

Rishad Premji to be non-executive chairman at Wipro, nod likely on Jan 14

Premji scion will be one of the youngest to don the role

Debasis Mohapatra | Bengaluru January 03, 2020 Last Updated at 20:18 IST



Rishad Premji is likely to become the non-executive chairman at Wipro Limited as the Securities and Exchange Board of India's (Sebi) directive on separation of chairman and CEO roles comes into effect from April 1.

Rishad Premji

According to sources, Wipro's board, which is scheduled to meet on January 14, is expected to take a decision in this regard.

"The shareholder resolution brought out at annual general meeting (AGM) on June, 2019, is visibly clear. The company has spelt it out clearly that in view of the (Sebi) provisions, Rishad (Premji) will move to the role of non-executive chairman," said Amit Tandon, founder & MD of corporate governance and proxy advisory firm IiAS. "The IT firm has even spelt out what will be compensation in the non-executive role. So, unless there is any change, he is likely to move to non-executive chairman role."

The AGM notice sent out to shareholders in June also said if the new directive didn't come to effect, Rishad Premji would continue as the executive chairman.

In response to a mail sent by Business Standard, a company spokesperson said, "Wipro will comply with all applicable regulatory norms."

CHANGE OF GUARD

Wipro has already set a clear road map in the wake up Sebi directive

According to the June 6 AGM notice, Rishad will move to non-executive chairman role

The board meet on January 14 is likely to take a decision in this regard

Rishad's stepping into a non-executive role is unlikely to impact Wipro's strategic direction

To boost corporate governance, Sebi mandated a separation in the roles of chairperson and managing director. The directive also said the chairperson should be a non-executive director and not related to the managing director or the CEO of the company.

Once implemented, Rishad Premji will be one of the youngest business leaders to don the role of non-executive chairman at a large cap Indian company. Wipro, which has a market capitalisation of around Rs 1.45 trillion, is India's fourth largest IT services company.

The 42-year-old took over the reins of chairmanship from his father and founder Azim Premji in July. Currently, Azim Premji and his family own about 74 per cent stake in the firm.

After an MBA at the Harvard Business School,

Rishad Premji worked with GE Capital and Bain & Co, before joining Wipro in 2007. He has performed multiple roles at the firm, from heading investor relations to strategy, before taking over the chairmanship.

Persons close to him said he is a quick decision-maker, who provides a strategic direction to Wipro in new business areas. They also said Rishad Premji's move to a non-executive will not impact business operations, as he would continue to give strategic direction as chairman. "As a founder and voice of the industry (being the former chairman of Nasscom), his experience and knowledge will come in handy to provide right direction to the Indian IT sector," said Pareekh Jain, founder of Pareekh Consulting.