



BOARD SUMMIT- A CONFIDENT CORPORATE INDIA



February 18, 2022

The Institute of Directors (IOD), India - Mumbai Region organised a Regional Webinar on “**Board Summit – A Confident Corporate India**” on February 18, 2022.

Mr. Vikesh Wallia, Hon. Zonal Director - Western Region, Institute of Directors, India, delivered the '**Opening Address**' and welcomed all the distinguished speakers, event partners and participants. He also explained about the umbrella theme and the webinar's three panel discussions.

Mr. Shailesh V. Haribhakti FCA, Chairman - Western Region, Institute of Directors, India; Board Chairman, Audit Committee Chair and Independent Director on multiple boards in India; and Chairman, Shailesh Haribhakti & Associates, India delivered the '**Welcome Address**' by stating that we all dream of a confident corporate India. He expounded that the pandemic could have completely halted India, but instead came up due to three parameters: **Firstly** focus on cash-flow and not profit; **Secondly** re-adaptation of business models to ensure experience is never halted; **Thirdly**, the most important feature, the need to practice

sustainability particularly in reference to energy. The entire attention was focused on becoming the stewards of environment, as a result of which India will be the fastest growing economy in the world, he further added. He concluded by saying that without the support of regulators and government, Corporate India can never become confident.

Lt. Gen. J. S. Ahluwalia, PVSM (Retd.), President, of Directors, India in his '**IOD President's Address**' stated that the seminar was going to cover start-ups, ESG and digital opportunities. IOD is a non-profit association for directors and our role is to see how to make them board ready and how to make board future ready. These activities are being undertaken to promote a better board and a better India. As each board has its own dynamics and a responsibility towards making themselves 'future ready', this challenge will remain a constant. The sharpening COVID crisis has necessitated India to take a stand towards ESG, for example, LIC delayed its IPO to make its ESG footprint larger. The 'E' in ESG links with protecting the environment and spending in



Mr. Shailesh V. Haribhakti



Lt. Gen. J. S. Ahluwalia



Inaugural Session

Distinguished Speakers live during the event: (From L to R): **Mr. Shailesh V. Haribhakti FCA**, & **Lt. Gen. J. S. Ahluwalia**, PVSM (Retd.)



BOARD AND DIRECTORS' PERFORMANCE EVALUATION

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- Board Committees - Structure, Functioning & Effectiveness
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Lt. Gen. J. S. Ahluwalia, PVSM (Retd.)
President
Institute of Directors, India



Mr. Shailesh V. Haribhakti FCA
Chairman - Western Region,
Institute of Directors, India
Board Chairman, Audit Committee Chair
& Independent Director on Multiple
and Chairman, Shailesh Haribhakti &
Associates, India

R&D is equally important, he added. The boards' role is to adopt sound ESG strategy and future proof themselves, create a climate resilience and eco-resolution. Greater focus on ESG will yield a better result. The only shortcoming to this was absence of ESG standards through which ESG reporting could be done but work was being done to address this shortcoming, he concluded.

This was followed by **First Panel Discussion** on the theme **“Launching a Decacorn”**

The session was **Chaired** by **Mr. Shailesh V. Haribhakti FCA**, Chairman - Western Region, Institute of Directors, India; Board Chairman, Audit Committee Chair and Independent Director on multiple boards in India; and Chairman, Shailesh Haribhakti & Associates, India. He stated that corporate India has seen multiple decacorns as a result of the work of the panellists. He invited them to talk about the values which these start-ups were bringing.

The session had the following distinguished panellists:

- 1. Mr. Ashish Chauhan**
Managing Director and
Chief Executive Officer
BSE Limited



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Managing Director &
Chief Executive Officer
BSE Limited



Mr. Gopal Vittal
Managing Director &
Chief Executive Officer
Bharti Airtel Ltd.



Dr. Ganesh Natarajan
Independent Director
State Bank of India and
Chairman
Honeywell Automation India Ltd.

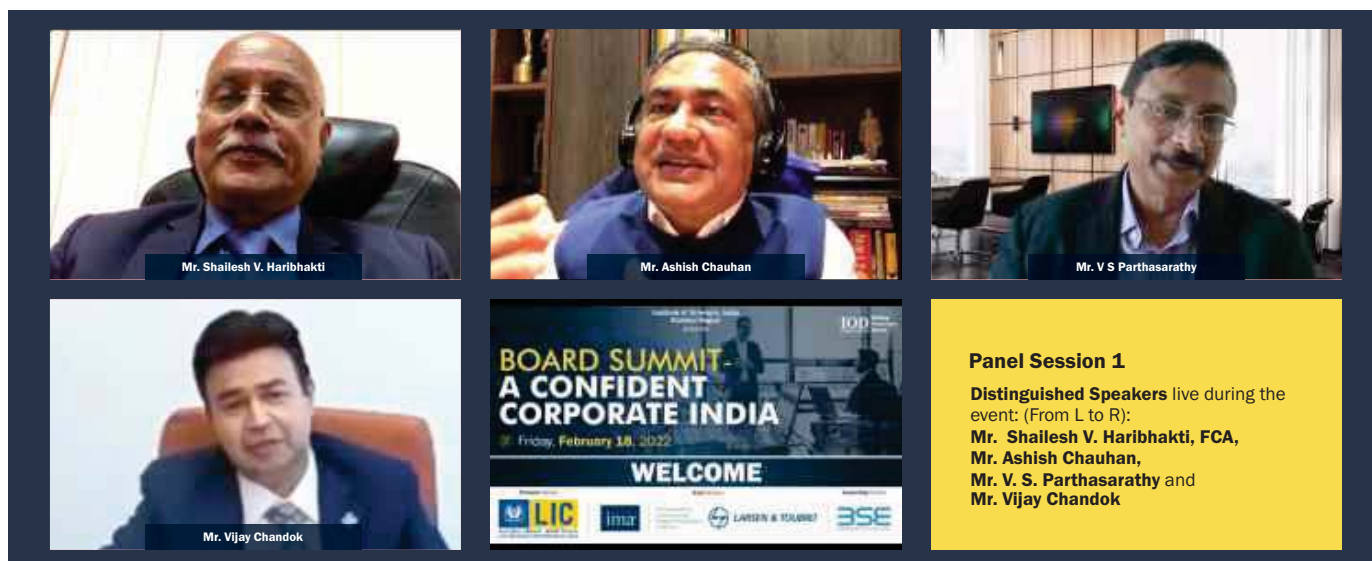
- 2. Mr. V. S. Parthasarathy**

Independent Director, Life Insurance Corporation of India & Vice Chairman, Allcargo Logistics Ltd.

- 3. Mr. Vijay Chandok**

Managing Director and Chief Executive Officer
ICICI Securities Limited

Mr. Chauhan stated that it was impressive how fast wealth was being created as a result of new technologies springing up. He cautioned that technologies will remain while companies will not so there is a need for businesses to be agile. He further coined the phrase “Capitalism without Capital” – a concept which was mushrooming. All our books and economies are becoming irrelevant, he said. He gave the examples of Steve Jobs, Bill Gates etc. and said that these people become wealthy by using other people's money. The next fifty years will create wealth that has not been seen in the last 10,000 years, he asserted. We have a young population who are forward looking and have a sound technology background. India will create 25 per cent of the wealth because of this reason, he said. He also said that India has a total wealth of \$10 Trillion and \$3.5 Trillion of this is represented in BSE. He said, ultimately the wealth is being created by listing on the public market and so the role of directors become very important - directors need to be conscious keepers of companies. As a market, we are manufacturing trust and trust is a fickle thing. If you poison that trust, you will kill all. He added that trust should be held sacred. He said IOD is doing a good job of keeping the system true. He advised, 'when in doubt - disclose and be transparent'. He concluded; wealth comes with trust.



Mr. Parthasarathy said that climate change and e-commerce would drive the changes in the business model and the addition of innovation was vital to stay afloat. In the new normal, innovation will drive us, he said. The pandemic has challenged us to rethink speed and ESG has now been recognised to be as important as profit for corporate India. Part of our problem is talking about talking 3P and converting it to 2P'S, whereas we should have the end objective to be People and Profit. Digital Sangamam is going to create the future decacorn, he added. If you don't join the Digital Sangamam you will be left behind, he cautioned. He concluded that a company not going green will be destroying for the future generation.

Mr. Chandok shared that the word unicorn was first crafted in 2013 in USA. With the advent of 2021, 42 new unicorns were added, and the total swelled up to 81. He excitedly added that out of the 46 decacorns in the world today, five were in India. The reason behind this is that the entire Indian eco system has facilitated this growth. India went from 12 to 7 in the GDP count over the last decade. He added that the digital revolution has played a big role in this growth through democratized access for customers, as did human behaviour becoming more digital and the unleashing of entrepreneurial spirit in India – where there is no age limit to be an entrepreneur. He also added that the capital market has been given access to take part in this wealth creation. What makes a decacorn is passion and care for customer experience and solving a pain point for customers. Agility, strong teams, patience, investments in building networks and using these networks effectively and working in large scale are some of the hallmarks of decacorns, he concluded.

This was followed by a **Second Panel Discussion** on the theme **“Actioning ESG”**

The session was **Chaired** by **Mr. Santhosh Jayaram**, Global Head- Sustainability, HCL Technologies Ltd. He said that proxy activism of ESG was a watershed moment that happened in India. Shareholders and Investors are supporting this moment, he asserted. He stated that there are 6 key factors to action ESG;

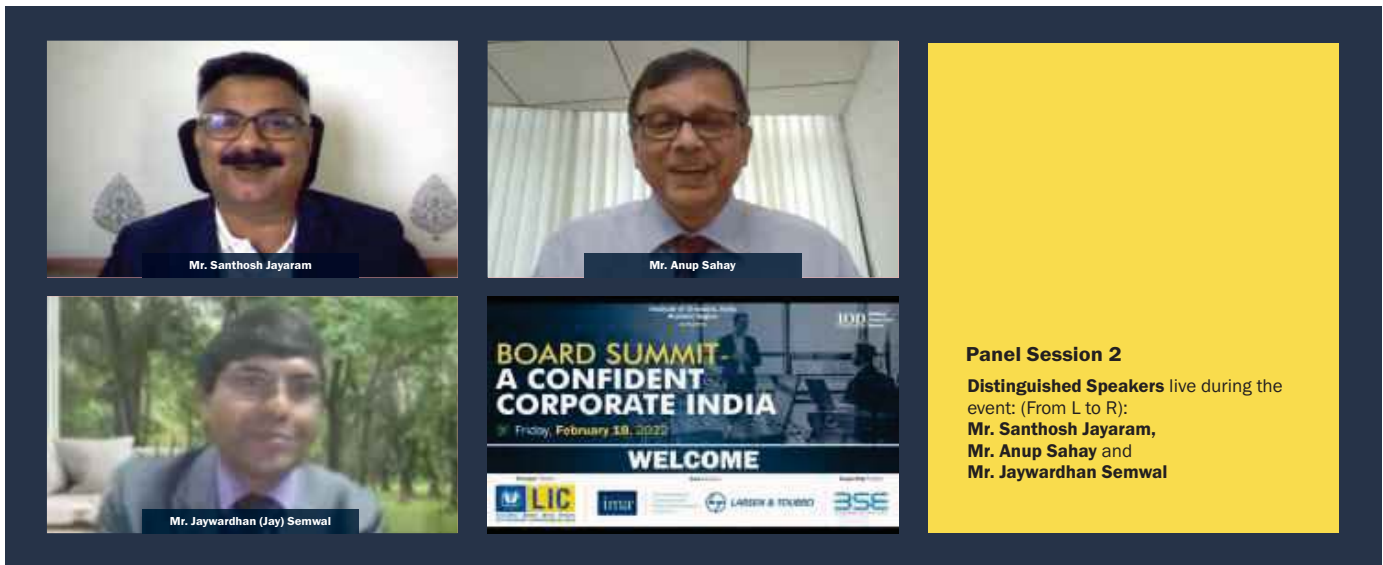
1. Tone at the top – the average score of the IT sector topped all the other in terms of ESG rating. Leadership paves the way for this, and culture is most important.
2. The governance structure – many companies have ESG committees and ESG needs to be integrated into different business modules.



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Life Insurance Corporation of India &
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3. Align everyone – aligning everyone on the ESG front is important as is working in a responsible manner and considering the impact of other stakeholders.
4. Measuring effectiveness – right metrics for ESG is needed. In HCL, for example, they have 12 metrics to measure and within that there are 100 variables
5. Transparent reporting – for others to learn and implement
6. Establish a feedback loop – for value creation, constant learning and sharpening of actions

The session had the following distinguished panellists:

1. Mr. Jaywardhan Semwal

Vice President
Corporate Financial Accounting
Hewlett Packard

2. Mr. Anup Sahay

Head Corporate Strategy
& Special Initiatives
Larsen & Toubro Limited

Mr. Semwal said that proxy activism around ESG is paramount and things will change because of COVID. HPE are taking the lead to be committed to electricity and carbon consumption. He added that India is trying to lead in the ESG direction and while comparing ESG today and the Internet, commented that he could never have thought that Internet could have been so huge. He believes that there are two

drivers to ESG and that HPE is creating a more sustainable effort and added that everybody from customers to investors are trying to create better ESG environments and that accountants need to have a better metric for creating value through ESG. He said accounting must mean trust and transparency and they should play a more active role in actioning ESG.

Mr. Sahay shared that to take things at a different level at L&T, the target for carbon or water neutrality was decided between the ESG and business teams. He said at a group level, they are at \$20 billion in revenue. There is a strong desire for growth in L&T and this growth will have an impact on the environment. The challenges for L&T are energy consumption which their vehicles demand, and challenges in consistency and alignment as well



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Panel Session 3

Distinguished Speakers live during the event: (From L to R): **Mr. Shallesh V. Haribhakti FCA, Mr. Gopal Vittal, Dr. Ganesh Natarajan, Mr. Pradeep Chaturvedi and Mr. Vikesh Wallia**

as setting up a framework for business. He asserted that they will be carbon neutral by 2040 as they have created a horizontal support for energy and water efficiency as well as tree plantation. He concluded by saying that this is how L&T is moving ahead with ESG.

This was followed by **Special Keynote Session – “Fireside Chat on the theme Harvesting Digital Opportunity”** with the following panellists:

1. Mr. Gopal Vittal

Managing Director and Chief Executive Officer
Bharti Airtel Ltd.

2. Dr. Ganesh Natarajan

Independent Director, State Bank of India and
Chairman, Honeywell Automation India Ltd.

Mr. Vittal shared that the three questions that he resonates most with are:

1. What does digital transformation mean?
2. How to make it happen?
3. How to do it?

For the *first question*, he said that personalised and complete solutions are the answer. He said if you are transparent to the customers, trust increases, and the churn gets lower. He said using the digital eco-system they created a business and it's an incubated cell. Answer to the *second question* is data; capturing and storing data is essential and needs to be made the core of the business. Digital transformation is about people he said, people are unpredictable and they find difficult ways to do simple things, he said while answering his *third question*.

He said, if you look at 5G as a technology it has blazing speed and a much lower latency, and concurrencies; it allows you to have more devices in an area so that user experience is solid. It needs an ecosystem of collaboration of government, corporate, legacy companies to make 5G happen. For anything to happen in an organisation, collaboration is paramount and board and CEO has an essential role to play and this is his biggest lesson, he concluded.

Dr. Natarajan stated that digitalisation is a great enabler- the minute something comes at the top there are also naysayers. AI should be looked at ethically and digital India will be huge. He was hopeful for different India in the coming future. He added that analytics and cloud will continue to grow and looking at cloud you don't need to buy technologies. Also, the biggest driver for tech acceleration was the pandemic. Additionally, AI is looking at collaborative functions whilst design thinking is crafting amazing customer experience and culture is also very important. He talked about the metaverse by saying that the morphing of real world was always there, and the psychology of pull based mechanism will take over push-based



Mr. Pradeep Chaturvedi
Vice President
Institute of Directors, India



Mr. Vikesh Wallia
Hon. Zonal Director - Western Region,
Institute of Directors, India

mechanism. What metaverse will do is give you your preferred universe, with preferred people, experience, which is not necessarily a good thing because you will be deprived of newer experiences, he added.

The sessions were followed by an interactive **Q&A Sessions**.

Mr. Pradeep Chaturvedi, Vice President, Institute of Directors, India delivered the '**Concluding Remarks**', and said the three-panel discussion was apt and much appreciated in the time of Unicorns and Decacorns. The key concluding points are mentioned below:

On Union Budget FY 2022-23: The current budget is revolutionary because the government has taken the bold decision to push corporate India in ascension. He opined that **until Corporate India would not play a more active role, the growth will not come**. The role of education is very important, and an outlook to increase the education budget is a welcome change.

On CSR: A large number of Indian companies have come forward and helped in transforming Digital India and are now redefining CSR.

On Climate Change: Resilience has become a big focus after the Glasgow conference. He commented that albeit the Hon'ble Prime Minister of India has stated that we will achieve net zero by 2070, many companies have promised net-zero by 2030 and they seem to be on track for achieving this.

On Sustainability: Sustainability is required and lifestyle changes are to be altered. These three subtopics have aptly and timely brought the discussion to the table and how they will affect corporate India is essential, he said.

Mr. Vikesh Wallia, Hon. Zonal Director - Western Region, Institute of Directors, India proposed the '**Vote of Thanks**'. Sincere thanks were conveyed to the guests of honour, distinguished speakers, participants and partners. Special thanks were conveyed to the **Principal Partner:** Life Insurance Corporation of India, **Gold Partners:** Institute of Management Accountants (IMA) and Larsen & Toubro Limited and the **Supporting Partner:** BSE Limited (formerly known as the Bombay Stock Exchange).

The Regional Webinar was hosted online via Cisco WebEx account and also streamed live on YouTube.

Compiled by:

Mr. Vikesh Wallia
Hon. Zonal Director – Western Region
Institute of Directors

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