

# Azadi Ka Amrit Mahotsav Celebrations

## NFCG - Report

Azadi Ka Amrit Mahotsav is an initiative of the Government of India to celebrate and commemorate 75 years of independence and the glorious history of its people, culture, and achievements.

This Mahotsav is dedicated to the people of India who have not only been instrumental in bringing India thus far in its evolutionary journey but also hold within them the power and potential to enable Prime Minister Narendra Modi's vision of activating India 2.0, fuelled by the spirit of Aatmanirbhar Bharat.

The official journey of Azadi Ka Amrit Mahotsav commenced on 12th March 2021 which started a 75-week countdown to our 75th anniversary of independence and will end post a year on 15th August 2023.

National Foundation for Corporate Governance (NFCG) under the aegis of Ministry of Corporate Affairs, in partnership with Confederation of Indian Industry (CII) has actively participated in the Government's initiative of Azadi Ka Amrit Mahotsav, through various Conferences and Advocacy events.

## Regional Conferences

### **“Self – Reliant MSMEs: Imperative for the Indian Economy” under the PM’s clarion call for “Atmanirbhar Bharat”**

- Western region: Taj Mahal Palace, Mumbai on 29<sup>th</sup> October 2021
- Eastern region: The Park Hotel, Kolkata on 08<sup>th</sup> December 2021
- Southern region: Hotel Ramada Plaza, Chennai on 28<sup>th</sup> March 2022
- Northern Region- Hotel Royal Orchid, Jaipur on 6<sup>th</sup> May 2022

Panel Discussions were held with the State Government representatives, MSME Experts from CII, Corporates including Sole Proprietorship, Limited Liability Partnership (LLP's), on the following Key issues:

- Imperative role of Corporate Governance in MSMEs sector
- Re-imagining Dispute Resolution for MSMEs
- Support to MSMEs from Large scale enterprises
- Tax & Regulatory Affairs for MSME
- Public Sector Enterprises and their support for MSMEs

NFCG ensured 'Jan Bhagidari' through active participation of regional MSMEs and professionals from various fields.

## **Synopsis of the Sessions:**

- The programme highlighted on creating data and a system of automation and efficient supply chain which will lead companies to becoming self-reliant.
- Focus on good governance as a long-term culture that MSMEs need to follow to grow sustainably.
- Risk Management & IT Security need to be addressed for ensuring good Governance.
- For larger offshore investments, good compliance track record of companies is imperative. To become large, SMEs needs to be democratic and embrace Corporate Governance.

**“Journey Of Corporate Governance in India @ 75”**

**6th June 2022 at Le Meridien, New Delhi**

## **PLENARY SESSION I**

### **CORPORATE GOVERNANCE IN FAMILY BUSINESS: FULFILLING FAMILY LEGACY THROUGH BOARDS**

- Role of the Board and independent directors
- Balancing stakeholder expectations, risk-taking ability, and entrepreneurship spirit: key hallmarks of family business
- Separate functions of ownership, control, and management- creating a fine balance towards building trust
- Succession Planning: Imperative feature of a robust Corporate Governance system for a family enterprise

#### **Welcome Remarks**

**Mr Vikkas Mohan**  
Executive Director  
NFCG

#### **Session Moderator**

**Mr Shatrughna Samaddar**  
Partner - Business Risk Consulting  
PwC

#### **In Conversation with**

**Mr Farhad Forbes**  
Co-Chairman  
Forbes Marshall

**Mr Kartik Bharat Ram**  
Deputy Managing Director  
SRF LTD

## **Synopsis of the Session:**

Family businesses make up for 79 percent of India's GDP. Even under times of volatility and uncertainty, family businesses have displayed conviction and resilience as these businesses are rooted in cultural values and community principles which provide them with a solid foundation. This foundation helps family businesses stay strong even amidst market volatility.

Family businesses have dominated the Indian business landscape facilitating the growth of Indian Economy. With unique management challenges to balance business and family values, it is imperative for these businesses to devise business models and structures, which are flexible and adaptable to the changing times.

As family businesses evolve and grow over the time, strong governance is needed to build a positive legacy for generations to come

Culture, Leadership, Alignment, Processes and Structure are the pillars of Family businesses. Family business needs good family constitution and governance for clarity, transparency, and trust among each other. It is imperative to build trust and communication across stakeholders, and having open conversations on issues such as Shareholding, transition in ownership, management, succession planning. Passion and not only education of promoters play a very important role in the success of any family business.

It is imperative for the independent director on the board to express their opinion and concerns. The deliberation emphasized on the need to have independent directors on board, stating that keeping only family members on the boards, limits the horizons of the business.

The discussion underlined the need for role modelling of values such as integrity, respect for others, transparency by the promoters and top management. Information Technology enabled services and self-certification are imperatives for ensuring compliance and governance in family businesses.

## **PLENARY SESSION II**

### **SELF –RELIANT MSME: IMPERATIVE FOR THE INDIAN ECONOMY**

- Self-Reliant India Needs Self Reliant MSME
- Imperative Need for Strong Corporate Governance in MSMEs sector for Creating Long Term Sustainable Value
- Role of Board & Audit Committee in Supporting MSME for Navigating Transition
- Challenges for MSME in Scaling Business & Streamlining Compliances – Need for Regulatory Intervention

**Session Moderator**

**Mr Puneet Gupta**  
Managing Director  
Protiviti

**Session Chair**

**Mr Shreekant Somany**  
Chairman & Managing Director  
Somany Ceramics Limited

## **Panellists**

**Mr Ashok Saigal**  
Managing Director  
Frontier Technologies Pvt Ltd

**Dr K Nandakumar**  
Managing Director  
Chemtrols Industries Pvt Ltd.

**Mr K K M Kutty**  
Managing Director  
Sealings and Jointings

**Mr Rajat Mehra**  
Partner  
Rajat Chemical Industry

## **Synopsis of the Session:**

The MSME sector is a great contributor to the Indian economy. The sector contributes about 30% towards the GDP through its national and international trade. MSMEs also provide employment opportunities for millions.

With India aspiring to be a \$5 trillion economy by 2024, MSMEs are poised to play a very crucial role as there are approximately 6.3 crore MSMEs in India. A robust corporate governance framework is required to leverage the strength of MSME sector in economic development of the country.

The panel deliberated on the importance of Corporate Governance, role of boards and challenges of statutory compliances in MSME sector. There is an imperative need for structured approach for implementing a robust governance and compliance mechanism. Good Corporate Governance benefit MSME sector especially helping in making the business scalable, sustainable, and attracting Investors by meeting investors' expectations from corporate governance perspective.

Discussion also focussed on key issues surrounding need for supervisory Board, role of independent directors, Right organization structure, availability, and qualification of people especially for finance function, segregation of duty and control. Session also emphasised on key policies aspects related to delegation of authority, whistle blowing and anti-fraud program, internal audit function, enterprise risk management, IT infrastructure, financial reporting controls and Compliance framework. Session also emphasised on key policies aspects related to delegation of authority, whistle blowing and anti-fraud program, internal audit function, enterprise risk management, IT infrastructure, financial reporting controls and Compliance framework.

## **PLENARY SESSION III**

### **START –UPS AND CORPORATE GOVERNANCE**

- Investors' outlook on Start-ups – How compliance and good governance facilitate raising finances?
- Strong & Independent Boardroom – Means to catapult success of Start-ups
- How Corporate Governance helps as Start-ups scale up to complex structures?
- Role of Corporate Governance in making Start-ups globally competitive

**Session Chair & Moderator**

**Mr Piyush Sharma**  
Head- Centre of Leadership  
IIM Ahmedabad

**Panellists**

**Ms Kripe Singh**  
Founder & Creative Director  
Rachnashala Productions LLP

**Mr Nikhil Goyal**  
CEO  
Super Aqua Watercrafts Pvt. LTD.

**Mr Amit Srivastava**  
Founder  
Constems-AI

**Mr Satish Shukla**  
Founder  
Addverb

**Synopsis of the session:**

India has emerged as the 3rd largest start-up ecosystem globally with over 69,000 start-ups and 100 of them having achieved 'unicorn' status. That is, they have a valuation of over USD 1 billion.

Good governance is the soul of any sustainable successful corporate enterprise. Enterprises can achieve their vision by adhering to legal, as well as ethical foundations. The growing investor confidence in Indian start-ups is overwhelming and is seen gaining momentum across different stages of growth in a start-up journey. To accelerate this growth, there is a need for setting up corporate governance standards within the start-up ecosystem. To discuss some of these challenges faced by the Start-ups, the panel shared some of the learnings from their own journey in the start-up space.

The session witnessed deliberations on importance of value creation, transparent corporate governance practices, role of nomination and remuneration committee, right disclosures at the right time, need to understand the financial statements and maintain transparency in transactions so as not to fall in ambit of related party transactions or conflict of interest.

Discussion on how blockchain technology can help lay down compliance systems and processes and the role that artificial intelligence can play in achieving corporate governance norms. The panel highlighted the need for board diversity and independent directors on board to manage multiple facets of business.

It was deliberated that the value system, code of conduct, broad understanding of ethics and whistle-blower policy of the company are imperatives as they reflect on the corporate governance of the organization. Besides, due diligence, tracking right metrics, spending time on revenue recognition, transactions on arms' length basis, regular communication with stakeholders and good board meeting processes were recognized as part of sound corporate governance practices to be followed.

## **KEY LEARNINGS FROM THE CONFERENCE**

- Corporate Governance is a journey which is still evolving.
- Importance of independent directors on board was reiterated.
- Digitalization/ Artificial Intelligence can facilitate good governance.
- Blockchain technology can help lay down compliance systems and processes.
- Government is providing handholding support in making structured compliance system and promoting Ease of Doing Business for the industry.
- Product Quality and adherence to Corporate Governance are key for transforming MSMEs into large businesses of the future.
- There should be light touch Regulatory environment which should facilitate the growth of the industry.
- There is a need of Board Diversity for good Governance.
- Corporate Governance transformation over the last 8 years has facilitated an environment of “Minimum Government - Maximum Governance” to make India, Future ready.

## **JAN BHAGIDARI**

The session was attended by Industry Members, Regulators, Members of Institute of Chartered Accountants of India, The Institute of Company Secretaries of India, The Institute of Cost Accountants of India, Corporates, CEOs, Board Members, Senior professionals, Corporate Governance experts, Law Firms, Media (including electronic and social) and Accredited / Partner institutes.

**CONFERENCE PICTURES**



# ICONIC DAY CELEBRATIONS

## Ministry of Corporate Affairs (MCA)

7th June 2022 at Vigyan Bhawan, New Delhi

The Ministry of Corporate Affairs and its field offices across the 75 locations of the country along with the professional institutions celebrated Azadi Ka Amrit Mahotsav, MCA Iconic day.

The Ministry of Corporate Affairs in association with National Foundation for Corporate Governance presented a film “Journey of Corporate Governance in India: A Panorama”. The film was released by the Hon’ble Minister of Finance and Corporate Affairs, Smt. Nirmala Sitharaman.

The film showcased the evolution of Corporate Governance in India and significant initiatives undertaken by MCA, more particularly in last 8 years, in the areas of corporate governance, to facilitate an environment for ease of doing business and ease of living in the country.

