

# New-Age Cos Gear Up to Strengthen Top Deck

Organisations are moving beyond compliance mindset, actively seeking independent directors with specialised expertise

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**Bengaluru:** Startups and new-age-companies are racing to strengthen their boards with high-profile independent directors as they gear up to tap the public markets in the next one to two years.

The credibility and strength of the top deck becomes critical for firms preparing for an initial public offering (IPO), said experts. Apart from meeting regulatory requirements, a well-picked board with experienced and independent voices as directors can help inspire confidence among prospective investors as raising public money comes with far greater transparency and accountability.

Executive search firms, including Korn Ferry and Transearch, said they are seeing a minimum 25% increase in independent director mandates, and are running anywhere between three and six such searches at any given time.

“This surge is driven by regulatory pressures, evolving corporate governance standards, proactive involvement from PE (private equity) and growth fund investors, and a shift in how companies perceive board contributions,” said Monica Agrawal, managing director – financial services, Asia Pacific, and India lead, board services, at Korn Ferry.

Organisations are moving beyond the compliance mindset, actively seeking independent directors with specialised expertise, strategic experience and strong industry stature, she added.

## Scouting for Independent Directors

At IPO-bound startups, high demand for independent directors



### Why cos are chasing them

Providing strategic guidance

Boosting investor confidence

Strengthening governance; mitigating risk

Bringing a long-term strategic lens

Establishing the right frameworks

Adding specialised expertise; sector-specific knowledge

Expanding network opportunities



Ashish Sanganeria, senior partner at Transearch, said there has been an exponential growth in independent director enquiries in recent months, with requirements spanning a wide range of professional backgrounds. Recent roles include those with expertise in regulatory affairs as well as positions focused on securing CEOs with experience in specific industry sectors.

The startup ecosystem has seen a bunch of such independent director appointments in recent months at new-age companies that have either announced or are believed to be planning for an IPO. In February, Flipkart-backed hyperlocal logistics startup Shadowfax appointed three independent directors – Bijou Kurien, Ruchira Shukla and Pirojshah Sarkari – on its board. PhonePe appointed TeamLease founder Manish Sabharwal as independent director and audit committee chair, replacing Binny Bansal.

EQT-backed Indira IVF strengthened its board with independent director appointments, as did Meeesh, which brought in former JP Morgan

South and Southeast Asia chairperson Kalpana Morparia; Jubilant Bhartia group co-chairman Hari S Bhartia; Ema Unlimited CEO Surojit Chatterjee and PhonePe non-executive chairman Rohit Bhagat to foster a culture of transparency and corporate governance.

One of the key elements in the run-up to an IPO for a company, apart



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from financials, is corporate governance, said Pranav Haldea, managing director; PRIME Database Group. “Startups would typically look for independent directors who may be ex-CEOs, CFOs or board members from established companies, regulatory officials or corporate governance experts and senior executives from banks, investment banks, PE/VC firms and law firms.”

According to data put together for ET by primeinfobase.com, startups which listed on the bourses in 2024-25, including Go Digit, Awfis, Ixigo, Firstery, Unicommerce, Swiggy, Blackbuck and Mobikwik, each brought in three to five independent directors in the run-up to their IPOs.

The appointments include the likes of Suparna Mitra, CEO of the watches and wearables division at Titan who joined the Swiggy board; Rajamani Muthuchamy, managing director and CEO at Jana Capital; and Hardika Shah, CEO, Kinara Capital at Blackbuck.

From the compliance standpoint, it’s recommended to have indepen-

dent directors on boards who stand for corporate governance, said Abhishek Bansal, CEO of Shadowfax, which appointed three independent directors last month to “strengthen governance framework and reinforce focus on operational excellence”.

“Prospective investors look at the kind of people that are there on your boards, their reputation at past companies, whether they stay impartial and take the right decisions, etc. The right people add a lot of value,” Bansal said.

Every company has a different way of building a board; they want people who have industry background but are not involved in day-to-day-affairs, he added. In Shadowfax’s case, Kurien, a founding member of Titan Industries and Reliance Retail, came with 35 years of operating experience and building brands, among others, while Sarkari, former CEO of Mahindra Logistics, came with expertise in logistics and supply chain management.

The CEO of a startup which has IPO plans in the not-too-distant future said on condition of anonymity that every investor starts looking for independent board members a year or two before listing – those who are high credibility and “founder-friendly”, in that they have a strong voice but not interfering in every matter. “Many PE/VC firms are now using their networks to get independent directors for their portfolio companies themselves,” he said.