

## Our Views

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### ET Awards event: a forum that evaluates varied perspectives

Having been a regular attendee at the ET Awards program almost since its inception, I must say that ET has been raising its own bar of the excellence in every manner. The selection of the winners, the management of the awards ceremony, the hand-picked audience, are a given now. What captivates the audience is also how frank, open, and transparent conversations take place at this forum between the captains of the corporate India, the policy makers, and the leaders of the country.

During the panel deliberations at the Awards on Friday night, several interesting issues were discussed. There was a unanimous acknowledgement of government's role of leading from the front by making large investment commitments in infrastructure, creation of a conducive investment environment, introduction of the performance linked incentive schemes, etc. Most of the building blocks such as reduction in corporate tax rates and implementation of GST are in place. Despite the distraction caused by the pandemic and the Russia-Ukraine situation, the private sector has started investing. The resulting increased commitment by private sector to invest and its positivity was also evident. Of course, the speed of investment is now expected to accelerate further.

On the significance of MSMEs and large corporates in the current Indian context, there was a consensus that to manage the massive growth that India foresees, co-existence of both MSMEs and large corporates is critical. This is not a question of either-or. It's about co-existence and inter-dependence. Large corporates are dependent on MSMEs for their supply chain and MSMEs are dependent on large corporates as their ultimate consumer.

Another important building block that supports growth of the economy is financing and banking sector. India would need bigger banks to meet the growth aspirations of the country. Our financial markets should be more open to provide support to corporates for their growth through modes like domestic acquisition financing. As I have also written in one of my earlier columns, this was closed post the famous Harshad Mehta situation. However, a lot of water has flown since then and it's about time the regulators revisited this with required risk mitigations. Today, outside of India, acquisition financing is available through foreign banks.

On a discussion on manufacturing vs services sectors, the importance of their co-existence was highlighted. It was felt that while inherently we are very good at delivery of services, for India to be a large economy manufacturing is equally important. We will therefore need to ensure that our manufacturing meets global standards in all possible ways. Therefore, there was appreciation for the government's current policies to boost manufacturing.

On the very important matter of making economy green, an interesting question was posed around who should pick up the cost of a green economy. The general view was that a consumer may not be able to foot the tab of sustainability and the industry would be unable to pass on this cost. Therefore, to incentivise green industry and a green economy the cost may have to be budgeted by the Government.

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About US dollar being the reserve currency, there was a general view about over-dependence on dollar and its ramifications. However, there doesn't seem to be an alternative in the world in the short term.

The discussion around moving back to the Old Pension Scheme (OPS), drew a response that it seems more like a politically motivated demand which is very difficult to sustain economically. The change in the scheme will have a big impact on the exchequer, both in the short term and the long term.

Finally, on the need to improve the implementation of Insolvency and Bankruptcy Code (IBC), it was felt that the law is well meaning and is being reviewed periodically. There have been sufficient stakeholders' consultations and changes are being implemented. However, the challenge is in its implementation. Expedious hearing in the court (NCLT) could help the matter for which the vacancies in NCLT will have to be speedily filled in.

All in all, the ET Award for Corporate Excellence is no more just an awards function. It is indeed a very evolved forum of meaningful debates and discussions which provide varied perspectives on many burning and difficult topics.

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