

Pandemic may have Taken a Toll on India Inc's Boardrooms

SOME NSE-LISTED COS THAT HAVE LOST BOARD DIRECTORS THIS YEAR (Jan 1 to June 22)

Motherhood Systems
Sushil Tripathi

Muthoot Finance
MG Muthoot

Jindal Steel and Power
Anjan Barua

Bharat Electronics
Shikha Gupta

Endurance Technologies
Partho Datta

Mahanagar Gas
Premesh Jain

HFCL Ltd
Mahendra Shukla

Angel Broking
Vinay Agrawal

Kalpataru Power Transmission
Keezhapandil Mani



Venky's India
Surinder Kumar

Source: Prime Database

First six months of 2021 saw demise of 61 directors, some possibly due to Covid

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Mumbai: The past year has taken a toll on corporate India at all levels, up to and including the boardroom. According to data compiled by Prime Database, the first six months of calendar year 2021 saw the demise of 61 directors (who held a total of 69 directorships) on the boards of NSE-listed companies. That's already higher than the number for 2019 (57). The 2020 calendar year saw the deaths of 82 directors, holding 91 board positions.

Some of the top NSE companies by market capitalisation that saw the demise of directors include Motherhood Sumi, Muthoot Finance, Jindal Steel, Bharat Electronics, Endurance Technologies, Mahanagar Gas, HFCL, Angel Broking, Kalpataru Power Transmission and

Venky's India.

While the cause of each death is not known, it is possible that some would have succumbed to Covid-19. "Average age of board members in India is 59 years and it is a well-established fact that Covid impacts people in older age groups much more adversely," said Pranav Haldea, managing director of Prime Database.

Companies have in the past focused on executive succession planning, but the impact of Covid-19 on boardrooms highlights the need to do this for directors, something that has not got adequate attention until now, experts said.

"The pandemic has challenged several boards on account of members of the board not being available to discharge their governance responsibilities due to ill-health and in several cases even death," said Santosh Kumar, partner, Deloitte India.

"Succession planning for the board is now an important aspect that all boards need to consider to ensure there is agility in responding to 'drop-dead' scenarios," Kumar said.

Cos Need to be Prepared

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The pandemic has made it clear that companies need to be prepared for unexpected fatalities across all levels.

"The board should champion and be in the know of the succession plan for all key managerial personnel and CXO-level executives as part of responsibility to the company and shareholders," said Shriram Subramanian, founder and MD, InGovern Research, a proxy advisory firm.



Amit Tandon, MD of proxy advisory IAS, said companies are now evaluating the skillsets of board members. They know what areas of expertise they possess and what

gaps need to be filled and can use these opportunities to refresh the board. "The harsh reality that we all need to face is that business needs to go on," Tandon said.

For many boards, it will be necessary to develop new channels for identifying talent, adopt a fresh approach to onboarding directors, and have a more deliberate process for succession planning, all of which are imperatives for building a collaborative board, said Kumar of Deloitte.