

UNDER NEW CAPTAINS Stocks of IndusInd Bank, Tata Consumer Products & Strides Pharma more than doubled, while Shoppers Stop gained 20% and Wipro rose 75% in value

CEO Changes Prove Positive for Some Cos Despite Covid Woes

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ET Intelligence Group: Imagine starting a new job in 2020 and that too at the helm of a listed company in India. Nearly two dozen senior executives did so at different times this year. If the stock performance of the companies is any indicator of the performance of the new CEO, then the impact of CEO changes has largely been quite encouraging.

According to an analysis by the ET Intelligence Group, 19 companies have been able to generate positive returns on the bourses since an outsider took over at their helm, with ten of those outperforming the Sensex.

To be sure, the stock performance is not the only discernible indicator of a new CEO's performance. However, it is a reliable quantitative indicator of the impact of any changes made by a new CEO, especially in a short period of time.

With the impact of the pandemic kicking in from the last week of March, the new CEOs have had to battle issues related to logistics, consumer demand, human resources

and fiscal prudence even while steering the operations amid a nationwide lockdown.

Stocks of companies such as IndusInd Bank, Tata Consumer Products and Strides Pharma have more than doubled on the bourses. IT firm Wipro, the only company in the list to have brought in an expat as a CEO, has seen its stock gain 75% in value in the past six months. The stock of retail company Shoppers Stop has gained more than 20% and outperformed the Sensex since the change in its CEO in June. The (penny) stock of beleaguered renewable energy company Suzlon Energy surged nearly 80%.

On the other hand, companies such as Bajaj Consumer Care, Bank of Baroda and Canara Bank did not generate positive returns despite the change in guard at the helm.

Incidentally, the CEOs of all these companies joined their positions before the pandemic. Stocks of companies such as Care ratings, Thyrocare Technologies, United Breweries, HDFC Bank and JB Chemicals have underperformed the benchmark index since the time the new CEO came on board.

Report Card 2020

STOCK RETURNS **SENSEX RETURNS**



IndusInd Bank
SUMANT KATHPALIA
DOJ: 23 Mar

154.6% | 78.8%



Tata Consumer Products
SUNIL ALARIC D'SOUZA
DOJ: 3 Apr

126.5% | 68.3%



Strides Pharma Science
R ANANTHANARAYANAN
DOJ: 9 Jan

102.1% | 12.0%



Suzlon Energy
ASHWANI KUMAR
DOJ: 19 Oct

78.8% | 14.9 %



Wipro
THIERRY DELAPORTE
DOJ: 6 Jul

73.0% | 27.3%



Asian Paints
AMIT SYNGLE
DOJ: 1 Apr

64.8% | 64.3%



Mahindra Lifespace
ARVIND SUBRAMANIAN
DOJ: 1 Jul

58.4% | 31.1%



PNB Housing Finance
HARDAYAL PRASAD
DOJ: 10 Aug

48.7% | 21.6%



EPL
SUDHANSHU VATS
DOJ: 16 Apr

46.3% | 51.8%



South Indian Bank
MURALI RAMAKRISHNAN
DOJ: 1 Oct

32.2% | 20.0%

Returns based on data of December 23, 2020

Compiled by ETIG Database