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Is the Infosys board right in blaming Narayana Murthy?

Mr Naryana Murthy has had an unprecedented impact on India's Information Technology (IT) sector: he fashioned the Global Delivery Model for IT services outsourcing from India and in doing so established Infosys as an iconic Indian company of its time.

The build-up

Narayana Murthy served as Infosys' ceo from 1981 to 2002, and as its chairman from 2002 to 2011, and again for 17 odd months from June 2013. It was during Mr Murthy's short second term that Vishal Sikka was brought in as the CEO. The first few sundrenched quarters – they usually are, saw the promoter group encashing some of their shares, which had run-up some 20% since Sikka came on board.

It was only after that that differences with the promoters, none of whom were involved in the company in any executive capacity started to surface, and slowly snowballed. Many developments attracted their ire: Rajiv Bansal's resignation and his initially undisclosed severance package, an upward revision in Sikka's compensation, the steady resignation of senior people and their severance and the Panaya acquisition – which has dragged on. That two external consultants who reviewed the Panya transaction, and gave the company a clean chit was still not good enough. All through the chorus has been that Infosys has deviated from the governance path that it's founders had charted for the company.

The straw

Professionals always weigh where their time is being spent and is it worth it. Public comments from Narayana Murthy have been distracting - to a point where the company in its 20-F filing, disclosed distractions from 'activist shareholders' as a possible risk to achieving its strategic goals. Vishal Sikka's anguish, that the jabbing was endless and increasingly getting personal, led him to resign.

The board, as a sign of its own helplessness and its failure to protect its CEO, have apportioned the [blame on Narayana Murthy](#).

While one may empathize with them - the constant pin-pricks and finger pointing will wear down anyone. In constantly belittling the board, Narayana Murthy was not statesman like – as was expected of him. But the board has done itself disservice by writing the letter in the hope of scoring some points off him.

For one, this is unprecedented. Boards do not and should not be pointing fingers. The buck always stops at them. Two, nor does apportioning blame on

Mr Murthy solve its problems. Having failed to engage meaningfully with its 'first' shareholder' in the past, it's made its own job more difficult.

A modified version of this article was published in Business Standard. You can view the column by clicking this [link](#) or typing the following url:

http://www.business-standard.com/article/opinion/is-the-infosys-board-wrong-in-blaming-murthy-117082000768_1.html

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