public services and supporting civil servants in using data science technologies. The Computer Journal, 62(3), 448-460.*

iv. *https://excellenceenablers.com/artificial-intelligence-in-corporate-governance/*

v. *https://securiti.ai/ai-governance-in-india-meity-2025-report/*

vi. *https://www.ibm.com/think/topics/ai-governance*

vii. *https://www.isaca.org/-media/files/isacadp/project/isaca/resources/infographics/2024-global-ai-infographic-524.pdf*

viii. *https://www.nbr.org/publication/ai-governance-in-india/*

ix. *https://www.niti.gov.in/sites/default/files/2023-03/National-Strategy-for-Artificial-Intelligence.pdf*

x. *Kamruddin, S., & Chary, D. T. (2024). The Role of Artificial Intelligence in E-Governance-An Explorative Study. SAMRIDDHI, 110.*

xi. *Kroll, J. A. (2015). Accountable algorithms (Doctoral dissertation, Princeton University).*

xii. *Mittelstadt, B. D., Allo, P., Taddeo, M., Wachter, S., & Floridi, L. (2016). The ethics of algorithms: Mapping the debate. Big Data & Society, 3(2), 2053951716679679.*

xiii. *Papagiannidis, E., Mikalef, P., & Conboy, K. (2025). Responsible artificial intelligence governance: A review and research framework. The Journal of Strategic Information Systems, 34(2), 101885.*

xiv. *Rahwan, I. (2018). Society-in-the-loop: Programming the algorithmic social contract. Ethics and Information Technology, 20(1), 5–14*

xv. *Veale, M., & Brass, I. (2019). Administration by algorithm? Public management meets public sector machine learning. Public management meets public sector machine learning.*

xvi. *Wirtz, B. W., Weyerer, J. C., & Geyer, C. (2019). Artificial intelligence and the public sector—applications and challenges. International Journal of Public Administration, 42(7), 596-615*