

## OVER 70 VACANCIES

# No takers for job of independent director in IL&FS companies

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THE POSITION of independent director in IL&FS and its group companies, once a prized job for retired bureaucrats and top corporate executives, has lost its shine — as many as 77 positions are vacant and there are few takers.

So dire is the situation that the revamped board chaired by Uday Kotak has appealed to the Mumbai bench of the National Company law Tribunal (NCLT) to exempt it from making these appointments.

Section 149 of the Companies Act 2013 mandates that each listed company must

have one third of its board of directors as independent directors. Unlisted companies — having either paid-up share capital of Rs 10 crore or turnover of Rs 100 crore or outstanding loans, debentures and deposits exceeding Rs 50 crore — need at least two independent directors. As per these norms, at least 34 IL&FS Group entities are currently required to appoint 64 independent directors.

Most of these positions fell vacant after a slew of resignations by directors following the IL&FS debt default crisis in September 2018. In some cases, directors were not replaced after their term got over.

The new IL&FS board has got

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few takers for these positions. Caught in a bind with overall debt in excess of Rs 90,000 crore, the directors have in their petition to NCLT dated March 15, 2019, said: "Given the financial condition of IL&FS Group and the situation prevailing across the group, the newly appointed directors are unable to find independent directors to be appointed on the board of directors of its Group Companies... Under the circumstances it is just necessary, convenient and in the interests of justice that this Hon'ble Tribunal be pleased to dispense with the requirement for appointing independent directors on the board of companies where such independent directors are required."

The petition warns that "should the reliefs as prayed for, not be granted, grave harm loss and prejudice will be caused to Respondent No1 (IL&FS)."

<b>Company</b>	<b>Independent Directors required</b>	<b>Women Directors required</b>
IL&FS Financial Services Ltd	2	Nil
IL&FS Education and Technology Services	2	1
IL&FS Maritime Infra Co	2	Nil
IL&FS Engineering and Construction Company Ltd	3	1
IL&FS Energy Development Company Ltd	2	1
Others*	53	10

*\*29 companies for independent directors, 10 for women directors*

Among the companies that need independent directors are: IL&FS Financial Services (2 vacant); IL&FS Education and Technology Services (2); IL&FS Engineering and Construction

(3); IL&FS Technologies Ltd (2); and IL&FS Infra Asset Management (2).

Over and above the 64 independent director vacancies, the group has stated that three

independent directors on the board of IL&FS Transportation are due for retirement March 31 and one director on the board of IL&FS Wind Energy "may resign" thereby creating additional vacancies going forward.

Since several of these companies need to have at least one woman director, too, the board has also sought exemption from appointing women directors citing the reason stated above.

According to the list accessed by *The Indian Express*, 13 companies of IL&FS Group need a woman director each on its board and the companies include IL&FS Engineering & Construction, IL&FS Tamil Nadu Power Company, IL&FS Transportation Networks and Noida Toll Bridge Company Limited among others.

When contacted, IL&FS Group spokesperson Sharad Goel declined to comment.