

MINUTES OF THE 52ND GOVERNING BODY MEETING OF THE
FORUM OF INDIAN REGULATORS (FOIR)

VENUE: CONFERENCE HALL CERC, NEW DELHI,

DAY / DATE: MONDAY, 17th OCTOBER, 2022

1. At the outset, Executive Secretary, FOIR / Secretary CERC welcomed all the members to the 52nd meeting of the Governing Body (GB) of FOIR. The list of Attendees is at **Appendix**.
2. Welcoming the members of the Governing Body, Hony. Chairperson, FOIR/ Chairperson, CCI extended warm wishes and expressed his appreciation for the active participation of the members in the activities of FOIR. He updated the members about his demitting office of Chairperson, CCI on October 25, 2022, and informed them that he will be succeeded by Hony. Vice-Chairperson, FOIR / Chairperson, AERA
3. Highlighting the achievements of FOIR in the past couple of years after he had taken over as Hony Chairperson, FOIR, he added that FOIR is yet to achieve its full potential by bringing in more members into its fold. He added that new members such as Real Estate Regulatory Authority (RERA), Punjab and Food Safety & Standards Authority of India (FSSAI) will bring in more value addition to the FOIR. He emphasised that other sectoral regulators can be approached to join FOIR by clearly highlighting the benefits which FOIR platform has to offer to the regulators.
4. Hony Vice Chairperson, FOIR / Chairperson, TRAI appreciated the support given by FOIR in developing close coordination between TRAI, CERC and SERCs which has resulted in development of innovative solutions for facilitating smooth roll out of 5 G network in the country.

5. Hony. Member, FOIR/ Member, CCI in her remarks suggested to the FOIR Secretariat at CERC and IICA that the design of FOIR website may be updated in such a manner that any new draft rules, regulations, studies, and comments invited by any of the regulators (members of FOIR or not) are linked with the FOIR website. This would minimise the need to visit the individual website of the regulator to study the latest updations. The Governing Body members agreed to this suggestion

AGENDA ITEM 1: CONFIRMATION OF THE MINUTES OF 51ST GOVERNING BODY MEETING

Executive Treasurer, FOIR updated the members about the minutes of the meeting of the 51st meeting of the GB and updated the members on the action taken. The GB confirmed the minutes.

AGENDA ITEM 2: MOU BETWEEN FOIR AND IICA

1. Executive Treasurer, FOIR apprised the members about the status of Memorandum of Understanding (MoU) between FOIR and IICA and provided clause wise details of the revised Memorandum of Understanding (MoU) submitted by IICA for approval. The important modification received from IICA includes:
 - a) Increase in monthly retainership fee to Rs. 1,92,080/- (exclusive of taxes) which includes proposed increase of 10% in the monthly remuneration of the staff associated with the FOIR programs.
 - b) Provision of a one-time payment of Rs. 6 lakhs for procurement of necessary IT and related infrastructure including laptops/desktops, printer, scanner, data cards, sitting desk, chair, storage units etc for the staff engaged by IICA under the retainership
 - c) Additional Assurance Fee of 12% of the total amount payable towards conducting any activity/ program.
2. After deliberations, the GB decided as under:

- i) The GB agreed to suggestions at (a) above with a modification that the yearly increment of 10% on the fees paid to staff under the retainership shall only be on the amount of base year and not cumulatively.
 - ii) The GB agreed to (b) above and instructed IICA to follow the same process as per Government of India guidelines for procurement and accounting for the assets in the books of FOIR
 - iii) The GB did not agree to (c) above as it felt that 12% assurance fee was already agreed to be paid as part of the monthly retainership fee and therefore, cannot be again charged for each program.
3. To this extent, the MOU was approved and FOIR Centre at CERC and IICA was directed to sign the amended MOU

AGENDA ITEM 3: TALK BY DR. SEBASTIAN MORRIS, SENIOR PROFESSOR, GOA INSTITUTE OF MANAGEMENT

1. Dr. Sebastian Morris, Senior Professor, Goa Institute of Management made a presentation on “Issues in Regulation in India Today”. The presentation highlighted various issues, challenges, and areas where regulation should be tailored to alleviate the problems faced by the general public and the businesses.
2. Hony. Chairperson, FOIR/ Chairperson, CCI in the discussions related to the grant of Right of first refusal cited the example of Jewar airport, where even though GMR had the right of refusal for Jewar airport, they decided not to exercise their right. Prof Morris talked about improving the economic efficiency in granting first right of refusal.
3. Hony. Treasurer, FOIR/ Member CERC, inquired about the independence of regulators in various countries, as well as the international norms and standards that they follow while selecting regulators. Citing the example of USA, Prof

Sebastian informed the members that while the heads of regulatory bodies in the U.S. are political appointees, the entire regulatory office operates professionally and independently with in house experts.

4. At the end of the talk, the GB members appreciated the nuances put forth by the speaker on the issues of Regulation.

AGENDA ITEM 4: TALK BY DR. GARIMA DADHICH, HEAD OF THE SCHOOL OF BUSINESS ENVIRONMENT AT IICA

1. Dr. Garima Dadhich, Associate Professor IICA, in her presentation (**Annexure – I**) on "Scope and Enforcement of Regulatory Norms from an ESG Perspective" highlighted the risks associated with the implementation of the Environment, Social, and Governance (ESG) framework, the steps required to mitigate these risks, and the proper accountability system that Indian regulators must develop for efficient ESG implementation.
2. Hony. Chairperson FOIR/ Chairperson CCI, acknowledged the challenges in the implementation of ESG framework and stressed that capital investment required to meet the norms may make the MSMEs economically unsustainable in comparison to domestically located larger industries and. international competitors.
3. Hony. Vice Chairperson, FOIR / Chairperson, TRAI, added that for the implementation of the ESG framework, companies must adapt to the Industry 4.0 model, which requires technologies such as Artificial Intelligence, machine to machine learning which can drastically reduce the cost of manufacturing and improve the efficiency of the system, thereby leading to gradually increase in profitability of the company. However, implementing or converting the current manufacturing process to Industry 4.0 requires significant investments and government intervention/ support. He also stated that the major challenge for ESG implementation is not in the service sector, but in the manufacturing sector.

4. Member FOIR/ Member, PNGRB sought to know the specific role of regulators in forming the ESG framework or guidelines to which Dr. Garima Dadhich stated that IICA is developing the concept of ESG guidelines specific to each sector, and that the implementation of the guidelines at the ground level will be handled primarily by sector-specific regulators.
5. At the end of the presentation, the GB members appreciated the learning from the topic

AGENDA ITEM 5: ANY OTHER ITEM WITH THE PERMISSION OF CHAIR

Executive Secretary, FOIR/Secretary CERC suggested that a study may be conducted on “Alignment of regulation of different regulators and areas of cooperation among members” so as to leverage on the best practices amongst the FOIR members. The GB members approved the same and requested FOIR Centre, IICA to take up the study and send a proposal to FOIR Centre at CERC to take the same forward

AGENDA ITEM 6: FAREWELL TO HONY CHAIRPERSON, FOIR / CHAIRPERSON, CCI

The Governing Body noted that Hony. Chairman FOIR/ Chairperson, CCI is due to retire on superannuation on 25th October, 2022, and placed on record their deep appreciation for the valuable contribution of Shri Ashok Kumar Gupta in the activities of FOIR and in taking the FOIR to the next level.

The meeting concluded with vote of thanks to the Chair.

LIST OF PARTICIPANTS OF THE 52ND GOVERNING BODY MEETING OF FOIR**DATE: 17TH OCTOBER, 2022,****VENUE: CERC, CHANDERLOK BUILDING, 36, JANPATH, NEW DELHI.**

S. No.	Name	Designation & Organization
01.	Mr. Ashok Kumar Gupta	Chairperson, CCI & Hony. Chairman, FOIR
02.	Mr. Balwinder Singh Bhullar	Chairperson, AERA & Hony. Vice-Chairman, FOIR
03.	Dr. P.D. Vaghela	Chairperson, TRAI & Hony. Vice-Chairman, FOIR
04.	Mr. M. Chandrasekar	Chairperson, TNERC & Hony. Vice-Chairman, FOIR
05.	Mr. I.M. Bohari	Member, MERC & Hony. Member, FOIR
06.	Dr. Sangeeta Verma	Member, CCI & Hony. Member, FOIR
07.	Mr. M.D. Ravi	Member, KERC & Hony. Member, FOIR
08.	Mr. Anjani Kumar Tiwari	Member, PNGRB
09	Mr. Arun Goyal	Member, CERC & Hony. Treasurer, FOIR
10.	Mr. Harpreet Singh Pruthi	Secretary, CERC & Executive Secretary, FOIR
“SPECIAL INVITEE / GUEST SPEAKERS / FOIR SECRETARIAT / IICA”		
11	Mr. Pravas Kumar Singh	Member, CERC
12	Dr. (Prof.) Sebastian Morris	Senior Professor, Goa Institute of Management
13	Dr. Garima Dadhich	Associate Professor, IICA
14	Dr. (Prof.) Naveen Sirohi	Director, FOIR Centre, IICA
15	Ms. Rashmi Somasekharan Nair	Dy. Chief (Regulatory Affairs) CERC
16	Mr. P.M. Antony	Executive Treasurer, FOIR
17	Ms. Sukanya Mandal	Asst. Chief (RA), CERC

18	Mr. Saurabh Derhgaven	PRO, CERC
19.	Mr. Kushal Pal	RA, SAFIR
20.	Mr. Sushil Kumar Arora	Administrative Officer, FOIR
21.	Mr. Avanish R. Srivastava	TA, IICA
22.	Mr. Davinder Kumar	TO (IT), FOR
21.	Mr. Anirudh	IT Cell, CERC



Scope and Enforcement of Regulatory Norms from ESG Perspective

by Dr. Garima Dadhich

OBJECTIVES

- Understand ESG and its importance
- Describe the Relevance of ESG for India
- Describe the evolution of the Regulatory Norms in India
- Scope of Regulatory Norms in Corporate Sustainability Reporting
- Challenges faced in Scope and Enforcement of the Regulatory Norms

WHAT IS ESG?

- “ESG” which stands for environmental, social and governance, is a framework that uses a rules-based approach to evaluate companies based on their commitment to positive ESG factors and has become a fundamental part of investment analysis. Investors are increasingly applying these non-financial but material factors to identify and mitigate ESG-related risks.
- Broadly defined as the analysis of a company’s environmental, social and governance practices, the ESG first grabbed the financial world’s attention following a 2005 United Nations Global Compact report, which claimed that incorporating ESG factors into capital markets would make it possible to “do well by doing good”. Since then , the significance of ESG issues has experienced a meteoric rise.

ESG BASED INVESTMENTS

- According to research by McKinsey, *"ESG-oriented investing has experienced a meteoric rise... The acceleration has been driven by heightened social, governmental, and consumer attention on the broader impact of corporations, as well as by the investors and executives who realize that a strong ESG proposition can safeguard a company's long-term success. The magnitude of investment flow suggests that ESG is much more than a fad or a feel-good exercise."*
- ESG can reduce costs significantly — McKinsey Research found that an effective ESG strategy can affect operating profits by as much as 60%
- 71% of CEOs believe it is their personal responsibility to ensure that the organization's ESG policies reflect the values of their customers, according to KPMG
- Deloitte found that ESG-mandated assets could make up half of all professionally managed investments by 2025, totaling \$35 trillion.

ESG-BASED INVESTMENTS AS WEALTH GENERATORS FOR INVESTORS

- Lower Risk
- Improved Financial Performance
- Improve Valuation
- Potentially higher return to shareholder

ESG : THE BENEFITS

- *Increased value creation*
- *Access to markets and increased market share*
- *Increased access to capital*
- *Obtaining “social license to operate”*
- *Attracting and retaining talent*

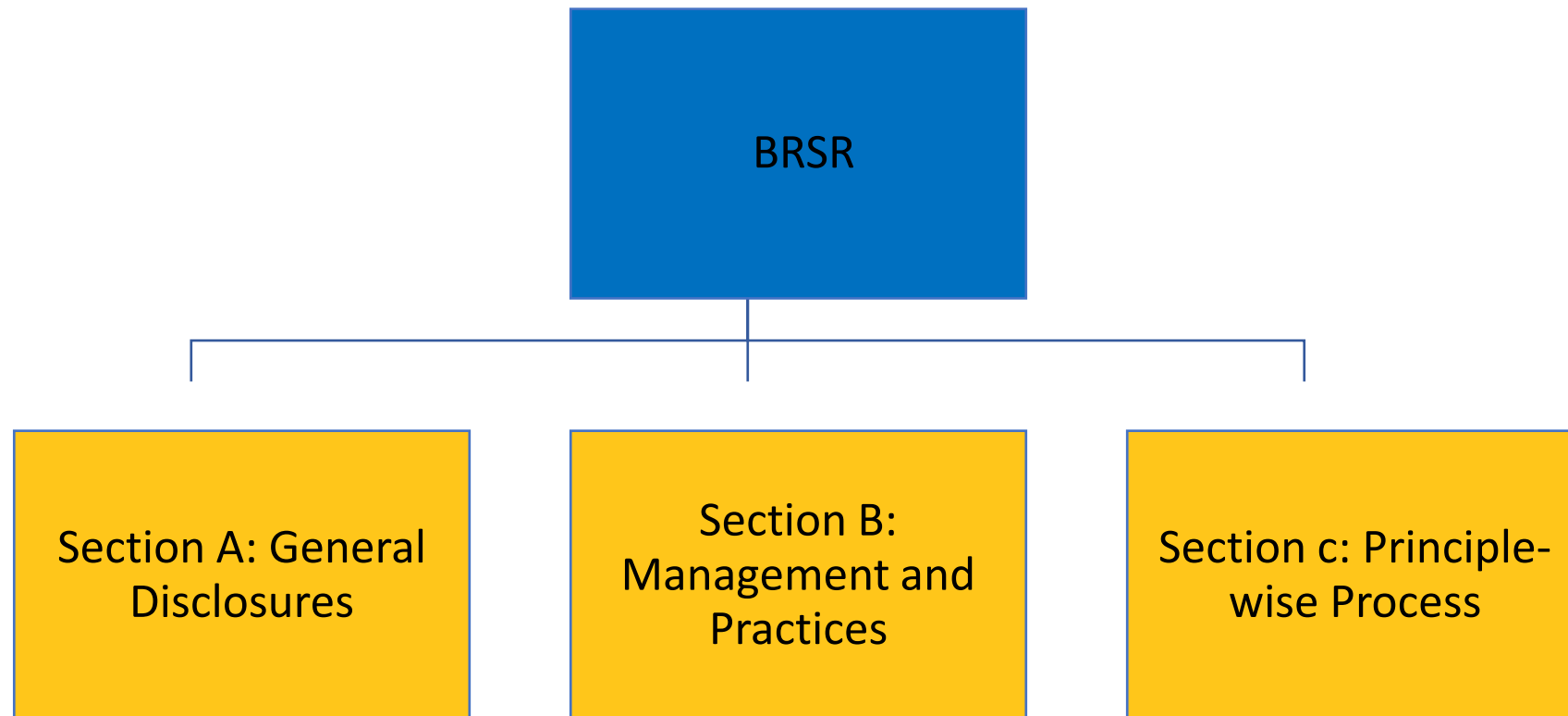
ESG: THE BUSINESS CASE IN THE INDIAN ECONOMIC LANDSCAPE

- Superior Performance
- Competitive Advantage
- Access to capital Markets and lower cost of funding
- Manage risks
- Attracting and retaining talent
- Stakeholder Engagement and regulatory compliance

EVOLUTION OF ESG NORMS IN INDIA



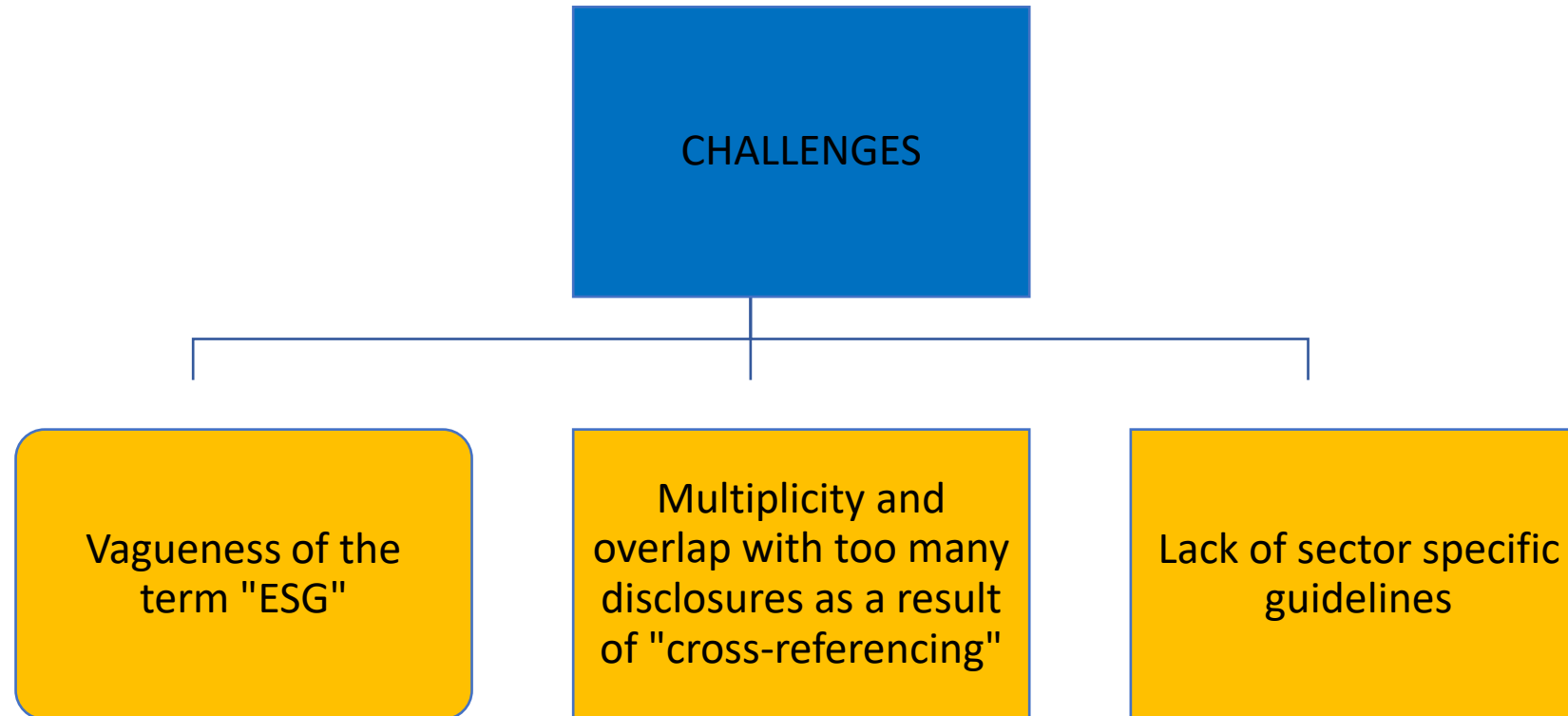
BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (2021)



Principles/ SDGs	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
Principle 1																		
Principle 2																		
Principle 3																		
Principle 4																		
Principle 5																		
Principle 6																		
Principle 7																		
Principle 8																		
Principle 9																		



CHALLENGES IN ENFORCEMENT OF REGULATORY NORMS



IICA Certified ESG Professional: Impact Leaders

This six months online immersive learning experience will hone your ESG skills. This 60-hours, self-paced programme is ideal for those looking to get advanced expertise to be a Change Agent.

Learning Outcomes:

- Upskill and gain a competitive edge in your profession
- Develop solution oriented outlook
- Get professional recognition by an institute of prominence
- Learn from stalwarts with domain expertise

Target Audience:

- Members of the Board
- C-Suites (CEOs & CXOs)
- Sustainability Professionals
- CSR Professionals
- Executives of Banks
- Asset Managers
- ESG Rating Agencies

Gains from the course:

- Certificate upon Completion
- Membership of National Association of Impact Leaders (NAIL)*

**NAIL is an association of IICA trained and certified ESG professionals that maintains the database of Members and provides continuous professional advancement.*





THANK YOU!

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