

CAREER INSIGHTS: INVESTOR RELATIONS



Arnob Mondal

Former Head of Investor Relations,
Larsen & Toubro Limited

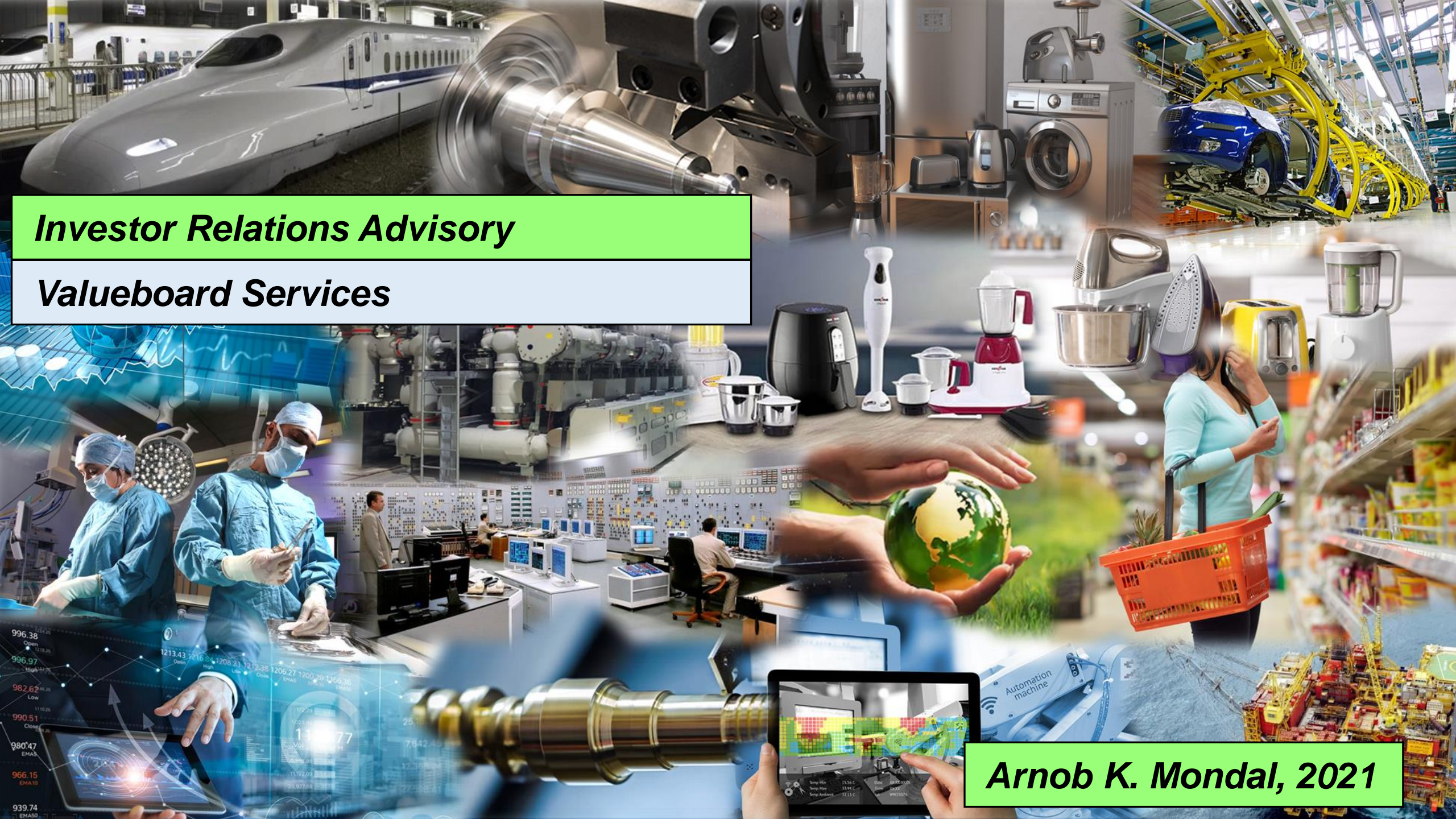
Date: Thursday, 4 March 2021

Time: 5:30 – 6:30 p.m. IST



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Investor Relations Advisory

Valueboard Services

Arnob K. Mondal, 2021

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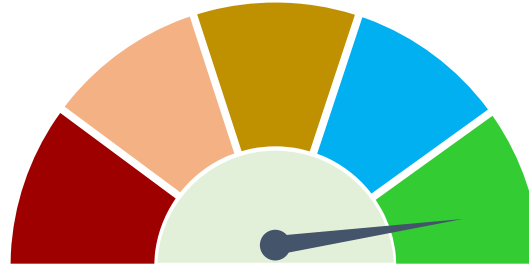
Investor Relations – a high level overview



Credentials of Arnob K. Mondal – Competency Matrix

- CA (1985 Batch)
- 25+ years of service in L&T
- Retired in Nov-2020 as VP
- Headed Investor Relations, Talent Management within F&A, Corporate Accounts and Corporate Internal Controls

PROFESSIONAL EXPERTISE



Deep Domain skills in

- F&A (Finance/Accounts) & allied areas
- Engagement with Capital Markets
- Leadership Development & Talent Mgt
- ESG (Sustainability / Integrated Reporting <IR>)

ENGAGEMENT WITH MARKETS

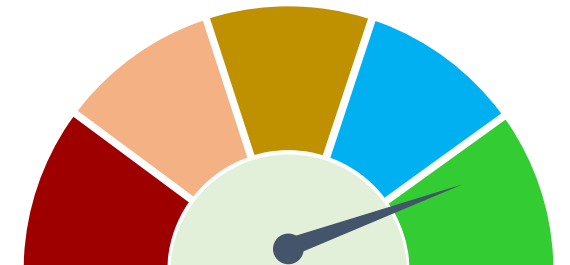
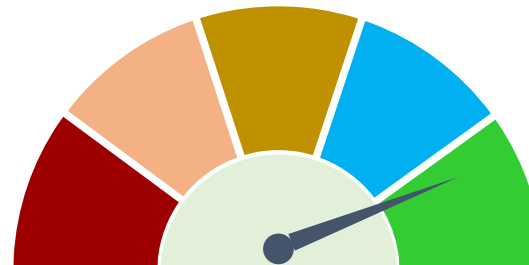
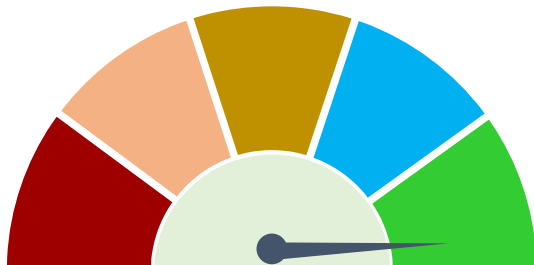
- ~350 meetings p.a. with institutional investors and brokerage houses (11 yrs)
- Extensive connect with investors across geographies
- Voted within top 3 IR professional in Asia (Industrial Sector) for 10 consecutive yrs by NYC Publication (Institutional Investor)

SUSTAINABILITY / ESG / <IR>

- Part of Apex Sustainability Team in L&T since 2008
- Spearheaded the Apex <IR> team for transition to <Integrated Reporting> from 2017
- Won Grant Thornton award for best <IR> in India 2020

LEADERSHIP DEVELOPMENT

- Strategised and spearheaded Leadership Development across F&A in L&T group over the last 11 years
- Expertise in Performance Appraisal & Feedback, Smart Goal Setting and other behavioural interventions



Valueboard Services

Investor Relations Advisory

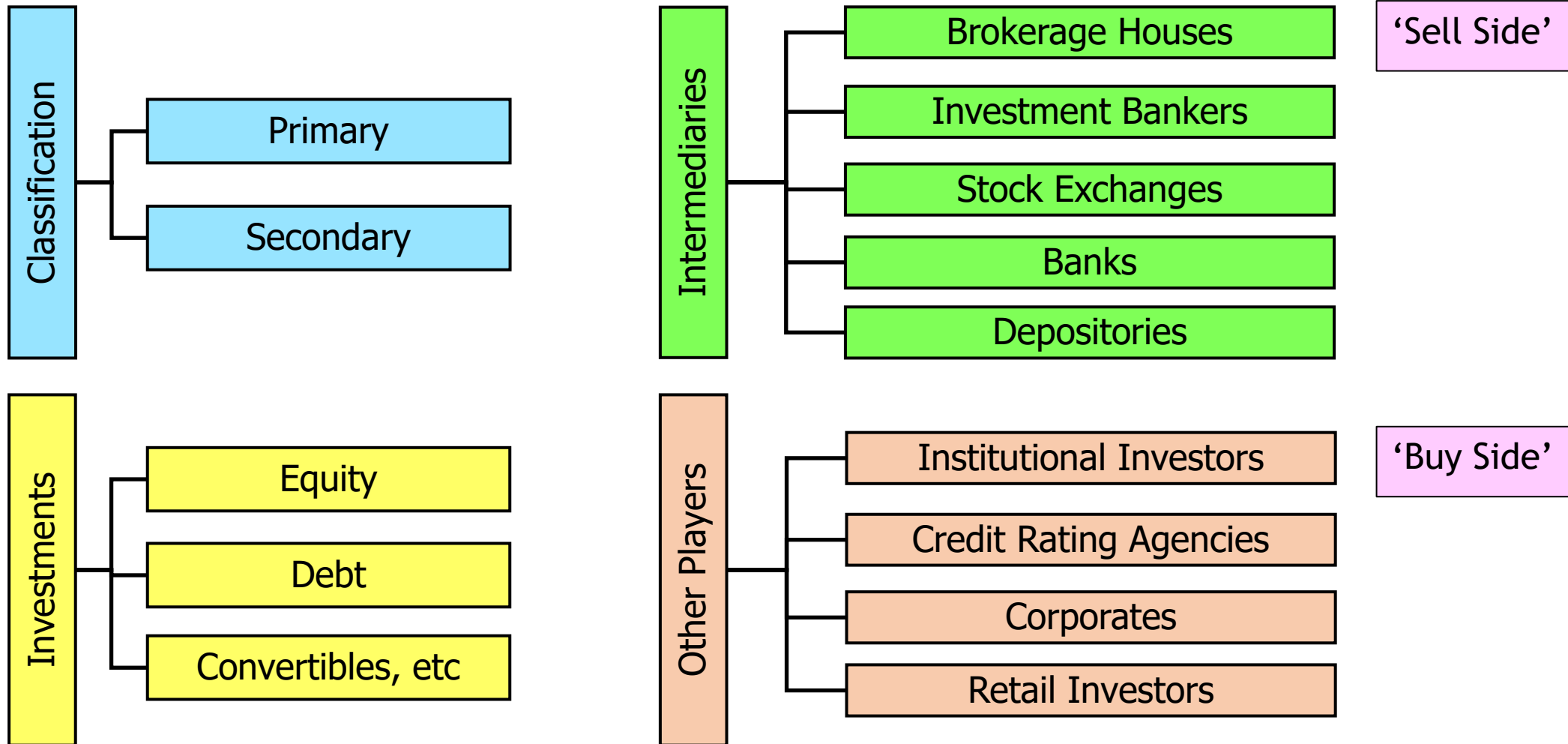
Talent Management / Leadership Development Advisory

Investor Relations – a high level overview



Overview of Capital Markets

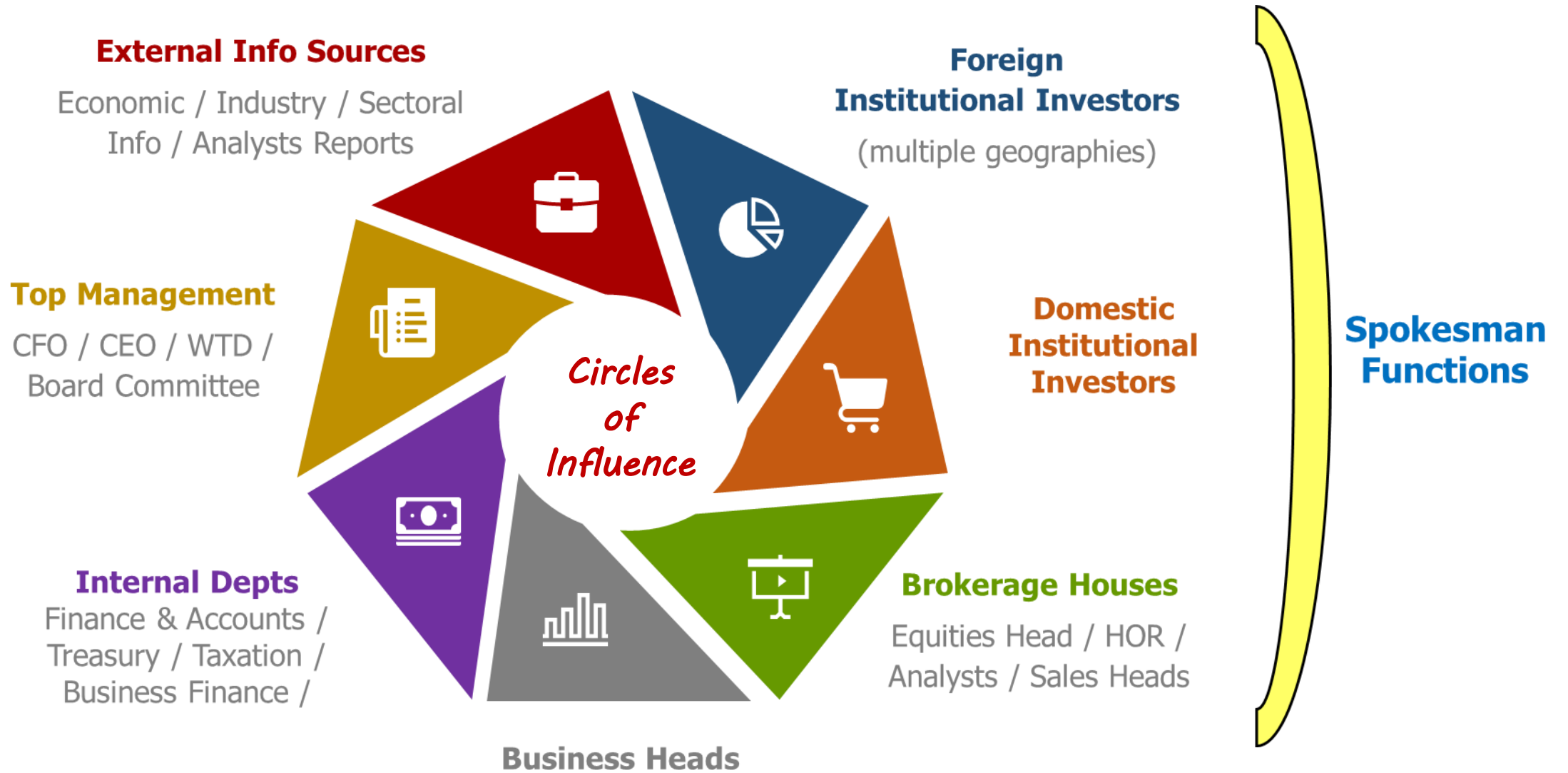
Market Regulator: SEBI



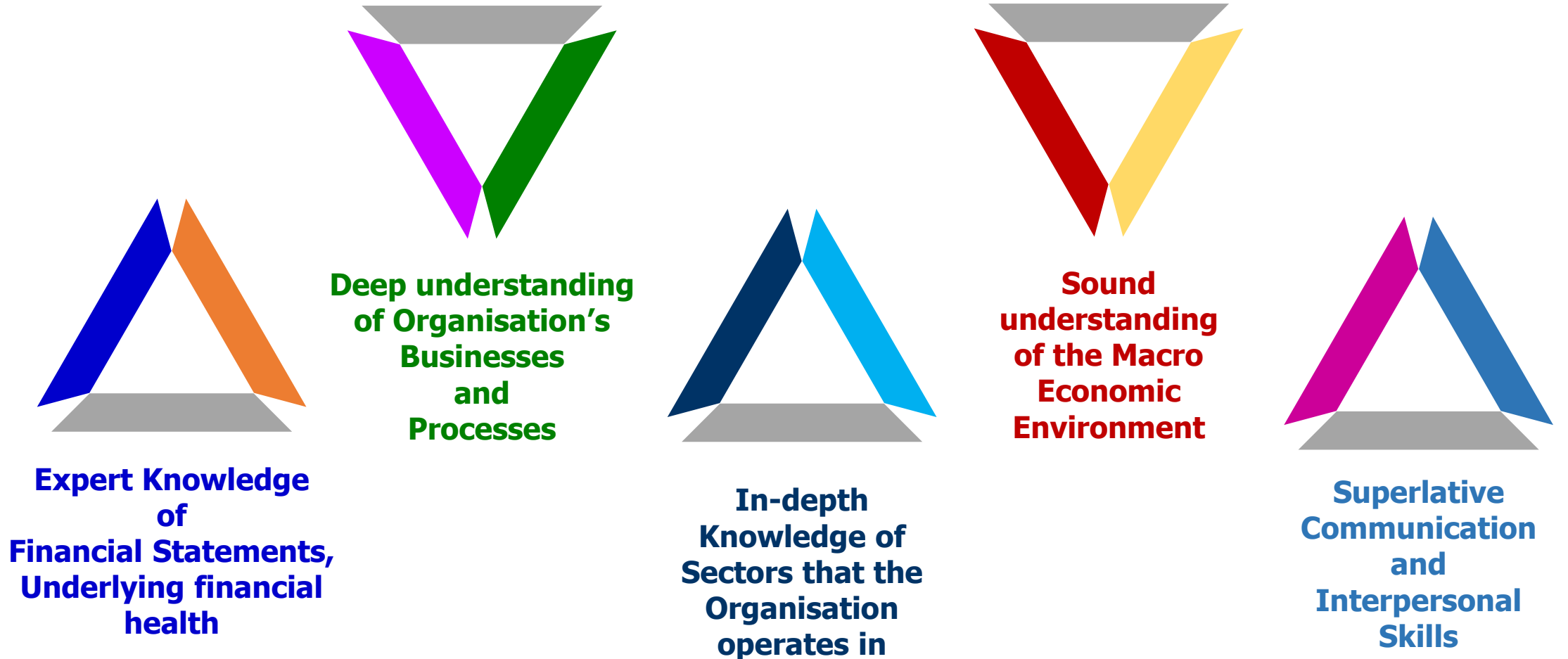
Investor Relations – a high level overview



Investor Relations Function – The Core



Pre-requisites of best-in-class IR



Investor Relations – a high level overview



Best-in-class IR: Quarterly Earnings Calls

Management of Earnings Calls



Superlative Investor presentations



Other Misc (transcription, peer analysis, etc)

Post-Earnings Call analysis (analysts reports, market sentiments, etc)



Strategising Market articulation (incl. preview estimates)

Best-in-class IR – Housekeeping activities

Daily/bi-daily
(stock price updates, peer set stock prices, indices, important info)



Quarterly
(Company stock price trends, peer price trends & info)



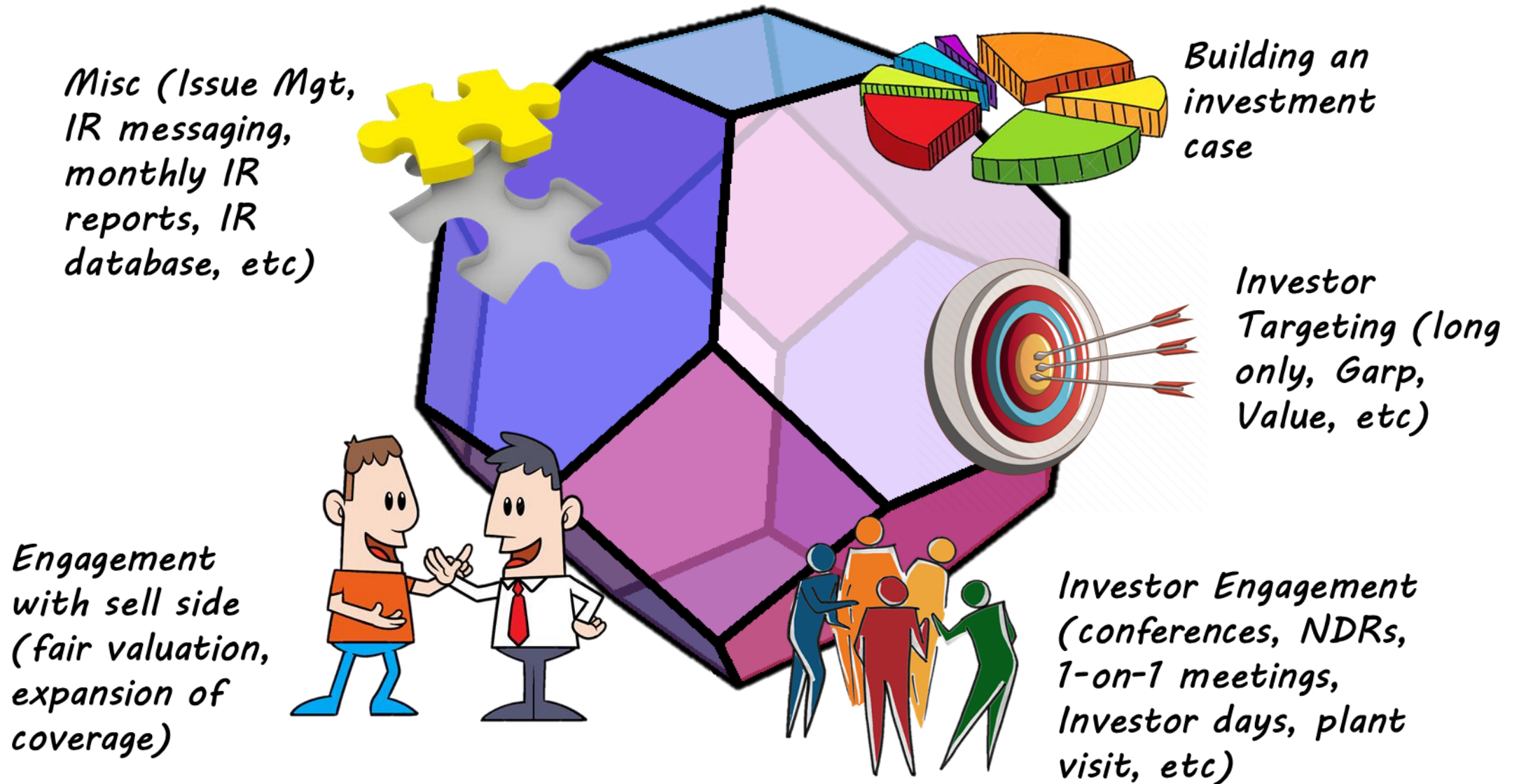
Weekly (major buyers and sellers, shareholding analysis)



Annual / Periodic
(economic updates, competitor benchmarking, news flow on industry / peers)



Best-in-class IR – Buy-side / Sell-side engagement / Misc



Best-in-class IR Practices

Quarterly uploads (IP, Excel and pdf files)

Website contents, transcripts, audio-video replays, Communication norms (incl. UPSI)

Coverage of ESG; External Assurance thereof; climbing the Sustainability ladder

Processes for Earnings Calls, compliance with PIT

Comprehensive coverage of Governance matters - single place

Investor Relations – a high level overview



Convergence of IR and ESG

Awakening of social conscience and activism / advent of PPP / TBL (mid-90s)

Environment: Focuses on areas like

- Resource conservation
- Carbon Footprinting
- Water management
- Material sourcing
- Air Emissions
- Waste-water treatment
- Energy efficiency. etc



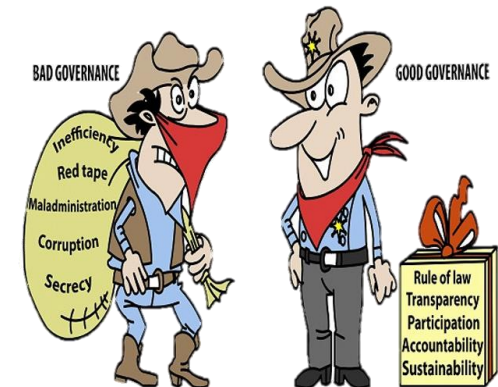
Social: Focuses on areas like

- Employee Welfare / OHS
- Talent attraction, retention, working environment
- Labour management / practices
- CSR activities (Water & Sanitation, Health, Education, Skill Development, etc)
- Diversity, inclusion, gender balance
- Community development, etc



Governance: Focuses on areas like

- Architecture (Board, Committees, Exec Mgt, etc)
- Board Evaluation
- WBIC
- POSH
- CoC
- Control / Risk framework
- PIT, RPT, etc...

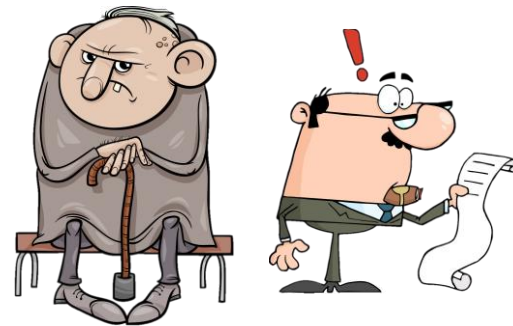


Convergence of IR and ESG – the current status

Diversity Hiring Checklist



Non-mainstream areas



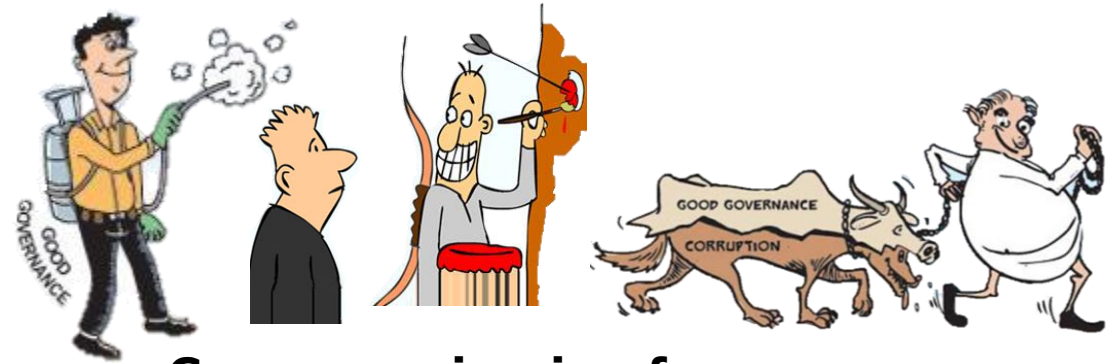
Detailed Questions



Reaching Clamour Status



Increasing Compliance Burden



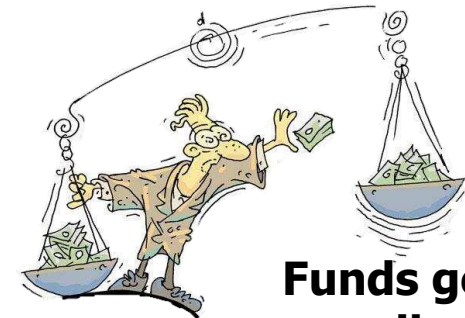
Governance is prime focus



Awareness is Spreading



Increased ESG Focus



Funds getting re-allocated

Investor Relations – a high level overview



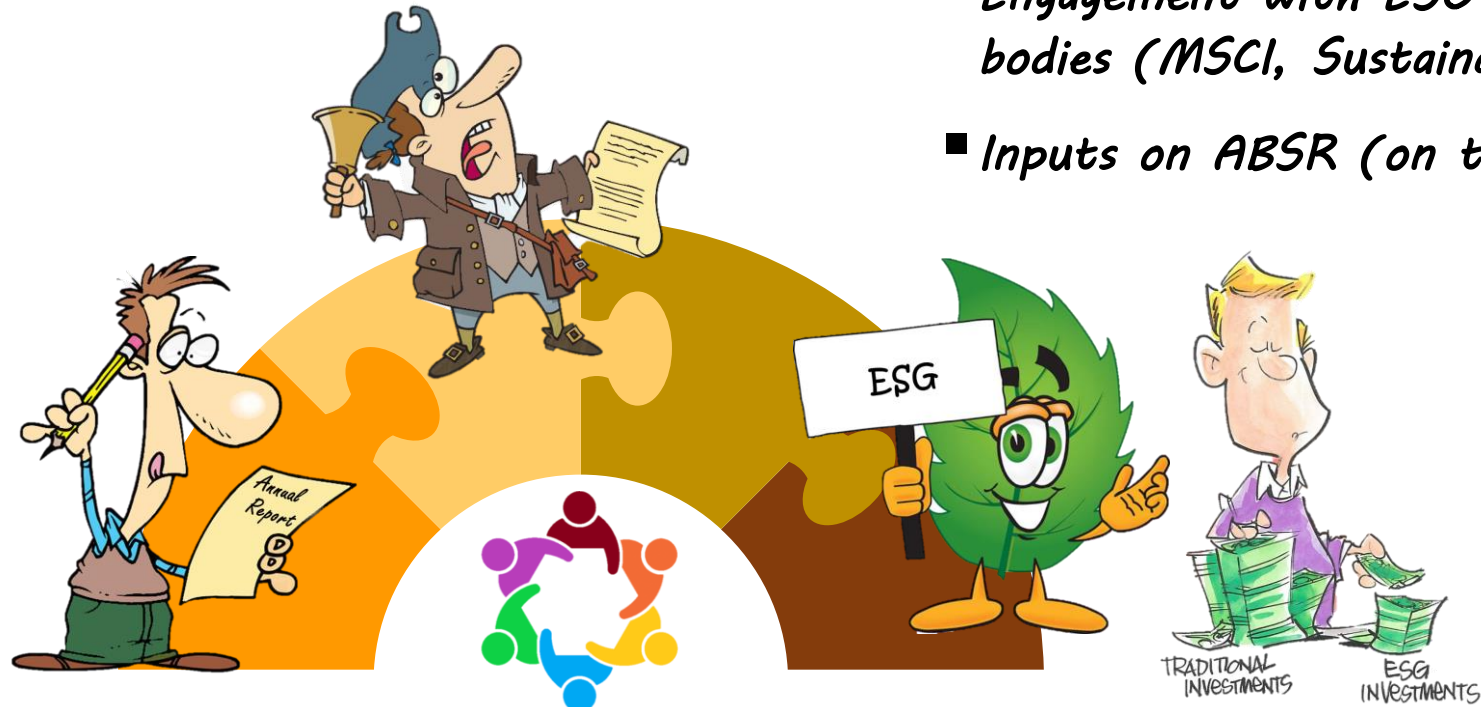
Investor Relations – Other Value-add

Contributing towards

- IPO / FPO (investor targeting)
- Chairman's / CEO's message in Annual Report
- Board Report contents (including ABRR)
- MD&A and Financial information
- Conduct of AGM (including Q&A set for top management)

Perception Study

(periodic – max once a year)



Contributing on ESG / Sustainability

- Transitioning to Sustainability Report / Integrated Report – external assurance
- Engagement with ESG Advisory bodies (MSCI, Sustainalytics, etc)
- Inputs on ABSR (on the way)

Putting it all together

The offshoots of best-in-class IR and ESG practices..

Strong ESG focus significantly enhances investor universe and paves the way for valuation bump up

Facilitates Capital Raising

Expands Research Coverage & market reach

Provides guideposts for Compliance with PIT

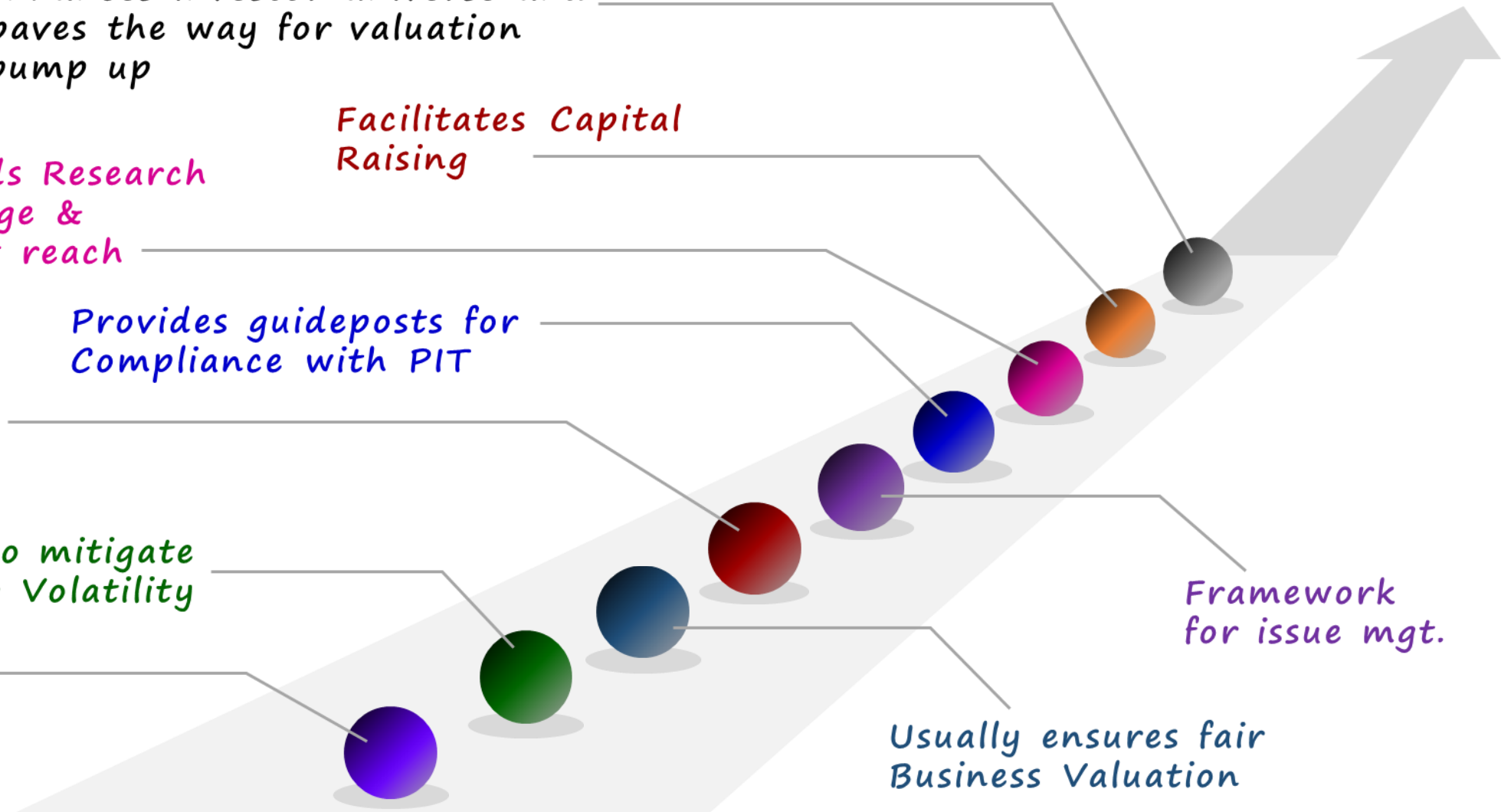
Rich funnel for top Management info. on markets

Tends to mitigate Scrip Volatility

Framework for issue mgt.

Markets usually assign a stock premium

Usually ensures fair Business Valuation

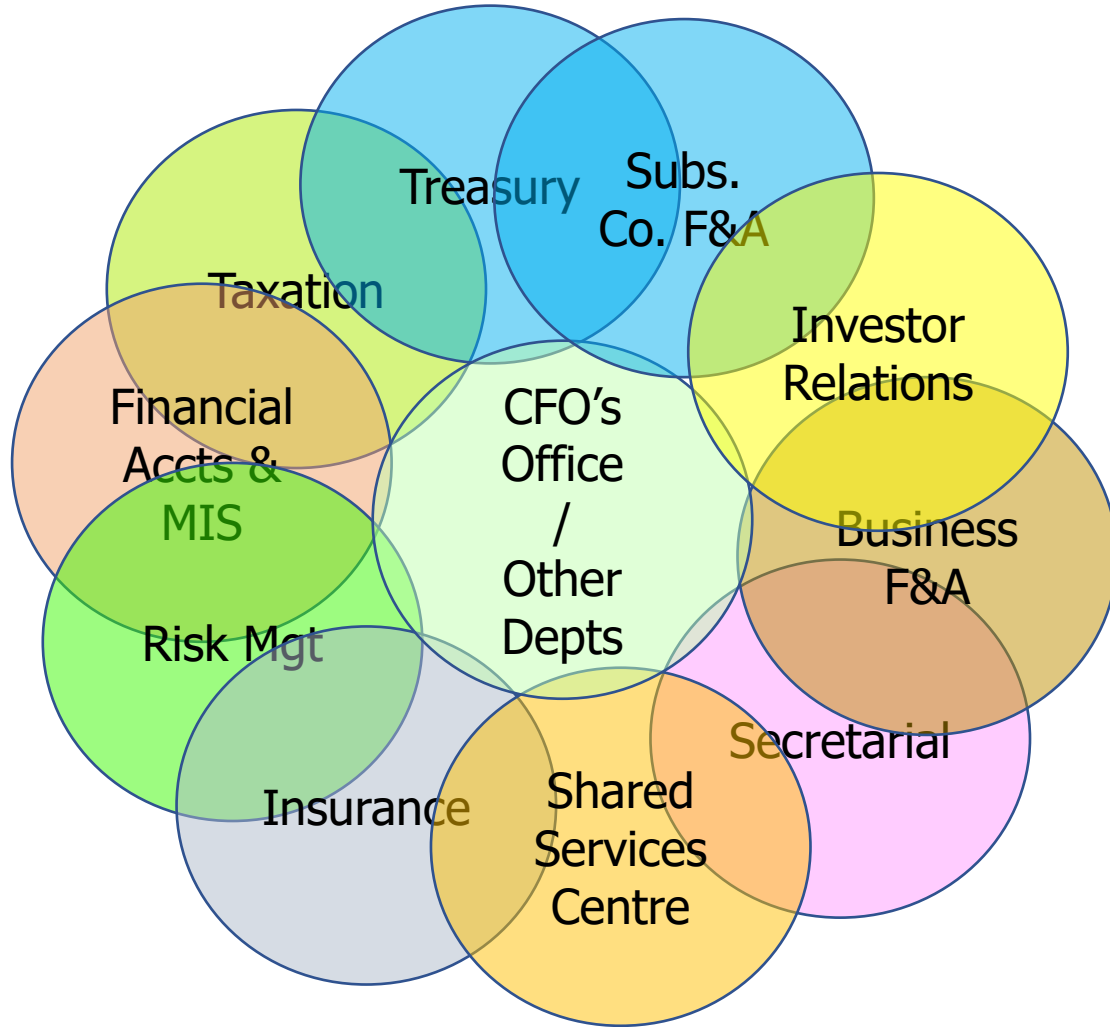


Investor Relations – a high level overview



Investor Relations – Career Prospects

Rotation within Finance & Accounts Fraternity

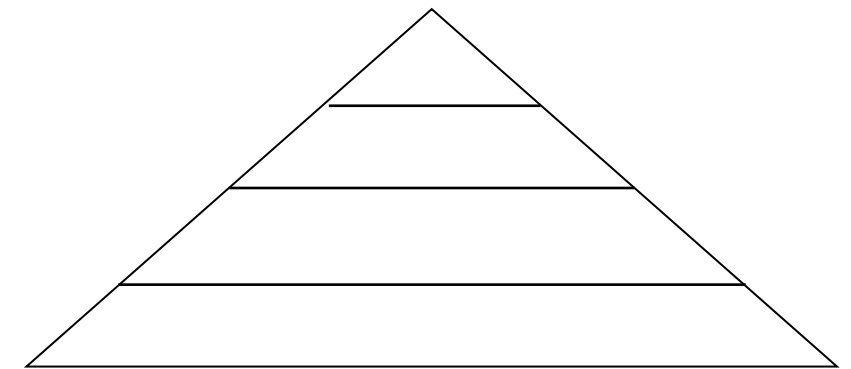
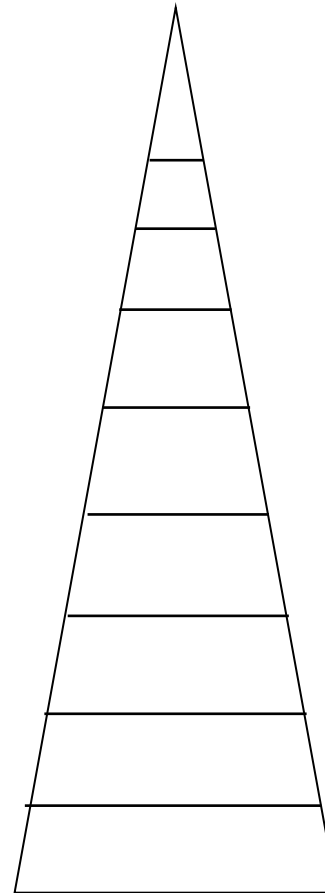


Ballpark Current Compensation Levels

- Entry Level – Rs 10-12 Lac p.a.
- 5 years experience – Rs 15-20 Lac p.a.
- 10 years experience – Rs 25-35 Lac p.a.
- 15 years experience – Rs 40-50+ Lac p.a.
- 20 years experience – could be anything

(can vary widely from Org to Org)

Different Structures



Investor Relations – How CFA will help

Advantages that you have:

- Ability to analyse Financial Statements
- Understanding of valuations / Financial Modelling
- Understanding of Markets and Economy
- Understanding of Business and Business Models
- One of the few outward facing F&A functions (Treasury is another one)
- Ready ears of top management / high visibility
- Can readily move to other functions such as Treasury, Business Finance, M&A, Corporate Strategy, CFO's office, CEO's office
- Can move to other corporates, to sell side or buy side (however cannot leave it too late)

Soft Skills required:

- Strong interpersonal skills
- Good networking ability
- Humility (markets have a habit of humbling you)
- Must be a sponge where outside reading is concerned (particularly on sectors and macro environment)
- Ability to mesh with peers
- Have to build strong connect with business heads
- Know how to interact with top management
- Other soft skills (analytical ability, eye for detail, strong reading habit, team player, handling pressure)

Questions are welcome