

Institute of Directors, Mumbai Region
presents

Regional Webinar on

BUILDING RESILIENT BOARDS FOR LISTED START-UPS

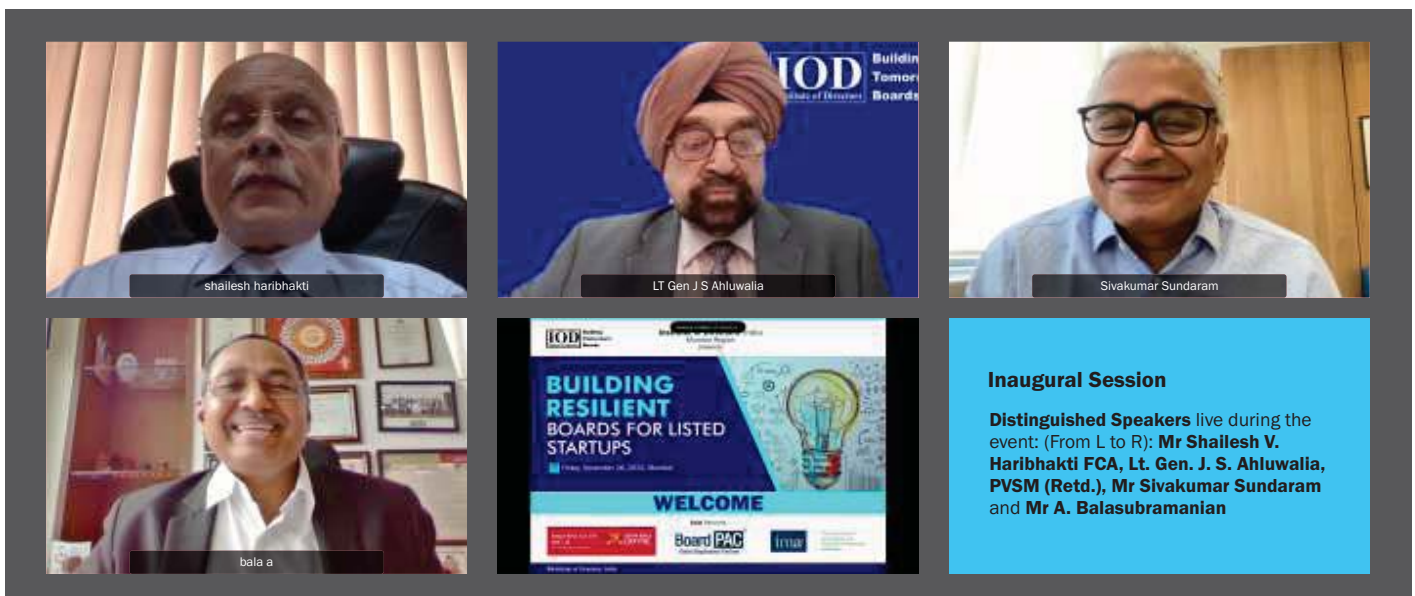
November 26, 2021, Mumbai



The Institute of Directors (IOD), India - Mumbai Region organised a Regional Webinar on an apt theme “**Building Resilient Boards for Listed Start-ups**” on November 26, 2021. The Webinar saw insightful studies and presentations from industry's experts in India and overseas, on techniques and interventions, which listed startups need to adopt in their boardrooms to effectively balance the interest of all stakeholders, paving way for robust boards.

The event was virtually attended by around 400 participants, including senior board members and top management of reputed conglomerates. All the delegates listened with rapt attention to the thoughtful presentations and personal experiences narrated by the distinguished speakers on this topical theme.

Mr. Vikesh Wallia, Regional Director, Western Region, Institute of Directors, India delivered the '**Opening Address**' and





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



Mr. Sivakumar Sundaram
Executive Director, BCCL Board
Chairman, Executive Committee-
Bennett, Coleman & Co Ltd



Mr. A. Balasubramanian
Managing Director and
Chief Executive Officer
Aditya Birla Sun Life AMC Ltd. &
Chairman AMFI (Association of
Mutual Funds in India)

welcomed all the distinguished speakers, event partners and the audience.

Mr. Shailesh V. Haribhakti, FCA, Chairman - Western Region, Institute of Directors, India; Board Chairman - Blue Star, L&T Finance Holdings, Future Lifestyle Fashions, NSDL e-Governance and Independent Director on multiple boards delivered the **'Welcome Address'**. He commenced the session by sharing an introduction on different categories of startups that are in existence in this digital age. He informed that there are six concentric circles in which startups have emerged today. They include categories such as mobility, search, touchless commerce, Fin Techs, HR Techs and Procurement Techs among others. He also stated that Governance token is a new paradigm for listed startup boards to handle today.

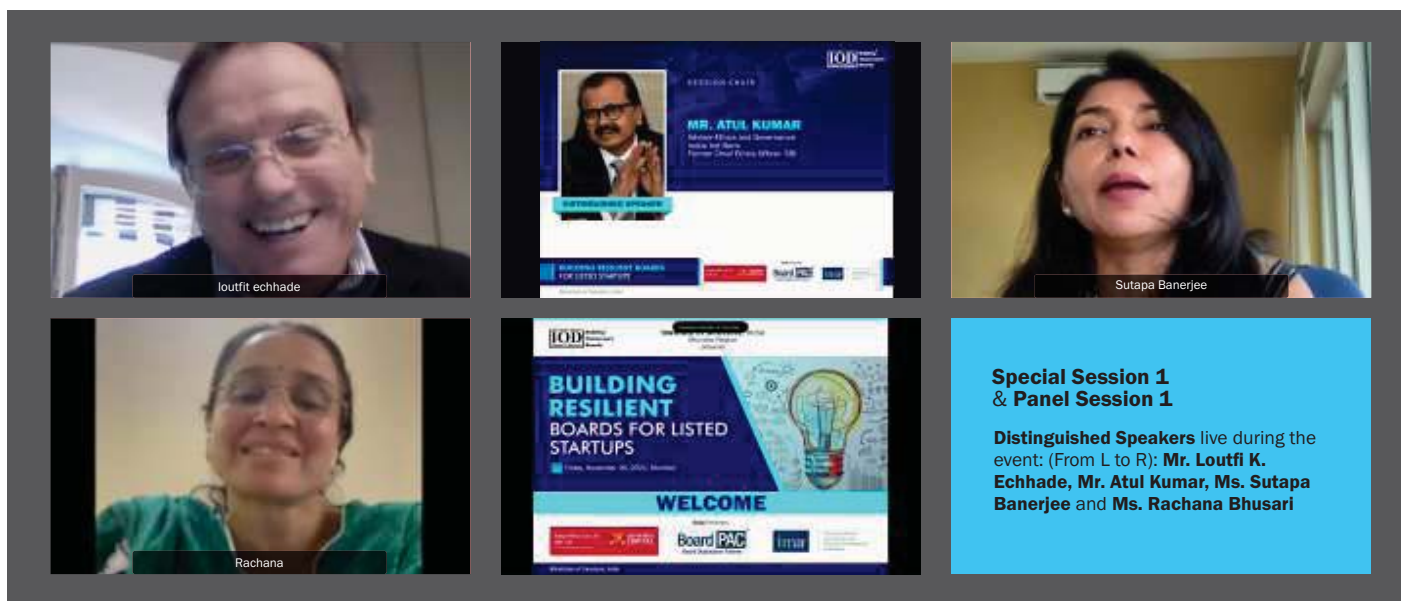
Lt. Gen. J. S. Ahluwalia, PVSM (Retd.) in his **'President's Address'** explained how IOD continues to serve its members with conferences and panel discussions on current relevant topics like Startups Boards.

Mr. A. Balasubramanian, Managing Director and Chief Executive Officer, Aditya Birla Sun Life AMC Limited & Chairman AMFI (Association of Mutual Funds) delivered the **'Guest of Honour Inaugural Address'**. He shared various perspectives on creating robust startup boards. He highlighted the need for startups to invest the capital raised from investors on the objective for which it was raised. He was also of the view that

they should be ready to face regulatory scrutiny. In his view, the longer term purpose of a unicorn is to ensure survival of the firm and then comes the shareholders. He further affirmed that the board should understand the risks arising out of an action. In his view, bringing in youngsters will do no harm to the board but he was of the opinion that all unicorns and decacorns should have a mix of youth and experience to make them resilient.

Mr. Sivakumar Sundaram, Executive Director, BCCL, Board and Chairman - Executive Committee, Bennett, Coleman & Company Limited delivered the **'Guest of Honour Inaugural Address'**. He said there is no single mantra for building a resilient board but there are few pointers. He called it as WWW.MAP and elaborated as under:

1. First **W** stands for **Woman Director** who is a creative contributor of feminine energy.
2. Second **W** represents **War Hero** who has rich experience and has truly 'been there done that'.
3. Next **W** is for **Woke**. This means listed boards needs to create a board with diversity of gender, experience and relationships.
4. **M** stands for **Maverick**. They are people with established track record who can convince the investors and get the investors to agree to their points of view.



5. **A** stands for **Advocate** who challenges status quo and questions the promoters when there is a cash burn.
6. Finally, **P** stands for **Protector**. These class of individuals understand regulations, processes and procedures and balance the various interests of stakeholders.

According to Mr. Sundaram, the people to be avoided on boards include incongruous expert and trouble makers who argue for the sake of arguing.

Thereafter, commenced a **Special Session** on the theme '**Global Context for Startup Boards**' in which a '**Special Keynote Address**' was delivered by:

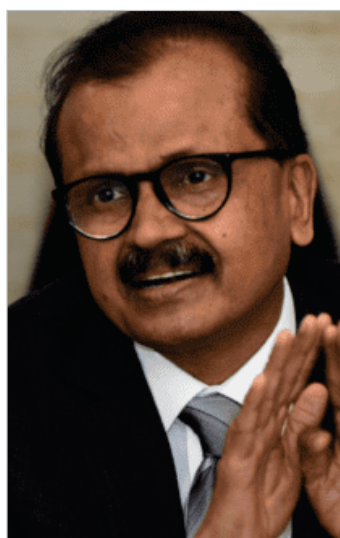
Mr. Loutfi K. Echhade

Board of Regents
Institute of Management Accountants

Mr. Echhade delivered a '**Special Keynote Address**' on 'Family Boards'. He gave an interesting presentation and said that



Mr. Loutfi K. Echhade
Board of Regents
Institute of Management Accountants



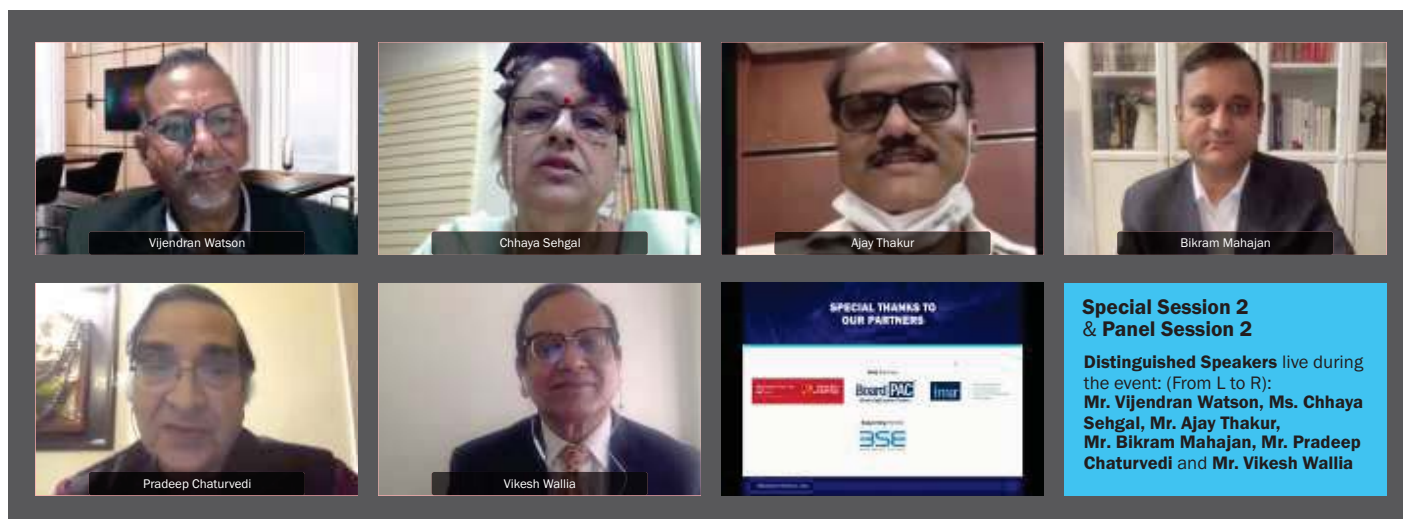
Mr. Atul Kumar
Advisor-Ethics and Governance
Indus Ind Bank
Former Chief Ethics Officer- SBI



Ms. Sutapa Banerjee
Independent Director
Zomato and multiple boards



Ms. Rachana Bhusari
Vice President
Listing Business Development,
National Stock Exchange of
India Limited



family boards should provide the 'right amount' of experience, oversight and direction for them to be effective. He also elaborated on various governance practices of family boards worldwide and punctuated his talk with examples of successful family businesses in Japan who are surviving for 48 generations in a row.

This was followed by the **First Panel Session** on '**Independent Integrated Thinking on Startup Boards.**'

It was Chaired by **Mr. Atul Kumar**, Advisor - Ethics and Governance, IndusInd Bank Limited and Former Chief Ethics Officer, State Bank of India.

The Session had the following distinguished speakers:

1. **Ms. Sutapa Banerjee**
Independent Director
Zomato and Multiple Boards
2. **Ms. Rachana Bhusari**
Vice President - Listing Business Development
National Stock Exchange of India Limited

Mr. Kumar said that start-up operates on a complex and ambiguous world; it's a brand-new world because they have to cater to shareholders as well as investors as also the expectations of the founders. Integrated thinking, according to him, is about marrying performance with vision for long term value creation. Governance and strategic vision help a start-up. Integrated thinking allows better studying the impact of the



Mr. Vijendran Watson
Chairman
BoardPAC



Ms. Chhaya Sehgal
Startup Evangelist
The Winning Edge



Mr. Ajay Thakur
Head SME & Start Up Exchange
BSE India



Mr. Bikram Mahajan
Chief Executive Officer
Whitebox Capital



Mr. Pradeep Chaturvedi
Vice President
Institute of Directors

actions and preventing any pitfalls. It's not an easy task as it requires cohesive approach. To him integrated independent thinking is not a destination but a journey.

Ms. Banerjee eloquently touched upon how avoiding conformity bias can help build effective boards. To avoid the bias of conformity trap she said startups need to put in place proper systems, processes and incentive structures. According to her, taking decisions based on past experiences alone is not scientific. Further, she believed that there are two

ways to manage conformity bias. One is people within the setup has to be cognitively diverse, this means where you need to come are different from others around. The second point is pre mortem, this means imagining the extreme downsides before freezing on a business decision.

Ms. Bhusari said that with the IPO wave currently going strong, it is important to have the culture right for the Independent Directors. An independent board brings wide range of perspective to the company. She emphasized on the need for independent thinking on boards which can happen only by bringing outside people into the boards of the unicorns.

Mr. Kumar concluded the session with discussion amongst panellist.

Thereafter, commenced a **Special Session** on the theme '**How Board Digitization helps build Resilient Boards for Startups**' in which a '**Special Keynote Address**' was delivered by:

Mr. Vijendran Watson

Chairman
Board PAC

Mr. Watson joined from Australia and delivered a '**Special Keynote Address**' on '**How Board Digitization helps build Resilient Boards for Start-ups**'. He said Start-ups have growth as the essential part of the DNA. Their success is defined by nimbleness and speed. They have to move at speed to implement the business actions. Therefore, there's an urgent need to digitize meetings in unicorn boardrooms. According to him, security is the other part of the board digitization. The automation of the program is always accessible and secure.

Paper, Email, Dropbox is not surely a secure way to share confidential information. Collaboration is another part of Board Digitization, especially at this time of social distancing. He opined that ESG is also something that boards can achieve as board digitization reduces carbon footprint as well. Board PAC has a global presence and has a strong network in India to support start-ups.

This was followed by the **Second Panel Session** on '**Raising Market Cap through Start-up Board Engagement**'

The session was Chaired by **Ms. Chhaya Sehgal**, Start-Up Evangelist and Founder & CEO, The Winning Edge.

The Session had the following distinguished speakers:

1. **Mr. Ajay Thakur**
Head - SME and Start-up Exchange
BSE India
2. **Mr. Bikram Mahajan**
Chief Executive Officer
Whitebox Capital

Ms. Sehgal gave case studies from India and US on how unicorns with their passion, commitment and competitive edge have created immense value in the ecosystem. She spoke of Mayo Clinic, US which clocked \$ 20 Billion in revenue by focusing their offering entirely on total patient experience.

Mr. Thakur said how SEBI has eased the regulatory requirements so that unicorn boards are able to function seamlessly. He also shared the listing support provided by BSE resulting in huge number of SME and MSME companies listing on BSE platform.

Mr. Mahajan presented an interesting and insightful study on composition and type of directors required on unicorn boards. He dwelt on 3 kinds of outside directors - first is **compliance director** to help them comply better, second **reputation director**, who are generally in demand and play a perceived value for start-ups and the third is **active directors** who are hands-on to increase the value of start-ups. These directors have unique characteristics like they have good business model, they come equipped with investor relations experience they have good financial forecasts etc. The company value increases manifold by such a board size, he cited. He opined that Boards are backward looking. The listed start-ups should look to have a forward-looking board. He summed up his talk by saying that the role of outside director will only increase in unicorns of the future.

Mr. Pradeep Chaturvedi, Vice President, Institute of Directors, India delivered the '**Conference Summary**'. He stated that post

Covid-19, role of the start-ups has gained in importance. Gone are the days when start-ups and MSMEs were treated like ancillary units. He also emphasized on the need for startups to have strong ESG framework in place.

Mr. Vikesh Wallia, Regional Director, Western Region, Institute of Directors, India proposed the '**Vote of Thanks**'. Sincere thanks were conveyed to the Chief Guest, Guests of Honour, distinguished speakers, participants and partners.

Special thanks were conveyed to Event Partners. The **Gold Partners** were Aditya Birla Sun Life AMC Limited, BoardPAC Private Limited and Institute of Management Accountants (IMA). The **Supporting Partner** was BSE Limited.

The regional Webinar was hosted online via Cisco Webex account and also streamed live on YouTube with huge participation.

This report is compiled by:

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



SPECIAL THANKS TO OUR PARTNERS

Gold Partners



Supporting Partner

