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Not just PSUs, even India Inc likes IAS on board as director

Top Finance officer as HDFC Bank chairman to Industries official on Escorts board: cooling off period is just warm-up

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IF PUBLIC Sector Undertakings provide an assured perch in their boards to politicians and bureaucrats, as *The Indian Express* investigation revealed, for many in the private sector, too, government

officers are prime pickings. More so, when they bring to the table experience of the sector in which the company operates.

The Indian Express analysed data from primeinfobase.com, a private corporate database, to find that since 2009, at least 225 retired Central Government officials became directors and joined the boards of private listed companies. These include

155 IAS officers, 30 from the IRS, 18 IPS officers, 18 from the Indian Foreign Service, and four others.

In many cases, they were made directors in companies before the mandatory cooling-off

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India Inc board

period of one year after retirement — they can do so on obtaining separate Government approval, according to an Office Memorandum of the Department of Personnel and Training of December 5, 2006.

And in a number of cases, they entered the boards of private companies within weeks of expiry of the cooling-off period.

Atanu Chakraborty: Retired as Secretary, Department of Economic Affairs, Ministry of Finance, on April 30, 2020. Joined the board of HDFC Bank as chairman on May 5, 2021 — five months after the post fell vacant, and five days after his one-year cooling-off period ended.

The RBI, incidentally, approved Chakraborty's appointment before that period. In a communication to stock exchanges on April 23, 2021, HDFC Bank said: "The Reserve Bank of India (RBI) vide its communication dated April 22, 2021, has approved the appointment of Atanu Chakraborty as the part time chairman of the bank."

Chakraborty did not respond to an email from *The Indian Express* seeking comment.

Sutanu Behuria: Retired on July 31, 2014, as Secretary, Ministry of Heavy Industries & Public Enterprises. Within six months, joined the board of Escorts Ltd on January 16, 2015. Behuria is also on the board of Quippo Oil & Gas Infrastructure (March 2016), Samsara Energy (May 2016), Vishwaraj Environment Pvt Ltd (October 2019) and Indo-Tech Transformers (August 2020).

Behuria said: "Due permission was taken from the Government... During my service, I had no official contact with any of the companies in which I am on the board. Even Escorts... my department had no direct dealings with the tractor sector."

D K Mittal: Retired as Secretary, Department of Financial Services, Finance, on January 31, 2013. Within the cooling-off period, appointed Director in Business Strategy Advisory Services on January 8, 2014. Joined the boards of HSBC Asset Management (February 2014), Max Life Insurance (April 2014), Bharti Airtel (March 2014) and Jet Airways (November 2014), among others.

Mittal said: "This (Business Strategy Advisory Services) is my own company, with a small capital of Rs 50 lakh. It's not a third party company. Mutual funds are dealt with by the DEA (Department of Economic Affairs). I have been careful not to join any bank board. I knew the conflict of interest."

He said: "The cooling-off period is from the date of joining the business and the company commencing business. My company commenced business only after the cooling-off period... What I want to do with my money, nobody can stop me."

Vijay Chhiber: Retired as Secretary, Ministry of Road Transport & Highways, on December 31, 2015. Joined as board director of Unibrain Consultancy on November 1, 2016. Unibrain is primarily an e-governance and IT solutions consultancy, which has listed at least two dozen Government bodies as clients on its website.

Chhiber is also a director on the boards of Century Plyboards (February 2017), Dilip Buildcon (February 2017) and Scania Commercial Vehicles (March 2017), among others. Was on the board of EV Motors India (February 2017 to May 2021).

Chhiber said: "I joined the boards only after the cooling-off period. The only exception was

Unibrain, which was a start-up in which I had ownership status, having purchased shares. By virtue of this, I had the right to a board position. The rules do not debar retired Government servants from ownership of business entities, as was my status in Unibrain. In any case, there was zero financial payout to me from this investment either during my association with this start-up, or even thereafter.

P V Bhide: Retired as Secretary, Ministry of Finance, on January 31, 2010. Within nine months, took up directorship in L & T Finance Ltd (October 25, 2010), Glaxosmithkline Pharmaceuticals (October 28, 2010) and Cholamandalam Financial Holdings (October 28, 2010). Subsequently, joined the boards of other firms, including BILT and Cholamandalam MS General Insurance.

Bhide said: "In the case of the three companies... I obtained permission from the Government of India before joining the boards... In my 37 years of service, I have not done any act without ensuring that I have followed prescribed government process... I was Revenue Secretary, Ministry of Finance, and there were no issues relating to the companies I joined that were pending."

M F Farooqui: Retired as Secretary, Department of Telecommunications, on June 30, 2014; was earlier Secretary, Ministry of Heavy Industries and Public Enterprises. Within the cooling-off period, this Tamil Nadu-cadre officer joined the board of Chennai-based TVS Electronics (May 6, 2015) and RRB Energy (June 26 2015). He joined the board of Ramco Cements in August 2017. He ceased to be a director of RRB Energy from September 15, 2017.

Farooqui could not be reached for comment.

Aruna Sundararajan: Retired as Telecom Secretary on July 31, 2019; was earlier IT Secretary and Steel Secretary. Within 10 months, joined L&T Infotech (May 19, 2020).

Sundararajan said: "I had sought formal approval for joining L&T Infotech... I believe the Government of India permission was accorded after the relevant line ministries were consulted."

Maheshwar Sahu: Retired as Principal Secretary, Department of Industries and Mines, Gujarat Government, on January 31, 2014. Within five months, the Gujarat-cadre officer joined the boards of Heubach Color (June 10, 2014). Also joined boards of Gold Plus Glass Industry (September 1, 2014) and Solvay Specialities (September 11, 2014) within cooling-off period.

In February 2015, joined the board of Reliance Industries before quitting after nearly two months. In October 2018, joined the board of Adani Gas Ltd. On the board of several other firms.

Sahu said: "You can join any board and inform the Government, but if you are connected with those companies during the last years of your service you have to take permission."

Asked about joining the companies within the cooling-off period, Sahu said: "I have never dealt with the chemical industry and they have no connection with the industries department... The Government was informed... After one year, there is no conflict of interest. Moreover, these are independent directorships."

The Indian Express reported in the first part of this series that of the 172 Independent Directors in 98 PSUs, 86 on 67 boards are linked to the ruling BJP. The second report showed that the bureaucracy benefited, too.