

## **Nita Ambani joins Reliance Industries' board**

The Ambani family controlled petroleum and retail giant Reliance Industries Limited inducted Nita Ambani, the wife of Chairman Mukesh Ambani on the company's board at the 40<sup>th</sup> annual general meeting of the company. Till now, the women members of the Ambani family have kept their involvements limited to the social sector initiatives of the group. However, this move marks a new beginning and signals an active role for women in the family's business. Nita is the founder chairperson of Reliance Foundation, the group's corporate social responsibility arm which has promoted ventures in healthcare and education sectors.

Mukesh pointed out in the meeting that Nita had been contributing to the company in her personal capacity in the past. She oversaw the company's township project in Jamnagar, was involved in the design of consumer touch points in the groups retail business and in the integration of company's office campuses. Now she will formally occupy the position of the company's director and is likely to play active role in board decision-making.

Critics point out that Nita's appointment to the board is a mere formality which was needed due to the legal requirement of the new companies act which mandates all publicly listed companies with paid-up share capital of Rs. 100 crores to have at least one woman director. Prof. Kavil Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management, at Indian School of Business notes, *"I don't think that filling board positions with family members is a great idea. Directors should be chosen purely on the basis of capability and experience. Reliance has now set a precedent. Other companies may follow them by inducting women from the promoter family in the board to abide by the new companies norms."*

Source: The Economic Times, June 19, 2014