

# Regional (Virtual) **DIRECTORS' CONCLAVE – 2020** December 11, 2020, Bengaluru

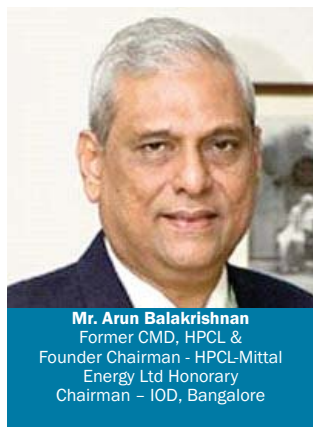
Institute of Directors (IOD) organized its first **“Regional (Virtual) Directors' Conclave”** on December 11, 2020 at **Bengaluru, Karnataka**. The theme of the Conclave was **'Boards in Turbulent Times: Challenges Confronting Independent Directors'**.

The Conclave was hosted online via IOD's licensed Cisco Webex account, and also streamed live on YouTube. The event witnessed participation with over 170 business participants comprising business leaders, board members, directors, industry & board experts, policy-makers, educationists, etc.

**Mr. R. G. Rajan**, Board Member, National Governing Council & All India Honorary Director, IOD; Former CMD, RCF, NFL, PDIL & Former Chairman, FAI & SCOPE in his **'Welcome Address'**, introduced the theme of the Conclave and welcomed all the

dignitaries, participants, speakers and valuable partners participating in the event. He shared his thoughts behind the Conclave by highlighting the elements of functioning & challenges being encountered by Independent Directors.

**Mr. Mukund Chitale**, Former Chairman, The Institute of Chartered Accountants of India (ICAI) and Independent Director, Larsen & Toubro Limited delivered the **'Keynote Address'**. He commenced his talk by describing Corporate Governance as a compilation of norms and procedures; coupled with principles of transparency, ethics and accountability into the day-to-day operations. He delved on efficacy of various mechanisms & committees, and also emphasised important issues through highly prioritized agendas, questioning the management on its strategy, guiding the management team for enhanced organizational performance, by sharing diverse perspectives and work constantly to improve the dynamics of the board's overall approach, discipline and functioning, thereby having a positive effect on the company's employee and customer value propositions. He highlighted, “Independent Directors on the board of a company come from diverse backgrounds and more often than not, they are not from the same industry. This brings in diverse experiences from other industries that can enrich decisions.” Also, with the change & strengthening of rule based laws and stricter control mechanism, the move towards Independent Directors, which began as a 'Good Governance' practice, has now become an obligatory element of corporate legislation.



**Mr. Arun Balakrishnan**  
Former CMD, HPCL &  
Founder Chairman - HPCL-Mittal  
Energy Ltd Honorary  
Chairman - IOD, Bangalore



**Mr. R. G. Rajan**  
Board Member of National Governing  
Council & All India Honorary Director  
of IOD, Former CMD, RCF/NFL/PDIL -  
Former Chairman FAI/SCOPE



**Lt. Gen. J. S. Ahluwalia, PVSM (Retd.)**  
President  
Institute of Directors (India)



**Mr. Mukund Chitale**  
Former Chairman ICAI &  
Independent Director L&T Limited



**Mr. Prasad Chandran**  
Former Chairman and  
Managing Director, BASF India  
Limited & Independent Director  
in multiple companies



**Ms. Revathy Ashok**  
Independent Director

### Session I - Challenges of Boards & Independent Directors during Covid-19



Moderator

**Mr. M. R. Prasanna**  
Arbitrator, Mediator &  
Independent Director

**Mr. M. R. Prasanna**, Arbitrator, Mediator & Independent Director, was the '**Moderator**' of the Session. He introduced the Session theme and welcomed the Distinguished Speakers.

The Distinguished Speakers of the Session were:

1. **Mr. Prasad Chandran**  
Former Chairman and Managing Director, BASF India Limited & Independent Director in multiple companies
2. **Ms. Revathy Ashok**  
Independent Director
3. **Mr. J. Sundharesan**  
Practising Company Secretary & ECG Expert, J Sundaresan & Associates

**Mr. Chandran** deliberated on preservation of company values. He gave his view on difference between legality & ethics, but laid emphasis on standards of ethics thereby raising the Governance bar in terms of sustainable growth & value creation i.e. at Board level – to decide & adopt the best practices and values to face the major underlying issue i.e. the halt in growth of economy due to the pandemic. He also laid special emphasis on Board Democracy in company driven boards with focus on long-term strategy which can be achieved by having interface with the management. He also discussed

the strength & contributions by lead Independent Directors i.e. feedback mechanism has to be instituted or if it has been in existence, it must support the Chairman & Management Committee in taking immediate, conscious and corrective action.

**Ms. Ashok**, in her talk, stressed on individuals, commenting that organisations have to grow compromise, survive, respond & live with this newly adopted world norm by getting engaged virtually. She laid emphasis on the next stage of digital evolution, duly interfaced suitably with emerging technological trends, and hyper intuitive cognitive capabilities that will help in transforming the business in unpredictable ways which in the long run will have a positive effect on the growth of the organization and country's economy. She also deliberated on robustness of processes in Audit-related issues and building relationships.

**Mr. Sundharesan** laid emphasis on Dissent & Ethics by highlighting nuances in the Boardroom including recording and security, ensuring things to be adopted & implemented keeping the organisational spirit in mind.

### Session II - Empowering Directors to Mitigate the Risks & Liabilities

**Mr. Bhanu Prakash Kalmath S. J.**, Partner, Grant Thornton LLP, was the '**Moderator**' of this Session. He introduced the Session theme and welcomed the Distinguished Speakers.



Moderator

**Mr. Bhanu Prakash Kalmath S J**  
Partner - Grant Thornton Bharat LLP



**Mr. J. Sundharesan**  
Practising Company  
Secretary & ECG Expert,  
J. Sundaresan & Associates



**Mr. Jyotin Mehta**  
Chairman - Audit Committee,  
Linde India Limited  
Independent Director in  
multiple companies



**Mr. C. Ramulu**  
Former Director Finance, HPCL  
Former President - Finance,  
Hinduja National Power  
Corporation Limited



**Mr. Puneet Gupta**  
Independent Director,  
NCDEX e-Markets Limited  
Investor, Independent Director  
& Managing Partner,  
Kentrus Capital

The Distinguished Speakers of the Session were:

1. **Mr. Jyotin Mehta**  
Chairman - Audit Committee, Linde India Limited  
Independent Director in multiple companies
2. **Mr. C. Ramulu**  
Former Director Finance, HPCL  
Former President - Finance, Hinduja National Power  
Corporation Limited
3. **Mr. Puneet Gupta**  
Independent Director, NCDEX e-Markets Limited  
Investor, Independent Director & Managing Partner,  
Kentrus Capital

**Mr. Mehta** in his talk on Risk Management Practises stressed that today's environment is banking on "Agenda driven meetings" or "Scripted Meetings" or "Regulated meetings" and very little time is spent on core issues - as to what the Board is supposed to do, especially related to strategy & risk management. He also stressed that in any organisation risk management is a continuous exercise and only a regular assessment of potential risks in advance can help determine whether the policies, processes, and controls are in place. In case the board waits, for a failure of compliance - maybe due to carelessness or recklessness, it may be too late, when a real crisis surfaces thereby causing serious reputational & financial damage. He also shared his view on compensation, insurance & even stressed on contractual terms for Independent Directors.

**Mr. Ramulu** shared an insight into 'Project Management', wherein he laid emphasis that any project taken by an organisation is a lifeline of industry and implies growth. The role of Independent Directors in terms of project management & finance is an important aspect and hence the organisation should concentrate on the following factors:

- **Planning** - an important facet and hence adequate time should be given by going into minute details,
- **Identification** of right person for the job / project who is driven by passion & professionalism,
- **Time Management** is again an important feature - to complete the project within the stipulated time & lastly
- **Financial budget** plays an important role, if delayed will lead to escalation in overall cost and hence "time & cost" are interrelated and adequate attention should be paid to both aspects.

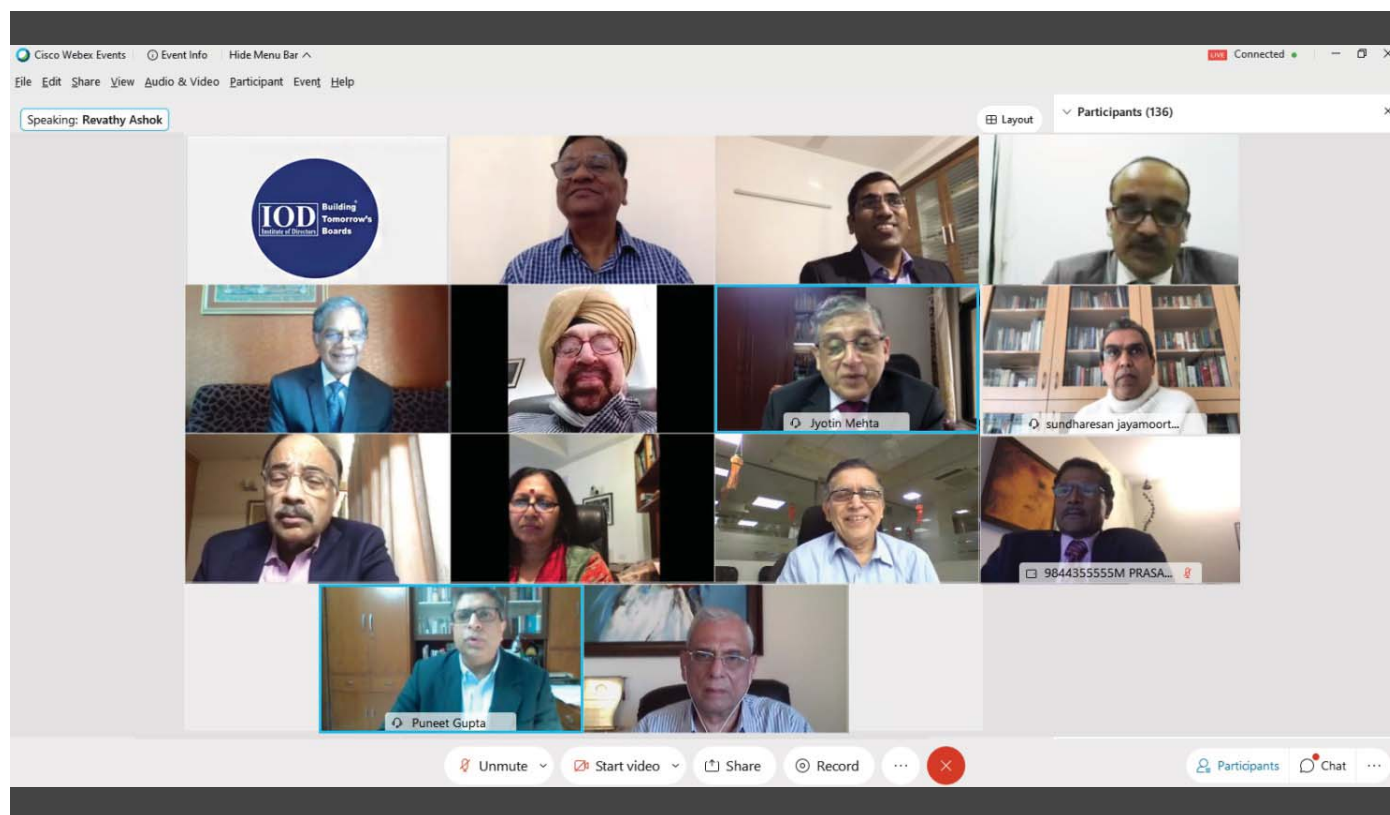
He also shared insight on 'Related-party Transactions' which he termed as a huge responsibility and laid stress on transparency in terms of transactions with vendors.

**Mr. Gupta** gave an insight into the corporate governance practices being adopted globally and then divided it into three segments:

- i. Strategic / Operation intent
- ii. Economic incentives
- iii. Diversity & makeover in the Board

He emphasised that Boards should have more energy in terms of strategic intent, which gives strategic direction to the business. Secondly, Directors should be focussed and handle the issues with more speed, especially in terms of Board depth related to domain knowledge. Further, he gave his view on compliance and suggested a balance has to be maintained. He also shared his thoughts on Economic Incentives i.e. remuneration, insurance, risk to Independent Directors and conflict management. Lastly, he gave his views on Diversity and was of the view that the process has commenced for good and brings value to the Board.





**Mr. Arun Balakrishnan**, Honorary Chairman, IOD, Bangalore and Former CMD, HPCL & Founder Chairman, HPCL – Mittal Energy Limited delivered the '**Concluding Address**' by summarising the event and highlighting the impact of the pandemic on businesses. With the decline in the spread of the virus and gradual relaxation of restrictions, the economy has gradually started growing back to pre-Covid levels and it is expected that the year may end with acceptable levels of re-growth. He cautioned that the New Year may bring in new challenges to Independent Directors. With the impact of climate change causing serious impact across the world, such as destructive typhoons and floods, companies will need to switch over to a carbonless economy. Independent Directors may be called upon to ensure the implementation of ESG (Environment, Social & Governance) in the Companies they are associated with.

**Brig. Rajeev Kapoor (Retd.)**, Regional Director – IOD, Bangalore in the '**Vote of Thanks**' extended thanks and gratitude to all the Speakers, Participants and Event Partners. The Conclave was supported by **NLC India Limited (Conclave**

**Partner); Linde India Limited (Associate Partner); and The Institute of Cost Accountants of India, Bengaluru Chapter (Promotional Partner).**



Compiled by:  
**Brig. Rajeev Kapoor (Retd.)**  
Regional Director  
Institute of Directors, Bangalore