



Asian Centre for Corporate
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Asian Centre for Corporate Governance & Sustainability

Presented

A mega event in 2014 with three dimensions

Asia Business Responsibility Summit-2014

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The Governance Roundtable

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Awards for Corporate Governance, Sustainability, CSR & Leadership

8th January 2014,

BSE International Convention Hall, Dalal Street, Fort, Mumbai 400 001

The 'Asia Business Responsibility Summit- 2014' was organised by Asian Centre for Corporate Governance & Sustainability on January 8, 2014 at Bombay Stock Exchange Convention Hall, Mumbai. Two eminent guests Mr. Prashant Saran & Judge Mervyn King delivered keynote addresses. Mr. Prashant Saran is Whole time Member of Securities & Exchange Board of India (SEBI) and Judge Mervyn King is Chairman of The IIRC, UK, who also has the unique distinction of having authored King's Committee Report I,II and III on Corporate Governance. Dr. Ms. Teodorina Lessidrenska - International Sustainability Consultant from Geneva and several other eminent speakers spoke at the summit. The Summit-2014 was supported by some very respected international & national institutions;

- Hong Kong Institute of Directors (HKIoD)***
- Singapore Institute of Directors (SID)***
- Malaysian Association of Corporate Directors (MACD)***
- Global Compact India Network (UNGCI)***
- Indian Merchants' Chamber***
- Institute of Company Secretaries of India (ICSI)***
- Bombay Management Association(BMA)***

Bombay Stock Exchange was Exchange Partner

Deloitte India was the knowledge partner for the event.

CNBC TV-18 the channel Partner

MET Management Institute as Academic Partner

Mr. M.K. Chouhan - Chairman - Mahendra & Young Knowledge Foundation & Vice Chairman - Global Advisory Board, Asian Centre for Corporate Governance &

Sustainability, delivered his theme address and gave the overview of the 'Asia Business Responsibility Summit- 2014'.



M.K.Chouhan delivering his theme speech at the ABRS-2014 others (L-R)Shailesh Vaidya, Ashish Chauhan, Mervyn King, Prashant Saran & Yogi Sriram

Businesses are the only entities which create wealth, yet society does not have very positive perception about all the businesses. Hence, there is something in the way these businesses are done that needs to be changed. Mr. Chouhan advocated the thinking beyond profit and a focus on nurturing Social capital & replenishing Natural capital as responsibility of the business. Thus, the theme 'Asia Business Responsibility Summit- 2014'. He emphasised that there is enough empirical evidence around the world which proves that, companies who are socially responsible and conduct their businesses by nurturing human capital and using cleaner and efficient technologies, are rewarded by all the stakeholders viz, customers, employees, lenders, regulators as well as communities & society at large.



Mr. Prashant Saran - Whole time Member of Securities & Exchange Board of India (SEBI) delivering inaugural speech.

Mr. Prashant Saran was very candid in sharing the score card of Business Responsibility Reporting (BRR) a piece of regulation that Securities & Exchange Board of India brought in force in August 2012. He said quantitatively majority of the top 100 listed companies (85 %) met with the regulatory requirement and brought out BRR. However, he personally feels that there is a lot of scope for improvement in the quality of the reports.



Judge Mervyn King – Chairman, The IIRC, UK, delivering keynote address on the theme 'Corporate Reporting is not what it used to be'.

The chairman of The International Integrated Reporting Council, (The IIRC), Judge Mervyn King delivered a keynote address on the theme 'Corporate Reporting is not what it used to be'. He emphasised that until recently, corporate reporting has failed to keep pace with the new ways of doing business in the 21st Century. The IIRC Pilot Programme businesses are leading the way with innovative approaches towards Integrated Reporting. Good corporate governance, ongoing stakeholder relationships, integrated thinking and the integrated report are four of the tools being used by businesses today in learning to make more with less. Integrated Reporting (<IR>) is needed by business and investors both. Businesses need a reporting environment that is conducive to understanding and articulating their strategy, which helps to drive performance internally and attract financial capital for investment. Investors need to understand how the strategy being pursued creates value over time.

Awards for Corporate Governance, Sustainability, CSR & Leadership (8th edition Awards) were presented at the summit.

Mr. Ratan Tata was conferred the 'Life Time Achievement Award for ethical Governance & Leadership'.



Mr. Ratan Tata receiving the 'Life Time Achievement Award for Ethical Governance & Leadership' from Mr. Mervyn King, Mr. M.K.Chouhan looks on.

Mr. Ratan Tata through his exceptional leadership qualities and ethical value system, which is so deeply ingrained in all Tata Group companies, over 22 years of time span during which he chaired the Tata Sons has significantly improved the quality of life of not only the families of over four hundred thousand employees but also millions of consumers of nearly 100 Tata Group companies spread across 56 countries around the world. For his unwavering commitment to principles of good corporate governance, sustainable development and for his great leadership in transforming Tata Group into a global power house, Asian Centre for Corporate Governance & Sustainability is privileged to present the "Lifetime Achievement Award for Ethical Governance & Leadership" to Mr. Ratan N.Tata. Presented on 8th of January 2014 at Mumbai, India

Dr. Veerappa Moily, Hon. Minister for Petroleum & Natural Gas, Government of India, was conferred the 'Life Time Achievement Award for Public Governance'.



Hon. Minister Dr. Veerappa Moily, receiving 'Life Time Achievement Award for Public Governance' from Judge Mervyn King, Mr. M.K.Chouhan looks on.

As a parallel session over the lunch 'Governance Roundtable' was yet another interesting attraction. Main participants of Governance Roundtable were:

- 1. Hon. Dr. Veerappa Moily - Minister for Petroleum & Natural Gas*
- 2. Judge Mervyn King - Global Guru on Corporate Governance, with a unique distinction of having authored King's Committee Report I,II and III on Corporate Governance.*
- 3. M.K. Chouhan - Chairman - Mahendra & Young Knowledge Foundation & Vice Chairman - Global Advisory Board, Asian Centre for Corporate Governance & Sustainability*
- 4. Ashish Kumar Chauhan - Managing Director & CEO, BSE Limited*
- 5. Subodh Bhargava - Chairman, Tata Communications Limited*
- 6. Madhu Kannan - Group Head- Business Development, Tata Sons Limited*
- 7. Dr. Teodorina Lessidrenska - International Consultants for Sustainability, Geneva*

In addition, twenty other industry leaders and professionals from corporate India also joined the roundtable.

*It was a rare occasion that Asian Centre managed to get two top class leaders like **Hon. Minister Shri Veerappa Moily and Judge Mervyn King** on a common platform. Hon. Minister Shri Moily, is a very senior political leader and is well known for his reformist approach in public life. He is also the author of Second Administrative Reforms Commission.*

***Judge Mervyn King** is a **Global Guru**, with the unique distinction of having authored King's Committee Report I,II and III on Corporate Governance. He is currently Chairman of The International Integrated Reporting Council, The IIRC, UK(<http://www.theiirc.org/>) an initiative supported by Prince of Wales, His Highness Prince Charles.*

***Mr. M.K. Chouhan** set the tone of the 'Governance Roundtable' by reiterating that there is a strong correlation between '**Corporate Governance & Public Governance**'. They are like two faces of the same coin and are so inextricably intertwined, that it is difficult to improve one without the other. He argued that it is the Public Governance which creates the boundary within which Corporate Governance can succeed or fail.*



M.K.Chouhan (third from left) set the tone for the Governance Roundtable others (L-R) Mervyn King, Hon. Minister Dr. Veerappa Moily, Ashish Chauhan and Madhu Kannan

*Emphasising the urgent need for better public governance, Mr. Chouhan urged that public leaders should take steps to bridge the governance deficit through concrete actions. Without naming any particular political party, he advocated that all parties need to promote a **combination of Economic Liberalism, Secular world view and Good Governance.***

*The roundtable captured the wisdom of two leaders on **Principles of Good Governance.** **Hon. Minister Shri Moily** emphasised the need of clear thinking and taking timely decisions on important public matters with transparency and accountability to bridge the*

perceived governance deficit. He said that 'creative destruction' sometimes can be very important as it helps abandon old ways of doing things and embrace newer ways.

Conflict resolution is an important mechanism in improving governance, emphasised Dr. Moily. A leader needs to be a good listener and should give a patient hearing to both the parties and dispassionately decide in the best interest of all stakeholders involved.



Dr. Veerappa Moily, (second from left) talking about his reformist agenda at the Governance Roundtable others (L-R) Mervyn King, M.K.Chouhan, Ashish Chauhan, Madhu Kannan & Dr. Teodorina Lessidrenska.

Dr. Moily shared the case of POSCO and said that by clearing the decks for POSCO project in India, he sought to change the perception of global investors from 'Cautious optimism' to OPTIMISM. Commenting on the growth in economy, he said, in order to push Indian economy ahead, there was a need to improve the investment climate and boost investor confidence. **Judge Mervyn King** in his balanced approach, emphasized on the need of responsible behaviour by businesses as well as government and public leaders. The essence of Mervyn's argument can be captured under two heads **a) What the businesses should do** as well as **b) What the government should do.**

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What the businesses should do: The footprints of multinational corporations are expanding rapidly and the profits of some of these companies are larger than the GDP of some

of the countries. Thus, Judge King felt that **the future of this world will be significantly influenced by the board room thinking**, in addition to parliament thinking. Therefore, he advocated that the Boards around the world will have to think in an integrated manner in '**triple context**' of human capital & environmental capital, while building on financial capital.....it can NOT be business as usual. The Boards around the world, will have to rethink business in a more Responsible manner on the lines of what has been deliberated during the day long discussion at '**Asia Business Responsibility Summit- 2014**' organised by Asian Centre for Corporate Governance & Sustainability today (on January 8, 2014)



Judge Merwyn King in his balanced approach, emphasized the need of responsible behaviour by businesses as well as government and public leaders, others (L-R), Dr. Veerappa Moily, M.K.Chouhan & Ashish Chauhan

What Governments should do: Judge King endorsed the fact that there is a strong correlation between '**Corporate Governance & Public Governance**'. Emphasising the need for good public governance he said that the regulation of businesses need to be very responsible. **If regulation starts scaring the boards, they become 'risk-averse' and economy suffers.** Therefore, the need for enlightening regulation and responsible governance can hardly be overemphasised.

Mr. M.K.Chouhan shared his concern that the world is facing two kinds of crisis:
a) Financial crisis and b) Sustainability crisis

Quoting Merwyn King from his book '**Transient Caretaker**' Mr. Chouhan brought out striking similarities between these two crisis. Both these crisis are based on building **fast growth** that delivers **quick & large profits in the short term** on the base of '**expansion of**

debt', without taking into account the relevant mounting risks. In last 30-40 years global economic system has turned debt expansion in to an engine for steep growth through the use of new and exotic financial instruments & channels for the movement of capital.



M.K.Chouhan sharing his concern about two major crisis being faced by the world, financial crisis & sustainability crisis

*World population is soon going to be 7bn plus and we are consuming natural resources at 1.5 times then nature's ability to replenish. **Sustainability crisis** is also a result of fast economic growth built on Fragile Foundation of our expanding 'debt to the planet'.*

*Mr. Chouhan further argued that governments around the world will also have to think hard towards '**Responsible Governance**'. He shared with the participants that improving public governance has been very effectively argued by David Osborne and Ted Gaebler in their book 'Reinventing Government'. The book articulated a concept called The New Public Management (NPM), it applies 'the business customer service model' to government. Citizens are seen as customers and the administrative role is streamlined by converting policy alternatives into market choices. This approach focuses on results and promotes competition inside and outside government. Adopting New Public Management (NPM) concept as per the political, social and cultural context of a country holds the best prospects for raising the quality of public administration. Locally adapted NPM can indeed raise the quality of life as well as step up the rate of inclusive growth in developing country like India, as has been the experience of USA and Britain. This is very well articulated in the book 'Transforming Government through New Public Management' by an eminent Indian author*

Pradip N Khandwalla, former professor and director of the Indian Institute of Management Ahmedabad (IIMA).

Mr. Subodh Bhargava - Chairman Tata Communications, shared the business reality that boards can never get it right all the time i.e. 'Ten on Ten'. Therefore, he urged the Hon. Minister to sensitise CAG and CBI towards this fact of business life. He shared his concern that 'the country is out of focus' and greed is becoming over powering in all walks of life.



*Mr. Madhu Kannan - The group head for business development at Tata Sons Limited, shared the Tata Group philosophy of right balance between Development & Environment. He said that the high standards of governance at Tata Group are reflected in their strong belief that business must focus on the **long-term value creation for all stakeholders.***



Asian Centre awards were presented in the following categories.

Mr. Ratan Tata - Life Time Achievement Award for Ethical Governance & Leadership.

Hon. Minister Dr. Veerappa Moily - Lifetime Achievement Award in Public Governance.

Ms. Kalpana Morparia - Best Woman Director Award

Mr. Sam Palia - Best Independent Director Award

HCL Technologies Ltd - Best Governed Company Award

Tata Consultancy Services Ltd. - Best Audit Committee Award

Steel Authority of India Ltd - Company with Best CSR & Sustainability Practices Award



All awardees with Judge Mervyn King & Mr. M.K.Chouhan

*Two very important sessions were a part of Asia Business Responsibility Summit- 2014. A session on '**Business Responsibility in Reporting**' was chaired by Mr. Nasser Munjee – Chairman, DCB Bank, and was addressed by three eminent panel speakers.*

Dr. Teodorina Lessidrenska - International Sustainability Consultant, Geneva, spoke on the Sustainability reporting framework by GRI G-4 Guidelines (www.globalreporting.org)



Dr. Teodorina Lessidrenska speaking on G-4 Guidelines, the Sustainability reporting framework by GRI



Mr. Pooran Chandra Pande - Executive Director, Global Compact Network India, (UNGC), spoke on the UNGC principles, and gave context and background of their relevance to current policy developments He emphasised that the UNGC principles have become more relevant in contemporary

times. **Ms. Namita Vikas** – President, Responsible Banking, brought some special insights and shared Yes Bank perspective. Another session on **New Companies Act 2013 & its impact on Business Responsibility** was chaired by **Mr. P.R. Ramesh** – Chairman, Deloitte Haskins & Sells he shared his deep insights with the audience. **Mr. S.N. Ananthasubramanian** – President, ICSI, provided his valuable inputs on the same theme. **Mr. Paresh Tewary** – VP & Group Chief Sustainability officer, CSR, JSW shared his valuable perspectives and some of the Industry Best Practices.



Mr. P.R. Ramesh – Chairman, Deloitte Haskins & Sells being interviewed by CNBC TV-18

The Asia Business Responsibility Summit- 2014 was a grand success and has created a renewed awareness amongst 150+ delegates towards 'Responsible Business Practices'.

*The Award ceremony for Mr Ratan Tata, Hon. Minister Shri Veerappa Moily & other industry leaders / senior professionals was a high point of the Summit. The packed BSE hall was a testimony to this. The Governance Roundtable with Hon. Minister Shri Veerappa Moily & Judge Mervyn King, which took place as a parallel session over lunch at the BSE board room was yet another milestone of the day. **This is a brief 'Report on Asia Business Responsibility Summit-2014'**. CNBC TV-18 is the channel Partner for this Summit and they will telecast a special 30 minute programme on their channel on Saturday 26th January 2014 and a repeat telecast on Sunday 27th January 2014. The DVD of the CNBC programme, can be available on request, which can be viewed at one's convenience. More details of the summit can be viewed at <http://asiancentre.org/12th-intl-conf/>*
