

**SURVEY ON
CORPORATE GOVERNANCE
IN
MAHARATNA AND NAVRATNA
COMPANIES**

First Edition

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INDEX

Glossary.....	1
About the Report.....	2
Methodology.....	3
Disclaimer.....	4
Year of listing.....	5
City of registered office.....	5
Board composition.....	6
Size of Board.....	6
Board and Committee with Non-Compliant Composition.....	7
Percentage of NEDs (including IDs).....	7
Percentage of IDs.....	8
Percentage of EDs / WTDs.....	9
CMD as additional charge.....	10
CMD Demetting office before date of superannuation.....	10
Diversity on Boards.....	11
Gender Diversity.....	11
Geographical Diversity.....	12
Age Diversity.....	12
Chart/Matrix of skills and expertise of Directors.....	13
Tenure of Directors.....	14
Average Tenure of Chairs.....	14
Average Tenure of EDs (including CMDs).....	14
Average Tenure of NIDs.....	14
Average Tenure of IDs.....	14
Tenure of Chairs of Committees.....	15
Number of Board meetings.....	17
Attendance of Directors in Board meetings.....	18
Attendance of IDs in Board meetings.....	18
Attendance of NED-ND (Government) in Board meetings.....	19
Committees.....	20
Audit Committee.....	20
Composition of AC.....	20
AC with only IDs.....	20
Number of meetings.....	21
MD as a permanent invitee to AC.....	22
Attendance of AC Members.....	22
Nomination and Remuneration Committee.....	23
Composition of NRC.....	23
NRC with only IDs.....	24
Number of meetings.....	24
Attendance of NRC Members.....	25
Stakeholders Relationship Committee.....	26
Composition of SRC.....	26
Percentage of IDs in SRC.....	26
Number of meetings.....	27
Category of Director chairing SRC.....	28
Attendance of SRC members.....	28
Expanded scope of SRC.....	29
Shareholding Pattern.....	30
SRC Complaints	30
Shareholder Satisfaction Survey.....	30
Corporate Social Responsibility Committee.....	31
Composition of CSRC	31

INDEX

Category of Director chairing CSRC.....	31
Number of meetings.....	32
Attendance of CSRC members.....	32
CSR Policy.....	33
Responsibility for monitoring CSR activities.....	34
Top 7 focus areas in CSR activities.....	34
Risk Management Committee.....	35
Composition of RMC.....	35
ID as Chair and/or member of RMC.....	35
Number of meetings.....	36
Common membership between AC and RMC.....	36
Attendance of RMC members.....	37
Top 7 risks identified by companies.....	38
Distribution of Membership of Committees.....	39
Distribution of committee membership among Directors.....	39
Distribution of committee membership among IDs.....	39
Change in Chairs of committees.....	40
Same Director chairing multiple committees.....	40
Annual General Meetings.....	41
Month in which AGM was held.....	41
Duration between finalisation of accounts and date of AGM.....	42
Attendance at AGMs.....	43
Attendance of Chairs of Board and Committees at AGMs.....	44
Companies inviting shareholder questions in advance.....	45
Separate meeting of IDs.....	46
Number of meetings.....	46
Quarters in which companies conducted Separate meetings of IDs.....	47
Attendance at Separate meetings of IDs.....	47
Agendas discussed at Separate meetings of IDs.....	47
Compensation to Directors.....	48
Sitting fees paid for Board meetings.....	48
Sitting fees paid for Committee meetings.....	48
Profit Linked Commission.....	49
Executive Compensation.....	49
Reasons mentioned for resignation of IDs.....	50
Succession planning.....	51
Corporate Social Responsibility.....	52
Unspent amount of CSR and reasons thereof.....	52
Disclosure relating to POSH.....	53
Workshops for POSH.....	54
Auditors.....	55
Statutory auditor.....	55
Single or joint.....	55
Audit fee breakup.....	55
Statutory Audit report.....	56
Internal auditor.....	57
Secretarial audit.....	58
Secretarial audit report.....	58
Top 6 Non-Compliances under Secretarial Audit Report.....	59
Secretarial compliance report.....	59

INDEX

Website Disclosure	60
Familiarisation programme	61
Vigil/ Whistleblower mechanism	62
Board Evaluation	64
Discretionary requirements under SEBI LODR Regulations, 2015	65
D&O Liability Insurance policy	66
Other processes	67
Annual calendar	67
Board portal	67
Action Taken Report	68
Sustainability/ ESG related disclosures	69
Stakeholder Engagement	69
Responsibility Related to ESG	69
Environment Factors	70
Social Factors	70
Governance Factors	70
Annexure I	71
Annexure II	72

GLOSSARY

AGM	Annual General Meeting
AC	Audit Committee
ATR	Action Taken Report
CAG	Comptroller and Auditor General of India
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
CSRC	Corporate Social Responsibility Committee
D&O	Directors and Officers
DPE	Department of Public Enterprises
ED	Executive Director
EGM	Extraordinary General Meeting
ESG	Environment, Social and Governance
FY	Financial Year
HR	Human Resource
IA	Internal Audit
ID	Independent Director
KMP	Key Managerial Personnel
LODR	Listing Obligations and Disclosure Requirements
MD	Managing Director
NA	Not applicable
NED	Non-Executive Director
NG	Not given
NID	Non-Independent Director
NRC	Nomination and Remuneration Committee
PLC	Profit linked commission
POSH	Prevention of Sexual Harassment
PSB	Public Sector Bank
PSU	Public Sector Undertaking
RBI	Reserve Bank of India
RMC	Risk Management Committee
RPT	Related Party Transaction
SEBI	Securities and Exchange Board of India
SMP	Senior Managerial Personnel
SRC	Stakeholders Relationship Committee
The Act	The Companies Act, 2013
TOR	Terms of reference
WTD	Whole-time Director

ABOUT THE SURVEY

Corporate Governance in the public sector has been the subject matter of discussion and debate for a few years. The related question whether governance practices should necessarily derive from the nature of ownership, has also come to the fore from time to time. This Survey seeks to look at the performance of the Maharatnas and Navratnas, in the area of Corporate Governance, on the basis of parameters which are considered significant to understand the governance scenario.

It has always been our case that Compliance and Corporate Governance are not synonyms for each other. Compliance is, as the name indicates, a response to a law or regulation that mandates certain activities and processes. The corporate is not the first mover on this chessboard. Playing black pieces, and responding in a tick-box fashion, more often than not, fails to reveal the true extent of governance in the corporate entity.

In our view, good Corporate Governance is no more than doing the right things, without having the lawmakers or the Regulators laying down what requires to be done. Good governance practices by a handful of entities have often resulted in laws and regulations on the same lines for other entities in a similar universe.

It is our expectation that informed discussion and debate will be facilitated by the factual position brought out in this Survey, rather than by individual beliefs and impressions in regard to the public sector. This Survey should serve as a mirror to the underperforming entities, to show them where they stand at present, in relation to what many others have attempted, and succeeded in doing.

METHODOLOGY

The Survey is based on Corporate Governance related vital information available in the public domain regarding each Maharatna and Navratna.

Consistent with the requirements of objectivity and authenticity, we have relied on the Annual reports, Stock Exchange filings and website disclosures of these companies to examine parameters that impact on, and manifest, the Corporate Governance standards of companies. While compliance requirements come from the Companies Act, 2013 and the Rules thereunder, SEBI LODR Regulations, 2015 and DPE Guidelines, we have considered some generally accepted good practices in Corporate Governance in the public sector and the private sector, which a number of companies have been following for some time.

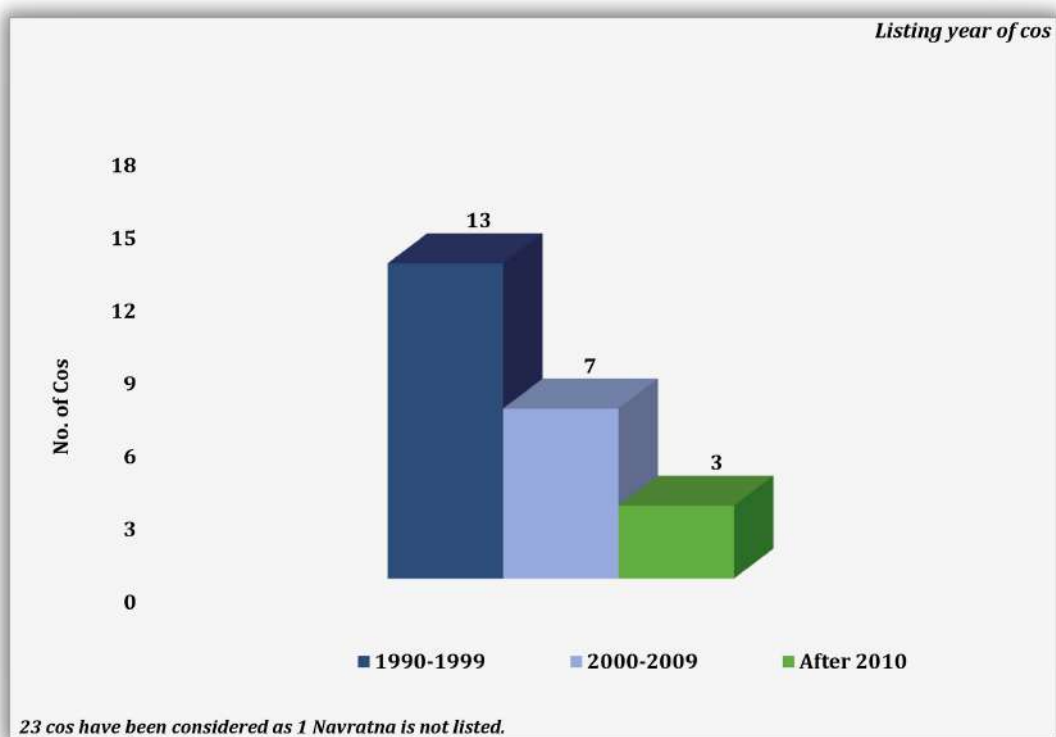
This Survey does not seek to comment on the specifics of any company. We have also not named any company throughout the Survey since our focus is on encouraging each company to reflect on its practices, with the objective of putting in place best practices that exist in the corporate environment.

In this report, the parts mentioned in blue are the legal provisions relating to the relevant parameters. We have quoted only the sections/ sub-sections/ parts thereof which are relevant. We have also not made any changes to the language of any legal provision.

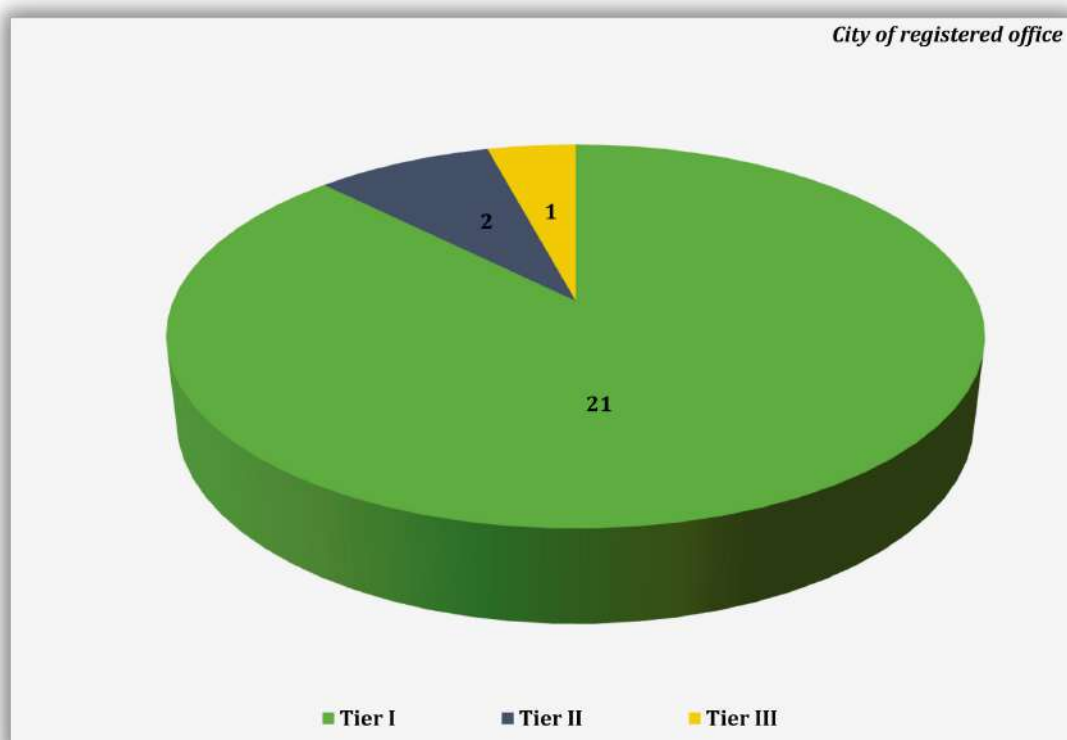
DISCLAIMER

1. Source for all information is the Annual Reports, Stock Exchange filings and the websites of the respective companies.
2. For each company, end of FY implies the end of FY of that company.
3. 1 company, Rashtriya Ispat Nigam Limited, is unlisted.
4. While considering the number of Directors, the number of Directorship positions have been taken into account. For a Director who is on the Boards of more than one of the PSUs covered in the Survey, he/she has been separately considered for each such Directorship held by him/her.

YEAR OF LISTING



CITY OF REGISTERED OFFICE

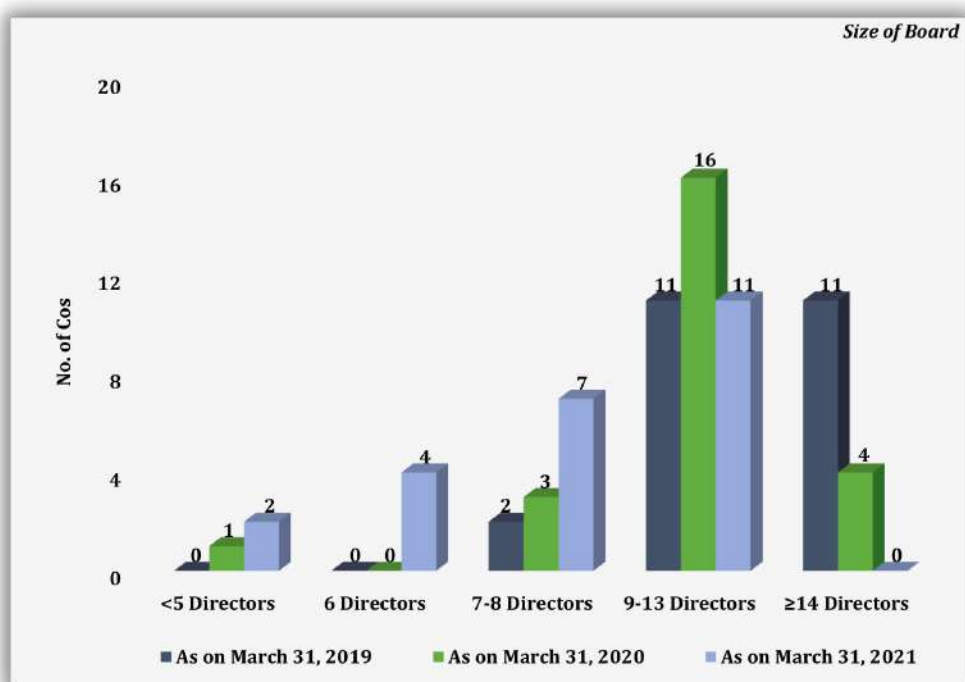


BOARD COMPOSITION

SIZE OF BOARD

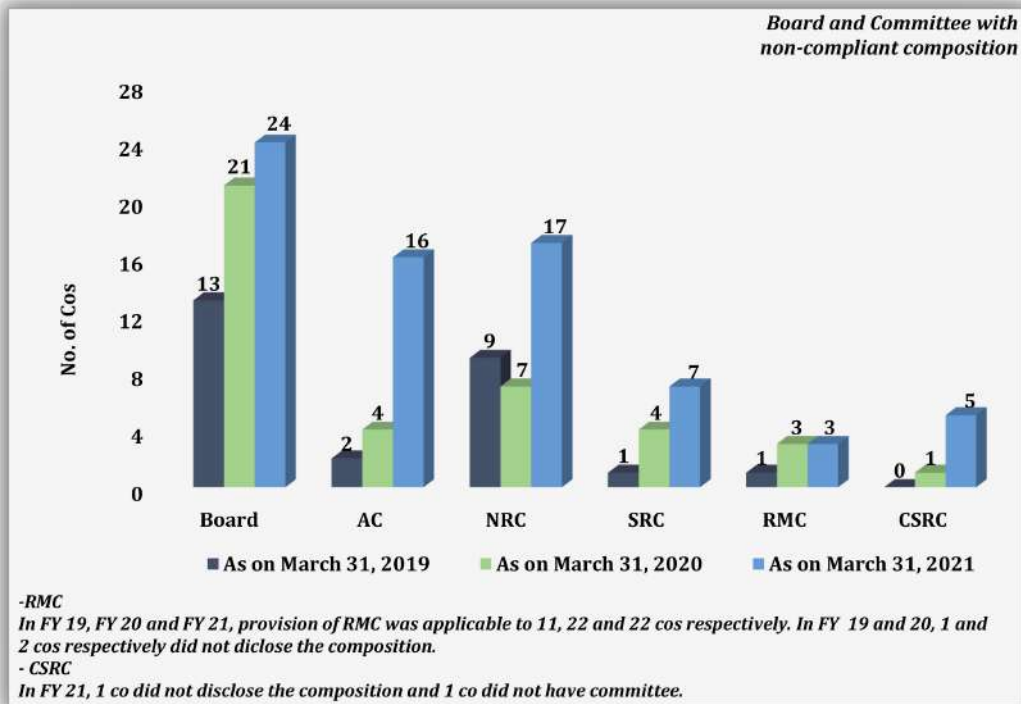
- As per Section 149(1) of the Companies Act, 2013, every company shall have a Board of Directors consisting of individuals as directors and shall have—
 - (a) a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; and
 - (b) a maximum of fifteen directors.
- As per Regulation 17(1)(c) of SEBI LODR Regulations, 2015, the Board of Directors of the top 1000 listed entities (wef April 1, 2019) and the top 2000 listed entities (wef April 1, 2020) shall comprise of not less than six directors.

One of the factors that significantly influences the performance of a Board is its size. With 5 mandatory Board committees, there ought to be enough Board members to ensure that committees are properly constituted, and do not have the same members on almost all committees.



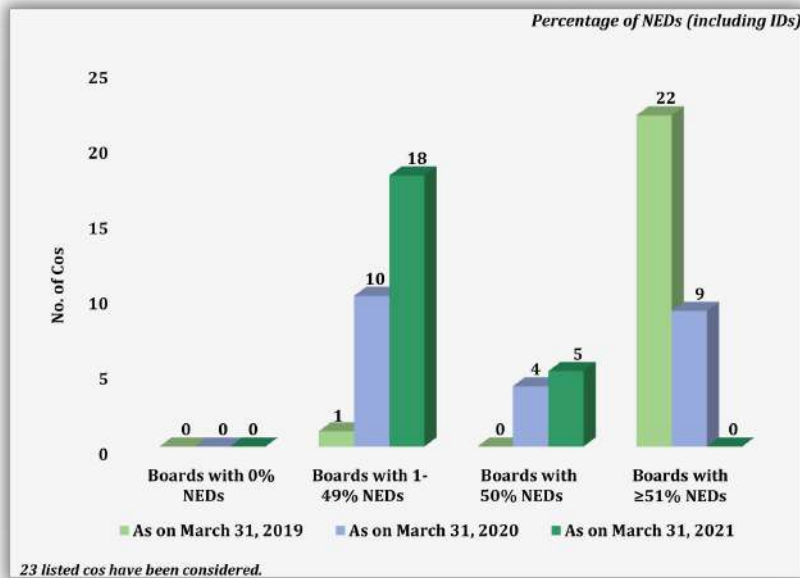
- In FY 19, minimum Board size was 7, and maximum Board size was 18.
- In FY 20, minimum Board size was 4 and maximum Board size was 18.
- In FY 21, minimum Board size was 5 and maximum Board size was 11.
- The average size of Board
 - in FY 19 was 13.08.
 - in FY 20 was 10.87.
 - in FY 21 was 8.16.

BOARD AND COMMITTEE WITH NON-COMPLIANT COMPOSITION



PERCENTAGE OF NEDs (INCLUDING IDs)

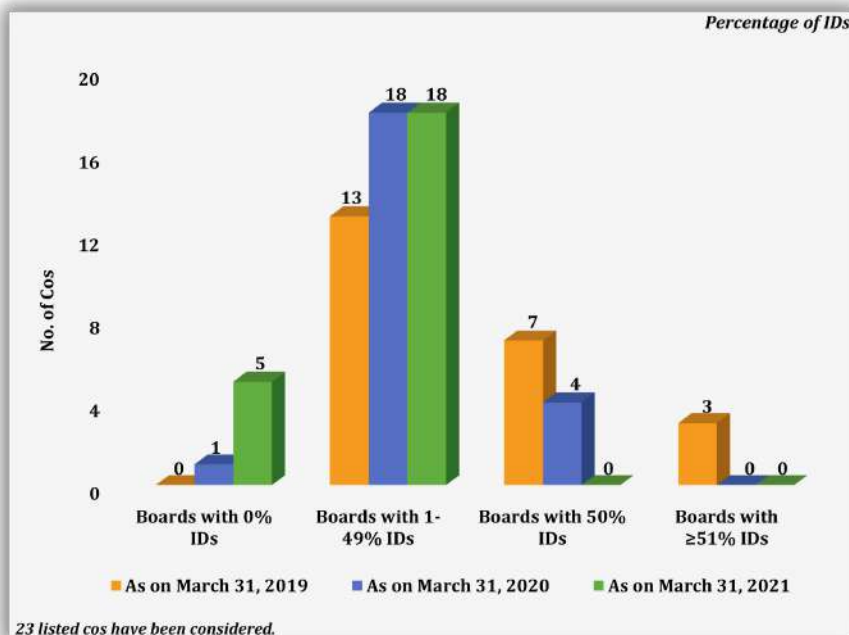
- As per Section 149(4) of the Companies Act, 2013, every listed public company shall have at least one-third of the total number of directors as independent directors.
- As per Regulation 17(1)(a) of SEBI LODR Regulations, 2015, Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors.
- As per Guideline 1.4 of the DPE Guidelines, 2010, at least one-third of the Directors on the Board of a CPSE should be non-official Directors. CPSE Boards are professionalised by inducting adequate number of non-official Directors, with minimum of four in case of Maharatna, Navratnas and minimum of three in case of Miniratnas.
- As per Guideline 3.1.3 DPE Guidelines, 2010, the number of Nominee Directors appointed by Government/other CPSEs shall be restricted to a maximum of two.
- As per Annexure (I) (I) (B) of DPE Guidelines, 2010, Government Directors: The number of the Government Directors on the Board of Directors of an enterprise should not exceed one-sixth of the actual strength of the Board.
 - iii. The number of Government Directors on a Board should in no case exceed two.
- As per Guideline 3.1.4 of DPE Guidelines, 2010, in case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, the number of Independent Directors shall be at least 50% of Board Members; and in case of all other CPSEs (i.e. listed on Stock Exchange but without an Executive Chairman, or not listed CPSEs), at least one-third of the Board Members should be Independent Directors.



- 1 company had less than 50% NEDs in all 3 FYs. 8 companies had less than 50% NEDs in both FY 20 and FY 21.
- Highest number of NEDs
 - in FY 19 was 11 in 1 company
 - in FY 20 was 10 in 1 company
 - in FY 21 was 5 each in 4 companies
- Lowest number of NEDs
 - in FY 19 was 3 in 1 company
 - in FY 20 was 2 in 1 company
 - in FY 21 was 2 each in 6 companies

PERCENTAGE OF IDs

- *As per Section 149(4) of the Companies Act, 2013, every listed public company shall have at least one-third of the total number of directors as independent directors.*
- *As per Regulation 17(1)(b) of SEBI LODR Regulations, 2015, where the chairperson of the Board of Directors is a non-executive director, at least one-third of the Board of Directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of independent directors:*
Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of Board of Director or at one level below the Board of Directors, at least half of the Board of Directors of the listed entity shall consist of independent directors.
Explanation.- For the purpose of this clause, the expression "related to any promoter" shall have the following meaning:
 - (i) *if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;*
 - (ii) *if the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.*
- *As per Guideline 3.1.4 of DPE Guidelines, 2010, in case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, the number of Independent Directors shall be at least 50% of Board Members; and in case of all other CPSEs (i.e. listed on Stock Exchange but without an Executive Chairman, or not listed CPSEs), at least one-third of the Board Members should be Independent Directors.*

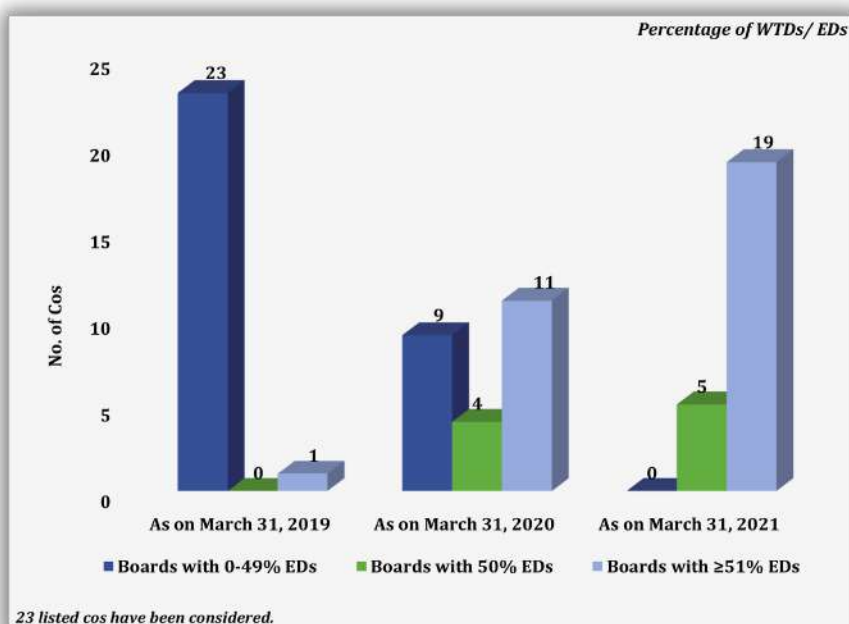


- 11 companies had less than the prescribed minimum of 50% IDs in all 3 FYs.
- Highest number of IDs
 - in FY 19 was 9 in 1 company.
 - in FY 20 was 8 in 1 company.
 - in FY 21 was 3 each in 5 companies.
- Lowest number of IDs
 - in FY 19 was 2 in 1 company.
 - in FY 20 was 0 in 1 company.
 - in FY 21 was 0 in 5 companies.
 - One company is common between FY 20 and FY 21.
- As per DPE guidelines, unlisted CPSEs should have at least 1/3rd IDs on Board. In FY 20 and FY 21, 1 unlisted company did not have the requisite IDs on its Board, making it non-compliant.

PERCENTAGE OF EDs/ WTDs ON BOARDS

- *As per Guideline 3.1.2 of DPE Guidelines, 2010, the number of Functional Directors (including CMD/MD) should not exceed 50% of the actual strength of the Board.*

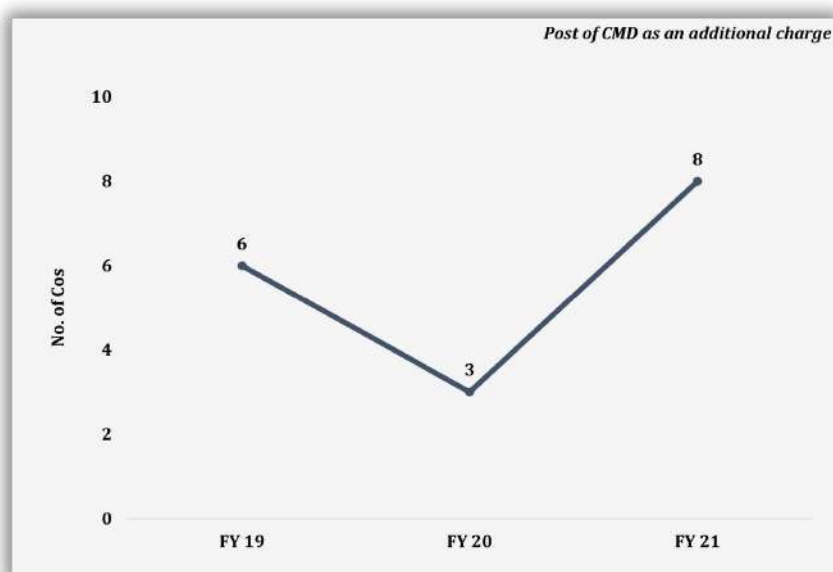
It has been noticed that an effective Board has an appropriate mix of EDs and NEDs. Absent this optimum mix, the Board will not get the benefit of the insight of persons who have executive responsibilities and experience.



- In FY 19, 1 company, in FY 20, 11 companies, and in FY 21, 19 companies were non-compliant.
- Highest number of EDs
 - in FY 19 was 8 in 1 company
 - in FY 20 was 8 in 1 company
 - in FY 21 was 7 each in 2 companies.
- Lowest number of EDs
 - in FY 19 was 2 in 1 company
 - in FY 20 was 2 in 1 company
 - in FY 21 was 3 each in 3 companies.

CMD AS ADDITIONAL CHARGE

The leadership of the Board ought to reside in a person who has no executive responsibilities for any particular aspect of the business, since conflicts could arise. The holding of the charge of CMD by an ED should be in exceptional circumstances, and that too only for a very short term.



- 1 company had additional charge of the post of CMD given to an ED, in FY 19 and FY 20.
- 2 companies had additional charges across FY 20 and FY 21.
- 3 companies had 1 ED each with 3 charges (including CMD additional charge) in FY21.

CMD DEMITTING OFFICE BEFORE DATE OF SUPERANNUATION

- In FY 19, 2 CMDs demitted office before the age of superannuation, post the completion of their respective terms.

DIVERSITY ON BOARDS

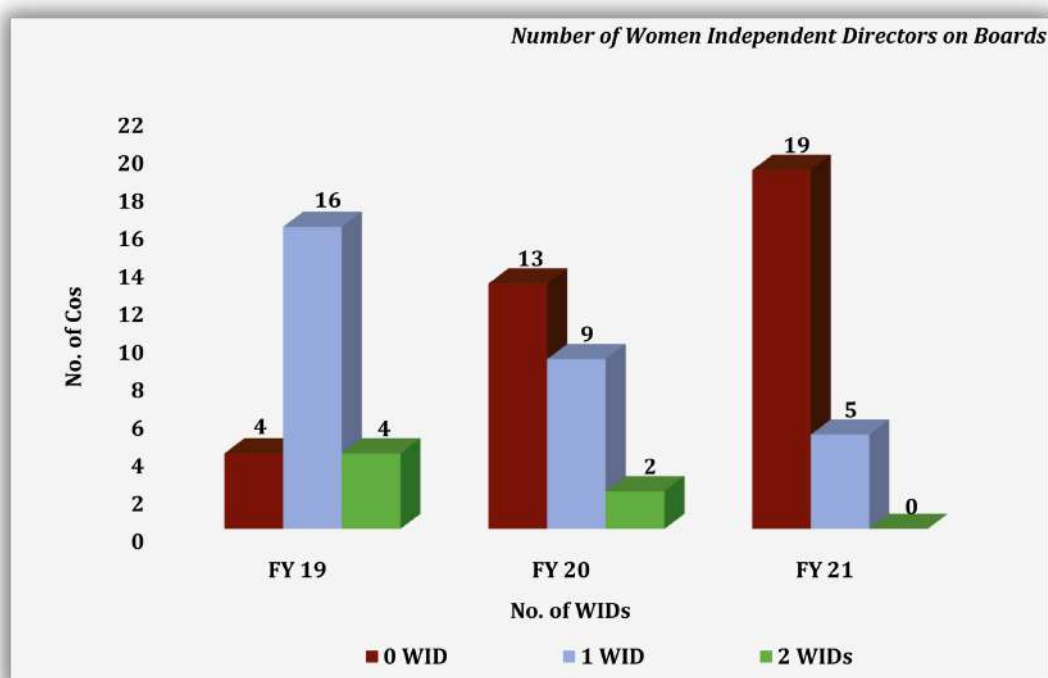
GENDER DIVERSITY

While the presence of a woman ID on Boards has been mandated, there is no similar provision for women executives graduating to Board positions. This can happen only if a sufficient number of women are provided appropriate career progression in the organisation. It is equally important to focus on more women occupying positions of Chair/ MD, as well as being on a number of Board committees, and chairing some of them.

WOMEN DIRECTORS ON BOARDS

- As per Section 149(1) of the Companies Act, 2013, the following class of companies shall appoint at least one woman director (i) every listed company; (ii) every other public company having (a) paid-up share capital of one hundred crore rupees or more; or (b) turnover of three hundred crore rupees or more.
- As per Regulation 17 (1)(a) of SEBI LODR, 2015, Board of Directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent. of the board of directors shall comprise of non-executive directors;

Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019 and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020.



- As on March 31, 2020, 7 cos had no women Directors on their Boards.
- As on March 31, 2021, 9 cos had no women Directors on their Boards.

WOMAN CHAIR OF BOARD

- In FY 21, 2 CMDs were women.

WOMAN IN KMP POSITIONS

- As on March 31, 2021, 8 companies each have a woman as a KMP.

GEOGRAPHICAL DIVERSITY

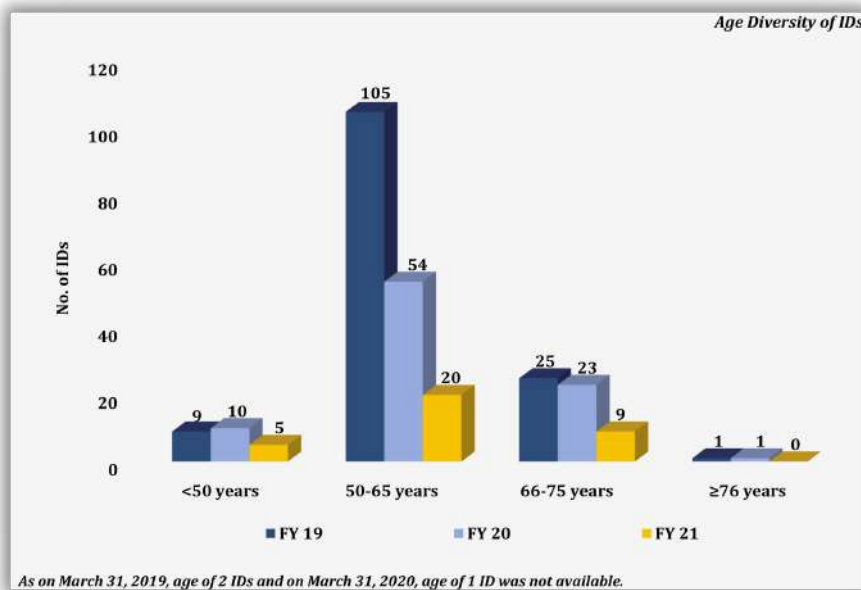
Diversity should include geographical diversity. With companies increasingly having a global presence, geographical diversity of the origin of Directors, has assumed importance.

- PSU Boards did not have persons of non-Indian origin.

AGE DIVERSITY

- *As per Annexure I, III of DPE Guidelines, 2010 (DPE O.M. No. 18 (6)/91-DPE (GM) dated 13th November, 1995):*
(3) As regards the selection and appointment of part-time non-official Directors, the following criteria will come into force forthwith:
(c) Age: The age band should be between 45-65 years (minimum/maximum limit). This could however, be relaxed for eminent professionals, for reasons to be recorded, being limited to 70 years.

Given the pace and the nature of change in the economy and in the corporate world, induction of younger persons on the Boards will increase relevance of Boards.



- Average age of IDs
 - in FY 19 and in FY 20 was 61 years
 - in FY 21 was 60 years
- Age of the youngest ID
 - in FY 19 was 43 years (2 directors)
 - in FY 20 was 44 years (2 directors)
 - in FY 21 was 45 (1 director)
- Age of the oldest ID in FY 19 was 77, and in FY 21 was 73.
- Average age of Chairs across all 3 FYs was 57.

CHART/ MATRIX OF SKILLS AND EXPERTISE OF DIRECTORS

- *As per Schedule V (C) (2) (h) of the SEBI LODR Regulations, 2015, listed entities are required to give in their Corporate Governance Report, a chart or a matrix setting out the skills/expertise/competence of the Board of Directors specifying the following:
(ii)With effect from the financial year ended March 31, 2020, the names of directors who have such skills / expertise / competence.*

A Board is expected to capture the diversity that could enhance its performance. Missing skillsets, experience and expertise could detract from the effectiveness of the Board.

- In FY 19, FY 20 and FY 21, 7 companies each have identified skills.
- In FY 19, FY 20 and FY 21, 14, 15 and 15 companies respectively have mentioned that the Government of India decides the skillsets.
- Of these, in FY 19, FY 20, and FY 21, 5 companies each have mentioned the existing skills or educational qualifications under this information. These companies are common to all years.

TENURE OF DIRECTORS

A reasonable tenure is a *sine qua non* for any Director, executive or non-executive, to contribute to the functioning of the Board. The legal provision of 2 terms, with a maximum of 5 years in each term, satisfactorily addresses the issue of tenure of IDs. As for non-IDs, including those who are liable to retire and to seek reappointment, the total period spent on the Board should not be so short so as to make it a mere Board presence, without adequate contribution. At the same time, too long a tenure will lead to staleness, and will stand in the way of inducting newer Directors, with fresh insights, and in some cases, more contextual relevance.

AVERAGE TENURE OF CHAIR

- In FY 19 was 4.55 years
- In FY 20 was 2.98 years
- In FY 21 was 3.73 years

AVERAGE TENURE OF EDs (INCLUDING CMD)

- In FY 19 was 2.35 years
- In FY 20 was 2.14 years
- In FY21 was 2.57 years

AVERAGE TENURE OF NIDs

- In FY 19 was 1.65 years
- In FY 20 was 1.25 years
- In FY 21 was 1.53 years

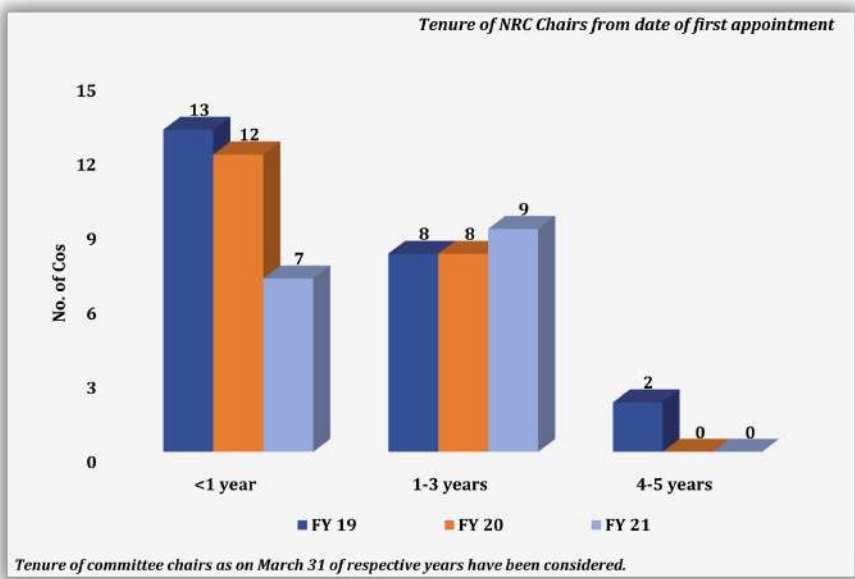
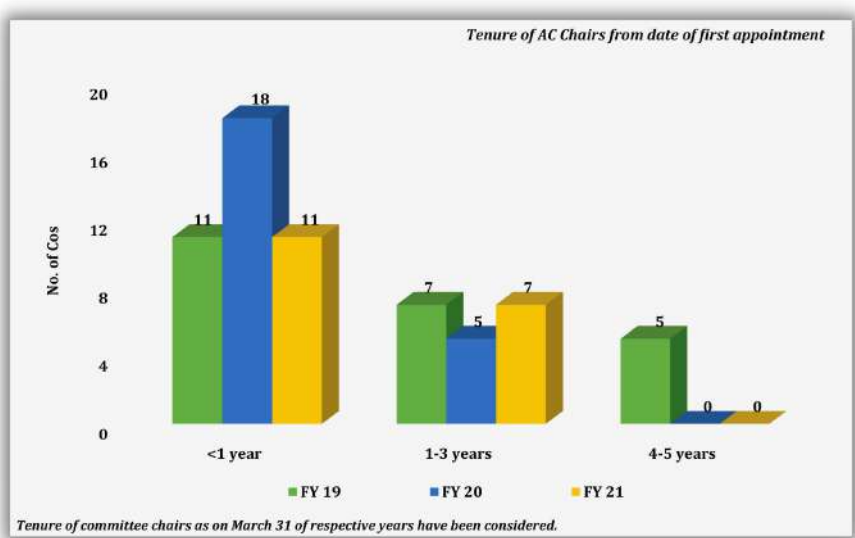
AVERAGE TENURE OF IDs

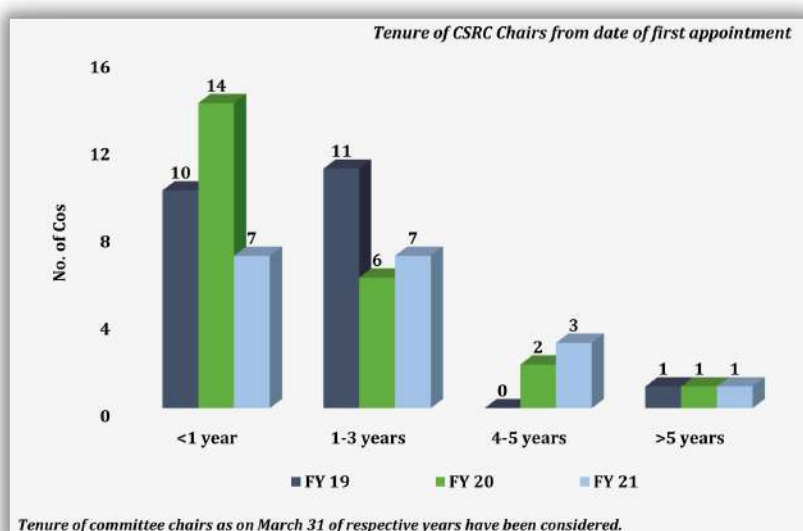
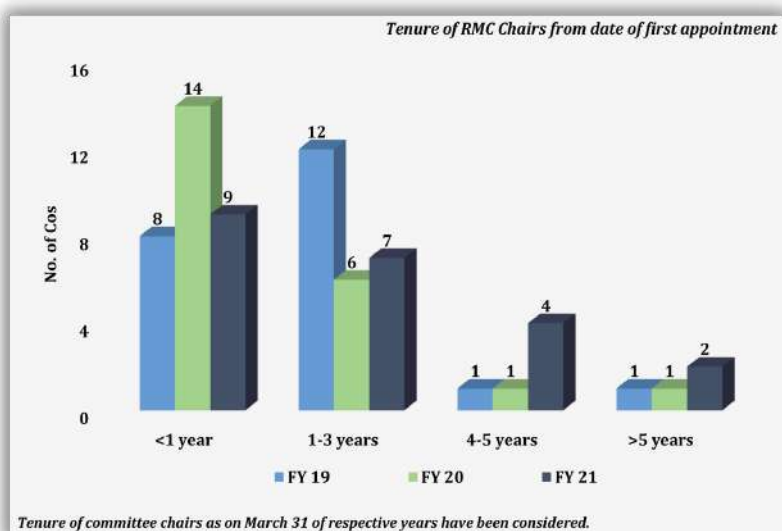
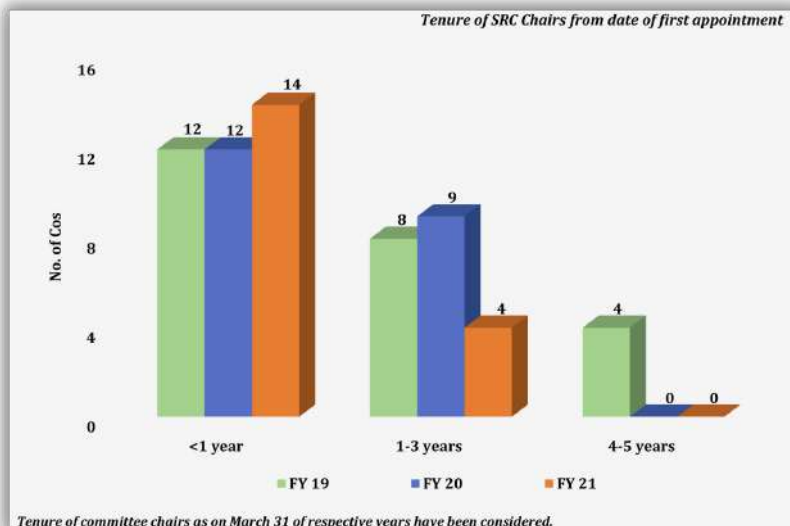
- *As per Section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.*
- *As per Section 149(11) of the Companies Act, 2013, Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director: Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.*
- *As per Regulation 25(2) of SEBI LODR Regulations, 2015, the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.*
- *As per DPE circular for eligibility criteria for persons to be considered for appointment as non-official Directors on the Boards of CPSEs dated July 31, 2013, the non-official Directors, will not be re-appointed in the same CPSE after completing a maximum of two tenures, each tenure being for a period of three years.*

- In FY 19 was 2.21 years
- In FY 20 was 1.82 years
- In FY 21 was 1.93 years

TENURE OF CHAIRS OF COMMITTEES

The Chair of every committee leaves his/her impression on, and significantly influences the functioning of the committee. The near interminable tenures of some of these Chairs of committees stand in the way of the committees reinventing themselves to meet emerging challenges. What is more critical is that extended spells as Chairs would tend to impact on the independence of the person concerned, as also to blunt the nature of challenge that should be mounted to the management. As in most other contexts, too long a tenure as the Chair of the committee should be avoided, while ensuring that the tenures are not so short as to be disruptive.

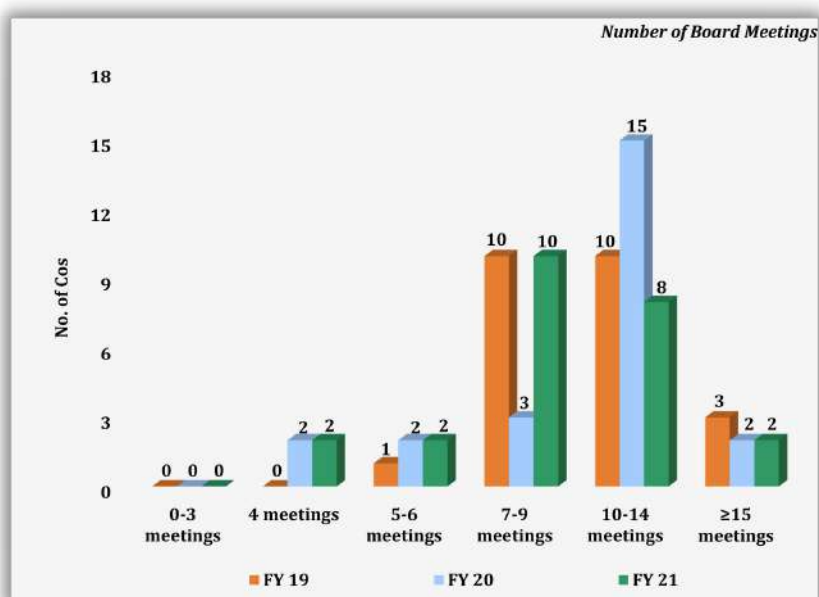




NUMBER OF BOARD MEETINGS

- As per Section 173(1) of the Companies Act, 2013, every company shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.
- As per Regulation 17(2) of SEBI LODR Regulations, 2015, the Board of Directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.
- As per Guideline 3.3.1 of DPE Guidelines, 2010, the Board shall meet at least once in every three months and at least four such meetings shall be held every year. Further, the time gap between any two meetings should not be more than three months.

The minimum number of Board meetings prescribed by law and regulations is 4. Experience has however shown that companies that have at least 6 Board meetings, of sufficiently long duration, are able to extract more value from the Boards.



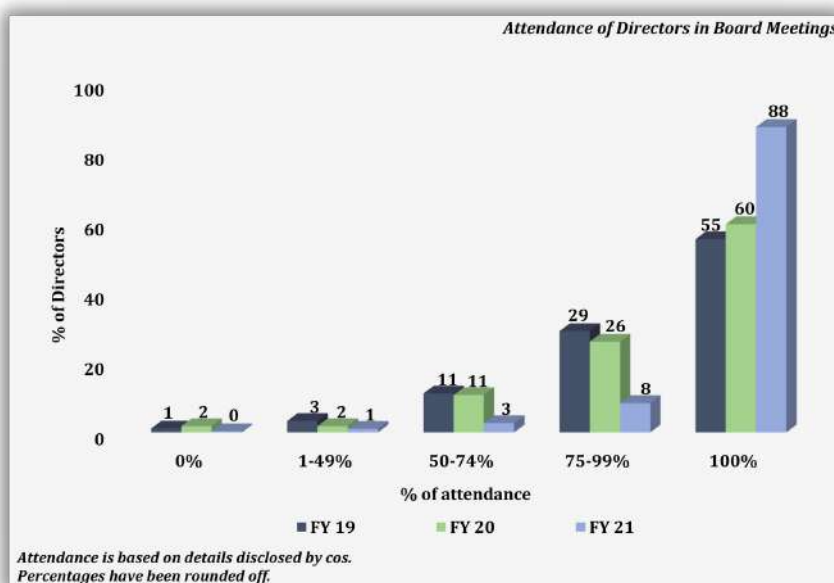
- Minimum number of Board meetings conducted
 - in FY 19 was 6 in 1 company
 - in FY 20 was 4 each in 2 companies
 - in FY 21 was 4 each in 2 companies
- Maximum number of Board meetings conducted
 - in FY 19 was 21 in 1 company
 - in FY 20 was 19 in 1 company
 - in FY 21 was 19 in 1 company

ATTENDANCE OF DIRECTORS IN BOARD MEETINGS

- As per Section 167(1)(b) of the Companies Act, 2013, the office of a director shall become vacant in case he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board.

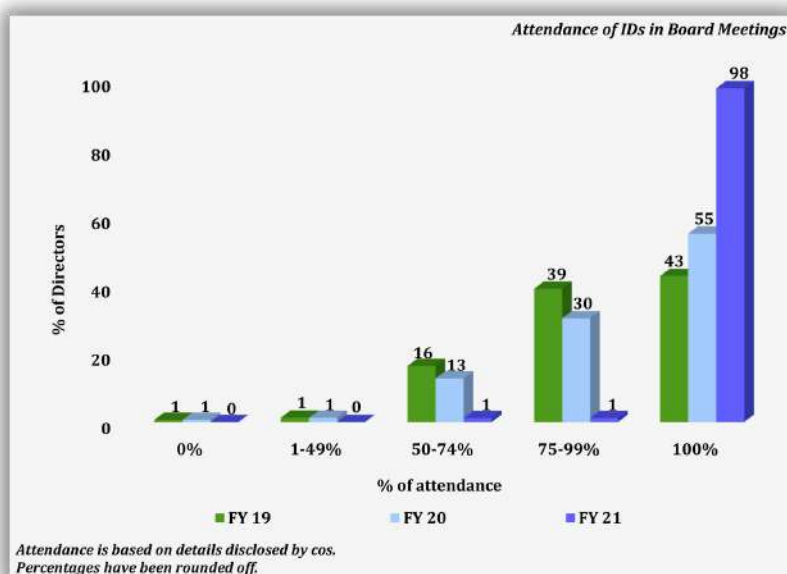
It is a legitimate expectation that every Director, executive or non-executive, attends every meeting of the Board of Directors. Absence from Board meetings has to be for extraordinary reasons, and not for reasons that could have been anticipated. The legal provision that each Director has to attend at least 1 Board meeting in a year, is clearly unsatisfactory.

Absence from a Board meeting, for legitimate reasons, should not preclude a Director from sending his/ her comments on the agenda items in advance of the meeting, so that they can be taken note of during the discussions.



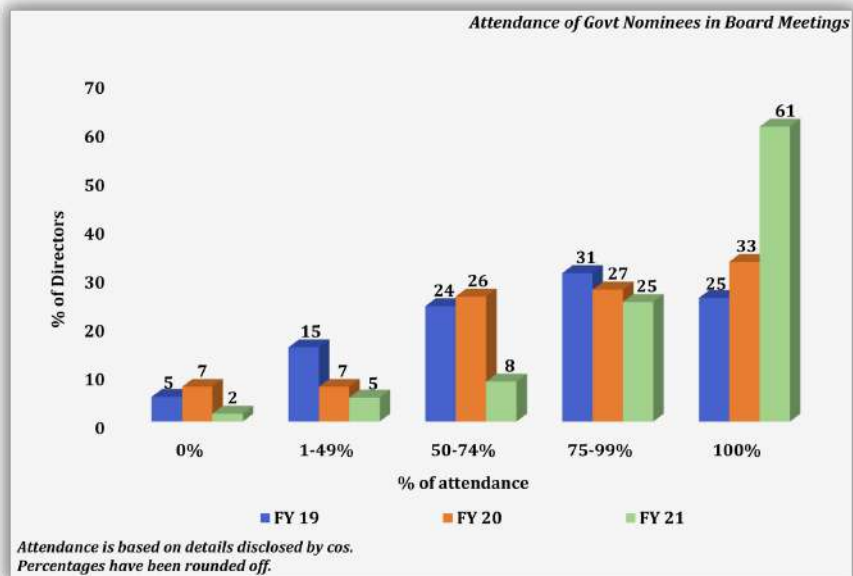
- In FY 19, 4 Directors had zero attendance.
- In FY 20, 7 Directors had zero attendance.
- In FY 21, 1 Director had zero attendance.

ATTENDANCE OF IDs in BOARD MEETINGS



- In FY 19 and FY 20, 1 ID each had zero attendance.
- In FY 21, no ID had zero attendance.

ATTENDANCE OF NED-ND (GOVERNMENT) IN BOARD MEETINGS



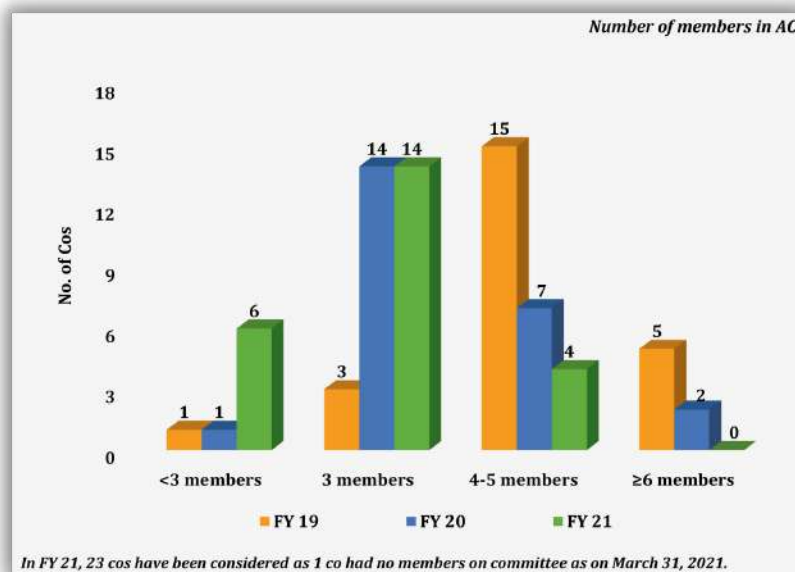
- In FY 19, 3 Government nominees had zero attendance.
- In FY 20, 5 Government nominees had zero attendance.
- In FY 21, 1 Government nominee had zero attendance.

COMMITTEES

AUDIT COMMITTEE

COMPOSITION OF AC

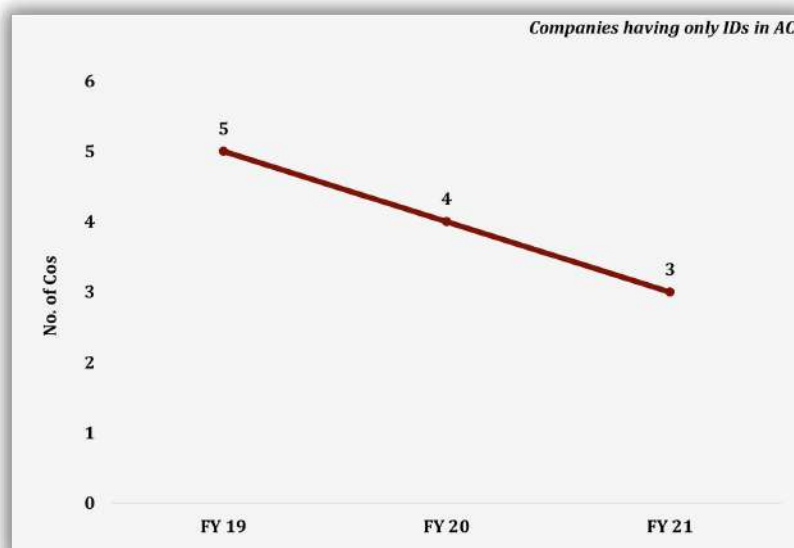
- As per Section 177(2) of the Companies Act, 2013, the audit committee shall consist of a minimum of three directors.
- As per Regulation 18(1) of SEBI LODR Regulations, 2015,
 - (a) The audit committee shall have minimum three directors as members.
 - (b) Two-thirds of the members of audit committee shall be independent directors.
 - (d) The chairperson of the audit committee shall be an independent director and he/ she shall be present at Annual general meeting to answer shareholder queries.
- As per Guideline 4.1 of DPE Guidelines, 2010,
 - 4.1.1 The Audit Committee shall have minimum three Directors as members. Two-thirds of the members of audit committee shall be Independent Directors.
 - 4.1.2 The Chairman of the Audit Committee shall be an Independent Director.
 - 4.1.3 All members of Audit Committee shall have knowledge of financial matters of Company, and at least one member shall have good knowledge of accounting and related financial management expertise.
 - 4.1.4 The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries; provided that in case the Chairman is unable to attend due to unavoidable reasons, he may nominate any member of the Audit Committee



- Highest number of members in FY 19 was 7, FY 20 was 6 in 3 companies and FY 21 was 4 in 4 companies.
- In FY 21, 1 company had no AC members as on March 31, 2021.

AC WITH ONLY IDs

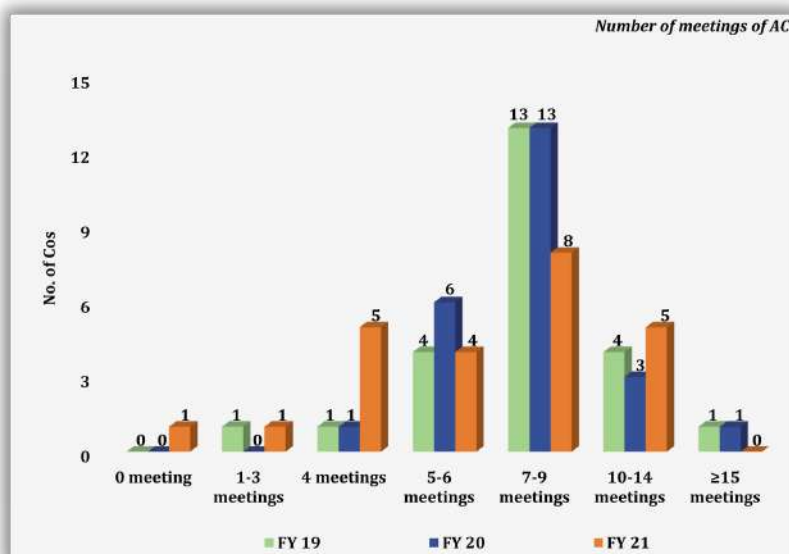
Given that the role of the AC is to judge the legality and propriety of management actions, it would be best if the AC is comprised only of IDs, with management representatives as invitees. While such a stipulation is not on the anvil, companies that recognise the significance of having ACs with only IDs as members, would be in the forefront of Corporate Governance. As a step in this direction, SEBI has mandated (wef January 1, 2022) that RPTs would be cleared only by the IDs on the AC.



NUMBER OF MEETINGS

- *As per Regulation 18(2)(a) of SEBI LODR Regulations, 2015, the audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.*
- *As per Guideline 4.4 of DPE Guidelines, 2010, the Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings.*

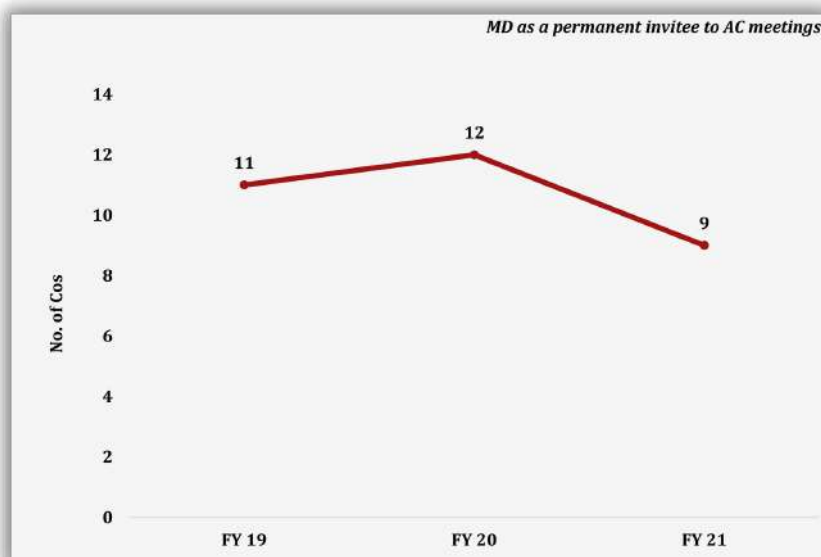
The regulatory prescription that the AC shall meet at least 4 times in anyway does not travel far enough. The 4 quarterly meetings that focus on results and related matters do not enable detailed discussions on matters such as Internal Audit reports, adequacy of internal controls, and several other non-accounting matters. 6 meetings a year would be the minimum number for the efficient performance of duties of an AC.



- Highest number of meetings in FY 19 was 15; in FY 20 was 19; and FY 21 was 13.
- Lowest number of meetings in FY 19 was 3; in FY 20 was 4; and FY 21 was 2.

MD AS A PERMANENT INVITEE TO AC

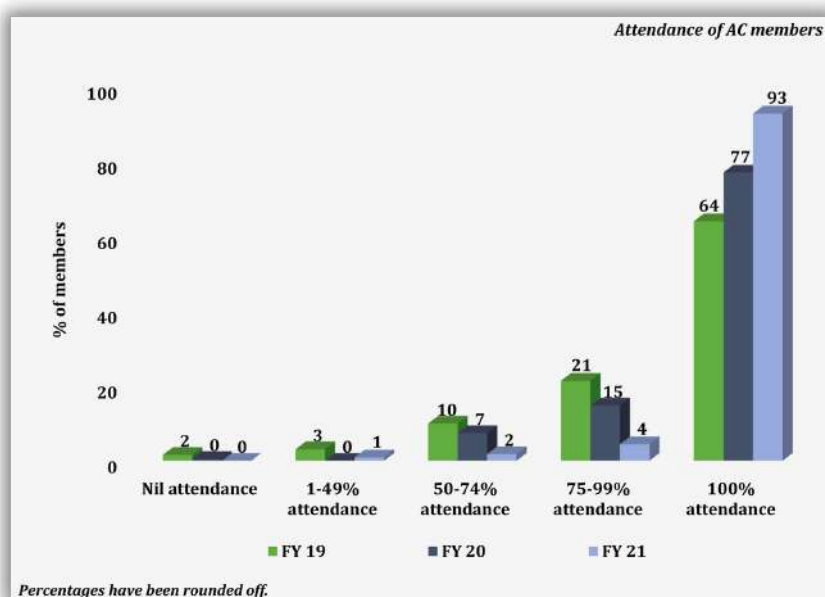
- SEBI LODR Regulations, 2015 or DPE Guidelines do not specifically provide for the inclusion, or otherwise, of the MD of the company in the AC.



- In 3 FYs, 9 companies are common.

ATTENDANCE OF AC MEMBERS

AC meetings are excellent clearing houses of information, and fora for exchanging ideas that capture best practices. It follows that all members of the AC must attend each and every meeting. Any member not attending a single meeting throughout the year, should be taken out of the committee.



- In FY 19, 2 members had zero attendance.
- In FY 20, 1 member had zero attendance.
- In FY 21, no member had zero attendance.

NOMINATION AND REMUNERATION COMMITTEE

COMPOSITION OF NRC

- As per Section 178(1) of the Companies Act, 2013, the Board of Directors of every listed company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

- As per Regulation 19(1) of SEBI LODR Regulations, 2015, the Board of Directors shall constitute the nomination and remuneration committee as follows:

(a) the committee shall comprise of at least three directors;

(b) all directors of the committee shall be non-executive directors; and

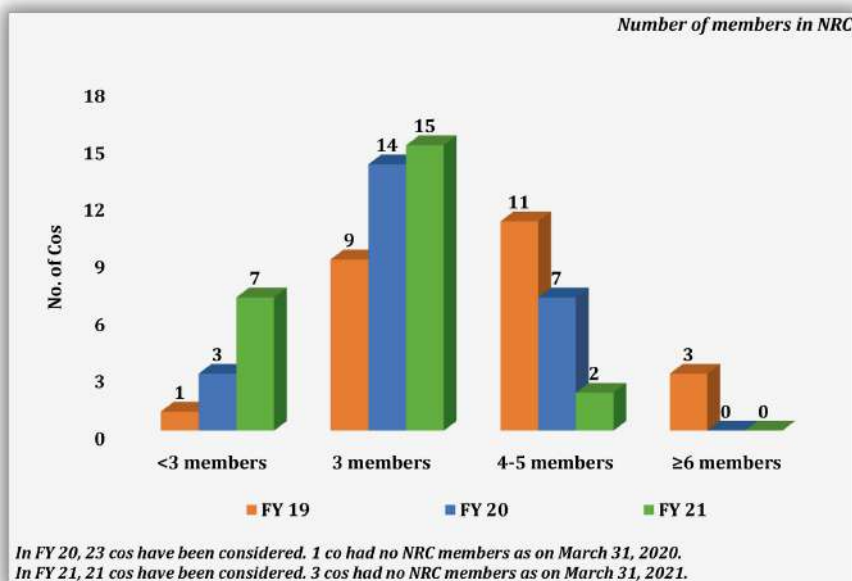
(c) at least fifty percent of the directors shall be independent directors.

- As per Regulation 19(2) of SEBI LODR Regulations, 2015, the Chairperson of the nomination and remuneration committee shall be an independent director:

Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

- As per Guideline 5.1 of DPE Guidelines, 2010, each CPSE shall constitute a Remuneration Committee comprising of at least three Directors, all of whom should be part-time Directors (i.e Nominee Directors or Independent Directors). The Committee should be headed by an Independent Director.

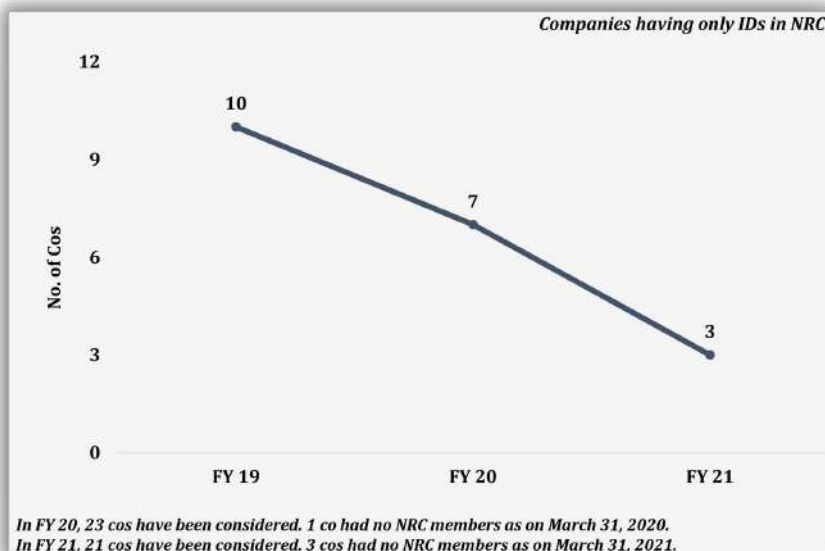
NRCs have come into their own in the last 2 years, partly on account of Covid-derived disruptions in the workforce, and the increasing focus on succession planning, compensation, and the identification of persons with skillsets and expertise relevant to the Board. It is time that the majority shareholder recognised this position.



- Highest number of members in FY 19 was 7, FY 20 was 4 and FY 21 was 4.

NRC WITH ONLY IDs

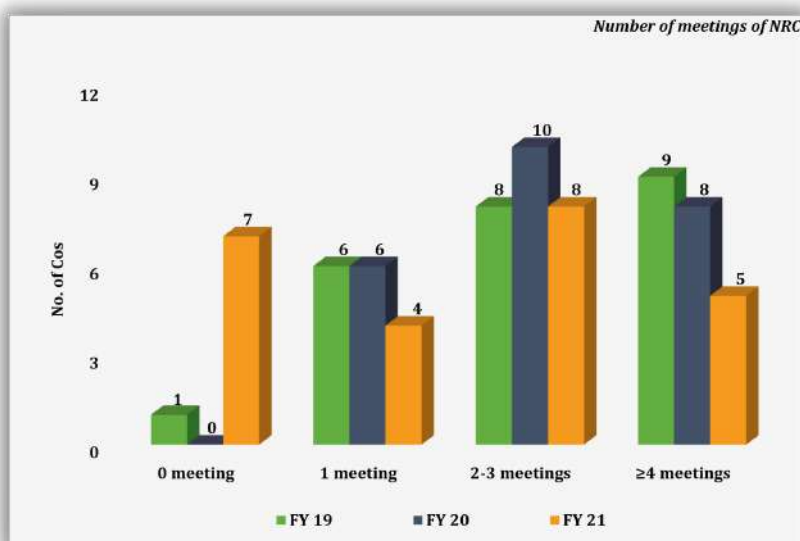
The requirement that IDs should constitute the majority of the members of the NRC, is to ensure objectivity in the composition of Boards and the selection of KMPs and SMPs. This also ensures that remuneration is appropriately benchmarked with that of the peer group, and that performance and remuneration go hand in hand. NRCs with only IDs as members would be a desirable proposition. It is equally important that NRCs are appropriately empowered to take decisions falling in their remit, and not have NRCs/ Boards as mere recipients of Government decisions.



NUMBER OF MEETINGS

- As per Regulation 19(3A) of SEBI LODR Regulations, 2015, the nomination and remuneration committee shall meet at least once in a year (w.e.f April 1, 2019).
- SEBI vide circular dated March 26, 2020, allowed nomination and remuneration committee to hold its meeting till June 30, 2020 instead of March 31, 2020.

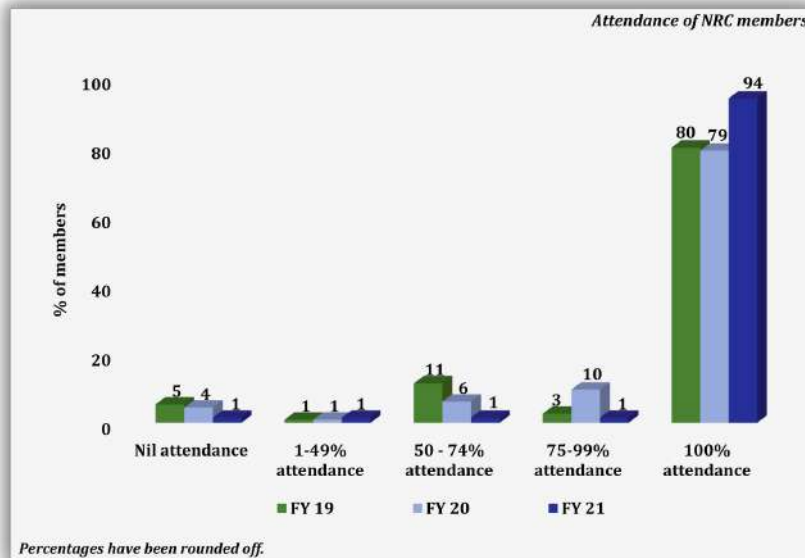
The regulatory provision that the NRC shall meet at least once a year does not keep pace with the remit of the NRC, and the importance of the tasks assigned to it by law and regulations. The workload in most NRCs would seem to indicate that 3 to 4 meetings a year would be the minimum required to do justice to the remit of the NRC.



- Highest number of meetings in FY 19 was 7 in 2 companies; in FY 20 was 8 and FY 21 was 9.

ATTENDANCE OF NRC MEMBERS

Given the significance of the NRC, it is of paramount importance that all members should strive to attend every meeting that is scheduled. Continuous absence of any member should lead to his/her being taken out of the committee.



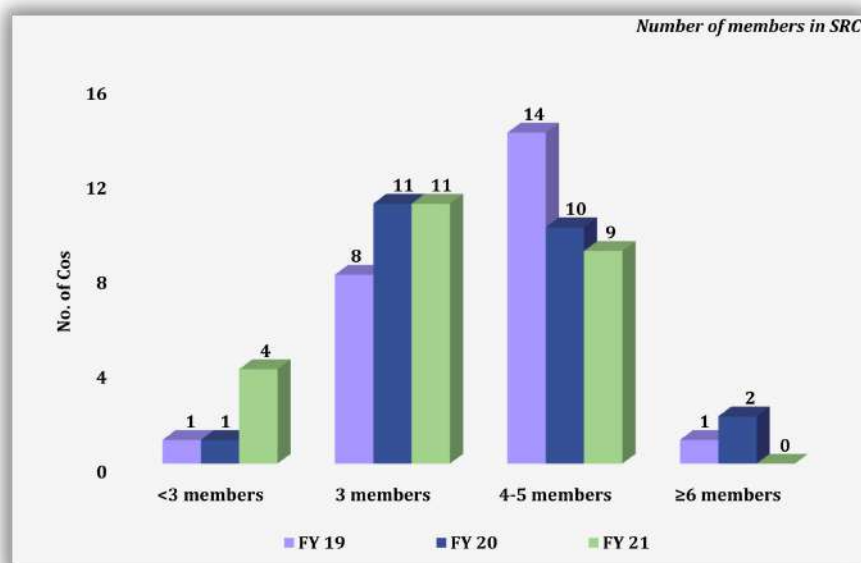
- In FY 19, 6 members had zero attendance.
- In FY 20, 5 members had zero attendance.
- In FY 21, 1 member had zero attendance.

STAKEHOLDERS RELATIONSHIP COMMITTEE

COMPOSITION OF SRC

- As per Section 178(5) of the Companies Act, 2013, the Board of Directors of a company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.
- As per Regulation 20(2A) of SEBI LODR Regulations, 2015, at least three directors, with at least one being an independent director, shall be members of the Committee. (w.e.f April 1, 2019).
- As per Regulation 20(2) of SEBI LODR Regulations, 2015, the chairperson of this committee shall be a non-executive director.

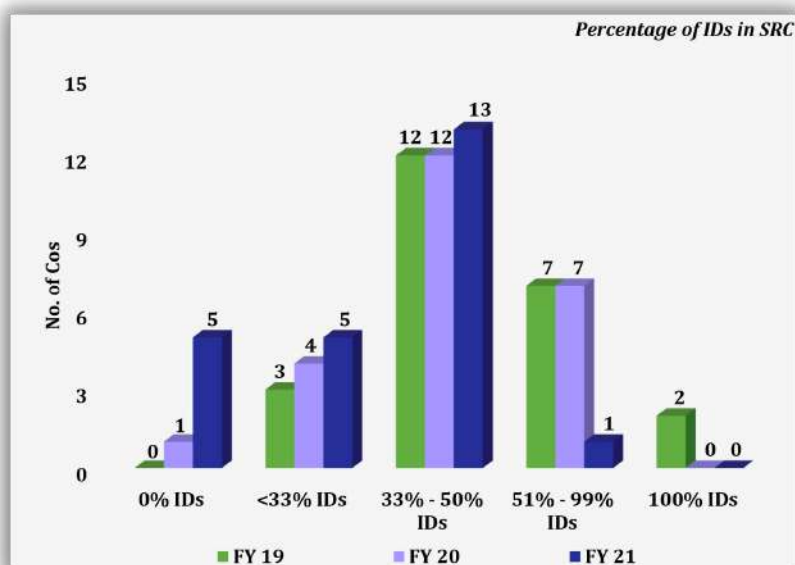
The Companies Act, 2013 requires that the Chair of SRC should be an NED, and other members may be as decided by the Board. SEBI LODR Regulations, 2015 provides that the committee should have at least 3 members, with at least 1 being an ID. This is a fit case for reconciling the provisions of the Act and the Regulations.



- Highest number of members in FY 19 was 8, FY 20 was 6 in 2 companies each and FY 21 was 5 in 4 companies each.
- In FY 19, 2 companies had all IDs.

PERCENTAGE OF IDs IN SRC

Since the SRC is tasked to look into the grievances of holders of securities, it is preferable not to leave the satisfactory resolution of these grievances to Board members who are not IDs. Instances of possible minority oppression can be addressed at an early stage by an SRC with IDs constituting the majority.

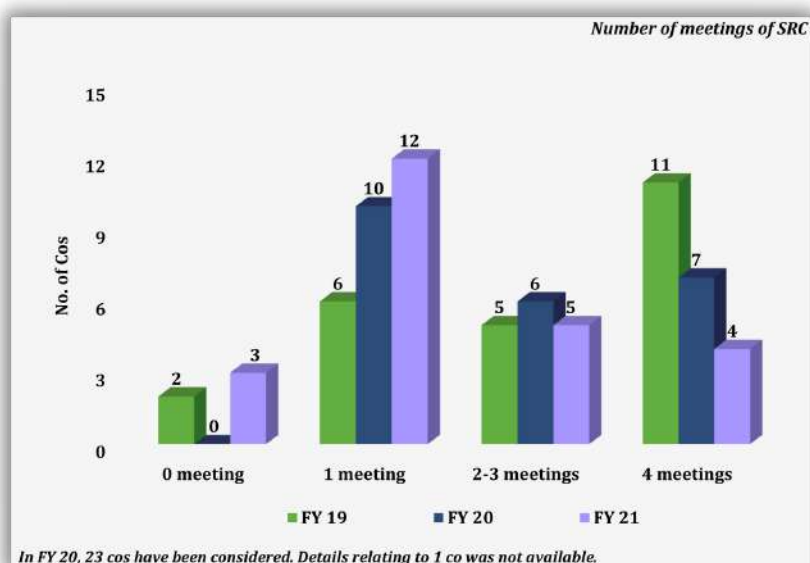


NUMBER OF MEETINGS

- *As per Regulation 20(3A) of SEBI LODR Regulations, 2015, the stakeholders relationship committee shall meet at least once in a year (w.e.f April 1, 2019).*
- *SEBI vide circular dated March 26, 2020, allowed stakeholders relationship committee to hold its meeting till June 30, 2020 instead of March 31, 2020.*

Since the SRC has evolved into its present avatar from the erstwhile Shareholders Grievance Committee, it would be appropriate to expand its remit to cover other categories of stakeholders. Having only 1 meeting of the SRC each year is reflective of inadequate concern for the legitimate grievances of stakeholders.

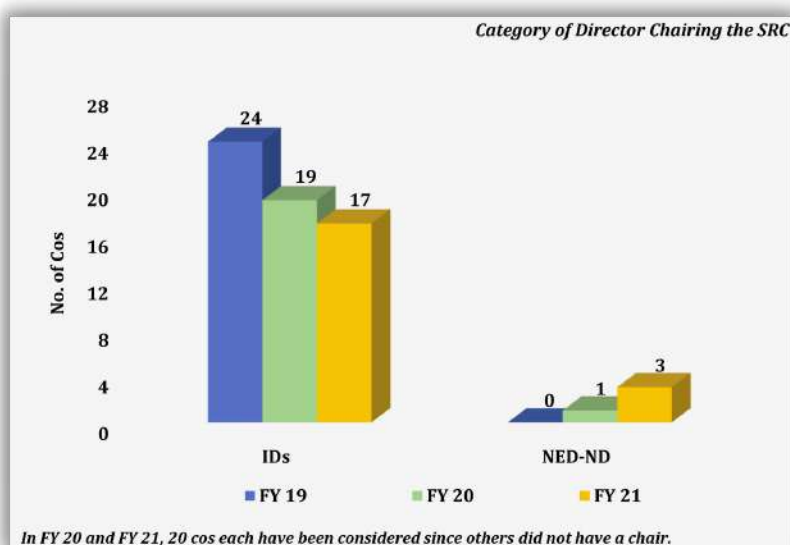
However, having a large number of meetings, with only a few complaints to be resolved, would also be counterproductive, unless the remit of the SRC is expanded to include concerns of stakeholders, other than those of holders of securities.



CATEGORY OF DIRECTOR CHAIRING SRC

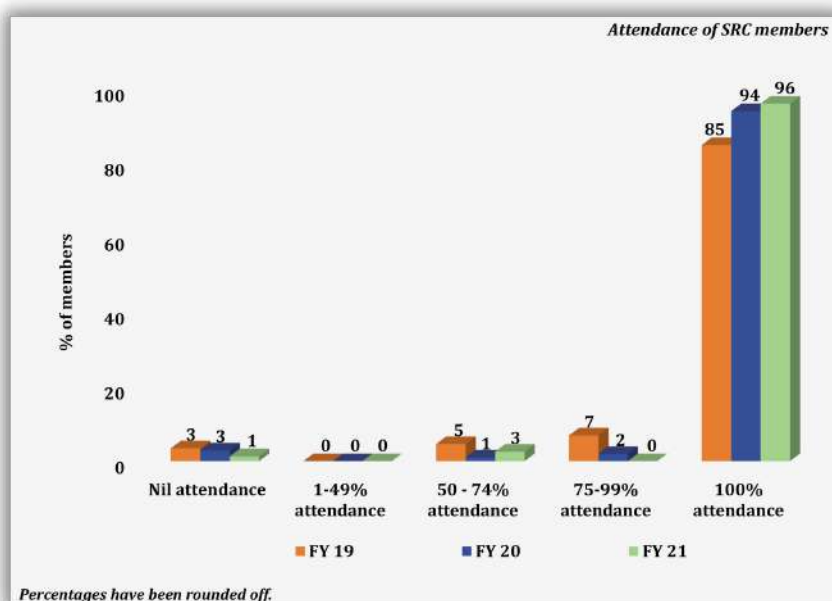
- As per Section 178(5) of the Companies Act, 2013,Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director...
- As per Regulation 20(2) of SEBI LODR Regulations, 2015, the chairperson of this committee shall be a non-executive director.

Law and regulations mandate that an NED should Chair the SRC. It would be better to travel further and prescribe that an ID should Chair the SRC given its role.



ATTENDANCE OF SRC MEMBERS

Non-attendance or inadequate attendance at SRC meetings is indicative of a lack of attention being paid to stakeholders. Any member not attending a single meeting throughout the year should be taken out of the committee.



- In FY 19 and FY 20, 3 members each had zero attendance.
- FY21, 1 member had zero attendance.

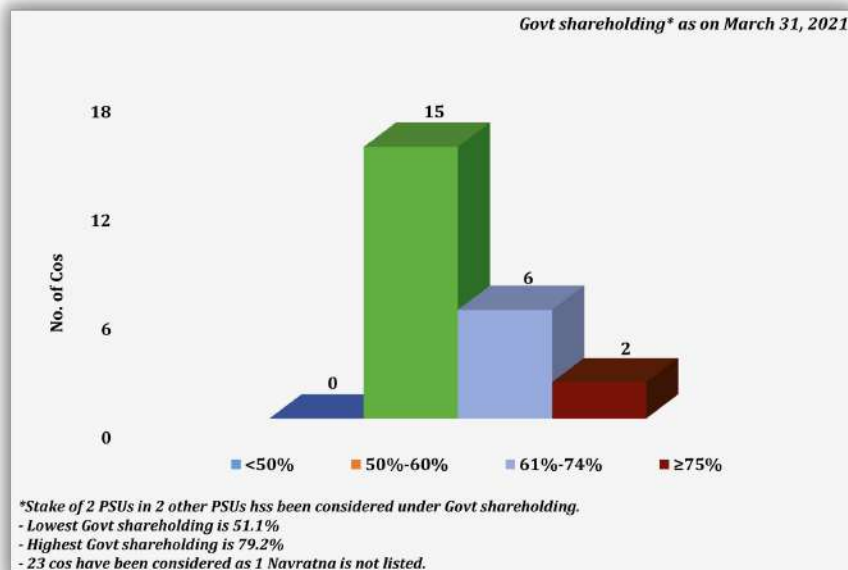
EXPANDED SCOPE OF SRC

- *As per Section 178(6) of the Companies Act, 2013, the Stakeholders Relationship Committee shall consider and resolve the grievances of security holders of the company.*
- *As per Regulation 20(1) of SEBI LODR Regulations, 2015, the listed entity shall constitute a Stakeholders Relationship Committee to specifically look into various aspects of interest of shareholders, debenture holders and other security holders.*
- *As per Schedule II - Part D of SEBI LODR Regulations, 2015, the role of the committee shall inter-alia include the following:*
 - (1) *Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.*
 - (2) *Review of measures taken for effective exercise of voting rights by shareholders.*
 - (3) *Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.*
 - (4) *Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.*

The SRC which is a successor of the Shareholder Grievance Committee, has a very limited statutory remit, which is not in sync with the expansionist name which it bears. It is necessary to expand the scope of work of this committee by including in its remit, stakeholders other than holders of securities.

- In FY 21, only 3 companies have expanded the scope of SRC beyond law and regulations.
- The committee in these companies also look at matters relating to Remat/ Demat, quality of investor services, and redressal of requests, complaints or grievances from various security holders.

SHAREHOLDING PATTERN



SRC COMPLAINTS

- All companies have reported resolution of over 99% of the complaints.

SHAREHOLDER SATISFACTION SURVEY

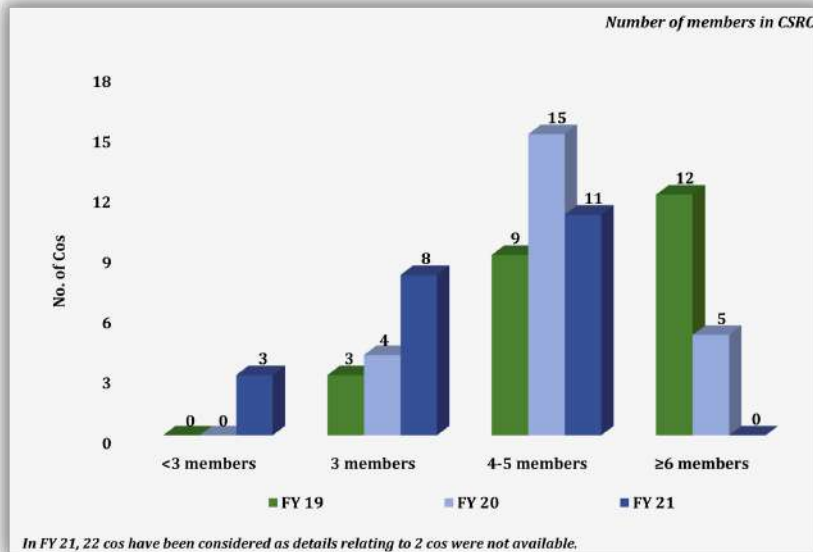
The Shareholder Satisfaction Survey, that some companies conduct, enables them to identify areas for improvement that need to be worked on, and to reinforce those aspects that seem to be meeting with the approval of the shareholders. However, a survey conducted through the process of administering questionnaires, many of which can be responded to mechanically, does not serve the purpose that is intended. Questionnaires should contain questions that are open ended, and invite the respondents to express, in their own words, their thoughts, ideas and concerns. The multiple answer format may not yield the desired results.

- No company conducted shareholder satisfaction survey across 3 FYs.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

COMPOSITION OF CSRC

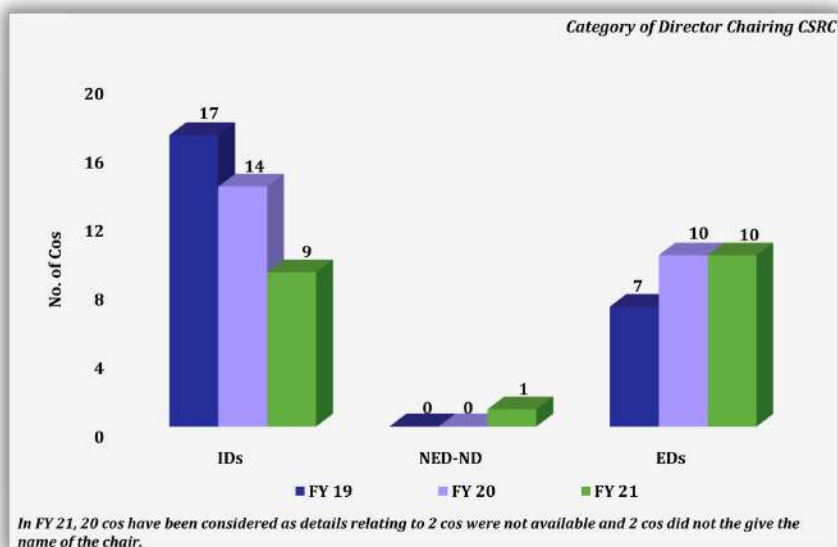
- As per Section 135(1) of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.



- Highest number of members
 - in FY 19 was 9 in 1 company
 - in FY 20 was 8 in 1 company
 - in FY 21 was 5 each in 4 companies

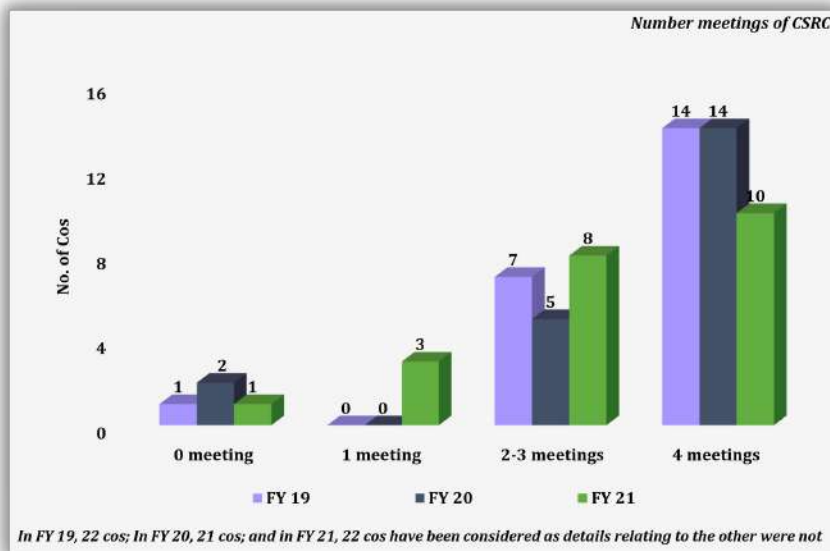
CATEGORY OF DIRECTOR CHAIRING CSRC

There is no legal provision to indicate which category of Director should chair the CSRC. Different companies have adopted different approaches.



NUMBER OF MEETINGS

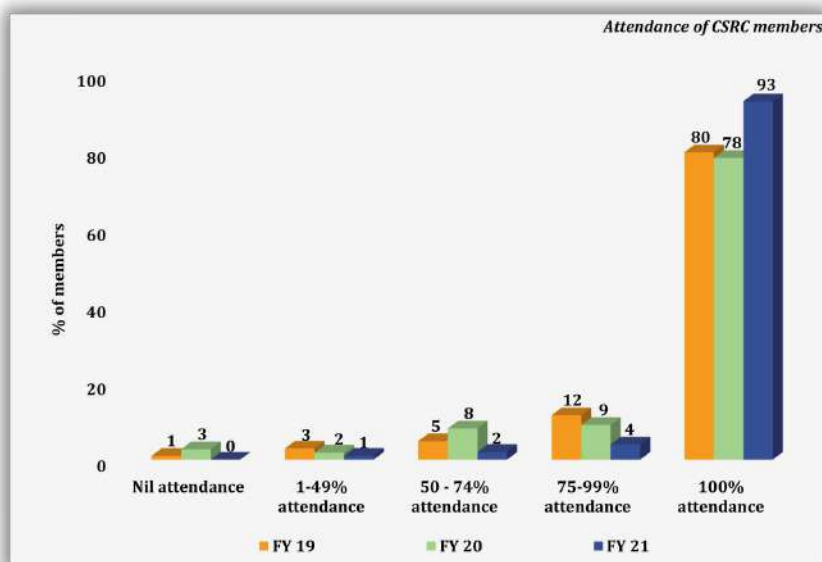
While there is no provision in the Act prescribing the minimum number of meetings of CSRC, given the enhanced emphasis on the role of the CSRC, it should ideally have 3 meetings during a FY. These could look at sanctioning projects, monitoring the progress of implementation, and assessing the impact of the programmes.



- Highest number of meetings
 - in FY 19 was 11 in 1 company
 - in FY 20 was 8 in 1 company
 - in FY 21 was 8 in 1 company

ATTENDANCE OF CSRC MEMBERS

Non-attendance or inadequate attendance at the meetings of a Board-level committee is indicative of a lack of seriousness towards the role as a member of the committee. Any member not attending a single meeting throughout the year should be taken out of the committee.



- In FY 19, 1 member had zero attendance.
- In FY 20, 3 members had zero attendance.
- In FY 21, no member had zero attendance

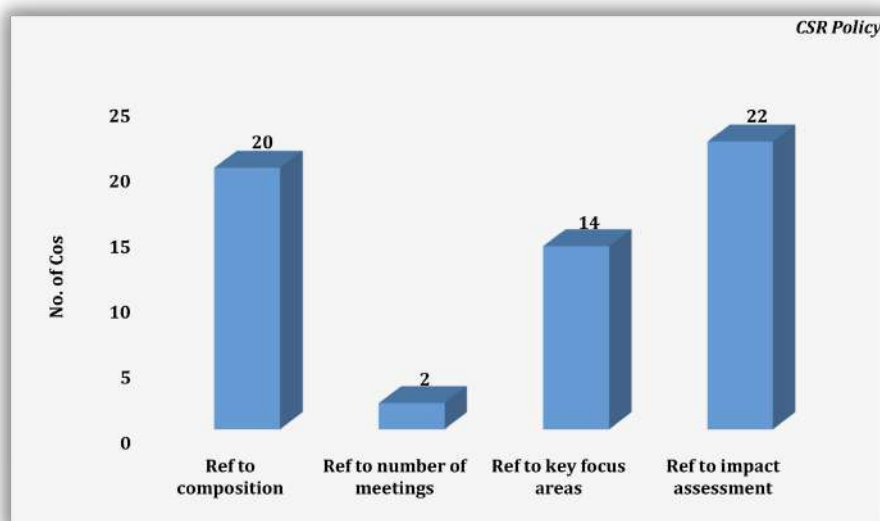
CSR POLICY

- As per Section 135(3) of the Companies Act, 2013, the Corporate Social Responsibility Committee shall,—
 - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
 - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

(Inserted wef January 22, 2021)

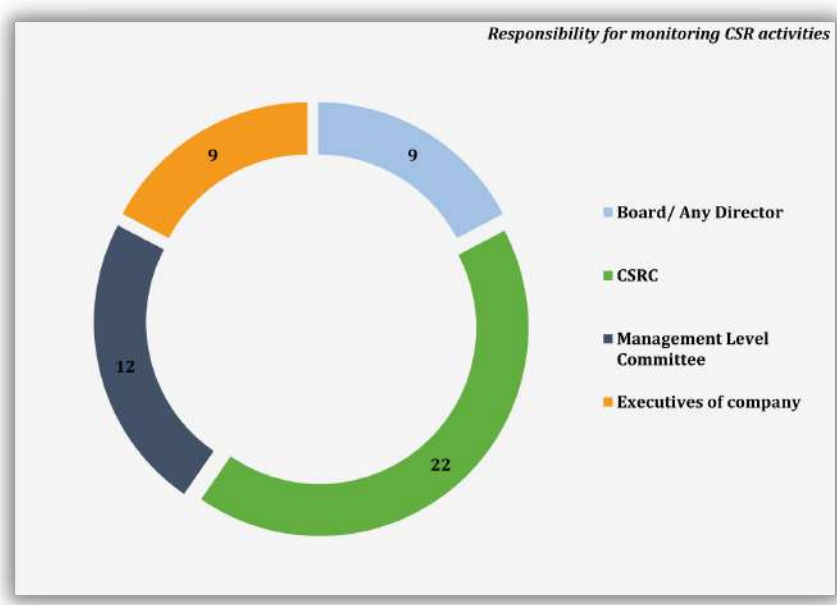
- As per Rule 5(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

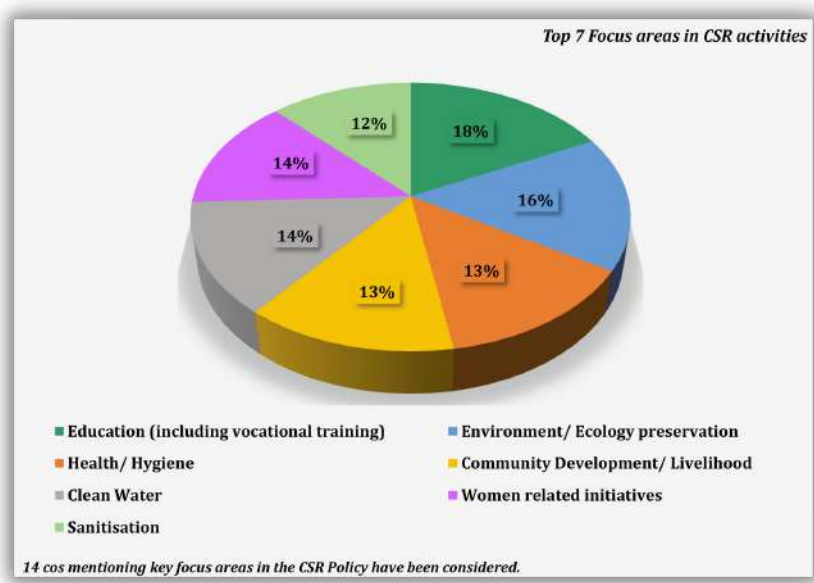


- Of the 14 companies that have identified key focus area, 2 companies have identified contribution to PM's Relief Fund as one of the focus area.

RESPONSIBILITY FOR MONITORING CSR ACTIVITIES



TOP 7 FOCUS AREAS IN CSR ACTIVITIES

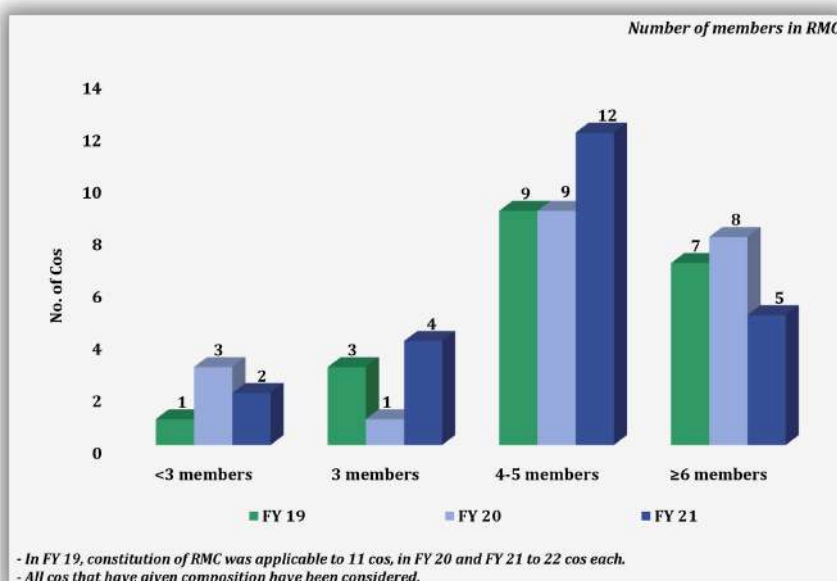


RISK MANAGEMENT COMMITTEE

COMPOSITION OF RMC

- As per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, dated May 9, 2018, the provisions of Regulation 21 of SEBI LODR Regulations, 2015, became applicable to top 500 listed entities instead of top 100 listed entities wef April 1, 2019.
- As per Regulation 21(2) of SEBI LODR Regulations, 2015, the majority of members of Risk Management Committee shall consist of members of the board of directors.
- As per Regulation 21(3) of SEBI LODR Regulations, 2015, the Chairperson of the risk management committee shall be a member of the Board of Directors and senior executives of the listed entity may be members of the committee.

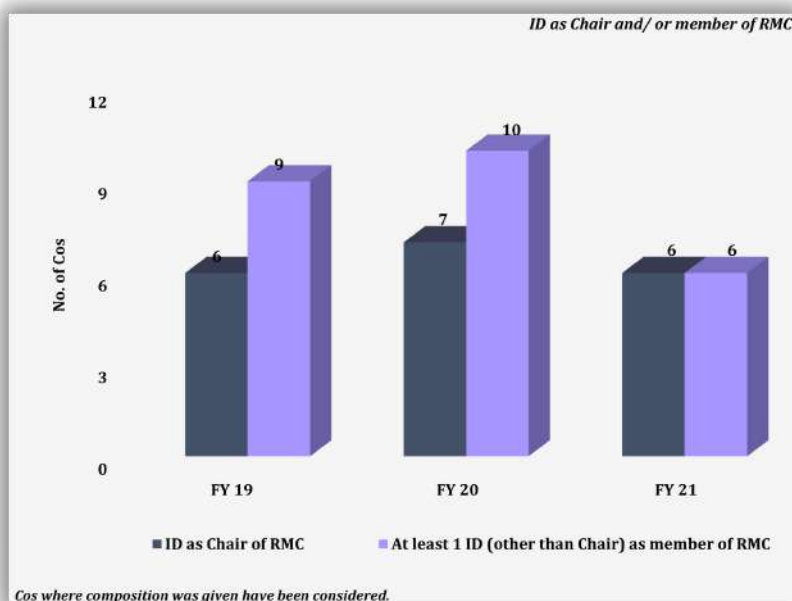
With risk management requiring increased focus, and with the committee having to identify and address risks, in addition to operational risks, it would be desirable to have more Board members, especially IDs, on the RMC. RMC should be given statutory recognition, in addition to regulatory recognition, in view of its importance.



- Highest number of members in FY 19 and FY 20 was 8 each and FY 21 was 9.
- 15 companies each in all 3 years have only Board members on the RMC.
- None of the companies had RMC comprising all IDs.
- In FY 19, FY 20 and FY 21, 19, 18 and 20 companies respectively have fixed Chairs.

ID AS CHAIR AND/OR MEMBER OF RMC

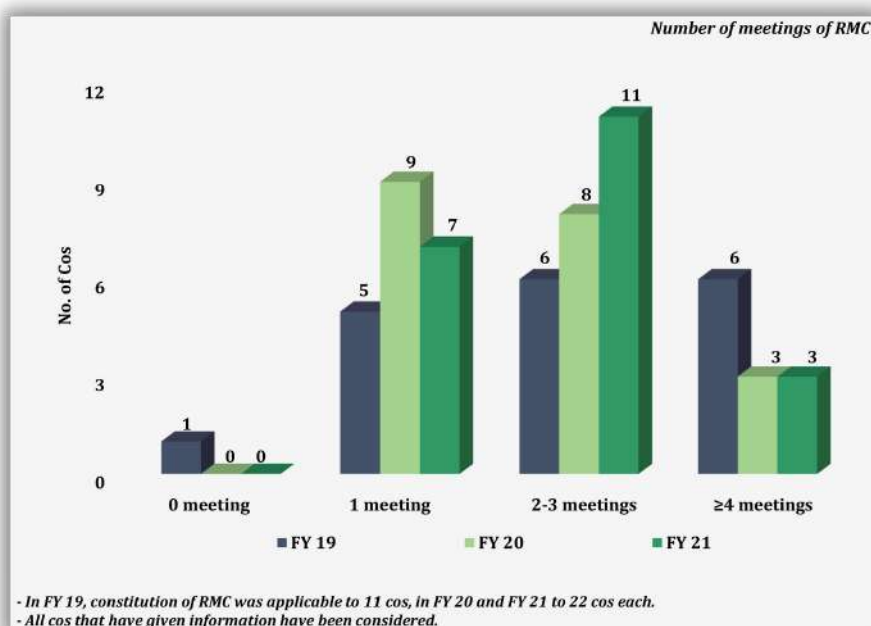
An ID being a member of the RMC is useful since an external perspective can be brought to a committee which more often than not is likely to have a significant management/ executive presence.



NUMBER OF MEETINGS

- As per Regulation 21(3A) of SEBI LODR Regulations, 2015, the risk management committee shall meet at least once in a year (wef April 1, 2019).
- SEBI vide circular dated March 26, 2020, allowed risk management committee to hold its meeting till June 30, 2020 instead of March 31, 2020.

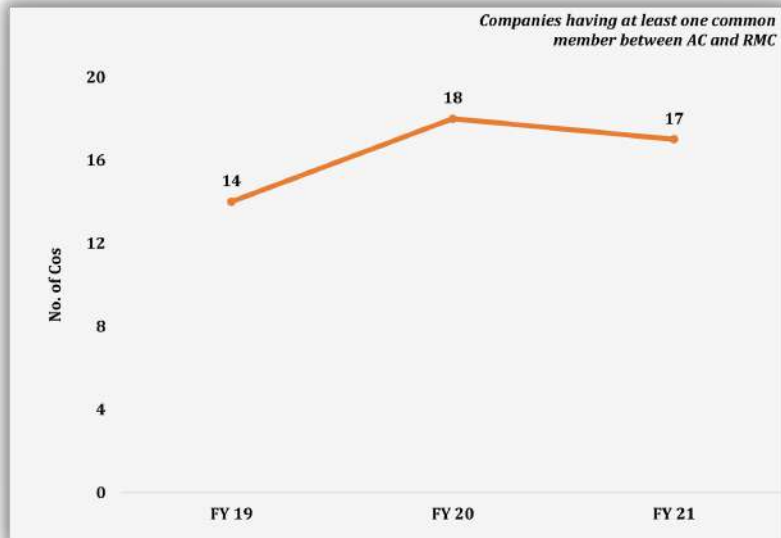
Given that risk management is central to the existence and the operations of companies, and with the likelihood and impact of risks having increased significantly, one meeting per year does not even scratch the surface. This is not an area where the box-ticking approach to regulations will yield results.



- Highest number of meetings in FY 19 was 9; in FY 20 was 7 and in FY 21 was 4 in 3 companies each.

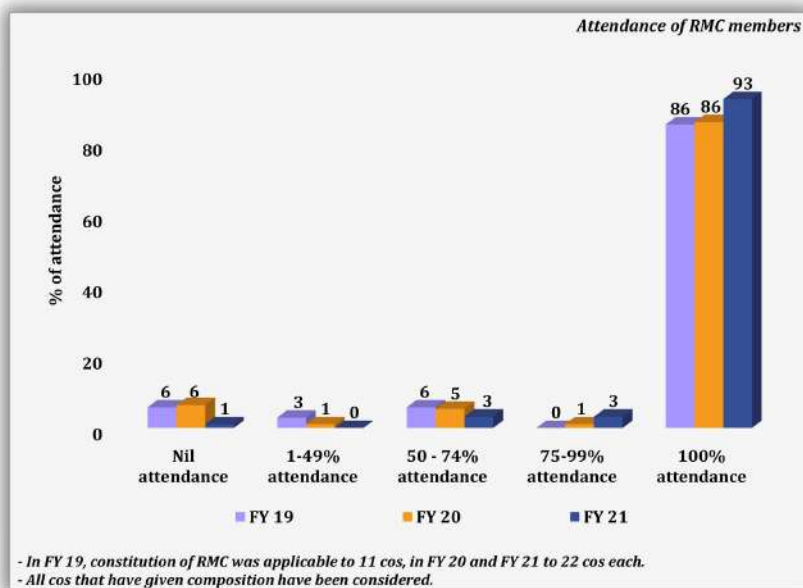
COMMON MEMBERSHIP BETWEEN AC AND RMC

Even with the constitution of the RMC, risk management does not cease to be in the charter of the AC. Further, there are synergies between the committees, with Internal Audit being an integral input in the risk management function. Commonality of membership is useful for the 2 committees to work together. At the other extreme, it would be useful to avoid all members of both these committees being common.



ATTENDANCE OF RMC MEMBERS

Given the increasing importance of risk management, non-attendance or inadequate attendance at the meetings of RMC is unacceptable. Any member not attending a single meeting throughout the year should be taken out of the committee.

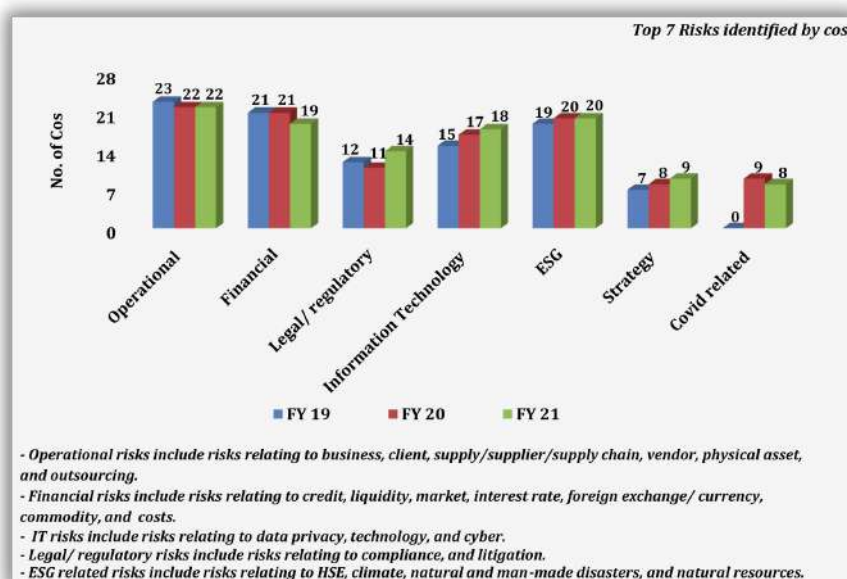


- In FY 19, 4 members had zero attendance.
- In FY 20, 6 members had zero attendance.
- In FY 21, 1 member had zero attendance.

TOP 7 RISKS IDENTIFIED BY COMPANIES

- As per Schedule II (Part D) of SEBI LODR Regulations, 2015,
- The role of the committee shall, inter alia, include the following:
 1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- As per Schedule V (B) (1)(e) of SEBI LODR Regulations, 2015 Management Discussion and Analysis: This section shall include discussion on the following matters within the limits set by the listed entity's competitive position
 - (e) Risks and concerns

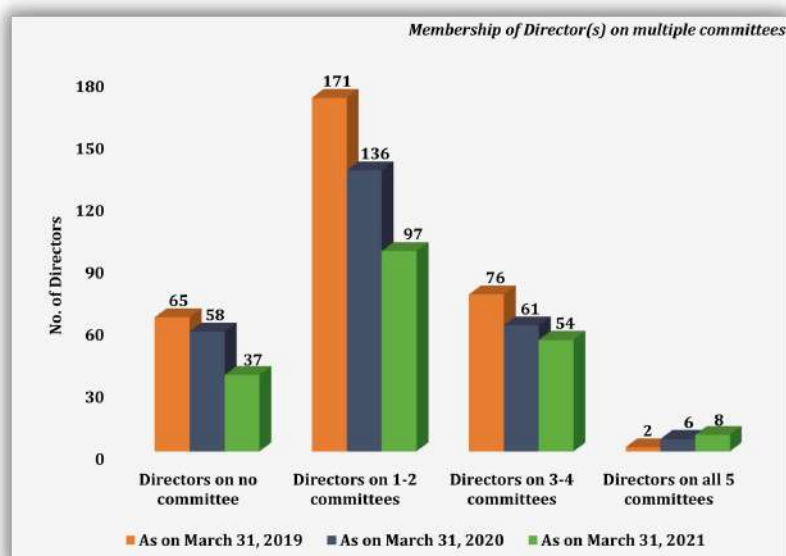
Risk mitigation commences with a robust process for identification of risks, and an assessment of their impact and probability.



- Some of the other areas of risks which have been identified across 3 FYs are strategy, corruption, HSE, and R&D.

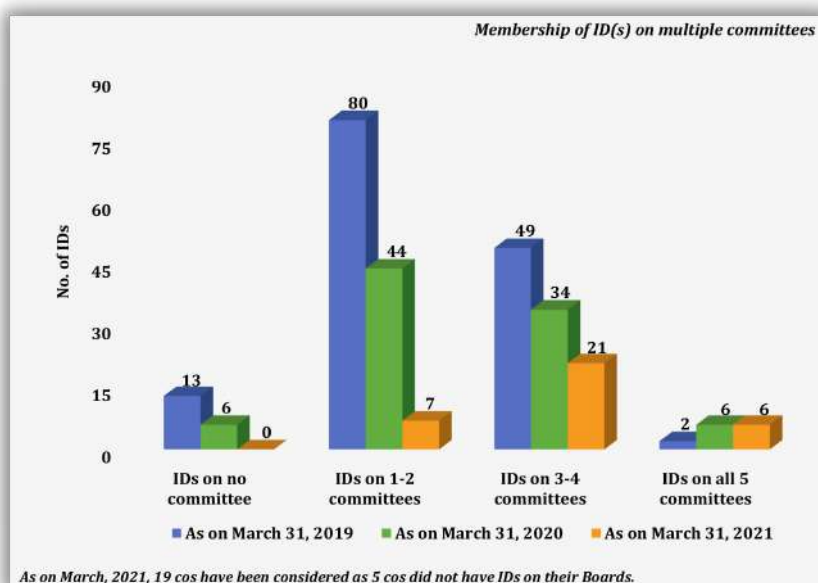
DISTRIBUTION OF MEMBERSHIP OF COMMITTEES

DISTRIBUTION OF COMMITTEE MEMBERSHIP AMONG DIRECTORS



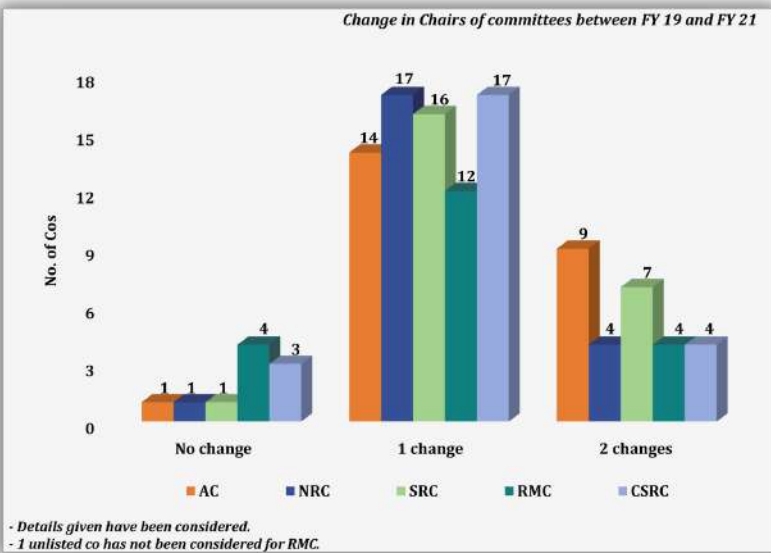
DISTRIBUTION OF COMMITTEE MEMBERSHIP AMONG IDs

With in-depth discussion being possible at the committee level, rather than the Board level, it is necessary to ensure that all IDs are members of one or more Board committees. If one or more IDs choose(s) to stay away from the membership of Board committees, the information asymmetry among IDs would be significant, compounding the existing problem of information asymmetry among EDs and NEDs.

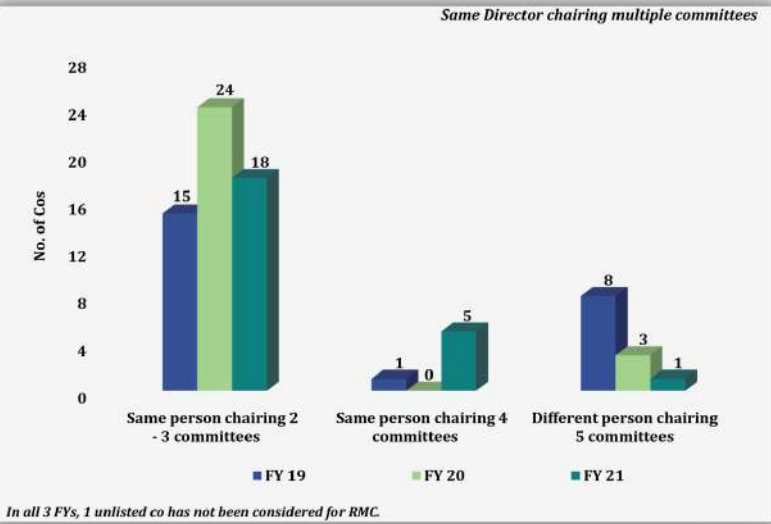


CHANGE IN CHAIRS OF COMMITTEES

Constituting committees, and making no changes in the membership or to the Chairpersonship of the committees over a long period, prevents a fresh look being given to the remit of the committees, and the way it is handled. While frequent changes are disruptive, having no change over several years is a sub-optimal arrangement.



SAME DIRECTOR CHAIRING MULTIPLE COMMITTEES

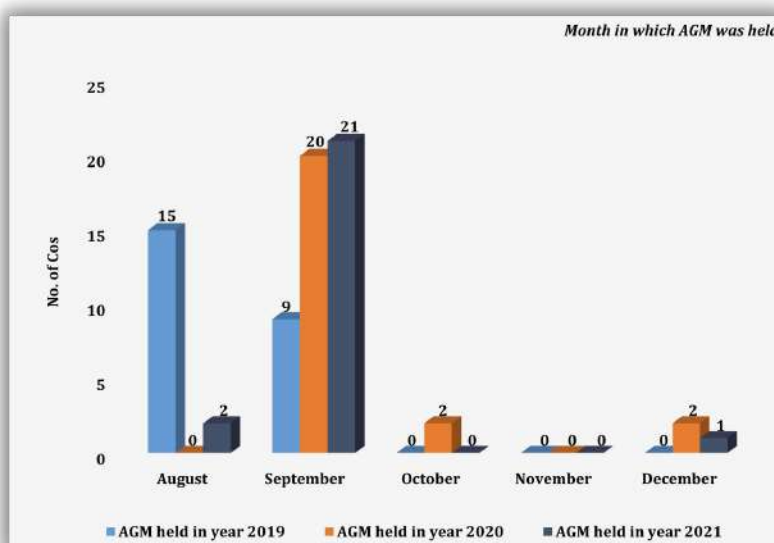


ANNUAL GENERAL MEETINGS

MONTH IN WHICH AGM WAS HELD

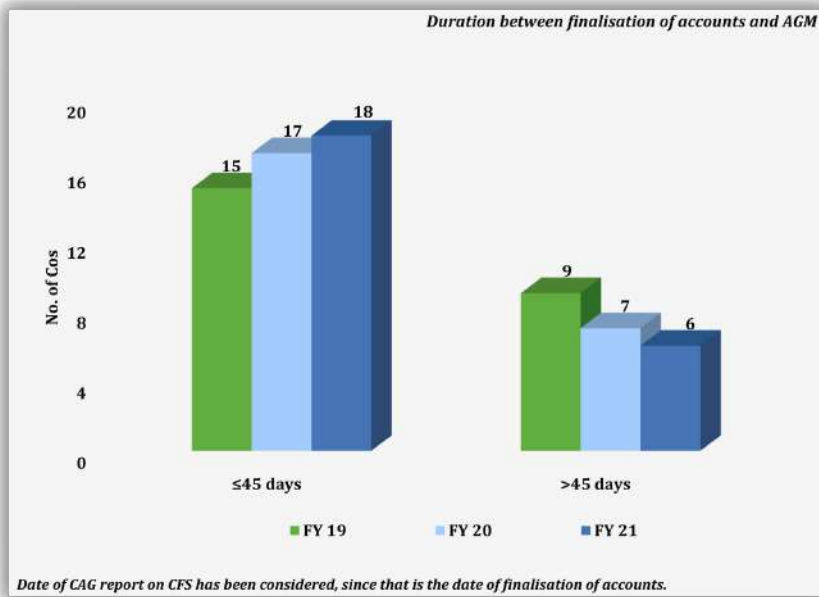
- As per Section 96(1) of the Companies Act, 2013, every company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting.
Provided that in case of the first annual general meeting, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year.
- As per Regulation 44(5) of SEBI LODR Regulations, 2015, the top 100 listed entities by market capitalization, determined as on March 31st of every financial year, shall hold their annual general meetings within a period of five months from the date of closing of the financial year. (wef April 1, 2019).
- Due to Covid-19, the following extension of time were granted in respect of holding of AGMs
 - MCA granted extension of time to companies whose financial year ended on 31st December, 2019, to hold their AGM by 30th September, 2020.
 - MCA granted extension of time to companies whose financial year ended on 31st March, 2020, to hold their AGM by 31st December, 2020. SEBI also gave a similar extension.
 - MCA granted extension of time to companies whose financial year ended on 31st March, 2021, to hold their AGM by 30th November, 2021.
 - SEBI granted extension of time to hold the AGM within a period of six months from the date of closing of the financial year for 2020-21.

The AGM is the forum in which shareholders get to interact with the Board of Directors and the senior management of the company. It is the only occasion in which a large body of shareholders expresses itself by voting on important resolutions such as the financial statements of the company, the appointment of Directors, the appointment of auditors and relevant matters brought out in the annual report. Since the Board of Directors acts on behalf of the shareholders, and other stakeholders, the AGM presents the opportunity for shareholders to ask them questions germane to the manner in which the affairs of the company have been conducted in the previous year. During the year, AGMs were held virtually, thus, reducing significantly the interaction between the shareholders and the Board and management of the company.



- In FY 21, 1 company convened its AGM in December and was non-compliant.

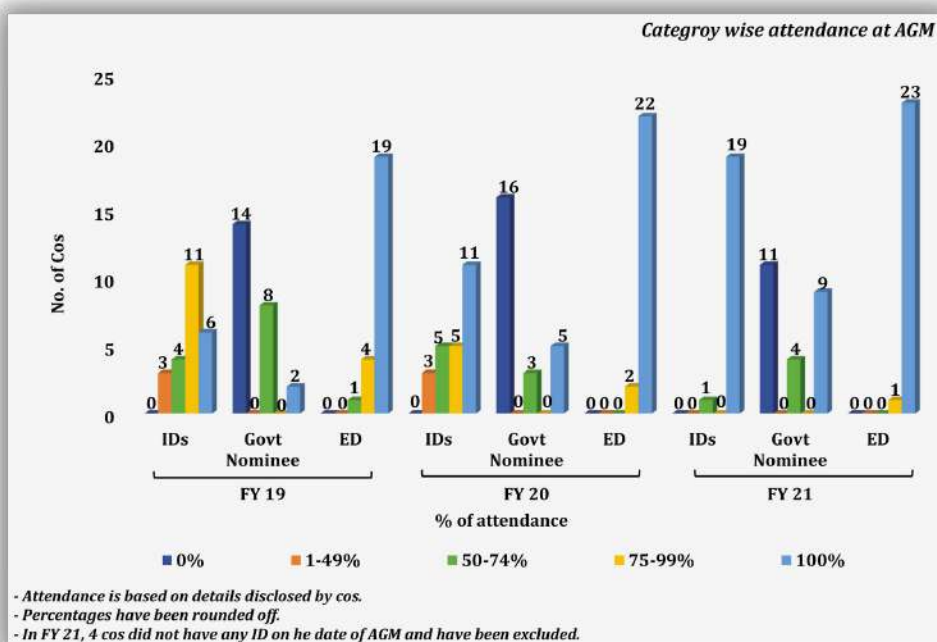
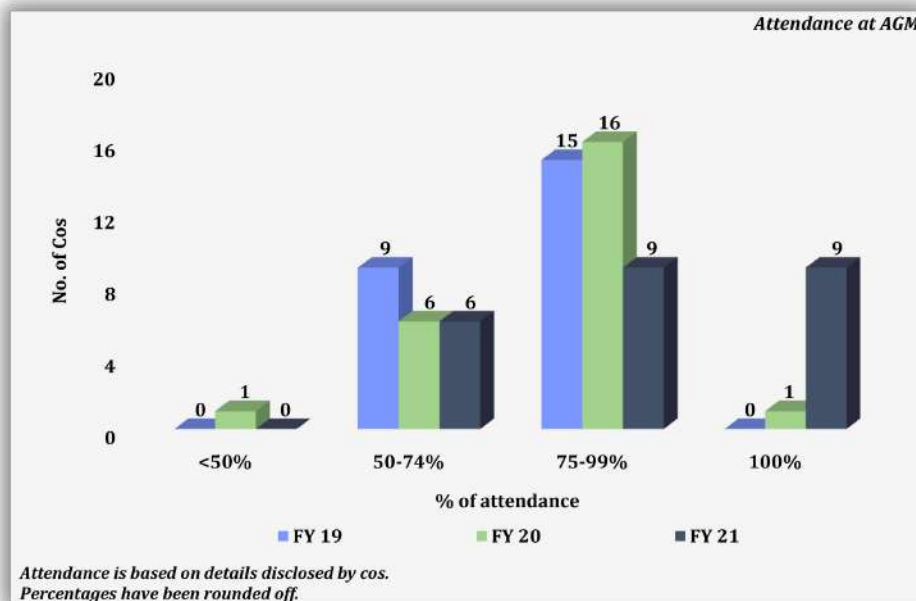
DURATION BETWEEN FINALISATION OF ACCOUNTS AND DATE OF AGM



- Maximum duration between account finalisation and AGM
 - in FY 19 was 85 days
 - in FY 20 was 110 days
 - in FY 21 was 136 days
- Minimum duration between account finalisation and AGM
 - in FY 19 was 4 days
 - in FY 20 was 7 days
 - in FY 21 was 2 days
 - One company is common to FY 19 and FY 21.

ATTENDANCE AT AGMs

While the law provides for the attendance of the Chairs of the AC, the NRC and the SRC at the AGMs, there is no similar provisions for the Chairs of other committees or for Directors who are not Chairs of any committee. Since the AGM is the one opportunity that a large number of shareholders get to interact with Directors, it is necessary that all Directors participate in AGMs. Not to do so would be to show scant regard to the shareholders and the company. In the interest of promoting good Corporate Governance, law and regulations should mandate that all the Directors should attend AGMs and EGMs, unless there is a valid reason for their absence.

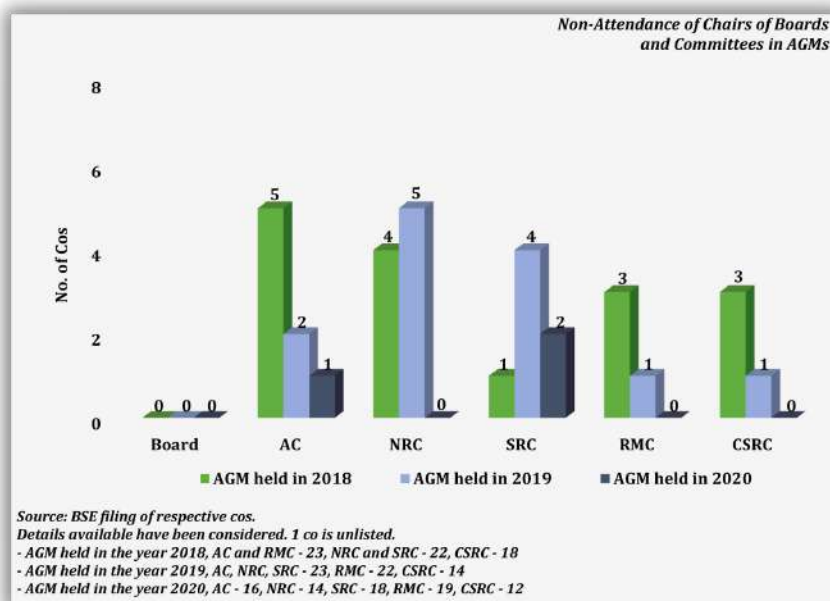


ATTENDANCE OF CHAIRS OF BOARDS AND COMMITTEES AT AGMs

- As per Section 178(7) of the Companies Act, 2013, the chairperson of each of the committees constituted under this section (NRC and SRC) or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.
- As per Regulation 18(1)(d) of SEBI LODR Regulations, 2015, the chairperson of the audit committee shall be present at annual general meeting to answer shareholder queries.
- As per Regulation 19(3) of SEBI LODR Regulations, 2015, the chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries (wef April 1, 2019).
- As per Regulation 20(3) of SEBI LODR Regulations, 2015, the chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders (wef April 1, 2019).

The presumption that the Chair of the Board is invariably present at the AGM has been belied in a few cases. The absence of the Chair of the Board, at the AGM, is indicative of both a lack of seriousness, as well as a lack of respect to the shareholders.

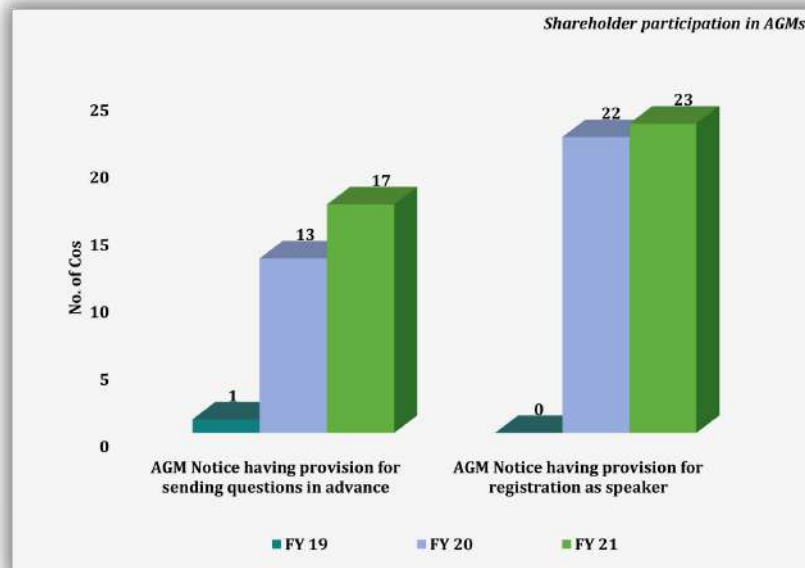
Further, while law and regulations prescribe that the Chairs of the AC and SRC should be present at the AGMs, they seem to be less prescriptive in the case of the Chair of NRC by providing that the Chair of NRC may be present at the AGM. There is no similar provision in law or in regulation regarding the Chair of CSRC or the Chair of RMC. Having regard to the importance of the AGM, and the fact that it enables Directors to hear directly from shareholders, and respond wherever necessary, it would be of great value if the Chairs of all Board committees attend the AGM every year.



- Highest attendance
 - in FY 19 was 94% in 1 company.
 - in FY 20 was 100% in 1 company.
 - in FY 21 was 100% in 9 companies.
- Lowest attendance
 - in FY 19 was 50% in 2 companies.
 - in FY 20 was 40% in 1 company.
 - in FY 21 was 62% in 1 company.

COMPANIES INVITING SHAREHOLDER QUESTIONS IN ADVANCE

Given that all AGMs were conducted virtually last year, and that there were time constraints and technological constraints, in some cases, to take questions from shareholders and to respond thereto, some companies resorted to the practice of inviting questions in advance of the meeting. This is a useful practice since more questions can be taken up, and the responses can be more detailed, and accurate.



- With AGMs going virtual in FY20 and FY21, a number of companies adopted the practice of inviting questions from shareholders in advance of the AGM.
- In FY 19, one company followed the good practice of inviting questions in advance from shareholders.

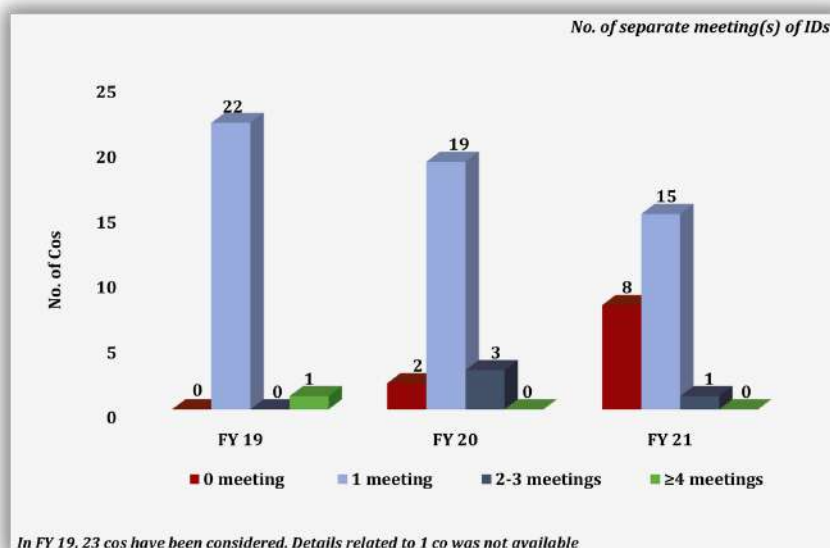
SEPARATE MEETING OF IDs

- As per Schedule IV of the Companies Act, 2013, the independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management.
- MCA vide circular dated March 24, 2020, stated that as per Para VII (1) of Schedule IV to the CA-13, Independent Directors (IDs) are required to hold at least one meeting without the attendance of Non independent directors and members of management. For the financial year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same shall not be viewed as a violation. The IDs, however, may share their views amongst themselves through telephone or e-mail or any other mode of communication, if they deem it to be necessary.

The prescription that the separate meeting of IDs should be held at least once in a FY, has led to some companies having only one such meeting conducted each year. This meeting of IDs is a forum for exchange of ideas, and for articulating shared concerns and suggestions that can be projected to management. Since it has been provided in Schedule IV in the portion relating to Board evaluation, the inference seems to be that the meeting should address only the subject of evaluation, and nothing else. Such an approach would be a gross under-utilisation of a very valuable forum.

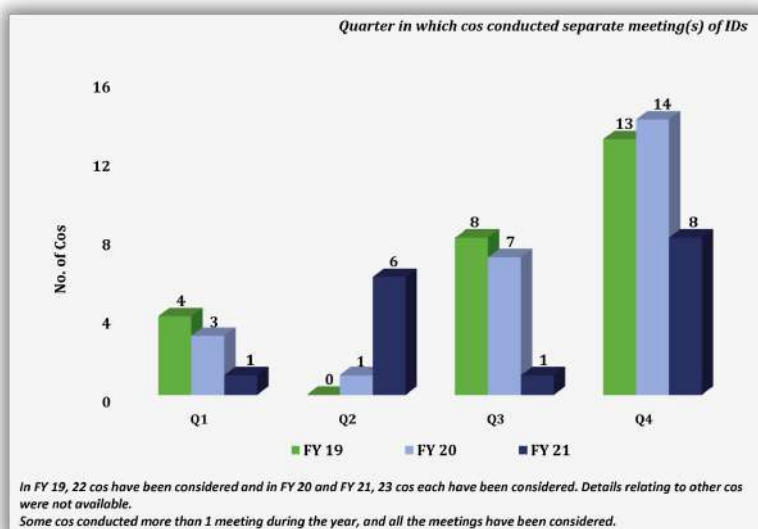
Some companies, which had IDs for some part of the year, but no IDs as on March 31 have cited lack of IDs as a reason for not conducting such meetings. These meetings could have been conducted while the IDs were on the Board.

NUMBER OF MEETINGS

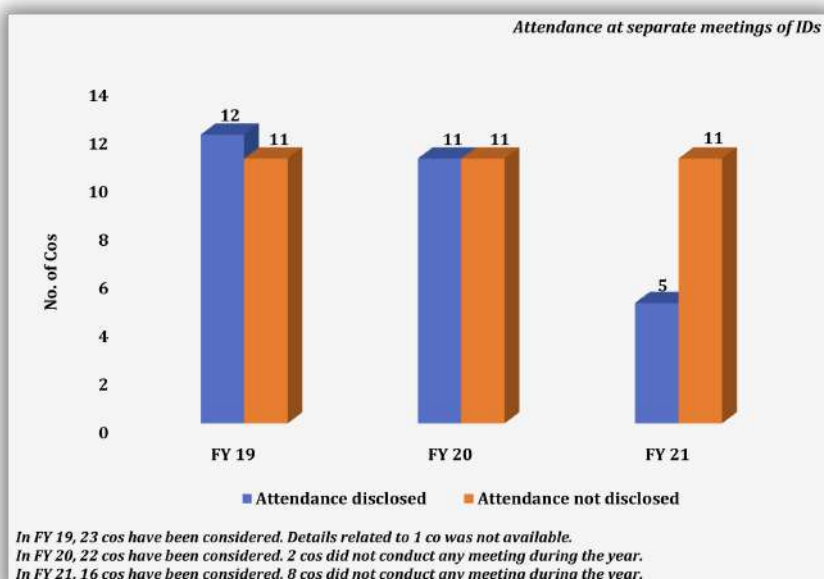


- In 3 FYs, 13 companies conducted only 1 meeting each during the respective FY.
- In FY 20, 2 companies conducted 0 meetings during the FY. The reasons given for this by them were inadequate IDs on Board and Covid-19.
- In FY 21, 8 companies conducted 0 meetings during the FY. The reason given by all of them was inadequate IDs on Board.
- Majority of the companies conducted this meeting in Q4.

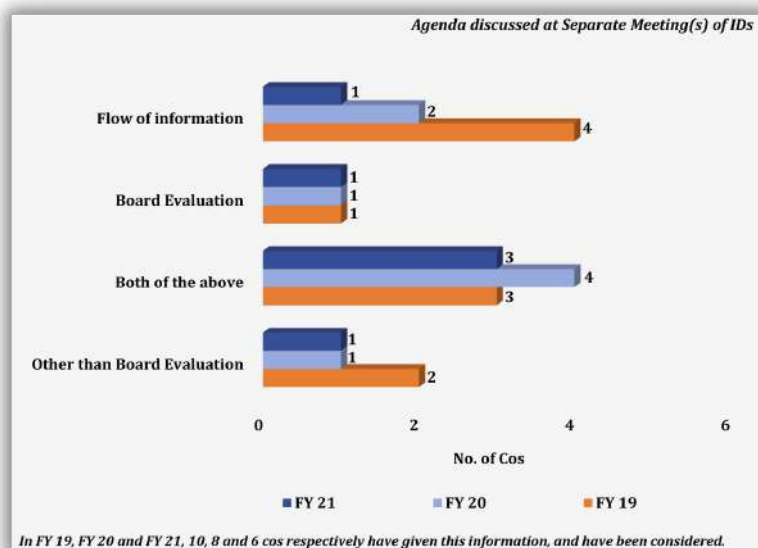
QUARTER IN WHICH COMPANIES CONDUCTED SEPARATE MEETING(s) of ID(s)



ATTENDANCE AT SEPARATE MEETING OF IDs



AGENDAS AS DISCUSSED AT SEPARATE MEETING OF IDs



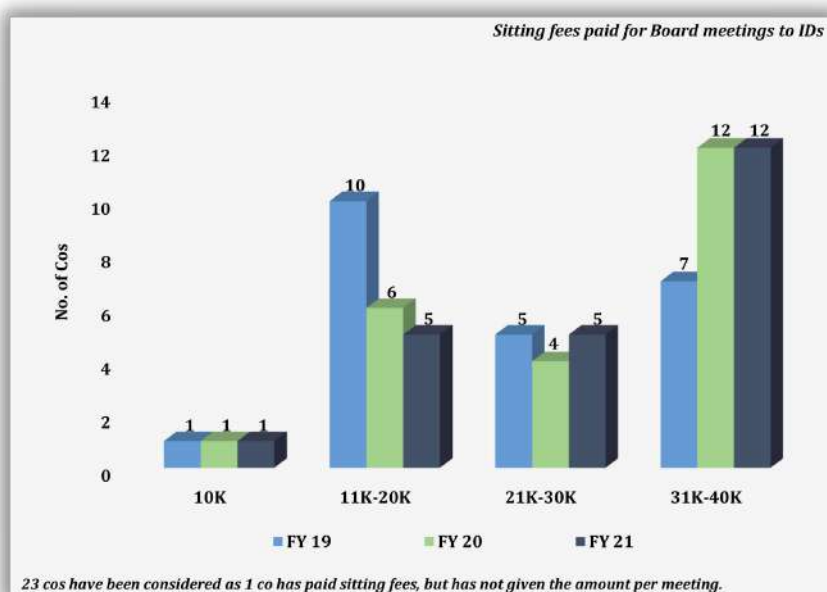
COMPENSATION TO DIRECTORS

SITTING FEES PAID FOR BOARD MEETINGS TO ID(s)

- As per Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a company may pay a sitting fee to a director for attending meetings of the Board or committees thereof, such sum as may be decided by the Board of directors thereof which shall not exceed one lakh rupees per meeting of the Board or committee thereof:

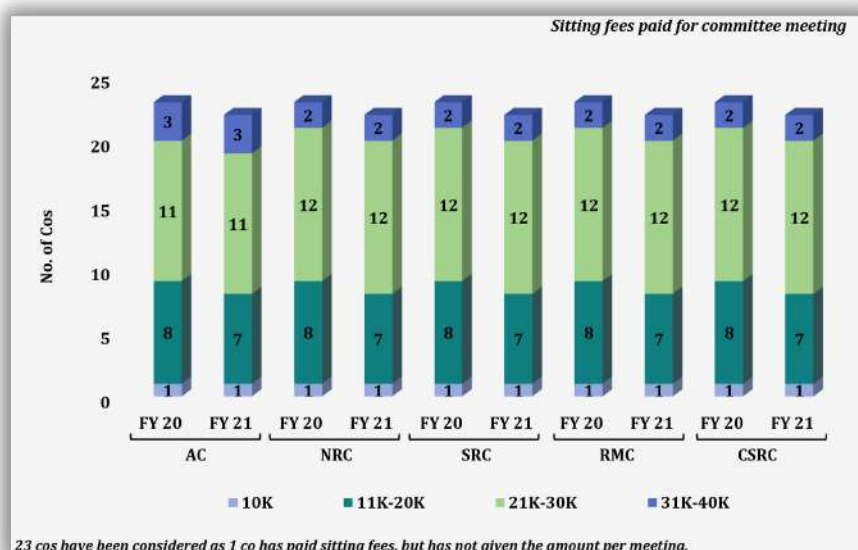
Provided that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

If Directors are expected to commit quality time, and to contribute to improving corporate performance, it is necessary to compensate them appropriately for attending meetings. The expectation is that Directors of all categories will be paid the same amount of sitting fees per meeting. In this context, the proviso (mentioned above), especially the reference to “women directors” is interesting, to say the least.



- In 3 FYs, Nominee Directors and EDs have not been paid sitting fees.
- In 3 FYs, 4 companies have paid sitting fees for separate meeting of IDs. 2 of these companies pay the same sitting fees as for Board meetings.

SITTING FEES PAID FOR COMMITTEE MEETINGS



PROFIT LINKED COMMISSION

- *The second proviso of Section 197(1) of the Companies Act, 2013 provides as under:
Provided further that, except with the approval of the company in general meeting by a special resolution, —
(ii) the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed—
(j) (A) one per Cent. of the net profits of the company, if there is a managing or whole-time director or manager.*
- *As per Section 178(4) of the Companies Act, 2013, the Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—
(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:*

Recognising that Directors ought to be suitably compensated for their contribution towards the performance and the profits of the company, law has envisaged the payment of PLC to different categories of Directors. While the statutory ceiling for the amount of PLC to be paid to NEDs is 1% of the net profits of the company, the actual amounts paid, especially to IDs in some cases, falls woefully short of this prescribed limit. With stock options no longer available to IDs, companies need to revisit the amount of PLC paid so that Directors of acceptable quality are enthused to join Boards, and to stay on.

The payment of PLC, as distinguished from sitting fees, should be based on the contribution of each Director to the Board, as per parameters defined by the company, and not entirely on the basis of attendance.

Since IDs are not entitled to stock options, they can be compensated only through sitting fees and profit linked commission. Sitting fees are subject to a statutorily mandated ceiling of Rs 1 lakh per meeting. Good IDs, who commit valuable time to the company, need to be appropriately compensated, in the interest of the company. Deciding on a number as the total amount of commission to be paid, and using only a part of that amount for compensating IDs, is an unacceptable proposition. From the amounts derived as a percentage of profit, a significant amount should be set apart for compensating IDs, so that their involvement in the affairs of the company can be ensured.

- No company has paid PLC

EXECUTIVE COMPENSATION

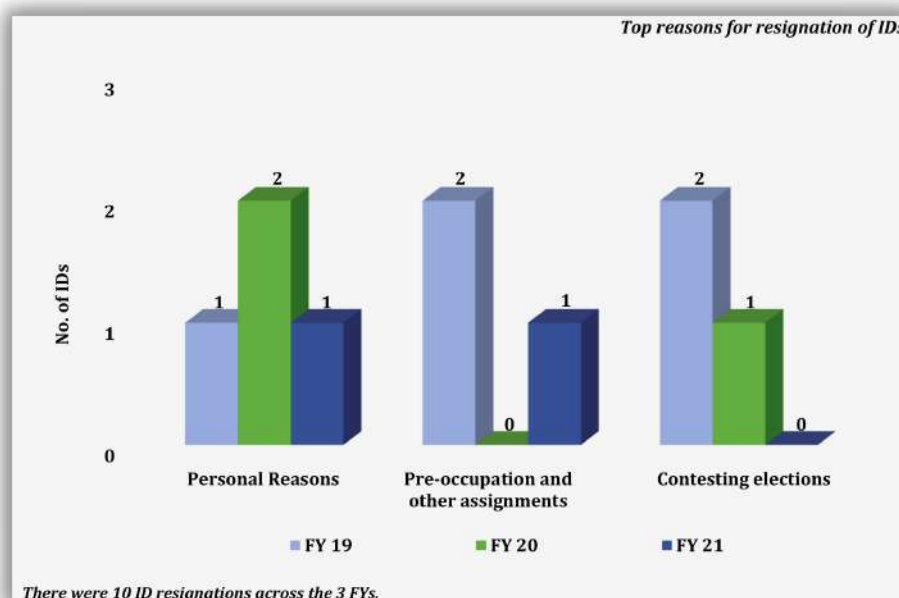
- In FY 19 and FY 20, 12 companies each, and in FY 21, 13 companies paid variable compensation to their EDs, in addition to a fixed compensation.

REASONS MENTIONED FOR RESIGNATION OF IDs

As per Schedule V of SEBI LODR Regulations, 2015, the following disclosures shall be made in the section on the corporate governance of the annual report -

(j) detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided (wef April 1, 2019).

When an ID steps off a Board during his/her term, it is necessary for all stakeholders to understand the real reasons why the ID is leaving the Board. If dissatisfaction with the manner in which the company is being run is a major reason for resignation, stakeholders could raise issues and draw appropriate conclusions. “Personal reasons” and “pre-occupation with other assignments” often do not reveal the real reason for resignation.



- In 3 FYs, all IDs who resigned, have provided reasons for the same.

SUCCESSION PLANNING

- *As per Regulation 17(4) of SEBI LODR Regulation 2015, the Board of Directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management.*

Succession planning is one of the major functions of the NRC and/or Board, and the action taken or being taken is required to be indicated in the Annual report. In the absence of a robust succession planning process, the sudden departure of a Board member or a KMP/ SMP could be disruptive.

- In FY 19, FY 20 and FY 21, 6,7 and 8 companies respectively have mentioned succession planning.
- None of the companies referred to succession planning at the Board level, since these appointments are made by the Government.

UNSPENT AMOUNT OF CSR AND REASONS THEREOF

- As per Section 135 (5) of the Companies Act, 2013, the Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years [or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years,] (wef January 22, 2021) in pursuance of its Corporate Social Responsibility Policy:
Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount [and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.] (wef January 22, 2021)
Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed. (wef January 22, 2021)*
- As per Section 135 (6) of the Companies Act, 2013, any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year (wef January 22, 2021).*

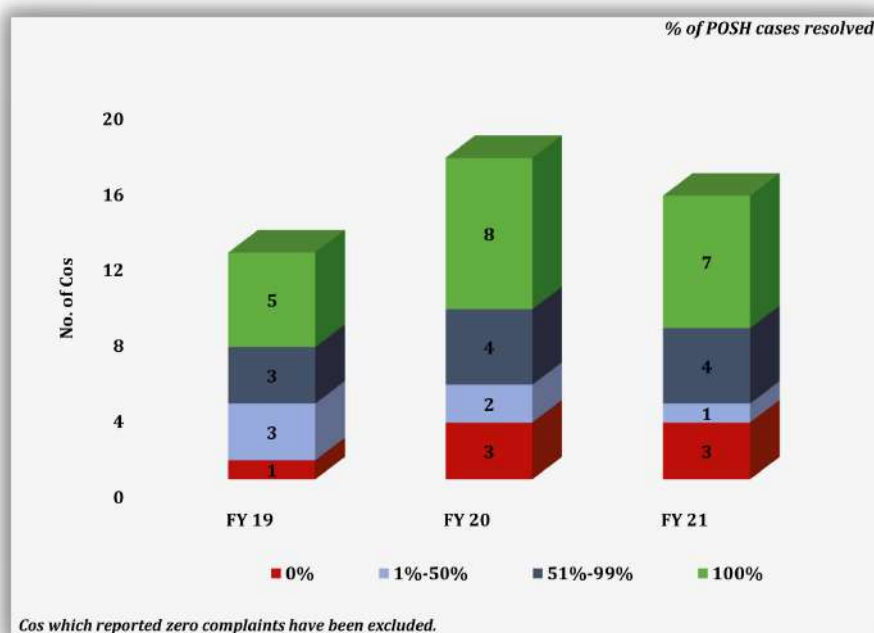
Spending less than the statutory minimum is indicative of inadequate attention being given to society as a stakeholder. Blaming the shortfall in expenditure on implementing agencies or the lack of projects seems to be an excuse, rather an explanation.

- In FY 19, FY 20 and FY 21, 8, 7 and 6 profit making companies respectively have unspent CSR amounts. 4 companies are across 3 FYs.
- All the companies have given reasons for unspent CSR amounts. The top reasons are that the projects are ongoing, delay in identification/ approval of projects, and Covid-19.

DISCLOSURE RELATING TO POSH

- As per Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the employer shall include in its report the number of cases filed, if any, and their disposal under this Act in the annual report of his organization or where no such report is required to be prepared, intimate such number of cases, if any, to the District Officer.
- As per Schedule V (C) (10) (I) of the SEBI LODR Regulations, 2015, a listed Company shall make a disclosure in the section on the corporate governance of the annual report in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year
 - b. number of complaints disposed of during the financial year
 - c. number of complaints pending as on end of the financial year

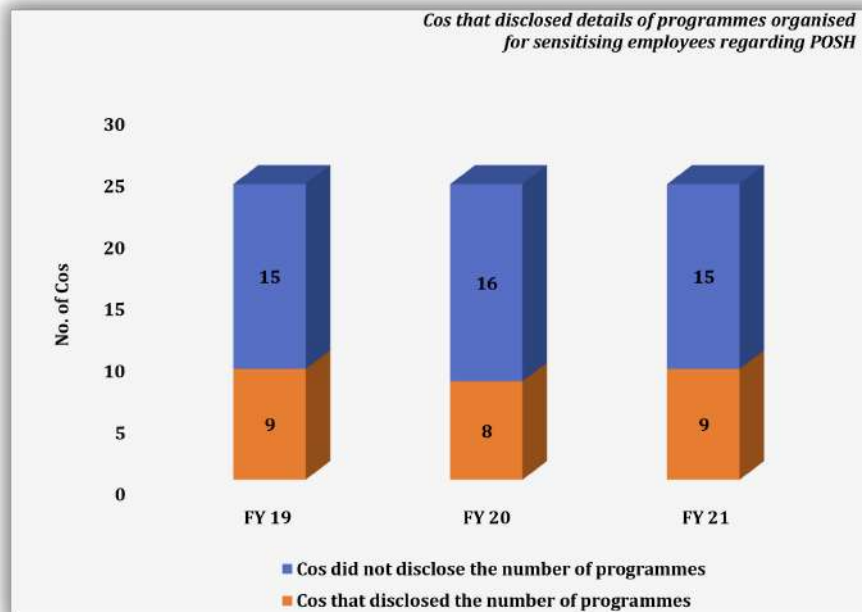
The Prevention of Sexual Harassment (POSH) of women in the workplace is one of the most important responsibilities of management. Towards this end, cases of this nature are expected to be examined and disposed of, fixing responsibility in instances where the allegation is established. The 2 major weaknesses seem to be the mechanical manner in which cases are “disposed of” and the inadequate punishment that often does not serve as a deterrent or help to create the right working environment.



- In FY 19, FY 20 and FY 21, 11, 7 and 9 companies respectively reported receiving 0 complaints. Out of these, 6 companies were common in all the 3 FYs.
 - In FY 19, of 11 companies, 9 companies did not have any sensitisation programme.
 - In FY 20, of 7 companies, 5 companies did not have any sensitisation programme.
 - In FY 21, of 9 companies, 7 companies did not have any sensitisation programme.
- In 3 FYs, maximum cases reported were 7 each. In FY 19 and FY 21, this was in the same company.

WORKSHOPS FOR POSH

All companies have set up Internal Complaints Committees to deal with POSH cases, and also to report the number of cases dealt with. However, there is major lack of awareness in the workforce regarding what constitutes an offence under POSH, and why an inappropriate behaviour pattern has no place in the working environment. To address this, more workshops that educate as well as inform should be conducted by the corporates. Separately, the association of male champions for this cause should be encouraged.



- In FY 19, FY 20 and FY 21, 9, 8 and 9 companies respectively conducted workshops on POSH.
- The highest number of programmes conducted by a company were 62, 45 and 35 in FY 19, FY 20 and FY 21 respectively.
- In all 3 FYs, 13 companies did not conduct any workshops / awareness programmes on POSH.

STATUTORY AUDITOR

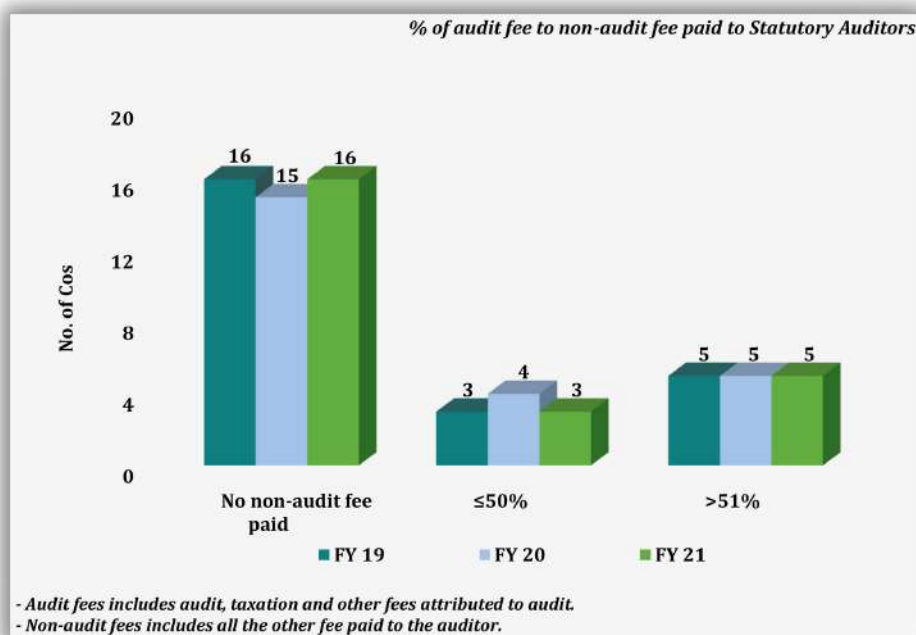
SINGLE OR JOINT

Joint audit, which has been in vogue for public sector financial institutions, and has been recently prescribed by RBI for NBFCs, ensures continuity with change. Having the same set of auditors, over a long period, will lead to their becoming less probing over the course of time, and the creation of an attitude of acceptance. Joint audit, with tenures that are marginally overlapping, will ensure a fresh perspective, while retaining the benefit of existing domain familiarity. Joint audit should be seen as an extension of the principle of rotation of auditors.

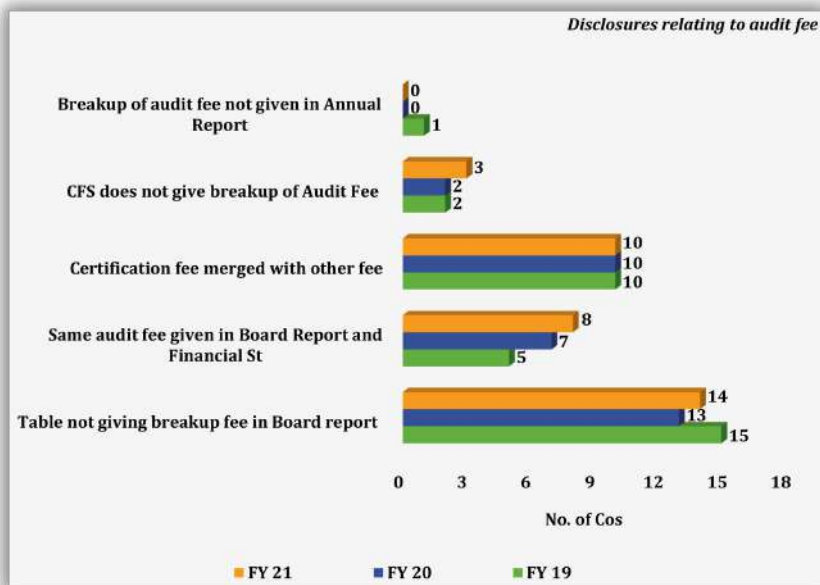
- In 3 FYs, 16 companies had joint auditors.

AUDIT FEE BREAKUP

Independence is one of the most important expectations from Statutory auditors. To ensure this, there has been increasing focus on reducing, if not eliminating, non-audit functions being performed by Statutory auditors. Information regarding non-audit services provided by Statutory auditors, and the amount paid to them for such services, is difficult to access given the wide variations in the manner in which these matters are reported in the Annual reports.

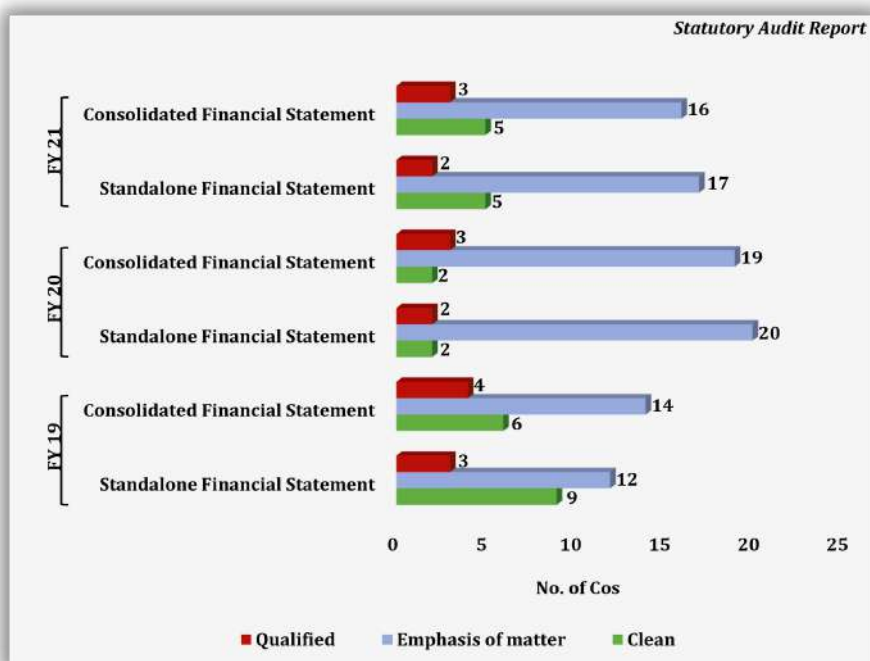


- In 3 FYs, 3 companies have paid more than 50% of audit fee as non-audit fee.
- Highest ratio of non-audit fee to audit fee in FY 19 was 110%, in FY 20 was 152% and in FY 21 was 85%. The company in FY 19 and FY 21 was common.



- Audit fee finds mention in 3 places in the Annual Report – Board report, SFS and CFS. Ideally, the fee given under the Board report and the CFS should be identical. Also, the fee paid to the Auditor under various heads (audit, taxation, certification, consultancy etc) should be given clearly and separately.

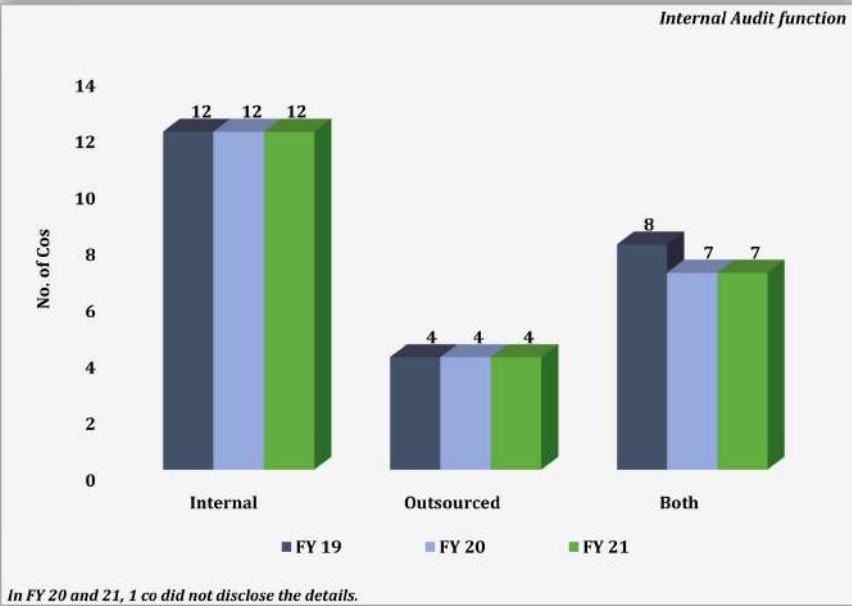
STATUTORY AUDIT REPORT



- In 3 FYs, 3 companies continued to have qualified audit reports.

INTERNAL AUDITOR

The function of IA is, in some companies, discharged by an internal team, and in some other companies, is outsourced to an external auditor. A few companies have a combination of an internal team and an external auditor dealing with different business segments or functions. No matter whether the agency is internal or external, it is for the AC to extract value from the function of IA, and to ensure that through direct reporting to the AC, there is no pressure, real or imaginary, exerted, on the IA function.



SECRETARIAL AUDIT

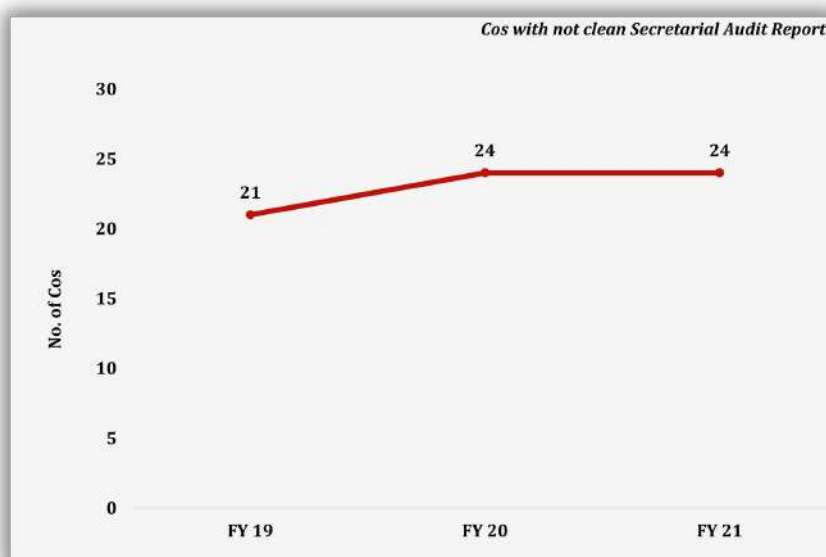
Secretarial audit is one of the mandatory instruments for ensuring compliance. As in the case of all auditor-auditee relationships, rotation of the audit firm and/or signing partner is essential to rule out the possibility of familiarity, leading to ignoring or underplaying cases of non-compliance.

- In the last 6 FYs, 16 companies have changed their secretarial audit firm.
- Of these,
 - 6 companies changed the firm once.
 - 4 companies changed the firm twice.
 - 5 companies changed the firm thrice
 - 1 company changed the firm four times.

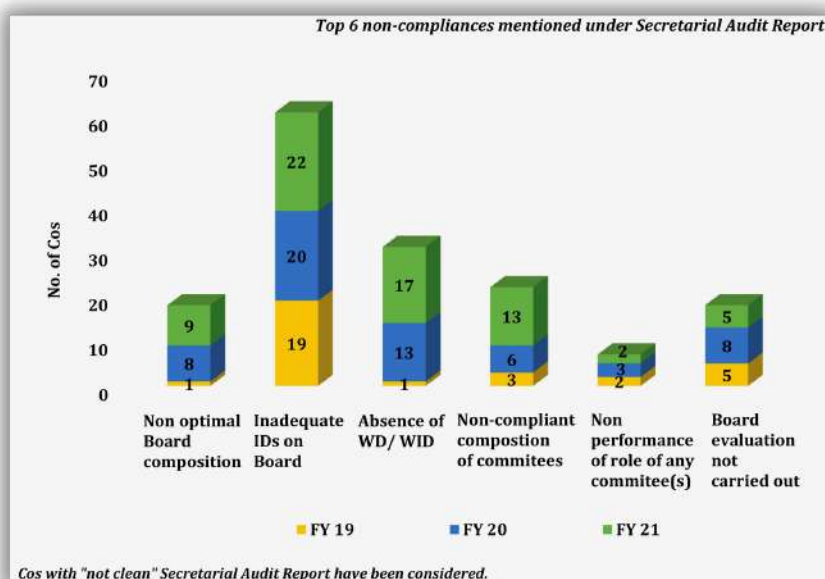
SECRETARIAL AUDIT REPORT

- *As per Section 204(1) of Companies Act, 2013, every listed company and a company belonging to other class of companies as may be prescribed shall annex with its Board's report made in terms of sub-section (3) of section 134, a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed.*

Secretarial audit is one of the mandatory instruments for ensuring compliance. As in the case of all auditor-auditee relationships, rotation of the audit firm and/or signing partner is essential to rule out the possibility of familiarity, leading to ignoring or underplaying cases of non-compliance.



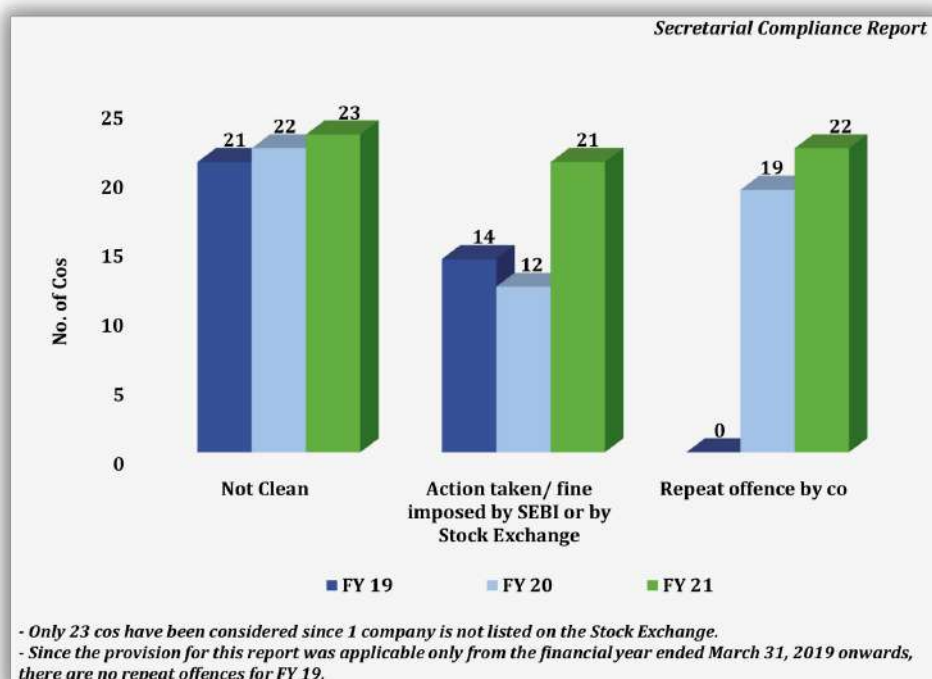
TOP 6 NON-COMPLIANCES UNDER SECRETARIAL AUDIT REPORT



SECRETARIAL COMPLIANCE REPORT

As per SEBI Circular dated February 8, 2019, every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year (wef March 31, 2019)

Secretarial compliance report which is a more recent phenomenon, provides an excellent snapshot of the history and the status of compliance, and points to matters that are pending for management's action.



WEBSITE DISCLOSURES

Website disclosures as per the Companies Act, 2013 and SEBI LODR Regulations, 2015 are

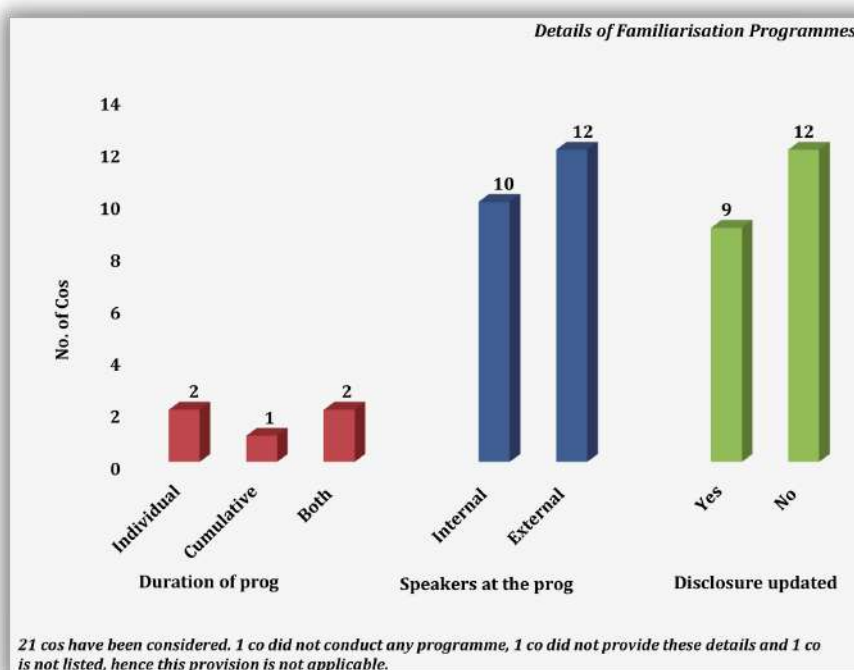
1. *Archival policy*
2. *Details of company's business*
3. *Terms and conditions of appointment of Independent Directors*
4. *Composition of various committees of Board of Directors*
5. *Code of Conduct for Directors and Senior Management personnel*
6. *Details of Vigil Mechanism/ Whistle blower policy*
7. *Criteria of making payments to Non-Executive Directors*
8. *Policy on dealing with related party transactions*
9. *Policy for determining with 'material' subsidiaries*
10. *Details of familiarization programme imparted to Independent Directors*
 - (i) *number of programmes attended by independent directors (during the year and on a cumulative basis till date),*
 - (ii) *number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date),*
 - (iii) *other relevant details*
11. *Email address for grievance redressal and other relevant detail*
12. *Contact information of the designated officials who are responsible for assisting and handling investor grievances*
13. *Financial information including:*
 - (i) *notice of meeting of the board of directors where financial results shall be discussed;*
 - (ii) *financial results, on conclusion of the meeting of the board of directors where the financial results were approved;*
 - (iii) *complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc*
14. *Shareholding pattern*
15. *details of agreements entered into with the media companies and/or their associates, etc*
16. *Schedule of analyst or institutional investor meeting and presentations made to the analysts or institutional investors*
17. *new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change*
18. *Advertisements in Newspapers - items specified in Regulation 47(1)*
19. *all credit ratings obtained by the entity for all its outstanding instruments, updated immediately as and when there is any revision in any of the ratings*
20. *separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year*
21. *secretarial compliance report as per sub-regulation (2) of regulation 24A of these regulations*
22. *disclosure of the policy for determination of materiality of events or information required under clause (ii), sub-regulation(4) of regulation 30 of these regulations;*
23. *disclosure of contact details of key managerial personnel who are authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) as required under sub-regulation (5) of regulation 30 of these regulations;*
24. *disclosures under sub-regulation (8) of regulation 30 of these regulations;*
25. *statements of deviation(s) or variation(s) as specified in regulation 32 of these regulations;*
26. *dividend distribution policy by listed entities based on market capitalization as specified in sub-regulation (1) of regulation 43A;*
27. *annual return as provided under section 92 of the Companies Act, 2013 and the rules made thereunder.*
28. *Standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis.*

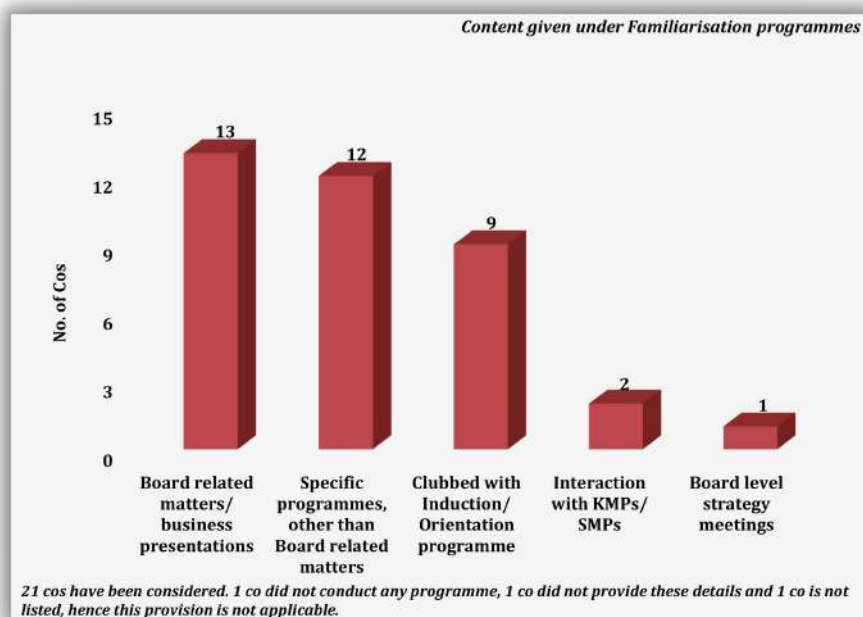
- 4 companies have all requisite disclosures as per law and regulations.
- Top 3 disclosures that are not available on the websites of most companies are
 - Policy on criteria for making payment to NED
 - Contact details of KMPs responsible for making disclosures to the stock exchanges
 - Archival Policy

FAMILIARISATION PROGRAMME

- *As per Regulation 46(2) of SEBI LODR Regulations, 2015, listed entity shall disseminate the following information under a separate section on its website:*
 - (i) details of familiarization programmes imparted to independent directors including the following details: -*
 - (i) number of programmes attended by independent directors (during the year and on a cumulative basis till date),*
 - (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and*
 - (iii) other relevant details*
- *As per Guideline 3.7 of DPE Guidelines, 2010, the company concerned shall undertake training programme for its new Board members (Functional, Government, Nominee and Independent) in the business model of the company including risk profile of the business of company, responsibility of respective Directors and the manner in which such responsibilities are to be discharged. They shall also be imparted training on Corporate Governance, model code of business ethics and conduct applicable for the respective Directors.*

Familiarisation programmes are very important to ensure that Directors are updated in regard to both domain knowledge as well the environment in which the company operates. Therefore, far more attention needs to be given to this matter by the top management. It will be helpful if the Regulator clearly indicates the kind of programmes or interactions which will not qualify as familiarisation programmes. This is necessary because many companies pass off Board agenda items and presentations as familiarisation programmes.



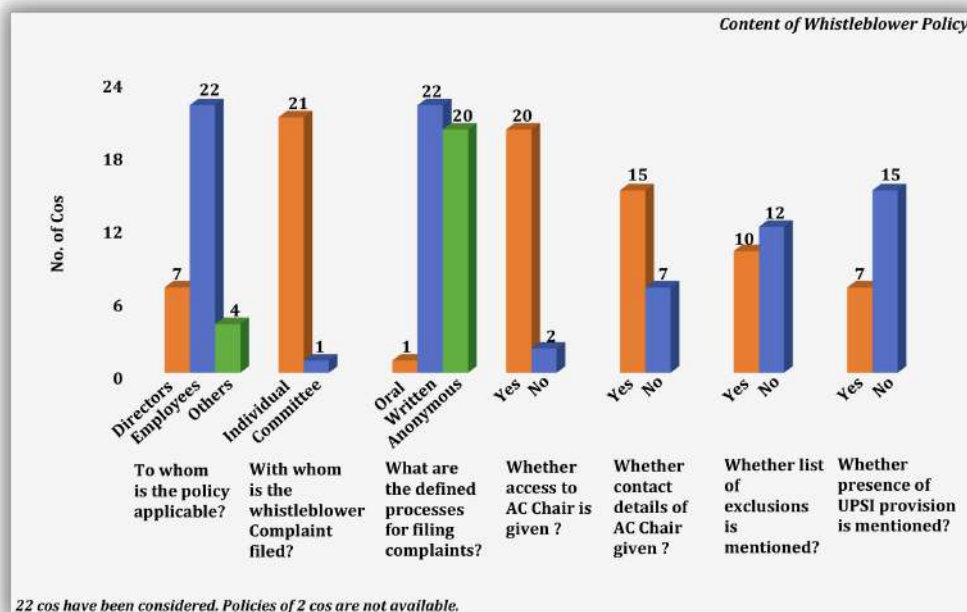


- 5 companies have concurrently updated the details relating to FY22.

VIGIL/ WHISTLEBLOWER MECHANISM

- *As per Section 177(10) of Companies Act, 2013, the vigil mechanism under sub-section (9) shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases:
Provided that the details of establishment of such mechanism shall be disclosed by the company on its website, if any, and in the Board's report.*
- *As per Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014,*
 - (1) *Every listed company and the companies belonging to the following class or classes shall establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances-*
 - (a) *the Companies which accept deposits from the public;*
 - (b) *the Companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees.*
 - (2) *The companies which are required to constitute an audit committee shall oversee the vigil mechanism through the committee and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.*
 - ...
 - (4) *The vigil mechanism shall provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee or the director nominated to play the role of Audit Committee, as the case may be, in exceptional cases.*
- *As per Regulation 22(2) of SEBI LODR Regulations, 2015, the vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.*

The Whistleblower Mechanism, also known as the Vigil Mechanism, is a facility available to persons to bring matters to the attention of senior/ top management, without revealing their identity. Having such a mechanism is not enough. How much is revealed in the annual reports by way of the manner of resolution of complaints, the punishment meted out, the constitution and functioning of the internal committees, and the campaign undertaken to sensitise the workforce, will set apart companies which take this exercise seriously, from those that are going through the motions, with regard to such complaints.



WHISTLEBLOWER POLICY

- Of the 15 companies that have given contact details of Chair of AC, 1 has given the personal email id of the Chair, and the others have given address.

WHISTLEBLOWER COMPLAINTS

- In all 3 FYs, only 2 companies have separately mentioned the number of whistleblower complaints.
- Of these, 1 company reported to have received no complaints in all 3 FYs, and the other company reported no complaints in 2 FYs (1 in FY 20).

BOARD EVALUATION

- *As per Regulation 17(10) of SEBI LODR Regulations, 2015, the evaluation of independent directors shall be done by the entire board of directors which shall include -
(a) performance of the directors; and
(b) fulfillment of the independence criteria as specified in these regulations and their independence from the management:
Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.*
- *As per Regulation 25(4) of SEBI LODR Regulations, 2015, the independent directors in the meeting referred in sub-regulation (3) shall, inter alia-
(a) review the performance of non-independent directors and the board of directors as a whole;
(b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.*

Though PSUs are exempted from the provision of Schedule IV of the Companies Act, 2013, there is a requirement under SEBI LODR Regulations, 2015 for them to undertake annual Board evaluation.

- 1 Navratna which is not listed is exempt from carrying out Board evaluation.
- Non-compliance - 20 companies have stated that they are exempt from this (as per exemption given by MCA). However, as per SEBI (LODR) Regulations, the companies have to conduct it, making them non-compliant.
- In 3 FYs, same 3 companies have carried out Board evaluation.
 - 1 company has conducted evaluation for all 4 categories.
 - 1 company has conducted evaluation for 3 categories (except Chair).
 - 1 company has conducted evaluation only for IDs.

DISCRETIONARY REQUIREMENTS UNDER SEBI LODR REGULATIONS, 2015

- As per Regulation 27(1) of SEBI LODR Regulations, 2015, the listed entity may, at its discretion, comply with requirements as specified in Part E of Schedule II.

- As per Schedule II - Part E,

A. The Board

A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.

B. Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.

C. Modified opinion(s) in audit report

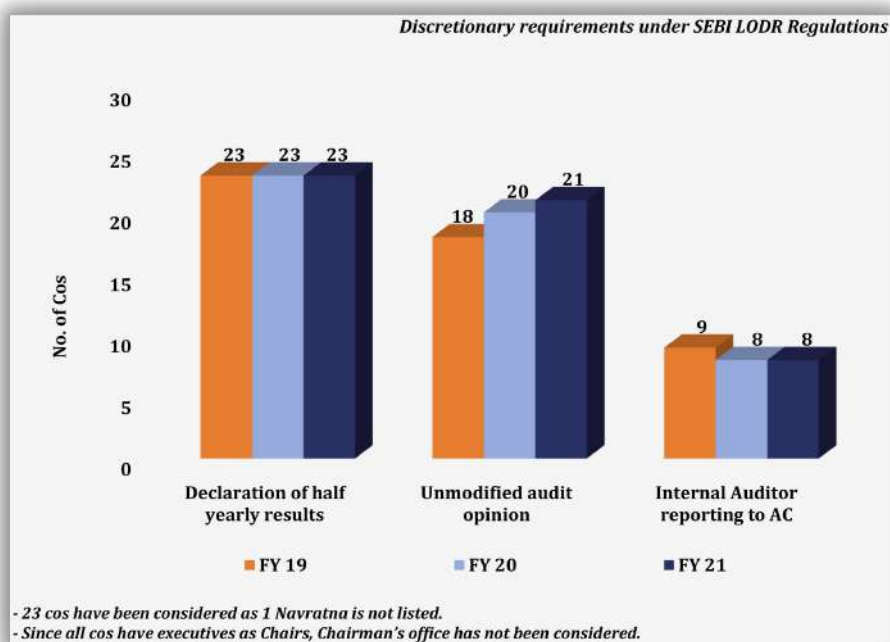
The listed entity may move towards a regime of financial statements with unmodified audit opinion.

D. Deleted

E. Reporting of internal auditor

The internal auditor may report directly to the audit committee.

SEBI LODR Regulations, 2015 indicate the matters which companies may, at their discretion, disclose in the Corporate Governance report. Even though these are discretionary matters, a number of companies have disclosed some of these items in the annual report.



- In FY 19, 1 company the IA reported to the AC. However it discontinued this practice in FY 20 and FY 21.

D&O LIABILITY INSURANCE POLICY

- *As per Schedule IV of the Companies Act, 2013,
(4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out :
(d) provision for Directors and Officers (D and O) insurance, if any.*
- *As per Regulation 25(10) of SEBI LODR Regulations, 2015, the top 500 listed entities by market capitalization calculated as on March 31 of the preceding financial year, shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by its board of directors.*

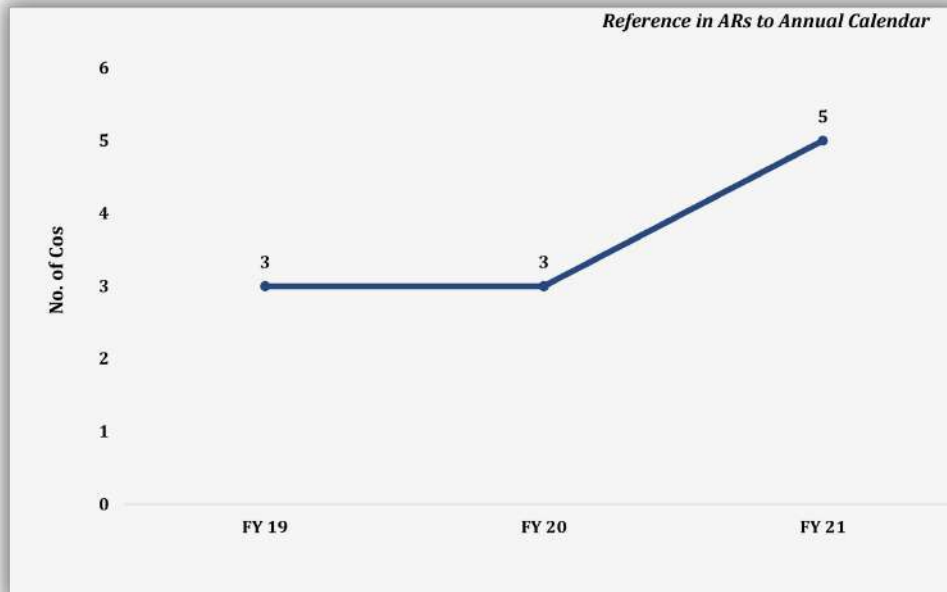
Given the increasing responsibilities and attendant liabilities that Directors and KMPs have, a D&O Liability Insurance policy is necessary to attract competent persons to Boards/ companies, and to retain them. It would be useful for Boards to study their insurance policies to keep themselves informed of the exclusions, so that any additional arrangement required to be made is addressed without loss of time.

- In FY 21, 4 companies, of the 23 listed companies, have mentioned having a D&O policy.

OTHER PROCESSES

ANNUAL CALENDAR

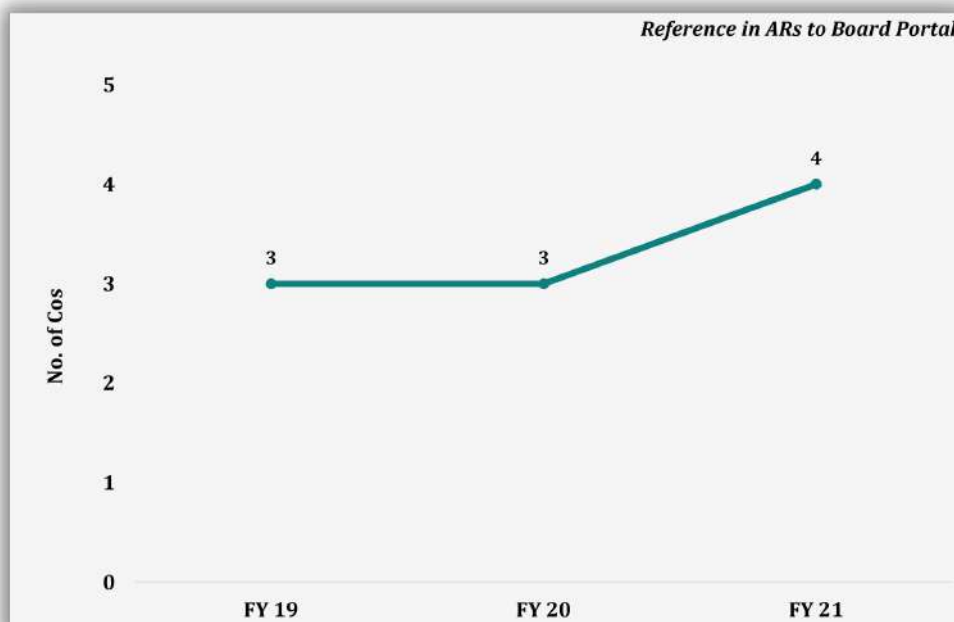
Directors on Boards are normally expected to be busy persons who might be unavailable for very short notice meetings. Hence, an annual calendar, prepared in advance, would be useful to ensure their attendance at meetings.



- 2 companies are common across all 3 FYs

BOARD PORTAL

In an environment which is seeking to be progressively paperless, the Board portal is an important requirement. It enables easier and timely transmission of agenda papers and the minutes, and is a useful archival tool to access information relating to earlier meetings.



- 3 companies are common across all 3 FYs

ACTION TAKEN REPORT

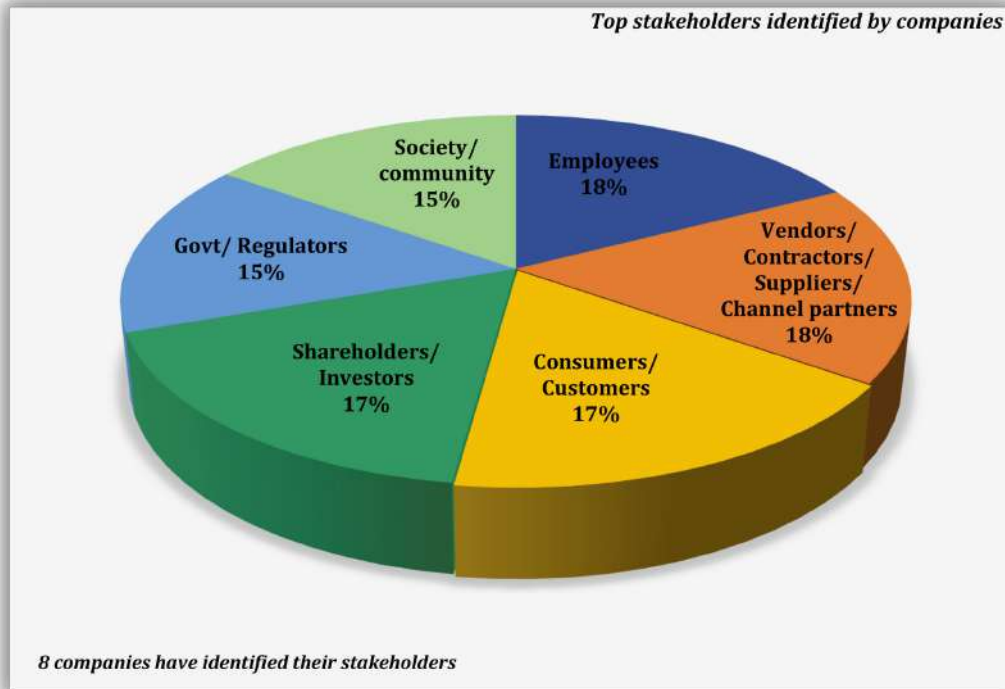
The ATR is the control document available to Directors to determine whether decisions taken by the Board have been, or are being, acted upon.

- 10 companies are common across all 3 FYs

SUSTAINABILITY/ ESG RELATED DISCLOSURES

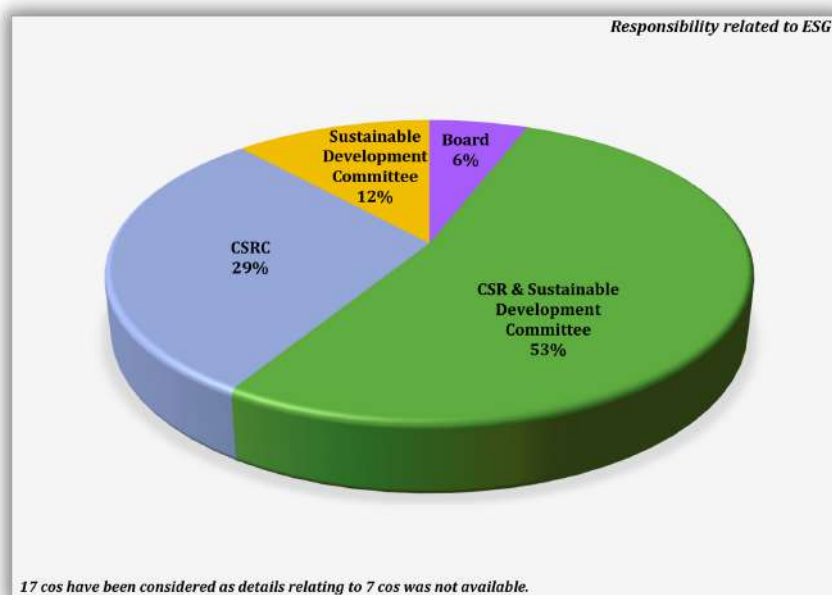
STAKEHOLDER ENGAGEMENT

With the focus having shifted from shareholders to stakeholders, it is necessary for corporates to identify all categories of stakeholders in order to engage with them adequately. Conducting the affairs of the company in a manner consistent with the interest of all stakeholders, is a basic requirement.

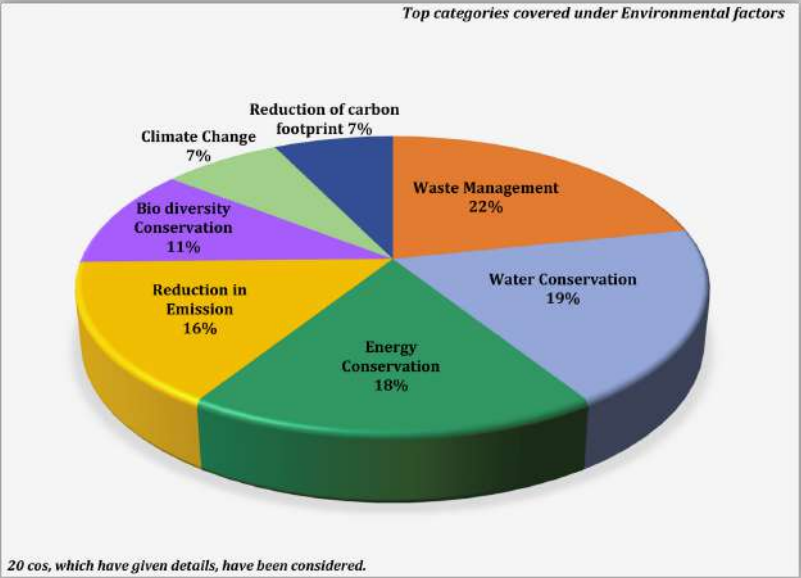


- Other stakeholders identified by companies include academic institutions, financial institutions, industry bodies, contractual workers and trade associations.

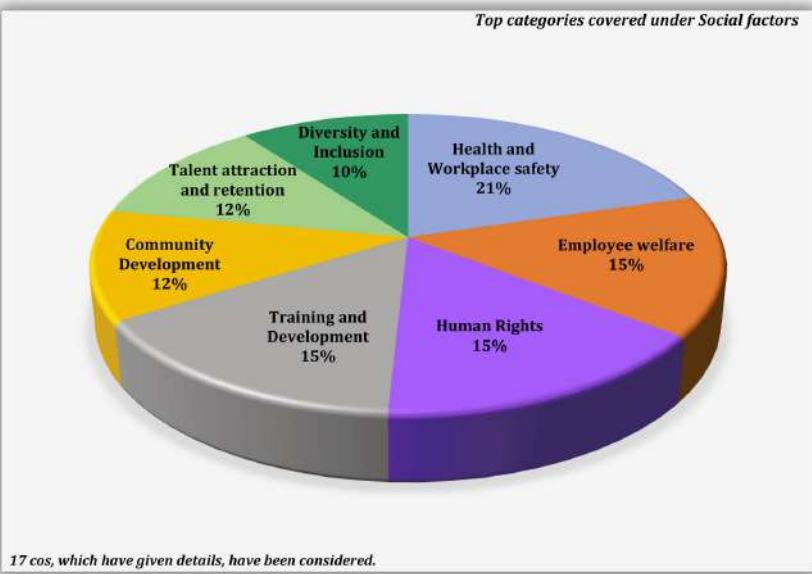
RESPONSIBILITY RELATED TO ESG



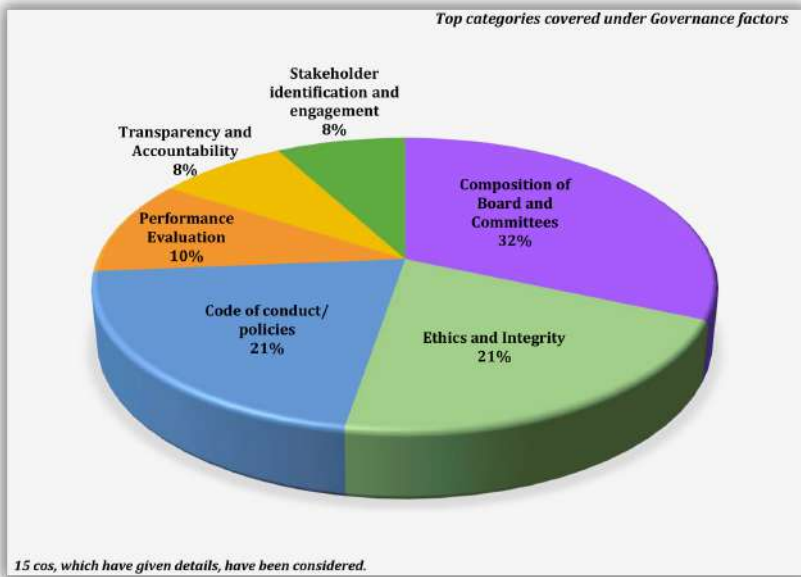
ENVIRONMENTAL FACTORS



SOCIAL FACTORS



GOVERNANCE FACTORS



ANNEXURE -I

List of Maharatna and Navratna companies as on July, 2021. These companies have been considered for the survey.

S. No.	Name of Maharatna companies
1	Bharat Heavy Electricals Limited
2	Bharat Petroleum Corporation Limited
3	Coal India Limited
4	GAIL (India) Limited
5	Hindustan Petroleum Corporation Limited
6	Indian Oil Corporation Limited
7	NTPC Limited
8	Oil & Natural Gas Corporation Limited
9	Power Grid Corporation of India Limited
10	Steel Authority of India Limited

S. No.	Name of Navratna companies
1	Bharat Electronics Limited
2	Container Corporation of India Limited
3	Engineers India Limited
4	Hindustan Aeronautics Limited
5	Mahanagar Telephone Nigam Limited
6	National Aluminium Company Limited
7	NBCC (India) Limited
8	NMDC Limited
9	NLC India Limited
10	Oil India Limited
11	Power Finance Corporation Limited
12	Rashtriya Ispat Nigam Limited
13	Rural Electrification Corporation Limited
14	Shipping Corporation of India Limited

ANNEXURE -II

Shareholding Pattern of Maharatna and Navratna companies as on March 31, 2019, March 31, 2020 and March 31, 2021 as per BSE filing.

S. No.	Name of the companies	Promoter			Institutional			Non-Institutional		
		Mar'19	Mar'20	Mar'21	Mar'19	Mar'20	Mar'21	Mar'19	Mar'20	Mar'21
1	Bharat Heavy Electricals Limited	0.6317	0.6317	0.6317	0.3022	0.2717	0.1696	0.0661	0.0966	0.1987
2	Bharat Petroleum Corporation Limited	0.5329	0.5298	0.5298	0.3182	0.3275	0.3659	0.1488	0.1427	0.0843
3	Coal India Limited	0.7096	0.6613	0.6613	0.2609	0.3027	0.2842	0.0295	0.0359	0.0545
4	GAIL (India) Limited	0.5264	0.5206	0.5182	0.4364	0.4292	0.4342	0.0372	0.0502	0.0476
5	Hindustan Petroleum Corporation Limited	0.5111	0.5111	0.535	0.3569	0.3938	0.3525	0.132	0.0951	0.1125
6	Indian Oil Corporation Limited	0.5218	0.515	0.515	0.2087	0.207	0.189	0.2695	0.278	0.296
7	NTPC Limited	0.5609	0.5102	0.511	0.4053	0.462	0.4601	0.0338	0.0278	0.0289
8	Hindustan Oil & Natural Gas Corporation Limited	0.6425	0.6041	0.6041	0.222	0.2549	0.2556	0.1355	0.141	0.1403
9	Power Grid Corporation of India Limited	0.5537	0.5134	0.5134	0.4009	0.4367	0.4216	0.0455	0.0499	0.065
10	Steel Authority of India Limited	0.75	0.75	0.65	0.1905	0.1755	0.2102	0.0595	0.0745	0.1399
11	Bharat Electronics Limited	0.5883	0.5114	0.5114	0.3037	0.4092	0.4179	0.108	0.0795	0.0707
12	Container Corporation of India Limited	0.548	0.548	0.548	0.4066	0.4055	0.405	0.0454	0.0465	0.047
13	Engineers India Limited	0.52	0.515	0.5132	0.3211	0.3311	0.2271	0.1589	0.154	0.2597
14	Hindustan Aeronautics Limited	0.8997	0.8997	0.7515	0.0869	0.0876	0.2122	0.0134	0.0126	0.0363
15	Mahanagar Telephone Nigam Limited	0.5689	0.5689	0.5689	0.2013	0.1511	0.1458	0.2299	0.2801	0.2854
16	National Aluminium Company Limited	0.52	0.515	0.5128	0.3165	0.255	0.1802	0.1635	0.23	0.307
17	NBCC (India) Limited	0.6818	0.6175	0.6175	0.173	0.1885	0.1361	0.1452	0.1939	0.2464
18	NMDC Limited	0.7228	0.6965	0.6829	0.2288	0.2609	0.254	0.0485	0.0427	0.0631
19	NLC India Limited	0.8191	0.792	0.792	0.1493	0.169	0.1412	0.0317	0.0391	0.0668
20	Oil India Limited	0.6161	0.5666	0.5666	0.2223	0.2582	0.2661	0.1615	0.1753	0.1673
21	Power Finance Corporation Limited	0.5905	0.5599	0.5599	0.3533	0.3932	0.3687	0.0563	0.0468	0.0714
22	Rashtriya Ispat Nigam Limited	Unlisted company								
23	Rural Electrification Corporation Limited	0.5263	0.5263	0.5263	0.3919	0.39	0.3903	0.0817	0.0836	0.0833
24	Shipping Corporation of India Limited	0.6375	0.6375	0.6375	0.1868	0.1731	0.1229	0.1757	0.1894	0.2396

ABOUT EXCELLENCE ENABLERS

We are a niche Corporate Governance advisory firm. We do not attempt to be all things to all persons. Improving Corporate Governance policies and practices is our *raison d'être*. Our mission is to demystify Corporate Governance and to persuade corporates that it is nothing more than doing the right things at the right time in the right manner for the right reasons.

We do not tick boxes. We help you think out of the box.



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