

DAUGHTERS INC

The unfolding succession at several Indian family businesses is shining the spotlight on daughters



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Kolkata/Chennai/Mumbai, 16 June

Early last month, Ananya Birla, daughter of billionaire industrialist Kumar Mangalam Birla, announced on social media she would prioritise business to a career in music. Describing it as the “hardest” decision, she posted on X that balancing the businesses she was running and building, and music, had become near impossible, and that it was time to focus all her energy on business.

Ananya, 29, waded into the corporate sector early. At 17, she founded Svatantira Microfin, which became the second largest microfinance organisation after acquiring Chaitanya India Fin Credit last year. She is also the founder of design-led home décor brand, Ikai Asai. As she charts her own course, Ananya has responsibilities in the storied Aditya Birla group. She was inducted on the board of Aditya Birla Fashion and Retail in January 2023 and the group flagship Grasim Industries in February 2023, along with brother Aryaman. The scions are also on the board of Aditya Birla Management Corporation, the apex body providing strategic direction to the Aditya Birla Group’s businesses.

Ananya’s rise shines the spotlight on the growing presence of women in the corporate sector. It is still far from being a rule, but daughters are slowly breaking the glass ceiling in Indian family businesses and claiming their seat at the corporate table. Increasingly, daughters are being inducted at the helm of listed companies — the TVS Group, Murugappa, Reliance, Apollo Hospitals, Thermax — says Binoy Parikh, executive director, Katalyst Advisors. “While these are certain marquee groups, we have seen a trend in several unlisted companies as well, where the distinction between a male successor and a female successor is being lost.”

Of marquee groups

In an interview with *CNBC* last year, Nita Ambani, wife of Reliance boss Mukesh Ambani, had said that she never differentiated between her children Isha, Akash and Anant — a philosophy probably embedded in the unfolding succession plan at the sprawling Reliance empire. The roles of the Ambani children were carved out in 2022: Daughter Isha heads retail, twin brother Akash leads the digital business under Jio, and Anant is the leader for the new energy business.

Last year, the succession planning got a further leg-up when the three children were inducted on the board of Reliance Industries, the oil-to-telecom conglomerate.

There are other examples of daughters taking on key roles in India Inc.

Nandini, Ajay Piramal’s daughter, who also happens to be Isha Ambani’s sister-in-law, is steering the group’s pharmaceutical business, which was demerged from Piramal Enterprises in 2020. Industrialist Sanjiv Goenka’s daughter, Avarna Jain, was appointed vice-chairman of Saregama India in 2022. She is credited with taking India’s oldest music label into the digital age. Her brother Shashwat is the vice-chairman of the RP-Sanjiv Goenka group.

In 2017, Adi Godrej paved the way for daughter Nisaba’s ascension in Godrej Consumer Products by assuming the Chairman Emeritus position. Nisaba took up the role of executive chairperson. The recent family settlement in the Godrej group saw Jamshyd Godrej’s niece Nyrika Holkar taking a key position in that branch of the family. From the Adi and Nadir branch, Pirojsha Godrej emerged as a key GenNext member.

Down South

Most South Indian business groups don’t make a distinction between men and women, points out Rangathan V, a former EY official and an expert on family businesses in South India.

“Lakshmi Venu (Sundaram-Clayton), Priyamvada Balaji (Lucas TVS), the sisters in Apollo (Preetha, Suneeta, Shobana and Sangita), Rupa Gurunath (India Cements), and Devaki Ashwin Muthiah (AM International) are all in the management or in key board positions in South India,” he says.

An exception, Ranganathan points out, was the Murugappa Group where Valli Arunachalam, the eldest daughter of former Group Executive Chairman MVMurugappan, took the family to the National Company Law Tribunal. The United States-based nuclear scientist had been demanding a board seat or value for shareholding. That family dispute finally ended last year.

Few and far between

NG Khaitan, Senior Partner of Khaitan & Co, says, in Marwari families only a few daughters got a share in the business. “But in Bengali communities, there used to be equal distribution between daughters and sons even in business.” But there were always excep-

tions even among Marwaris. “During the lifetime of Basant Kumar Birla, he handed over the management of Jay Shree Tea to elder daughter Jayashree Mohta, Kesoram to younger daughter Manjushree Khaitan, and Mangalam Cement to granddaughter Vidula Jalan,” says Khaitan.

Manjushree Khaitan passed away recently and her daughter Vidula Jalan last year. However, things are moving less fast for women professionals.

Data from *primeinfobase.com* shows as of May 24, there were 2,348 companies listed on the National Stock Exchange. Of them, 510 have women executive directors. There are 573 women executive directors in these 510 companies, of which 397 are from the promoter family.

“There are very few women executive directors in corporate India, that too mostly belonging to the family. Professional women in the capacity of executive director are few and far between,” Pranav Halde, managing director, Prime Database, said.

Changing landscape

JN Gupta, former executive director at the Securities and Exchange Board of India and now managing director at Stakeholders Empowerment Services, says succession planning has become more structured and professional than before.

“Earlier, daughters did not get a share of the family business and the promoter families did not want their sons-in-law to enter the business. That has largely changed now. Moreover, with competition rising across sectors, it is now important to have competent people handling specific businesses, and therefore a more professional approach is taken,” Gupta says.

Traditionally, many businesses in India are run under an HUF (Hindu undivided family), due to the associated tax benefits. And daughters were not a coparcener — a right in the HUF acquired by birth, under the Hindu Succession Act, 1956.

Sucharita Basu, managing partner, AQUILAW, points out that pursuant to the 2005 amendment to the Hindu Succession Act, daughters are coparceners and have a right to HUF properties by birth. “Moreover, now the Companies Act, 2013 mandates minimum one woman director in the board of certain category of companies. So, it is felt that maybe it is

best to include women from the family in the company board for family-run companies and nurture them rather than recruiting from outside,” says Basu.

Deepika Kumari, partner, King Stubb & Kasiva, Advocates and Attorneys, points to the increased education and awareness about gender equality, apart from the legal reforms, catalysing the shift. “Consequently, more daughters are now actively participating in family businesses, inheriting ownership stakes, and assuming leadership roles, marking a significant stride towards gender equality and inclusivity in business and inheritance practices in India,” Kumari says.

Basu adds that suitably and highly qualified married daughters and also daughters-in-laws are now being inducted into businesses.

Looks like Indian family businesses are casting the net wider at home for suitable candidates.