

“Want to be a Board Director?”



Weekly Learnings 45 / 2023

Company board of Directors

I did this 12-minute speech at The Institute of Directors on Future boards. Here are my learnings from a dozen boards:

1. India has close to 2.2 million public companies. We have 5311 listed companies on the BSE. The NSE has 2113 companies. We need about 30,000 Independent Directors.
2. In 2009, post Satyam, we lost about 620 directors who were under the scanner. The government issued a new Companies Act in 2013.
3. All Independent Directors must do a self-proficiency test. Only 11,511 directors have completed this so far which is 50 pc of the universe.
4. India needs 30000 Independent directors, and they can come from any stream or discipline. This is a great opportunity for all Professionals.
5. Boards are supposed to provide oversight, the best boards provide insight. A lot depends on the level of advance preparation put in by board members and the Chairman of the board.
6. A good board asks the right questions, it's not there to provide the answers.
7. The Audit committee is an important one for an Independent Director. Bharat Doshi ex CFO Mahindra and former board member RBI used to ask this question of Darius the auditor in every Godrej audit committee meeting- "Is there anything you think the board should know that we don't know and is there anything the management team is asking you not to tell the board?". Ronald Reagan the former US president said, "Trust but verify".
8. Boards should focus on the future and not the past. In no industry is the past designed to repeat itself.

9. Reputation is a hard-earned battle for all companies. It is a daily exercise 24/7 in 200 countries. Anything anywhere in the world can impact your reputation if you are part of that value chain. The recent Israel situation is an example. Trust is thus a daily visa in the social media world.

10. Becoming a director means you need to have a standing in your craft or discipline, have good repute, have a network in your ecosystem and be seen as someone with a fair sense of mind. A good director plays his or her role for the larger stakeholder system and not for the person who has appointed him or her. That Independence will be of value to every board.

Every company is in the market for talented directors. A company that has talented independent directors will always do better than a friends and family board.

All the best as you pursue your journey to seeking board directorship.

Enjoy

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[12-minute video](#)