

**SMEs Development Programme on
“Fostering Growth Through Good Governance”
10th March 2023 : IIM Bangalore Campus**

Small and Medium Enterprises are playing a major role by way of contributing to employment generation, manufacturing output, and service sector-led GDP to the Indian economy. Additionally, in the post-pandemic scenario, while the increased costs and revenue shortfalls are the biggest challenges for SME businesses, the requisite skill and talent gaps are next to the market competition for being limiting factors to expansion plans, financial management, and control. This is irrespective of the size of the organization, as the emergence of newer risks has a far-reaching impact on growth and sustainability agendas. Since the large corporates have in-house capabilities and budgetary resources to spare for converting challenges into opportunities such risk factors and constraints differently hamper the SMEs. In furtherance to the above, each different SME unit in India has some distinctive as well as some common set of challenges pertaining to governance, legal, financial, compliances before their respective growth agenda as well as long-term vision and mission. It is well known that there is no one-size-fits in all sort of solution; however, a systematic approach to dealing with different sets and sizes of challenges can prove to be an enabler.

With this background, the Centre for Corporate Governance and Citizenship (CCGC), IIM Bangalore hosted a one-day programme on “Fostering Growth Through Good Governance” at the IIMB Campus on 10th March 2023. This programme focused on enhancing the organizational effectiveness towards overall performance, governance aspects, ethical business conduct and reporting beyond compliance that leads to the sustainable growth of SMEs. The programme was held under the aegis of the National Foundation for Corporate Governance (NFCG).

Mr. Venkataraman N, Managing Director & CFO, Happiest Mind Technologies Ltd delivered the keynote address at the inaugural session. He spoke about his

organisation's journey towards Mission, Vision, Values, Culture, and social responsibility with a special emphasis on environmental responsibility and driving inclusivity in the workplace and overall maintaining a high standard of governance practices. He also touched upon the importance of ESG practices and reporting by organisations across India and the world.

Prof Padmini Srinivasan, Chairperson of the Centre for Corporate Governance & Citizenship, IIM Bangalore highlighted the role of CCGC in promoting good governance practices through its research, advocacy; capability building programmes and best practices sharing sessions. Prof Padmini acknowledged that the programme was being held under the aegis of the National Foundation for Corporate Governance, Ministry of Corporate Affairs, Government of India and thanked NFCG for their continuous support in propagating good governance practices among different stakeholders of nation-building.

Prof Padmini Srinivasan also spoke about the importance of governance imperatives for SMEs in today's context. Indian industry growth has been fuelled by small and medium enterprises (SMEs) and startups in recent years and has drawn a large number of investors from across sectors and the globe. However, their fast-paced growth in numbers has also witnessed instances of ethics and compliance concerns. This highlights the lack of robust corporate governance frameworks in these rapidly advancing organisations. SMEs and new businesses tend to usually face challenges in areas of related party transactions of key management personnel (KMP), situations around conflict of interest and the absence of due diligence procedures. Therefore, it is high time for SMEs to consider implementing a governance, risk and compliance framework, Prof Padmini added.

Ms Preeti Malhotra, Chairperson, Smart Bharat Group in her address touched upon the increasing relevance of corporate governance in today's business environment, how governance in SMEs would enable organisations for robust growth and the various regulatory measures taken by the regulatory agencies in this regard.

The inaugural session was followed by a session addressed by Prof S Raghunath, Former Professor of Strategy, IIM Bangalore and Chairman of the South Asia Board of the Academy of International Business on the topic of "Building a Credible and Self-Motivated Professionally Governed Board in SMEs". Mr. Ramesh Jude Thomas Founder and Chief Executive Officer, EQUiTOR Value Advisory; Mr. V. Sreedharan, Member, Founder and Partner, V. Sreedharan & Associates; Mr. Mukesh Khanna, Head - Strategy and Key Initiatives, Tally Solutions Pvt. Ltd and Mr. Moulinath Ganguli, Director, M1Xchange participated in a panel, which discussed and deliberated in detail, on maintaining integrity while managing working capital / liquidity in the e-invoicing & bill discounting era; ESG for SMEs for long-term growth; taking the business to the next level through tackling the major issues as part of strategies within budgets.

The role of the Board and promoters, in a technological and financial reporting environment, to put in place high standards of policies, practices and a culture of governance in an organisation and preparing organisations for managing risks, were very well presented and articulated by Prof Padmini Srinivasan, Chairperson of CCGC and Associate Professor – Finance & Accounting, IIM Bangalore. In her presentation, she covered topics such as long term value creation through good strategic planning; efficient financial decisions and capital allocations; governance from a financial perspective; board roles and practices; reporting, monitoring and communication; internal control and enterprise risk management.

Prof Anil Suraj, Associate Professor – Public Policy, Indian Institute of Management, Bangalore touched upon the various aspects of legal, compliance-bound duties and

risks of liability of organisations. Prof Suraj's presentation covered legal expectations while doing business; understanding and importance of "Contract" document; data protection and IPR; grievances redressal; protecting stakeholders; non-negotiable and demonstrable compliances; risk of non-compliance; ethical approach to compliance and doing business.

The concluding session discussed the succession planning by Ms CA Deepa Aggarwal, Member, Accounting Standard Board (ASB), The Institute of Chartered Accountants of India and managing talent and maintaining a high level of Governance by Mr. Manoj Sharma, Senior Vice President & Head HR – Adani Electricity Mumbai Ltd.

The programme was attended by over 100 delegates from different sectors; representing Small and Medium Enterprises.